



## CITY COUNCIL CLOSED & REGULAR SESSION

550 E. 6th Street, Beaumont, CA

**Tuesday, February 18, 2020**

**Closed Session: 5:00 PM | Regular Meeting: 6:00 PM**

Beaumont Financing Authority  
Beaumont Successor Agency (formerly RDA)  
Beaumont Utility Authority  
Beaumont Parking Authority  
Beaumont Public Improvement Authority  
Community Facilities District 93-1

### AGENDA

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Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

Any person with a disability who requires accommodations in order to participate in this meeting should telephone the City Clerk's office at (951)769-8520, at least 48 hours prior to the meeting in order to make a request for a disability related modification or accommodation.

Any one person may address the City Council on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided in the back and give it to the City Clerk. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State law prohibits the City Council from discussing or taking actions brought up by your comments.

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### CLOSED SESSION - 5:00 PM

*A Closed Session of the City Council / Beaumont Financing Authority / Beaumont Utility Authority / Beaumont Successor Agency (formerly RDA)/Beaumont Parking Authority / Beaumont Public Improvement Authority may be held in accordance with state law which may include, but is not limited to, the following types of items: personnel matters, labor negotiations, security matters, providing instructions to real property negotiators and conference with legal counsel regarding pending litigation. Any public comment on Closed Session items will be taken prior to the Closed Session. Any required announcements or discussion of Closed Session items or actions following the Closed Session will be made in the City Council Chambers.*

### CALL TO ORDER

Mayor Santos, Mayor Pro Tem Lara, Council Member Carroll, Council Member Martinez, Council Member White

Public Comments Regarding Closed Session

- 1. Conference with Legal Counsel Existing Litigation Pursuant to Government Code Section 54956.9(d)(1):**

**Urban Logic v. City of Beaumont et. al. Case No. RIC 1797201  
City of Beaumont et. al. v. Norton Rose Fullbright US, LLP Case No. RIC1904645  
City of Beaumont v. McFarlin & Anderson et. al. Case No. RIC1813359**

- 2. Conference with Legal Counsel Existing Litigation Pursuant to Government Code Section 54956.9(d)(4): American International Group ("AIG")**

Adjourn to Regular Session

## **REGULAR SESSION - 6:00 PM**

### **CALL TO ORDER**

Mayor Santos, Mayor Pro Tem Lara, Council Member Carroll, Council Member Martinez, Council Member White

Report out from Closed Session:  
Action on any Closed Session items:  
Action of any requests for Excused Absence:  
Pledge of Allegiance:  
Approval / Adjustments to the Agenda:  
Conflict of Interest Disclosure:

### **ANNOUNCEMENTS/ RECOGNITION / PROCLAMATIONS / CORRESPONDENCE**

- 1. Introduction of Deputy Chief**

### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA)**

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### **CONSENT CALENDAR**

*Items on the consent calendar are taken as one action item unless an item is pulled for further discussion here or at the end of action items.  
Approval of all Ordinances and Resolutions to be read by title only.*

#### **2. Minutes**

##### **Recommended Action:**

Approve minutes dated February 4, 2020.

#### **3. Ratification of Warrants**

##### **Recommended Action:**

Approval of warrants dated January 9, 2020.

#### **4. Approval of Contract with PetData, an Animal Licensing Service**

##### **Recommended Action:**

Approve a contract with PetData for a period of three years.

**5. Request for Facility and Staff Fee Waiver – Beaumont Kiwanis Club Pancake Breakfast**

**Recommended Action:**

Consider waiver of facility use and staff fees requested by Beaumont Kiwanis Club in the amount of \$770.00, and

Consider waiver of a \$500 deposit for the use of the gymnasium at the Beaumont Civic Center.

**6. December 2020 Financial Reports**

**Recommended Action:**

Receive and file.

**7. First Amendment to Design/Build Contract with Baker Electric, Inc., a California Corporation**

**Recommended Action:**

Approve the First Amendment to Design/Build Contract with Baker Electric, Inc., a California Corporation, and authorize the Mayor to execute the amendment on behalf of the City.

**PUBLIC HEARINGS**

*Approval of all Ordinances and Resolutions to be read by title only.*

**ACTION ITEMS**

*Approval of all Ordinances and Resolutions to be read by title only.*

**8. Resolution of Support and Authorization of a \$10,000 Sponsorship Package for the 2020 IOA Championship Presented by Morongo Casino Resort & Spa**

**Recommended Action:**

Sponsorship of the IOA Championship Presented by Morongo Casino Resort & Spa provides a public benefit to the City of Beaumont and may be authorized by the City Council. Additionally, the marketing exposure and establishment of another signature event is consistent with the City Council's goals and objectives. Therefore, City staff recommends approval of the resolution and authorization to enter into a sponsorship agreement for the 2020 event in the amount of \$10,000.

**9. Select Engie Services U.S. Inc., as the City's Partners for Design/Build Energy Performance Contract Services and Authorize City Staff to Negotiate a Contract for Services**

**Recommended Action:**

Select Engie Services U.S. Inc. as the preferred consultant for Design/Build Energy Performance Contracting Services and authorize City staff to negotiate a contract for services. City staff further recommends that City Council authorize

negotiation of a contract for services with Ameresco should contract negotiations with Engie Services U.S. Inc. fail.

**10. Review of FY 2019 Audited Financial Statements**

**Recommended Action:**

It is recommended the City Council receive and file the FY 2019 Audited Financial Statements and the Single Audit Report for FY 2019.

**11. Request for Direction on Custom Questions for National Community Survey**

**Recommended Action:**

Provide staff direction on custom questions for National Community Survey.

**12. Approval of Purchase Order for CYRUN Maintenance/Support**

**Recommended Action:**

Approve the Purchase Order for CYRUN Maintenance/Support in the amount of \$44, 447.22.

**13. Approval of City Attorney Invoices for the Month of January 2020**

**Recommended Action:**

Approve invoices in the amount of \$87,324.89.

**LEGISLATIVE UPDATES AND DISCUSSION**

**14. Mid-February Legislative Update**

**COUNCIL REPORTS**

- Carroll
- Lara
- Martinez
- Santos
- White

**ECONOMIC DEVELOPMENT UPDATE**

Economic Development Committee Report Out and City Council Direction

**CITY TREASURER REPORT**

Finance and Audit Committee Report Out and City Council Direction

**CITY CLERK REPORT**

**CITY CLERK REPORT**

## **CITY MANAGER REPORT**

## **FUTURE AGENDA ITEMS**

## **ADJOURNMENT**

The next regular meeting of the Beaumont City Council, Beaumont Financing Authority, the Beaumont Successor Agency (formerly RDA), the Beaumont Utility Authority, the Beaumont Parking Authority and the Beaumont Public Improvement Agency is scheduled for Tuesday, March 3, 2020, at 5:00 p.m. or thereafter as noted on the posted Agenda for Closed Session items in the City Council Board Room No. 5, followed by the regular meeting at 6:00 p.m. or thereafter as noted on the posted Agenda at City Hall.

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)

# CITY COUNCIL CLOSED & REGULAR SESSION

550 E. 6th Street, Beaumont, CA  
Tuesday, February 04, 2020 - 6:00 PM

## MINUTES

### CLOSED SESSION - 5:00 PM

*A Closed Session of the City Council / Beaumont Financing Authority / Beaumont Utility Authority / Beaumont Successor Agency (formerly RDA)/Beaumont Parking Authority / Beaumont Public Improvement Authority may be held in accordance with state law which may include, but is not limited to, the following types of items: personnel matters, labor negotiations, security matters, providing instructions to real property negotiators and conference with legal counsel regarding pending litigation. Any public comment on Closed Session items will be taken prior to the Closed Session. Any required announcements or discussion of Closed Session items or actions following the Closed Session will be made in the City Council Chambers.*

**CALL TO ORDER at 5:01 p.m.**

**Present:** Mayor Santos, Mayor Pro Tem Lara, Council Member Carroll, Council Member Martinez, Council Member White

Public Comments Regarding Closed Session:

**No speakers.**

- 1. Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Claims of Maria Kritzberger & Estate of Darren R. Kritzberger

**Motion by Council Member Martinez**  
**Second by Council Member Carroll**  
**To deny the claims.**  
**Approve by unanimous vote.**

- 2. Conference with Legal Counsel Existing Litigation-Pursuant to Government Code Section 54956.9(d)(1): Urban Logic v. City of Beaumont et. al. Case No. RIC 1797201

**No reportable action.**

Adjourn to Regular Session

**REGULAR SESSION - 6:00 PM**

**CALL TO ORDER at 6:03 p.m.**

**Present:** Mayor Santos, Mayor Pro Tem Lara, Council Member Carroll, Council Member Martinez, Council Member White

Report out from Closed Session: *see above*  
Action on any Closed Session items: *see above*  
Action of any requests for Excused Absence: **None.**  
Pledge of Allegiance  
Approval / Adjustments to the Agenda: **None.**  
Conflict of Interest Disclosure: **None.**

**ANNOUNCEMENTS/ RECOGNITION / PROCLAMATIONS / CORRESPONDENCE**

**California Highway Patrol 2019 Review  
CalTrans Report of State Highway Projects**

**PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA)**

*Any one person may address the City Council on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the City Clerk. There is a three (3) minute time limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the City Council from discussing or taking actions brought up by your comments.*

**Public Comment opened at 6:29 p.m.**

- A. Worthen - Thanked the City for hosting and being part of coordination of the Veteran's Expo.*
- H. Liaw - Representing the Morongo Golf Course invited the community to attend the upcoming Symetra Tour.*
- L. Kimball - Asked for a status of playground shades requested, asked if the CFDs can be lowered and an update to the bus stop seating request.*
- N. Hall - Asked questions about public safety in the event of a natural disaster.*

**Public Comment closed.**

**CONSENT CALENDAR**

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Approval of all Ordinances and Resolutions to be read by title only.*

**1. Minutes**

**Recommended Action:**

Approve Minutes dated January 21, 2020.

**2. Tentative Tract Map No. 37696 (TM2019-0005) for a Request to Subdivide 13.51 Acres into 62 Single Family Residential Lots with a Minimum Lot Size of 4,947 Square Feet and Nine (9) Lettered Lots Located Within Planning Area 25 of the Oak Valley Specific Plan (Fairway Canyon) on the East Side of Tukwet Canyon Parkway, North of San Timoteo Canyon Road and South of Champions Drive**

**Recommended Action:**

Approve Tentative Tract Map No. 37696 (TM2019-0005) subject to the development agreement and the attached conditions of approval.

**3. Tentative Tract Map No. 37698 (TM2019-0006) for a Request to Subdivide 22.09 Acres into 126 Single Family Residential Lots with a Minimum Lot Size of 3,800 Square Feet and 16 Lettered Lots Located Within Planning Area 25 of the Oak Valley Specific Plan (Fairway Canyon) on the East Side of Tukwet Canyon Parkway, North of San Timoteo Canyon Road and South of Champions Drive**

**Recommended Action:**

Approve Tentative Tract Map No. 37698 (TM2019-0006) subject to the development agreement and the attached conditions of approval.

**4. Tentative Tract Map No. 37697 (TM2019-0007) for a Request to Subdivide 13.19 Acres into 73 Single Family Residential Lots With a Minimum Lot Size of 4,950 Square Feet and Eight (8) Lettered Lots Located Within Planning Area 25 of the Oak Valley Specific Plan (Fairway Canyon) on the East Side of Tukwet Canyon Parkway, North of San Timoteo Canyon Road and South of Champions Drive**

**Recommended Action:**

Approve Tentative Tract Map No. 37697 (TM2019-0007) subject to the development agreement and the attached conditions of approval.

**5. Performance Bond Acceptance and Security Agreement for SDC Fairway Canyon, LLC. Tract 31462 Street and Storm Drain Improvements**

**Recommended Action:**

Accept the following bond and security agreement:

- Performance bond No. 1001124446 for storm drain improvements for Tract 31462

**6. Bond Exoneration for Bond Nos. 2264721, 41383375, 2264727 and 2264722 for K. Hovnanian Homes Tract 33096-13**

**Recommended Action:**

Accept Maintenance Bond No. 3085345 to replace Performance Bond No. 2264721,

Accept Maintenance Bond No. 41394539 to replace Performance Bond No. 41383375, and

Accept Maintenance Bond No. 3085344 to replace Performance Bond No. 2264727.

**7. Request for Facility and Staff Fee Waiver – Beaumont Cherry Valley Rotary Club Celebrate Reading and the Arts**



**Recommended Action:**

Consider waiver of facility use and staff fees requested by Beaumont Cherry Valley Rotary Club in the amount of \$860.00, and  
Consider waiver of a \$500 deposit for the use of the gymnasium at the CRC.

**8. Request for Facility and Staff Fee Waiver – Soroptimist International of Beaumont-Banning**

**Recommended Action:**

Consider waiver of facility use and staff fees requested by Soroptimist International of Beaumont-Banning in the amount of \$710, and  
Consider waiver of a \$500 deposit for the use of the gymnasium at the Beaumont Civic Center.

**9. Request for Destruction of Retention Met Records**

**Recommended Action:**

Waive the full reading and adopt by title only, “A Resolution of the City of Beaumont Authorizing Destruction of Certain Records in Accordance with the Records Retention Schedule Adopted by City Council.”

**10. Approval of the Assignment and Assumption of Improvement and Credit/Reimbursement Agreement Transportation Uniform Mitigation Fee Agreement between Lassen Development Partners, LLLP and MPLDII Inland Empire, LLC and Approval of the Assignment and Assumption of City of Beaumont Hidden Canyon Amended and Restated Facilities and Fee Credit Agreement between Lassen Development Partners, LLLP and MPLD II Inland Empire, LLC**

**Recommended Action:**

Staff recommends approval of the Assignment and Assumption of Improvement and Credit/Reimbursement Agreement Transportation Uniform Mitigation Fee Agreement between Lassen Development Partners, LLLP and MPLDII Inland Empire, LLC and Approval of the Assignment and Assumption of City of Beaumont Hidden Canyon Amended and Restated Facilities and Fee Credit Agreement between Lassen Development Partners, LLLP and MPLD II Inland Empire, LLC.

**11. Cherry Avenue Street Improvement Project Acceptance**

**Recommended Action:**

Approve and authorize the Mayor to sign the attached certificate of acceptance for the Cherry Avenue Street Improvement Project.

**Motion made by Council Member Martinez**

**Seconded by Council Member White**

**Voting Yea: Council Member White, Council Member Martinez, Council Member Carroll,**

**Mayor Pro Tem Lara, Mayor Santos  
To approve the Consent Calendar.**

**PUBLIC HEARINGS**

*Approval of all Ordinances and Resolutions to be read by title only.*

**ACTION ITEMS**

*Approval of all Ordinances and Resolutions to be read by title only.*

- 12. Acceptance of Irrevocable Offer of Dedication of Easement for Streetlight Maintenance and Acceptance of Streetlight Maintenance in the Four Seasons Community**

**Recommended Action:**

Approve the Irrevocable Offer of Dedication of Easement for Streetlight Maintenance, and  
Approve the Certificate of Acceptance of Streetlight Maintenance.

**Treasurer Baron Ginnetti recused himself on this item as he resides in the area of discussion.**

**Public Comment period**

*M. Martin - Expressed concerns regarding street lights and the City's maintenance of them.*

**Motion made by Mayor Pro Tem Lara**

**Seconded by Council Member White. Voting Yea: Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos To approve the Irrevocable Offer of Dedication of Easement for Streetlight Maintenance, and approve the Certificate of Acceptance of Streetlight Maintenance. Approved by a unanimous vote.**

- 13. Improvement and Credit / Reimbursement Agreement for Transportation Uniform Mitigation Fee's between the City of Beaumont and Pardee Homes for the Oak Valley Interchange Project**

**Recommended Action:**

Approve the Improvement and Credit / Reimbursement Agreement between the City of Beaumont and Pardee Homes for the Oak Valley Interchange Project and authorize the Mayor to execute the agreement.

**Council Member White recused himself to avoid any perception of conflict of interest due to campaign funding.**

**Motion made by Council Member Carroll,**

**Seconded by Mayor Pro Tem Lara.**

**Voting Yea: Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

**Voting Abstaining: Council Member White**

**To approve the Improvement and Credit / Reimbursement Agreement between the City of Beaumont and Pardee Homes for the Oak Valley Interchange Project and authorize the Mayor to execute the agreement.**

**Approved by a 4-0 vote.**

**14. Request for Direction on Preparing a Shopping Cart Ordinance**

**Recommended Action:**

Provide staff direction on preparing a shopping cart ordinance.

**Discussion and suggestions given to staff to research and present an ordinance for consideration at a future meeting.**

**15. Provide Direction to Staff on Establishing a Temporary Moratorium Prohibiting Tire Sales and Tire Repair Establishments**

**Recommended Action:**

Provide direction to staff on establishing a temporary moratorium prohibiting tire sales and tire repair establishments.

**Direction to staff to do additional research and bring a temporary moratorium for consideration at a future meeting.**

**16. Opposition Letter – SunLine Transit Agency Proposed Commuter Link Route 10**

**Recommended Action:**

Approve the opposition letter and authorize the Mayor to execute on behalf of the City of Beaumont.

**Motion made by Council Member White**

**Seconded by Council Member Carroll.**

**Voting Yea: Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

**To approve an opposition letter and authorize the Mayor to execute on behalf of the City of Beaumont.**

**Approved by a unanimous vote.**

**17. Authorize the City Manager to Execute Additional Reimbursable Letters of Agreement with the California Highway Patrol Not to Exceed \$50,000 for the SR-60/Potrero Boulevard Interchange Phase I Project for Services Associated with Traffic Control**

**Recommended Action:**

City Council authorize the City Manager to execute additional reimbursable letters of Agreement with the California Highway Patrol in an amount not to exceed \$50,000 each for the SR-60/Potrero Boulevard Interchange Phase I Project.

**Motion made by Council Member White**

**Seconded by Council Member Martinez.**

**Voting Yea: Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

**To authorize the City Manager to execute additional reimbursable letters of Agreement**

with the California Highway Patrol in an amount not to exceed \$50,000 each for the SR-60/Potrero Boulevard Interchange Phase I Project.

**18. Wastewater Treatment Plant Expansion/Renovation and Brine Pipeline Installation Project Status Update**

**Recommended Action:**

Receive and file the project updates.

**LEGISLATIVE UPDATES AND DISCUSSION**

**19. January Legislative Update**

**COUNCIL REPORTS**

- **Carroll** - *Gave a report out from the Veteran's Expo and the Women's Club meeting.*
- **Lara** - *Gave a report out from the WRCOG meeting and attended the Brookside Elementary Talent Show.*
- **Martinez** - *Attended the Chamber Installation Dinner and gave a report out from the RCA meeting.*
- **Santos** - *Attended the Veteran's Expo and the Chamber Installation Dinner.*
- **White** - *Reported out from the RCTC meeting and the LEAC committee meeting.*

**ECONOMIC DEVELOPMENT UPDATE**

Economic Development Committee Report Out and City Council Direction

**Gave a update to the new MSJC mobile outreach program being provided monthly in the City Hall public parking lot.**

**CITY TREASURER REPORT**

Finance and Audit Committee Report Out and City Council Direction

**Gave a report out from the Finance and Audit Committee meeting.**

**CITY CLERK REPORT**

**Gave a status report of Public Records Requests from the month of December.**

**CITY ATTORNEY REPORT**

**20. Status of Litigation Report**

**CITY MANAGER REPORT**

Reported out from the reorganization from the Finance and Audit Committee.

**FUTURE AGENDA ITEMS**

**ADJOURNMENT at 8:51 p.m.**

The next regular meeting of the Beaumont City Council, Beaumont Financing Authority, the Beaumont Successor Agency (formerly RDA), the Beaumont Utility Authority, the Beaumont Parking Authority and the Beaumont Public Improvement Agency is scheduled for Tuesday, Feb 18, 2020, at 5:00 p.m. or thereafter as noted on the posted Agenda for Closed Session items in the City Council Board Room No. 5, followed by the regular meeting at 6:00 p.m. or thereafter as noted on the posted Agenda at City Hall.

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)



WARRANTS TO BE RATIFIED

Thursday, January 09, 2020

<b>Printed Checks</b>	104345-104410	\$	536,695.13	FY 19/20
<b>Bank Drafts</b>	Guardian	\$	22,074.07	Jan-20
	A/P Total	\$	<u>558,769.20</u>	

<b>Bank Drafts</b>	MG Trust	\$	24,874.61	457 Paydate 12/06/19
		\$	4,786.54	401-A Paydate 12/06/19
		\$	1,281.26	FICA Paydate 12/20/19
		\$	26,086.56	457 Paydate 01/03/20
		\$	5,099.80	401-A Paydate 01/03/20
		\$	1,388.73	FICA Paydate 01/03/20

CalPERS	\$	47,008.87	743 Classic 19/20
	\$	45,311.23	742 Classic 19/20
	\$	12,930.61	27308 PEPRA 19/20
	\$	8,127.41	25763 PEPRA 19/20
	\$	161.65	Retro Pay 19/20
	\$	36.26	Retro Pay 19/20
	\$	47,044.65	743 Classic 19/20
	\$	45,276.24	742 Classic 19/20
	\$	13,000.69	27308 PEPRA 19/20
	\$	8,022.38	25763 PEPRA 19/20
	\$	71.89	Retro Pay 19/20
	\$	50.54	Retro Pay 19/20
	\$	47,083.91	743 Classic 19/20
	\$	46,244.38	742 Classic 19/20
	\$	13,189.89	27308 PEPRA 19/20
	\$	8,945.99	25763 PEPRA 19/20

Cardconnect \$ 8,051.13 Credit Card Fees

Authnet Gateway \$ 386.90 Credit Card Fees

Affant \$ 551.75 Jan-20

I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

SIGNATURE: [Signature]  
TITLE: CITY TREASURER

SIGNATURE: [Signature]  
TITLE: ADMINISTRATIVE SERVICES DIRECTOR

Finance



Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3322	ELISA MENDOZA	01/02/2020	Regular	0.00	363.00	104345
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>01/05/20-01/10/</u>	Invoice	01/02/2020	EMPLOYEE TRAINING	0.00	363.00	
	<u>750-7000-7066-0000</u>		TRAVEL, EDUCATION, TRA		363.00	
			EMPLOYEE TRAINING		363.00	
2988	RHONDA KEYSER	01/02/2020	Regular	0.00	1,525.84	104346
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>01/03/20</u>	Invoice	01/02/2020	SPOUSAL SUPPORT	0.00	1,525.84	
	<u>100-0000-2105-0000</u>		PAYROLL SUSPENSE		1,525.84	
			SPOUSAL SUPPORT		1,525.84	
3295	ADAM HALL	01/09/2020	Regular	0.00	422.38	104347
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>008390</u>	Invoice	01/08/2020	DEPT SUPPLIES	0.00	422.38	
	<u>100-6050-7070-014A</u>		SPEC DEPT EXP - IA 14A		422.38	
			DEPT SUPPLIES		422.38	
1023	ADVANCED WORKPLACE STRATEGIES	01/09/2020	Regular	0.00	72.00	104348
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>414569</u>	Invoice	01/08/2020	EMPLOYEE MEDICAL SERVICES	0.00	72.00	
	<u>750-7400-6019-0000</u>		FIRST AID		72.00	
			EMPLOYEE MEDICAL SERVICES		72.00	
1050	AMAZON CAPITAL SERVICES	01/09/2020	Regular	0.00	238.60	104349
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>1HR9-7913-6QRR</u>	Invoice	01/08/2020	OFFICE SUPPLIES	0.00	184.75	
	<u>100-2000-7025-0000</u>		OFFICE SUPPLIES		9.24	
	<u>100-2050-7025-0000</u>		OFFICE SUPPLIES		175.51	
<u>1XJ6-XV3T-QLGQ</u>	Invoice	01/08/2020	COMPUTER SUPPLIES	0.00	53.85	
	<u>100-1230-7072-0000</u>		COMPUTER SUPPLIES/MA		53.85	
			COMPUTER SUPPLIES		53.85	
1053	AMERICAN FORENSIC NURSES	01/09/2020	Regular	0.00	112.00	104350
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>72888</u>	Invoice	01/08/2020	American Forensic Nurses - Services	0.00	112.00	
	<u>100-7050-7068-0000</u>		CONTRACTUAL SERVICES		112.00	
			American Forensic Nurses - Serv		112.00	
3820	AXON ENTERPRISE, INC	01/09/2020	Regular	0.00	969.76	104351
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>SI-1628530</u>	Invoice	01/08/2020	DEPT SUPPLIES	0.00	969.76	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		969.76	
			DEPT SUPPLIES		969.76	
1111	BANNING MEDICAL SERVICES	01/09/2020	Regular	0.00	272.25	104352
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
<u>GOR0010582064</u>	Invoice	01/08/2020	EMPLOYEE MEDICAL SERVICES	0.00	272.25	
	<u>100-7050-6019-0000</u>		FIRST AID		272.25	
			EMPLOYEE MEDICAL SERVICES		272.25	
1123	BEAUMONT BASIN WATERMASTER	01/09/2020	Regular	0.00	23,498.00	104353

Check Report

Date Range: 12/020

Item No.3.

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A	
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
8-205	Invoice	01/08/2020	SERVICE FEE	0.00	23,498.00	
	700-4050-7022-0000		LICENSE, PERMITS, FEES		23,498.00	
1147	BEAUMONT CHERRY VALLEY WATER DIST.	01/09/2020	Regular	0.00	38,812.27	104354
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
01/20/20	Invoice	01/08/2020	WATER UTILITY	0.00	38,812.27	
	100-3250-7010-0000		UTILITIES		3,893.81	
	100-3250-7010-007A		UTILITIES (IA 7A)		983.12	
	100-3250-7010-007B		UTILITIES (IA 7B)		286.99	
	100-3250-7010-008A		UTILITIES (IA 8A)		142.26	
	100-3250-7010-008B		UTILITIES (IA 8B)		302.37	
	100-3250-7010-010A		UTILITIES (IA 10)		533.61	
	100-3250-7010-012A		UTILITIES (IA 12)		166.82	
	100-3250-7010-014B		UTILITIES (IA 14B)		1,097.77	
	100-3250-7010-014X		UTILITIES (IA 14)		2,677.12	
	100-3250-7010-015X		UTILITIES (IA 15)		496.42	
	100-3250-7010-016X		UTILITIES (IA 16)		1,798.11	
	100-3250-7010-018X		UTILITIES (IA 18)		298.49	
	100-3250-7010-019A		UTILITIES (IA 19A)		651.57	
	100-3250-7010-019C		UTILITIES (IA 19C)		162.15	
	100-3250-7010-06A1		UTILITIES (IA 6A1)		2,451.62	
	100-6000-7010-6025		UTILITIES - CITY HALL		1,833.84	
	100-6000-7010-6031		UTILITIES - CITY HALL BLD		277.14	
	100-6000-7010-6032		UTILITIES - CITY HALL BLD		404.76	
	100-6000-7010-6040		UTILITIES - POLICE DEPT		245.93	
	100-6000-7010-6041		UTILITIES - POLICE ANNEX		179.06	
	100-6000-7010-6045		UTILITIES - COMMUNITY		377.36	
	100-6000-7010-6055		UTILITIES - FIRE STATION		94.10	
	100-6050-7010-0000		UTILITIES		1,922.70	
	100-6050-7010-003X		UTILITIES IA 3		2,484.50	
	100-6050-7010-007A		UTILITIES IA 7A		333.55	
	100-6050-7010-008A		UTILITIES IA 8A (SUNDAN		3,788.39	
	100-6050-7010-008C		UTILITIES IA 8C		25.86	
	100-6050-7010-008D		UTILITIES IA 8D		150.78	
	100-6050-7010-008E		UTILITIES IA 8E		77.33	
	100-6050-7010-014A		UTILITIES IA 14A (OAK VA		451.48	
	100-6050-7010-014B		UTILITIES IA 14B		638.09	
	100-6050-7010-017A		UTILITIES IA 17A (TOURN		728.90	
	100-6050-7010-018X		UTILITIES IA 18		25.86	
	100-6050-7010-019C		UTILITIES IA 19C		460.36	
	100-6050-7010-020X		UTILITIES IA 20		256.45	
	100-6050-7010-06A1		UTILITIES IA 6A1		309.62	
	100-6050-7010-5050		UTILITIES, PARK (DEFORG		475.17	
	100-6050-7010-5200		UTILITIES, PARK (PALMER)		12.35	
	100-6050-7010-5250		UTILITIES, PARK (RANGAL		391.07	
	100-6050-7010-5350		UTILITIES, PARK (SHADO		25.86	
	100-6050-7010-5400		UTILITIES, PARK (SPORTS		2,287.97	
	100-6050-7010-5450		UTILITIES, PARK (STETSON		1,446.70	
	100-6050-7010-5500		UTILITIES, PARK (STEWAR		1,254.37	
	100-6050-7010-5600		UTILITIES, PARK (TREVINO		75.39	
	100-6050-7010-5650		UTILITIES, PARK (VETERA		68.61	
	100-6050-7010-5700		UTILITIES, PARK (WILD FL		591.43	
	700-4050-7010-0000		UTILITIES		1,099.71	
	700-4050-7010-019C		UTILITIES (IA 19C)		16.85	
	750-7300-7010-0000		UTILITIES		58.50	
1136	BEAUMONT POWER EQUIPMENT	01/09/2020	Regular	0.00	122.80	104355



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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
2888	Invoice	01/08/2020	EQUIPMENT SUPPLIES	0.00	122.80	
	<u>100-6050-7090-0000</u>		EQUIPMENT SUPPLIES/M		122.80	
3578	CALIFORNIA WATER ENVIRONMENT ASSOCIATI	01/09/2020	Regular	0.00	281.00	104356
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>id 0000329681</u>	Invoice	01/08/2020	MEMBERSHIP RENEWAL	0.00	281.00	
	<u>700-4050-7030-0000</u>		DUES & SUBSCRIPTIONS		281.00	
3875	CARLOS SEPULVEDA	01/09/2020	Regular	0.00	41.10	104357
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>02-005193-03</u>	Invoice	01/08/2020	REFUND ON UTILITY ACCOUNTS REMAINI	0.00	41.10	
	<u>100-0000-1400-0000</u>		A/R - UTILITIES		41.10	
3780	CDCE INCORPORATED	01/09/2020	Regular	0.00	18,950.65	104358
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>136280</u>	Invoice	01/08/2020	Purchase of 6 Panasonic Tough Books and	0.00	8,444.50	
	<u>220-0000-7072-0000</u>		COMPUTER SUPPLIES/MA		8,444.50	
<u>136282</u>	Invoice	01/08/2020	Purchase of 6 Panasonic Tough Books and	0.00	10,506.15	
	<u>220-0000-7072-0000</u>		COMPUTER SUPPLIES/MA		10,506.15	
1279	CIGNA HEALTH CARE	01/09/2020	Regular	0.00	52,899.88	104359
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>2578746</u>	Invoice	01/08/2020	EMPLOYEE HEALTH INSURANCE	0.00	52,899.88	
	<u>100-0000-2299-0000</u>		COBRA RECEIPTS		2,157.42	
	<u>100-1200-6020-0000</u>		HEALTH INSURANCE		2,286.86	
	<u>100-1225-6020-0000</u>		HEALTH INSURANCE		2,157.42	
	<u>100-1230-6020-0000</u>		HEALTH INSURANCE		1,423.90	
	<u>100-1550-6020-0000</u>		HEALTH INSURANCE		1,725.94	
	<u>100-2030-6020-0000</u>		HEALTH INSURANCE		3,149.84	
	<u>100-2050-6020-0000</u>		HEALTH INSURANCE		12,901.36	
	<u>100-2090-6020-0000</u>		HEALTH INSURANCE		4,875.74	
	<u>100-3100-6020-0000</u>		HEALTH INSURANCE		2,157.42	
	<u>100-3250-6020-0000</u>		HEALTH INSURANCE		1,423.90	
	<u>100-6050-6020-0000</u>		HEALTH INSURANCE		8,888.56	
	<u>700-4050-6020-0000</u>		HEALTH INSURANCE		5,177.80	
	<u>750-7000-6020-0000</u>		HEALTH INSURANCE		1,423.90	
	<u>750-7300-6020-0000</u>		HEALTH INSURANCE		862.96	
	<u>750-7400-6020-0000</u>		HEALTH INSURANCE		2,286.86	
1296	CLARK'S TOWING	01/09/2020	Regular	0.00	150.00	104360
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>S3840</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	150.00	
	<u>100-2100-7037-0000</u>		VEHICLE MAINTENANCE		150.00	
3653	CONTRON	01/09/2020	Regular	0.00	2,602.05	104361
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>11993</u>	Invoice	01/08/2020	TECHNICAL SERVICES FOR SCADA WW SYS	0.00	848.40	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		1,651.80	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		-803.40	
<u>11994</u>	Invoice	01/08/2020	TECHNICAL SERVICES FOR SCADA WW SYS	0.00	860.25	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		860.25	
<u>11995</u>	Invoice	01/08/2020	TECHNICAL SERVICES FOR SCADA WW SYS	0.00	893.40	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	
	700-4050-7068-0000	01/09/2020	Regular	0.00	1,199.28	104362
1334	COUTS HEATING & COOLING, INC	01/09/2020	Regular	0.00	1,199.28	104362
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>SRVCE11422</u>	Invoice	01/08/2020	BUILDING MAINTENANCE	0.00	385.00	
	<u>100-6000-7085-6045</u>		BLDG MAINT- COMMUNI		385.00	
<u>SRVCE11423</u>	Invoice	01/08/2020	BUILDING MAINTENANCE	0.00	814.28	
	<u>100-6000-7085-6045</u>		BLDG MAINT- COMMUNI		814.28	
3876	DANIEL BIDDLE	01/09/2020	Regular	0.00	851.48	104363
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>06-077698-02</u>	Invoice	01/08/2020	REIMBURSE CREDIT ON UTILITY ACCOUNT	0.00	851.48	
	<u>100-0000-1400-0000</u>		A/R - UTILITIES		851.48	
1402	DEPARTMENT OF JUSTICE	01/09/2020	Regular	0.00	175.00	104364
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>424584</u>	Invoice	01/08/2020	Department of Justice Blood Alcohol Anal	0.00	105.00	
	<u>100-2050-7068-0000</u>		CONTRACTUAL SERVICES		105.00	
<u>424448</u>	Invoice	01/08/2020	Department of Justice Blood Alcohol Anal	0.00	70.00	
	<u>100-2050-7068-0000</u>		CONTRACTUAL SERVICES		70.00	
1424	DIRECTV	01/09/2020	Regular	0.00	173.98	104365
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>36998490635</u>	Invoice	01/08/2020	BUILDING UTILITY	0.00	173.98	
	<u>100-6000-7010-6045</u>		UTILITIES - COMMUNITY		173.98	
1445	DUDEK	01/09/2020	Regular	0.00	8,358.76	104366
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>20198949</u>	Invoice	01/08/2020	Max Benefit Report of Groundwater & Sur	0.00	8,358.76	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		8,358.76	
3322	ELISA MENDOZA	01/09/2020	Regular	0.00	160.05	104367
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>12/12/19</u>	Invoice	01/08/2020	REIMBURSEMENT FOR CHRISTMAS LIGHT	0.00	160.05	
	<u>750-7400-7070-0000</u>		SPECIAL DEPT SUPPLIES		160.05	
1501	FAIRVIEW FORD	01/09/2020	Regular	0.00	1,638.51	104368
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>641279</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	31.48	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		31.48	
<u>652821</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	8.70	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		8.70	
<u>658527</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	63.34	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		63.34	
<u>660326</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	72.04	
	<u>750-7400-7037-0000</u>		VEHICLE MAINTENANCE		72.04	
<u>C64970</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	1,462.95	
	<u>100-6050-7037-0000</u>		VEHICLE MAINTENANCE		1,462.95	
1510	FIDELITY FIRE INC	01/09/2020	Regular	0.00	1,500.00	104369

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A	
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
07176	Invoice	01/08/2020	CNG Tank Inspections	0.00	1,500.00	
	<u>750-7100-7037-0000</u>		VEHICLE MAINTENANCE		150.00	
	<u>750-7400-7037-0000</u>		VEHICLE MAINTENANCE		450.00	
	<u>750-7600-7037-0000</u>		VEHICLE MAINTENANCE		300.00	
	<u>750-8000-7037-0000</u>		VEHICLE MAINTENANCE		150.00	
	<u>750-8100-7037-0000</u>		VEHICLE MAINTENANCE		300.00	
	<u>750-8200-7037-0000</u>		VEHICLE MAINTENANCE		150.00	
1518	FLYERS ENERGY	01/09/2020	Regular	0.00	1,399.46	104370
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
CFS-2137980	Invoice	01/08/2020	FUEL EXPENSE	0.00	1,399.46	
	<u>750-7100-7050-0000</u>		FUEL		101.63	
	<u>750-7400-7050-0000</u>		FUEL		922.75	
	<u>750-7600-7050-0000</u>		FUEL		3.33	
	<u>750-7700-7050-0000</u>		FUEL		371.75	
3782	FRANCISCO CISNEROS	01/09/2020	Regular	0.00	500.00	104371
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
124	Invoice	01/08/2020	Paint in Rooms 2 and 3	0.00	500.00	
	<u>500-0000-8990-0000</u>		CAPITAL OUTLAY		500.00	
1533	FRONTIER COMMUNICATIONS	01/09/2020	Regular	0.00	2,731.18	104372
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
<u>209-042-1989-06</u>	Invoice	01/08/2020	PHONE UTILITY - CAL ID LINE	0.00	279.06	
	<u>100-1230-7015-6040</u>		TELEPHONE (POLICE DPT)		279.06	
<u>213-131-1343-03</u>	Invoice	01/08/2020	INTERNET UTILITY - WWTP	0.00	69.47	
	<u>700-4050-7015-0000</u>		TELEPHONE		69.47	
<u>323-156-8188-02</u>	Invoice	01/08/2020	CITY YARD DSL LINE	0.00	85.98	
	<u>100-1230-7015-6060</u>		TELEPHONE (4th ST YARD)		85.98	
<u>951-769-8500-01</u>	Invoice	01/08/2020	PHONE UTILITY - PD	0.00	1,329.55	
	<u>100-1230-7015-6040</u>		TELEPHONE (POLICE DPT)		1,329.55	
<u>951-769-8520-01</u>	Invoice	01/08/2020	PHONE UTILITY - CITY HALL	0.00	271.00	
	<u>100-1230-7015-6025</u>		TELEPHONE (CITY HALL)		271.00	
<u>951-769-8530-06</u>	Invoice	01/08/2020	TRANSIT FIOS	0.00	236.36	
	<u>750-7000-7015-0000</u>		TELEPHONE		236.36	
<u>951-769-8537-03</u>	Invoice	01/08/2020	CITY YARD CENTREX	0.00	103.00	
	<u>100-1230-7015-6060</u>		TELEPHONE (4th ST YARD)		103.00	
<u>951-769-8538-06</u>	Invoice	01/08/2020	PHONE UTILITY - CITY POOL	0.00	77.92	
	<u>100-1230-7015-6048</u>		TELEPHONE (POOL)		77.92	
<u>951-769-8539-04</u>	Invoice	01/08/2020	PHONE UTILITY - CRC	0.00	151.59	
	<u>100-1230-7015-6045</u>		TELEPHONE (COMM CTR)		151.59	
<u>951-922-6646-04</u>	Invoice	01/08/2020	PHONE UTILITY - WWTP	0.00	127.25	
	<u>700-4050-7015-0000</u>		TELEPHONE		127.25	
1595	GREGORY FAGAN	01/09/2020	Regular	0.00	1,094.88	104373
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
<u>01/27/20-01/31/</u>	Invoice	01/08/2020	EMPLOYEE TRAINING	0.00	1,094.88	
	<u>100-2050-7066-0000</u>		TRAVEL, EDUCATION, TRA		1,094.88	
3572	HECTOR ALVARADO	01/09/2020	Regular	0.00	2,080.00	104374

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A	
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>1112</u>	Invoice	01/08/2020	Bus Washing Service	0.00	2,080.00	
	<u>750-7100-7068-0000</u>		CONTRACTUAL SERVICES		200.00	
	<u>750-7400-7068-0000</u>		CONTRACTUAL EXPENSES		500.00	
	<u>750-7600-7068-0000</u>		CONTRACTUAL SERVICES		300.00	
	<u>750-7700-7068-0000</u>		CONTRACTUAL SERVICES		330.00	
	<u>750-7800-7068-0000</u>		CONTRACTUAL SERVICES		70.00	
	<u>750-7900-7068-0000</u>		CONTRACTUAL SERVICES		100.00	
	<u>750-8000-7068-0000</u>		CONTRACTUAL SERVICES		100.00	
	<u>750-8100-7068-0000</u>		CONTRACTUAL SERVICES		320.00	
	<u>750-8200-7068-0000</u>		CONTRACTUAL SERVICES		160.00	
1643	HUNTINGTON COURT REPORTERS & TRANSCRI	01/09/2020	Regular	0.00	590.46	104375
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>32589</u>	Invoice	01/08/2020	Transcription Services	0.00	590.46	
	<u>100-2050-7068-0000</u>		CONTRACTUAL SERVICES		590.46	
3385	INLAND EMPIRE MAGAZINE	01/09/2020	Regular	0.00	1,995.00	104376
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>INV47134</u>	Invoice	01/08/2020	ADVERTISING	0.00	1,995.00	
	<u>100-1200-7020-0000</u>		ADVERTISING		1,995.00	
3877	JEANY ZEPEDA	01/09/2020	Regular	0.00	1,054.76	104377
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>07-009934-03</u>	Invoice	01/08/2020	REIMBURSE OVER PAYMENT ON UTILITY A	0.00	1,054.76	
	<u>100-0000-1400-0000</u>		A/R - UTILITIES		1,054.76	
3247	KOA CORPORATION	01/09/2020	Regular	0.00	46,109.00	104378
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>JB74058x14</u>	Invoice	01/08/2020	California Grade Sep Engineering Design S	0.00	18,792.00	
	<u>500-0000-7068-0000</u>		CONTRACTUAL SERVICE		18,792.00	
<u>JB74058x16</u>	Invoice	01/08/2020	California Grade Sep Engineering Design S	0.00	27,317.00	
	<u>500-0000-7068-0000</u>		CONTRACTUAL SERVICE		27,317.00	
1806	KONICA MINOLTA PREMIER FINANCE	01/09/2020	Regular	0.00	123.92	104379
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>34588623</u>	Invoice	01/08/2020	EQUIPMENT MAINTENANCE	0.00	123.92	
	<u>100-1230-7090-6036</u>		EQUIP SUPPLIES/MAINT (		123.92	
3834	LEASE SERVICING CENTER, INC	01/09/2020	Regular	0.00	21,087.81	104380
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>2422479</u>	Invoice	01/08/2020	Lease of Police Ford Interceptors	0.00	21,087.81	
	<u>100-2050-8060-0000</u>		VEHICLES		21,087.81	
1895	M BREY ELECTRIC INC	01/09/2020	Regular	0.00	657.96	104381
<u>Payable #</u>	<u>Payable Type</u>	<u>Post Date</u>	<u>Payable Description</u>	<u>Discount Amount</u>	<u>Payable Amount</u>	
	<u>Account Number</u>	<u>Account Name</u>	<u>Item Description</u>	<u>Distribution Amount</u>		
<u>5530</u>	Invoice	01/08/2020	ELECTRICAL SERVICES FOR WASTE WATER	0.00	657.96	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		657.96	
3603	MICHAEL BAKER INTERNATIONAL, INC	01/09/2020	Regular	0.00	41,297.37	104382

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Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>1058402</u>	Invoice <u>500-0000-7068-0000</u>	01/08/2020	Design Services CONTRACTUAL SERVICE	0.00	4,022.37	
<u>1060763</u>	Invoice <u>500-0000-8030-0000</u>	01/08/2020	Design Services INFRASTRUCTURE IMPRO	0.00	25,225.00	
<u>1062539</u>	Invoice <u>500-0000-8030-0000</u>	01/08/2020	Design Services INFRASTRUCTURE IMPRO	0.00	2,000.00	
<u>1062540</u>	Invoice <u>500-0000-8030-0000</u>	01/08/2020	Design Services INFRASTRUCTURE IMPRO	0.00	8,550.00	
<u>1062542</u>	Invoice <u>500-0000-8030-0000</u>	01/08/2020	Design Services INFRASTRUCTURE IMPRO	0.00	1,500.00	
1950	MICHAEL CRUZ	01/09/2020	Regular	0.00	492.75	104383
<u>01/05/20-01/07/</u>	Invoice <u>100-2050-7066-0000</u>	01/08/2020	EMPLOYEE TRAINING TRAVEL, EDUCATION, TRA	0.00	492.75	
2619	MICHAEL DICK	01/09/2020	Regular	0.00	3,500.00	104384
<u>0043</u>	Invoice <u>100-6050-7068-5500</u>	01/08/2020	PROFESSIONAL SERVICES CONTRACT SVC - STEWAR	0.00	3,500.00	
3373	MIRIAM AVALOS	01/09/2020	Regular	0.00	650.00	104385
<u>0077</u>	Invoice <u>750-7100-7037-0000</u>	01/08/2020	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	475.00	
<u>0078</u>	Invoice <u>100-2100-7037-0000</u>	01/08/2020	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	175.00	
3530	MOBILE HOMES ACCEPTANCE CORP	01/09/2020	Regular	0.00	425.61	104386
<u>218643</u>	Invoice <u>700-4050-7075-0000</u>	01/08/2020	MONTHLY RENTAL FEE FOR WWTP OFFICE EQUIPMENT LEASING/RE	0.00	425.61	
2892	MOFFATT & NICHOL	01/09/2020	Regular	0.00	2,550.00	104387
<u>746819</u>	Invoice <u>500-0000-7068-0000</u>	01/08/2020	ENVIROMENTAL DOC SERVICES FOR PENN CONTRACTUAL SERVICE	0.00	1,314.00	
<u>747114</u>	Invoice <u>500-0000-7068-0000</u>	01/08/2020	ENVIROMENTAL DOC SERVICES FOR PENN CONTRACTUAL SERVICE	0.00	454.00	
<u>747116</u>	Invoice <u>500-0000-7068-0000</u>	01/08/2020	ENVIROMENTAL DOC SERVICES FOR PENN CONTRACTUAL SERVICE	0.00	219.00	
<u>747118</u>	Invoice <u>500-0000-7068-0000</u>	01/08/2020	ENVIROMENTAL DOC SERVICES FOR PENN CONTRACTUAL SERVICE	0.00	563.00	
2009	O'REILLY AUTO PARTS	01/09/2020	Regular	0.00	134.14	104388
<u>2678-229645</u>	Credit Memo <u>700-4050-7037-0000</u>	01/08/2020	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	-27.98	
<u>2678-229648</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	38.76	

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	<u>700-4050-7037-0000</u>		VEHICLE MAINTENANCE		38.76	
<u>2678-232411</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	34.93	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		34.93	
<u>2678-235049</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	67.86	
	<u>100-2100-7037-0000</u>		VEHICLE MAINTENANCE		67.86	
<u>2678-235272</u>	Invoice	01/08/2020	VEHICLE MAINTENANCE	0.00	20.57	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		20.57	
3100	ORTIZ ENTERPRISES INC	01/09/2020	Regular	0.00	131,208.64	104389
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>		<b>Account Name</b>		<b>Distribution Amount</b>	
<u>21</u>	Invoice	01/08/2020	SR-60 POTRERO BLVD INTERCHANGE PRO	0.00	131,208.64	
	<u>500-0000-8030-0000</u>		INFRASTRUCTURE IMPRO		131,208.64	
2026	PACIFIC ALARM SERVICE	01/09/2020	Regular	0.00	1,462.85	104390
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>		<b>Account Name</b>		<b>Distribution Amount</b>	
<u>P 101612</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	750.05	
	<u>100-6000-7087-6025</u>		SECURITY - CITY HALL		750.05	
<u>R 152454</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	60.25	
	<u>100-6000-7087-6026</u>		SECURITY- CITY HALL BLD		60.25	
<u>R 152455</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	179.55	
	<u>700-4050-7087-007A</u>		SECURITY SERVICES		179.55	
<u>R 152457</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	163.50	
	<u>700-4050-7087-005X</u>		SECURITY SERVICES		163.50	
<u>R 152458</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	113.25	
	<u>100-6000-7087-6040</u>		SECURITY - POLICE DEPT		113.25	
<u>R 152459</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	58.25	
	<u>100-6000-7087-6040</u>		SECURITY - POLICE DEPT		58.25	
<u>R 152464</u>	Invoice	01/08/2020	SECURITY SERVICES	0.00	138.00	
	<u>700-4050-7087-005X</u>		SECURITY SERVICES		138.00	
2051	PAYCHEX HUMAN RESOURCES SERVICES	01/09/2020	Regular	0.00	700.00	104391
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>		<b>Account Name</b>		<b>Distribution Amount</b>	
<u>9949708 01/02/2</u>	Invoice	01/08/2020	TIMECLOCK CHARGES	0.00	700.00	
	<u>100-1240-7068-0000</u>		CONTRACTUAL SERVICES		350.00	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		70.00	
	<u>750-7000-7068-0000</u>		CONTRACTUAL SERVICES		19.00	
	<u>750-7100-7068-0000</u>		CONTRACTUAL SERVICES		7.00	
	<u>750-7200-7068-0000</u>		CONTRACTUAL SERVICES		91.00	
	<u>750-7300-7068-0000</u>		CONTRACTUAL SERVICES		140.00	
	<u>750-7400-7068-0000</u>		CONTRACTUAL EXPENSES		9.00	
	<u>750-7600-7068-0000</u>		CONTRACTUAL SERVICES		14.00	
2064	PITNEY BOWES GLOBAL FINANCIAL SERVICES LI	01/09/2020	Regular	0.00	513.52	104392
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>		<b>Account Name</b>		<b>Distribution Amount</b>	
<u>3103639789</u>	Invoice	01/08/2020	EQUIPMENT LEASE	0.00	513.52	
	<u>100-1200-7075-0000</u>		EQUIPMENT LEASING/RE		513.52	
2065	PITNEY BOWES INC-CTR	01/09/2020	Regular	0.00	53.86	104393
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>		<b>Account Name</b>		<b>Distribution Amount</b>	
<u>1014605337</u>	Invoice	01/08/2020	OFFICE SUPPLIES	0.00	53.86	
	<u>100-2050-7025-0000</u>		OFFICE SUPPLIES		53.86	
2072	POLYDYNE, INC.	01/09/2020	Regular	0.00	5,745.57	104394

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Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>1411016</u>	Invoice	01/08/2020	CHEMICALS & SUPPLIES	0.00	5,745.57	
	<u>700-4050-7070-0000</u>		SPECIAL DEPT SUPPLIES		5,745.57	
2074	PRE-PAID LEGAL SERVICES INC	01/09/2020	Regular	0.00	764.73	104395
<u>PD 12/20/19-01/</u>	Invoice	01/08/2020	OPTIONAL EMPLOYEE SERVICE	0.00	764.73	
	<u>100-0000-2045-0000</u>		PRE PAID LEGAL		764.73	
3652	PRUDENTIAL OVERALL SUPPLY	01/09/2020	Regular	0.00	1,314.36	104396
<u>22902548</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	60.94	
	<u>700-4050-7065-0000</u>		UNIFORMS		60.94	
<u>22906207</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	144.37	
	<u>750-7100-7065-0000</u>		UNIFORMS		17.58	
	<u>750-7400-7065-0000</u>		UNIFORMS		34.48	
	<u>750-7600-7065-0000</u>		UNIFORMS		29.14	
	<u>750-7700-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7800-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7900-7065-0000</u>		UNIFORMS		21.65	
<u>22906208</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	60.94	
	<u>700-4050-7065-0000</u>		UNIFORMS		60.94	
<u>22906209</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	54.20	
	<u>750-7300-7065-0000</u>		UNIFORMS		54.20	
<u>22906211</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	99.55	
	<u>100-6050-7065-0000</u>		UNIFORMS		99.55	
<u>22909944</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	144.37	
	<u>750-7100-7065-0000</u>		UNIFORMS		17.58	
	<u>750-7400-7065-0000</u>		UNIFORMS		34.48	
	<u>750-7600-7065-0000</u>		UNIFORMS		29.14	
	<u>750-7700-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7800-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7900-7065-0000</u>		UNIFORMS		21.65	
<u>22909946</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	54.20	
	<u>750-7300-7065-0000</u>		UNIFORMS		54.20	
<u>22909948</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	99.55	
	<u>100-6050-7065-0000</u>		UNIFORMS		99.55	
<u>22913456</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	144.37	
	<u>750-7100-7065-0000</u>		UNIFORMS		17.58	
	<u>750-7400-7065-0000</u>		UNIFORMS		34.48	
	<u>750-7600-7065-0000</u>		UNIFORMS		29.14	
	<u>750-7700-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7800-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7900-7065-0000</u>		UNIFORMS		21.65	
<u>22913460</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	54.20	
	<u>750-7300-7065-0000</u>		UNIFORMS		54.20	
<u>22913463</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	99.55	
	<u>100-6050-7065-0000</u>		UNIFORMS		99.55	
<u>22917253</u>	Invoice	01/08/2020	Prudential Uniforms	0.00	144.37	
	<u>750-7100-7065-0000</u>		UNIFORMS		17.58	
	<u>750-7400-7065-0000</u>		UNIFORMS		34.48	
	<u>750-7600-7065-0000</u>		UNIFORMS		29.14	
	<u>750-7700-7065-0000</u>		UNIFORMS		20.76	
	<u>750-7800-7065-0000</u>		UNIFORMS		20.76	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A	
	750-7900-7065-0000	UNIFORMS	UNIFORM MAINTENANCE		21.65	
22917255	Invoice	01/08/2020	Prudential Uniforms	0.00	54.20	
	750-7300-7065-0000	UNIFORMS	UNIFORM MAINTENANCE		54.20	
22917257	Invoice	01/08/2020	Prudential Uniforms	0.00	99.55	
	100-6050-7065-0000	UNIFORMS	UNIFORM MAINTENANCE		99.55	
2218	RYAN BRIEDA	01/09/2020	Regular	0.00	150.00	104397
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
12/14/19-12/16/	Invoice	01/08/2020	REIMBURSEMENT FOR K9 KENNEL	0.00	150.00	
	100-2080-7070-0000	SPECIAL DEPT SUPPLIES	REIMBURSEMENT FOR K9 KENN		150.00	
2257	SCOTT FAZEKAS & ASSOCIATES, INC.	01/09/2020	Regular	0.00	11,656.68	104398
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
20872	Invoice	01/08/2020	FY 19-20 PO for Plan Check Services	0.00	11,656.68	
	100-2150-7063-0000	PLAN CHECK FEES	FY 19-20 PO for Plan Check Serv		11,656.68	
2311	SOUTHERN CALIFORNIA EDISON	01/09/2020	Regular	0.00	17,417.07	104399
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
01/08/20	Invoice	01/08/2020	ELECTRIC UTILITY	0.00	17,417.07	
	100-3250-7010-0000	UTILITIES	ELECTRIC UTILITY		2,327.26	
	100-3250-7010-004X	UTILITIES (IA 4)	ELECTRIC UTILITY		17.49	
	100-3250-7010-007A	UTILITIES (IA 7A)	ELECTRIC UTILITY		129.11	
	100-3250-7010-007D	UTILITIES (IA 7D)	ELECTRIC UTILITY		106.37	
	100-3250-7010-008A	UTILITIES (IA 8A)	ELECTRIC UTILITY		463.28	
	100-3250-7010-008B	UTILITIES (IA 8B)	ELECTRIC UTILITY		82.22	
	100-3250-7010-008C	UTILITIES (IA 8C)	ELECTRIC UTILITY		194.53	
	100-3250-7010-008D	UTILITIES (IA 8D)	ELECTRIC UTILITY		20.79	
	100-3250-7010-010A	UTILITIES (IA 10)	ELECTRIC UTILITY		46.72	
	100-3250-7010-012A	UTILITIES (IA 12)	ELECTRIC UTILITY		88.38	
	100-3250-7010-014A	UTILITIES (IA 14A)	ELECTRIC UTILITY		78.17	
	100-3250-7010-014X	UTILITIES (IA 14)	ELECTRIC UTILITY		81.67	
	100-3250-7010-018X	UTILITIES (IA 18)	ELECTRIC UTILITY		66.90	
	100-3250-7010-019A	UTILITIES (IA 19A)	ELECTRIC UTILITY		198.11	
	100-3250-7010-019C	UTILITIES (IA 19C)	ELECTRIC UTILITY		219.89	
	100-3250-7010-06A1	UTILITIES (IA 6A1)	ELECTRIC UTILITY		416.96	
	100-6000-7010-6025	UTILITIES - CITY HALL	ELECTRIC UTILITY		1,518.43	
	100-6000-7010-6031	UTILITIES - CITY HALL BLD	ELECTRIC UTILITY		847.94	
	100-6000-7010-6032	UTILITIES - CITY HALL BLD	ELECTRIC UTILITY		847.93	
	100-6000-7010-6040	UTILITIES - POLICE DEPT	ELECTRIC UTILITY		2,488.82	
	100-6000-7010-6055	UTILITIES - FIRE STATION	ELECTRIC UTILITY		369.83	
	100-6050-7010-0000	UTILITIES	ELECTRIC UTILITY		1,995.66	
	100-6050-7010-002X	UTILITIES IA 2	ELECTRIC UTILITY		130.23	
	100-6050-7010-005X	UTILITIES IA 5	ELECTRIC UTILITY		3,905.20	
	100-6050-7010-007A	UTILITIES IA 7A	ELECTRIC UTILITY		10.82	
	100-6050-7010-008C	UTILITIES IA 8C	ELECTRIC UTILITY		12.23	
	100-6050-7010-008E	UTILITIES IA 8E	ELECTRIC UTILITY		10.68	
	100-6050-7010-014X	UTILITIES IA 14	ELECTRIC UTILITY		10.82	
	100-6050-7010-06A1	UTILITIES IA 6A1	ELECTRIC UTILITY		20.34	
	100-6050-7010-5400	UTILITIES, PARK (SPORTS	ELECTRIC UTILITY		649.11	
	100-6050-7010-5500	UTILITIES, PARK (STEWAR	ELECTRIC UTILITY		61.18	
2407	THE GAS COMPANY	01/09/2020	Regular	0.00	925.94	104400
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
03822937417 01/	Invoice	01/08/2020	GAS UTILITY	0.00	170.17	
	100-6000-7010-6041	UTILITIES - POLICE ANNEX	GAS UTILITY		170.17	
05789544425 01/	Invoice	01/08/2020	GAS UTILITY	0.00	755.77	



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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	
	<u>100-6000-7010-6045</u>	UTILITIES - COMMUNITY	GAS UTILITY		755.77	
2416	THE PRESS-ENTERPRISE	01/09/2020	Regular	0.00	1,608.60	104401
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>0011295445</u>	CHE Invoice	10/10/2019	ADVERTISING	0.00	43.20	
	<u>100-1150-7020-0000</u>		ADVERTISING		43.20	
<u>0011296046</u>	CHE Invoice	10/10/2019	ADVERTISING	0.00	93.60	
	<u>100-1350-7020-0000</u>		ADVERTISING		93.60	
<u>0011298359</u>	CHE Invoice	10/10/2019	ADVERTISING	0.00	60.00	
	<u>100-1350-7020-0000</u>		ADVERTISING		60.00	
<u>0011305634</u>	Invoice	10/02/2019	ADVERTISING COSTS	0.00	995.40	
	<u>215-0000-8020-0000</u>		LAND IMPROVEMENTS		995.40	
<u>0011308338</u>	Invoice	09/18/2019	ADVERTISING	0.00	56.40	
	<u>100-1350-7020-0000</u>		ADVERTISING		56.40	
<u>0011308341</u>	Invoice	09/18/2019	ADVERTISING	0.00	76.80	
	<u>100-1350-7020-0000</u>		ADVERTISING		76.80	
<u>0011312797</u>	Invoice	10/02/2019	ADVERTISING COSTS	0.00	72.00	
	<u>100-1350-7020-0000</u>		ADVERTISING		72.00	
<u>0011312803</u>	Invoice	10/02/2019	ADVERTISING COSTS	0.00	68.40	
	<u>100-1350-7020-0000</u>		ADVERTISING		68.40	
<u>0011312809</u>	Invoice	10/02/2019	ADVERTISING COSTS	0.00	68.40	
	<u>100-1350-7020-0000</u>		ADVERTISING		68.40	
<u>0011312848</u>	Invoice	10/02/2019	ADVERTISING COSTS	0.00	74.40	
	<u>100-1150-7020-0000</u>		ADVERTISING		74.40	
2430	TIME WARNER CABLE	01/09/2020	Regular	0.00	2,084.91	104402
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>0013594122019</u>	Invoice	01/08/2020	BUILDING MAINTENANCE	0.00	149.06	
	<u>100-1230-7015-6040</u>		TELEPHONE (POLICE DPT)		149.06	
<u>0014188122019</u>	Invoice	01/08/2020	BUILDING UTILITY	0.00	46.98	
	<u>100-1230-7015-6055</u>		TELEPHONE (MAPLE AVE)		46.98	
<u>0241971122519</u>	Invoice	01/08/2020	INTERNET SERVICES - CITY HALL	0.00	1,888.87	
	<u>100-1230-7015-6025</u>		TELEPHONE (CITY HALL)		1,888.87	
3878	TODD ROWAN	01/09/2020	Regular	0.00	106.85	104403
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>05-010026-05</u>	Invoice	01/08/2020	REIMBURSE CREDIT ON UTILITY ACCOUNT	0.00	106.85	
	<u>100-0000-1400-0000</u>		A/R - UTILITIES		106.85	
3265	TOWNSEND PUBLIC AFFAIRS, INC	01/09/2020	Regular	0.00	8,000.00	104404
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>15409</u>	Invoice	01/08/2020	STATE & FEDERAL LOBBYIST	0.00	4,000.00	
	<u>100-1200-7058-0000</u>		CONTRACTUAL SERVICES		4,000.00	
<u>15511</u>	Invoice	01/31/2020	STATE & FEDERAL LOBBYIST	0.00	4,000.00	
	<u>100-1200-7058-0000</u>		CONTRACTUAL SERVICES		4,000.00	
2472	UPS	01/09/2020	Regular	0.00	9.20	104405
<b>Payable #</b>	<b>Payable Type</b>	<b>Post Date</b>	<b>Payable Description</b>	<b>Discount Amount</b>	<b>Payable Amount</b>	
	<b>Account Number</b>	<b>Account Name</b>	<b>Item Description</b>	<b>Distribution Amount</b>		
<u>000087R790509</u>	Invoice	01/08/2020	SHIPPING SERVICES	0.00	9.20	
	<u>100-2050-7025-0000</u>		OFFICE SUPPLIES		9.20	
2484	VERIZON	01/09/2020	Regular	0.00	5,468.08	104406

Check Report

Date Range: 12/020

Item No.3.

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A	
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
9845096502	Invoice	01/08/2020	DEPT CELL PHONES	0.00	4,249.35	
	100-1230-7015-0000	TELEPHONE	DEPT CELL PHONES		3,813.11	
	750-7000-7015-0000	TELEPHONE	DEPT CELL PHONES		436.24	
9845096503	Invoice	01/08/2020	TRANSIT TABLETS	0.00	798.21	
	750-7200-7015-0000	TELEPHONE	TRANSIT TABLETS		798.21	
9845096504	Invoice	01/08/2020	IPADS - 1550	0.00	152.04	
	100-1230-7015-0000	TELEPHONE	IPADS - 1550		152.04	
9845096505	Invoice	01/08/2020	IPADS - 3100	0.00	152.04	
	100-1230-7015-0000	TELEPHONE	IPADS - 3100		152.04	
9845096506	Invoice	01/08/2020	IPADS - 1550/6050	0.00	116.44	
	100-1230-7015-0000	TELEPHONE	IPADS - 1550/6050		116.44	
2517	VOYAGER	01/09/2020	Regular	0.00	36,136.44	104407
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
869065003952	Invoice	01/08/2020	FUEL EXPENSE	0.00	36,136.44	
	100-2000-7050-0000	FUEL	FUEL EXPENSE		619.47	
	100-2030-7050-0000	FUEL	FUEL EXPENSE		148.07	
	100-2050-7050-0000	FUEL	FUEL EXPENSE		10,942.91	
	100-2100-7050-0000	FUEL	FUEL EXPENSE		113.09	
	100-2150-7050-0000	FUEL	FUEL EXPENSE		330.20	
	100-3250-7050-0000	FUEL	FUEL EXPENSE		2,204.07	
	100-6050-7050-0000	FUEL	FUEL EXPENSE		3,919.89	
	700-4050-7050-0000	FUEL	FUEL EXPENSE		858.69	
	750-7100-7050-0000	FUEL	FUEL EXPENSE		2,792.72	
	750-7300-7050-0000	FUEL	FUEL EXPENSE		321.27	
	750-7400-7050-0000	FUEL	FUEL EXPENSE		5,881.98	
	750-7600-7050-0000	FUEL	FUEL EXPENSE		1,881.59	
	750-7700-7050-0000	FUEL	FUEL EXPENSE		2,276.32	
	750-7800-7050-0000	FUEL	FUEL EXPENSE		2,053.77	
	750-7900-7050-0000	FUEL	FUEL EXPENSE		1,119.56	
	750-8000-7050-0000	FUEL	FUEL EXPENSE		111.54	
	750-8100-7050-0000	FUEL	FUEL EXPENSE		219.77	
	750-8200-7050-0000	FUEL	FUEL EXPENSE		341.53	
2520	WALMART	01/09/2020	Regular	0.00	494.81	104408
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
P927300AB00XSZ	Invoice	01/08/2020	RECREATION PROGRAMS	0.00	194.36	
	100-1550-7040-0000	RECREATION PROGRAMS	RECREATION PROGRAMS		194.36	
P927300AQ00Y6	Invoice	01/08/2020	EVENT SUPPLIES	0.00	20.89	
	100-1550-7040-0000	RECREATION PROGRAMS	EVENT SUPPLIES		20.89	
P927300AX013D	Invoice	01/08/2020	EVENT SUPPLIES	0.00	279.56	
	100-1550-7040-0000	RECREATION PROGRAMS	EVENT SUPPLIES		279.56	
2546	WILLDAN ENGINEERING	01/09/2020	Regular	0.00	26,550.00	104409
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
002-21936	Invoice	01/08/2020	FY 19-20 PO for Insepction Services	0.00	26,550.00	
	100-2150-7067-0000	INSPECTIONS	INSPECTION SERVICES		26,550.00	
3254	WOOD ENVIRONMENT & INFRASTRUCTURE SO	01/09/2020	Regular	0.00	458.08	104410
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount	
S44142205	Invoice	01/08/2020	BIOLOGICAL RESOURCE ASSISTANCE TO P	0.00	458.08	
	710-0000-7068-0000	CONTRACTUAL SERVICE	BIOLOGICAL RESOURCE ASSISTA		458.08	

Check Report

Vendor Number  
1599

Vendor Name  
GUARDIAN LIFE INSURANCE

Payment Date  
01/09/2020

Payment Type  
Bank Draft

Date Range: 12/01/2019 - 01/09/2020

Discount Amount  
0.00

Payment Amount  
22,074.07

Item No.3

DFT0001848

Check Report

Date Range: 12/020

Item No.3.

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
Account Number	Account Name	Item Description	Distribution Amount		
JAN 2020	Invoice	01/09/2020	GUARDIAN INSURANCE	0.00	22,074.07
<u>100-0000-2040-0000</u>	GUARDIAN VOLUNTARY LI	GUARDIAN INSURANCE	1,113.46		
<u>100-1150-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	156.40		
<u>100-1150-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	48.65		
<u>100-1150-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	7.00		
<u>100-1200-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	705.92		
<u>100-1200-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	391.89		
<u>100-1200-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	56.72		
<u>100-1200-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	56.14		
<u>100-1225-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	361.40		
<u>100-1225-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	387.43		
<u>100-1225-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	15.24		
<u>100-1225-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	49.00		
<u>100-1230-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	500.92		
<u>100-1230-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	169.54		
<u>100-1230-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	55.06		
<u>100-1230-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	28.00		
<u>100-1240-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	113.31		
<u>100-1240-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	116.60		
<u>100-1240-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	14.00		
<u>100-1350-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	250.46		
<u>100-1350-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	120.52		
<u>100-1350-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	39.82		
<u>100-1350-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	14.00		
<u>100-1550-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	250.46		
<u>100-1550-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	91.48		
<u>100-1550-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	15.24		
<u>100-1550-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	21.00		
<u>100-2000-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	81.84		
<u>100-2000-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	14.00		
<u>100-2030-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	94.06		
<u>100-2030-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	17.31		
<u>100-2030-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	76.22		
<u>100-2030-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	23.69		
<u>100-2030-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	14.00		
<u>100-2050-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	3,053.23		
<u>100-2050-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	400.77		
<u>100-2050-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	2,453.25		
<u>100-2050-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	339.36		
<u>100-2050-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	308.00		
<u>100-2090-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	111.93		
<u>100-2090-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	933.31		
<u>100-2090-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	475.42		
<u>100-2090-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	73.91		
<u>100-2090-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	91.00		
<u>100-2150-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	250.46		
<u>100-2150-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	96.92		
<u>100-2150-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	194.56		
<u>100-2150-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	39.82		
<u>100-2150-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	28.00		
<u>100-3100-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	96.92		
<u>100-3100-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	568.77		
<u>100-3100-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	333.80		
<u>100-3100-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	73.14		
<u>100-3100-6028-0000</u>	LIFE INSURANCE	GUARDIAN INSURANCE	49.00		
<u>100-3250-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	318.31		
<u>100-3250-6021-0000</u>	DENTAL INSURANCE	GUARDIAN INSURANCE	48.46		
<u>100-3250-6023-0000</u>	DISABILITY	GUARDIAN INSURANCE	161.86		
<u>100-3250-6027-0000</u>	VISION CARE	GUARDIAN INSURANCE	40.11		

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment A
100-3250-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		35.00	
100-6050-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		1,247.21	
100-6050-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		145.38	
100-6050-6023-0000	DISABILITY	GUARDIAN INSURANCE		645.53	
100-6050-6027-0000	VISION CARE	GUARDIAN INSURANCE		160.34	
100-6050-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		140.00	
700-4050-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		96.92	
700-4050-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		299.06	
700-4050-6023-0000	DISABILITY	GUARDIAN INSURANCE		412.87	
700-4050-6027-0000	VISION CARE	GUARDIAN INSURANCE		57.61	
700-4050-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		56.00	
750-7000-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		539.42	
750-7000-6023-0000	DISABILITY	GUARDIAN INSURANCE		159.69	
750-7000-6027-0000	VISION CARE	GUARDIAN INSURANCE		31.06	
750-7000-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		28.00	
750-7100-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		113.31	
750-7100-6023-0000	DISABILITY	GUARDIAN INSURANCE		44.73	
750-7100-6027-0000	VISION CARE	GUARDIAN INSURANCE		15.24	
750-7100-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		10.50	
750-7300-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		299.06	
750-7300-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		65.77	
750-7300-6023-0000	DISABILITY	GUARDIAN INSURANCE		175.48	
750-7300-6027-0000	VISION CARE	GUARDIAN INSURANCE		57.61	
750-7300-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		35.00	
750-7400-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		191.26	
750-7400-6023-0000	DISABILITY	GUARDIAN INSURANCE		124.08	
750-7400-6027-0000	VISION CARE	GUARDIAN INSURANCE		23.69	
750-7400-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		28.00	
750-7600-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		188.12	
750-7600-6023-0000	DISABILITY	GUARDIAN INSURANCE		43.94	
750-7600-6027-0000	VISION CARE	GUARDIAN INSURANCE		15.24	
750-7600-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		14.00	
750-7700-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		17.31	
750-7700-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		156.40	
750-7700-6023-0000	DISABILITY	GUARDIAN INSURANCE		53.27	
750-7700-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		14.00	
750-7800-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		113.31	
750-7800-6023-0000	DISABILITY	GUARDIAN INSURANCE		21.41	
750-7800-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		7.00	
750-7900-6021-0000	DENTAL INSURANCE	GUARDIAN INSURANCE		97.20	
750-7900-6023-0000	DISABILITY	GUARDIAN INSURANCE		40.91	
750-7900-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		14.00	
750-8000-6023-0000	DISABILITY	GUARDIAN INSURANCE		22.05	
750-8000-6028-0000	LIFE INSURANCE	GUARDIAN INSURANCE		7.00	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	136	66	0.00	536,695.13
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	1	1	0.00	22,074.07
EFT's	0	0	0.00	0.00
	<b>137</b>	<b>67</b>	<b>0.00</b>	<b>558,769.20</b>

Item No.3.

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	136	66	0.00	536,695.13
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	1	1	0.00	22,074.07
EFT's	0	0	0.00	0.00
	<b>137</b>	<b>67</b>	<b>0.00</b>	<b>558,769.20</b>

Guardian

### Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	1/2020	558,769.20
			<b>558,769.20</b>



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Sean Thuilliez, Chief of Police  
**DATE:** February 18, 2020  
**SUBJECT:** Approval of Contract with PetData, an Animal Licensing Service

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### Background and Analysis:

The Police Department has oversight of the Animal Control Officer unit in the City of Beaumont. The department entered into an agreement with PetData in 2016 to contract for online animal licensing and data collection services. This program was researched by the Police Department in response to inquiries from the public to provide online licensing services, as well as streamlining the Animal Control Officer unit administrative functions to increase efficiency and maximize revenue.

Beaumont Municipal Code, Title 6, Section 6.06.010 and the State of California Food and Agricultural Code Section 30502, require licensing for dogs that are owned by persons within the City of Beaumont. This licensing requirement obligates the City to provide licensing services to the residents of Beaumont as well as the City of Calimesa.

PetData has given Beaumont and Calimesa residents the ability to upload supporting documentation and order their licenses online, without having to leave their residences or places of work to attend a licensing clinic or license in person at Beaumont City Hall or the Police Department.

PetData is a sole sourced company that contracts with several California municipalities and animal control departments. When contacted, all of the cities or agencies that utilize PetData noted that the program allows for reduced costs for staff time; minimal program cost versus productivity; having an easy to navigate web-based interface for the public and staff; as well as providing excellent, detailed reports to track data and revenue.

The renewal contract for PetData’s services includes a processing charge increase of 10 cents (.10) per one-year license issued for a total of \$4.20 and \$2.00 per year for a

multiyear license (after the initial year), as well as a fee of \$2.50 for collections of late license fees.

The contract for continued services with PetData (see Exhibit A) has been reviewed by the City Attorney.

**Fiscal Impact:**

Fees paid to PetData are on a per license basis. A range of \$4.20 to \$8.20 is payable to PetData based on the license type. The remainder of fees collected from the licensee is retained by the City for administrative costs.

**Recommended Action:**

Approve a contract with PetData for a period of three years.

**Attachments:**

- A. Contract



**AGREEMENT FOR ANIMAL LICENSING SERVICES  
(PETDATA, INC.)**

THIS AGREEMENT FOR ANIMAL LICENSING SERVICES (“Agreement”) is made and entered into by and between the City of Beaumont, a California municipal corporation (hereinafter called “CITY”), and PETDATA, INC., a Texas for-profit corporation (hereinafter called “CONTRACTOR”), as of \_\_\_\_\_, 2020 (“the Execution Date”). CITY and CONTRACTOR are referred to individually as a “Party” and collectively as the “Parties” throughout this Agreement.

**1. SERVICES**

For the consideration set forth below, CONTRACTOR agrees to provide to CITY the animal licensing services described under “CONTRACTOR’s RESPONSIBILITIES” in Exhibit A, attached hereto and incorporated herein by reference (collectively, the “Services”), upon the terms and conditions of this Agreement. The Services relate to CITY’s licensing and registration of pets. CITY agrees to perform “CITY’s RESPONSIBILITIES” described in Exhibit A. In the event of any conflict between any of the content of Exhibit A and any of the provisions of the main body of this Agreement, the provisions of the main body of this Agreement will prevail.

**2. INDEPENDENT CONTRACTOR STATUS**

It is the express intention of the Parties that CONTRACTOR is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONTRACTOR or any employee or agent of CONTRACTOR. Both Parties acknowledge that CONTRACTOR is not an employee for state or federal tax purposes. CONTRACTOR shall not be entitled to any of the rights or benefits afforded to CITY’S employees, including, without limitation, disability or unemployment insurance, workers’ compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONTRACTOR shall retain the right to perform services for others during the term of this Agreement.

**3. OVERSIGHT AND COORDINATION**

All Services under this Agreement shall be performed to the reasonable satisfaction of the City Manager or his/her designee or his or her designated representative as provided in Section 4. However, CONTRACTOR shall determine the method, details and means of performing the above-described Services and CITY shall have no right to, and shall not, control the matter or determine the method of accomplishing CONTRACTOR’s services. CONTRACTOR shall perform the services required by this Agreement at any place or location and at such times as CONTRACTOR shall determine is necessary to properly and timely perform CONTRACTOR’s services.

**4. PERFORMANCE OF SERVICES**

CONTRACTOR acknowledges that, prior to signing this Agreement, CONTRACTOR has become acquainted with matters relating to the performance of this Agreement and the terms and conditions of this Agreement, as reasonably determined by the City Manager or other person whom CITY shall from time to time designate to monitor the performance of the Services by CONTRACTOR. CITY agrees to promptly notify CONTRACTOR of the name and contact information of the person who will monitor the performance of the Services on behalf of CITY, and to promptly notify CONTRACTOR of any changes to CITY’S monitoring designee or the contact information for CITY’s monitoring designee.

**5. CUSTOM SUPPLIES**

If CITY requests that CONTRACTOR utilize specific supplies in connection with the performance of the Services, such as, for example, forms, brochures, or rabies books, CITY will provide those supplies to CONTRACTOR without charge.

**6. BANK ACCOUNTS**

Licensing fees and any other amounts that are collected by CONTRACTOR for the benefit of CITY under this Agreement shall be deposited into an account of one of the following types that is from time to time designated by CITY (a “Bank Account”):

A. CITY Account.

An account established and maintained by CITY in its name at a bank or other financial institution (a “CITY Account”); or

B. Maintained Account.

A separate account established and maintained by CONTRACTOR at a bank or other financial institution selected by CONTRACTOR in which will be deposited funds that relate solely to this Agreement (a “Maintained Account”).

CITY will initially designate the type of Bank Account to be utilized hereunder in a notice that CITY will deliver to CONTRACTOR during the Transition Phase in accordance with Section 12. CITY may thereafter change the designation of the type of Bank Account to be utilized hereunder from time to time upon notice to CONTRACTOR, and CONTRACTOR will have a reasonable time in order to effect any such requested change. CITY will reimburse CONTRACTOR for all out-of-pocket expenses incurred by CONTRACTOR in connection with any change in the type of Bank Account utilized hereunder. CITY acknowledges and consents that CONTRACTOR may make an initial deposit into a Maintained Account from CONTRACTOR’s funds in order to establish the account, which initial deposit will be refunded or otherwise reimbursed to CONTRACTOR. When a Maintained Account is closed, any funds remaining in the account after the payment of all amounts due CITY hereunder will belong to and be disbursed to CONTRACTOR.

**7. COMPENSATION TO CONTRACTOR**

In consideration of the Services, CONTRACTOR shall be entitled to the following compensation:

A. Basic Fees.

CITY shall pay to CONTRACTOR the following fees for all animal licenses issued during the term of this Agreement, regardless of whether the licenses are issued by CITY, CONTRACTOR, veterinarians, or any other persons:

- 1) Four dollars and twenty cents (\$4.20) for each one-year license or replacement tag and for the first year for each multi-year license (which amount is subject to adjustment as provided below).
- 2) Two dollars (\$2.00) for each additional year after the first year for each multi-year license.
- 3) Two dollars and fifty cents (\$2.50) collection service fee for each late fee, if any, paid by a Licensee during the term of this Agreement. As used in this Agreement, the term “Licensee” refers to any person who applies for an animal license to be issued by or on behalf of CITY.

The fee provided for in clause A.1), above, will be adjusted as follows during any of the following periods that fall within the term of this Agreement: (a) commencing on the third (3rd) annual anniversary of the Execution Date and continuing until the fifth (5th) annual anniversary of the Execution Date, the fee provided for in clause A.1), above, will be four dollars and thirty cents (\$4.30); and (b) if the term of this Agreement is for more than five (5) years, then, commencing on the fifth (5th) annual anniversary of the Execution Date and continuing on each annual anniversary of the Execution Date thereafter throughout the remaining term of this Agreement, the fee provided for in clause A.1), as previously adjusted, will increase by an amount equal to five percent (5%) of the fee under clause A.1) that is in effect immediately prior to the respective anniversary, and the fee, as so increased, will thereupon become the fee payable under clause A.1) unless and until further adjusted in accordance with this clause (b).

An animal license will be considered “issued” for purposes of this Agreement regardless of the means, method, program, process, or agency used for the issuance or registration of the license, and whether or not a fee or other

consideration is charged or received by the CITY for the license. Without limiting the generality of the foregoing, an animal license that is donated or issued free of charge by the CITY or that is issued as part of a bundling of CITY services or programs will be considered “issued” for purposes of this Agreement. Further, any animal license that is processed by CONTRACTOR for CITY during the term of this Agreement will be considered “issued” for purposes of this Agreement, whether or not the license was or is actually issued or delivered before, during, or after the term of this Agreement.

Notwithstanding the preceding provisions of this Section 7A, the Parties agree that CONTRACTOR’s minimum aggregate fees under this Section 7A are six thousand dollars (\$6,000.00) per calendar year. In order to assure the payment of such minimum aggregate annual fees to CONTRACTOR, the Parties agree that if the aggregate fees payable to CONTRACTOR under this Section 7A for a calendar month would, but for the application of this sentence, be less than five hundred dollars (\$500.00), then the aggregate fees payable to CONTRACTOR under this Section 7A for that calendar month will be five hundred dollars (\$500.00). However, the foregoing minimum monthly amount will not be applicable if the aggregate fees paid to CONTRACTOR under this Section 7A have already equaled or exceeded, or in the opinion of CONTRACTOR are reasonably expected to otherwise equal or exceed, six thousand dollars (\$6,000.00) for that calendar year. If the aggregate annual fees paid to CONTRACTOR under this Section 7A during any calendar year do not equal or exceed six thousand dollars (\$6,000.00), then CITY shall pay an amount equal to the positive difference between (i) six thousand dollars (\$6,000.00) and (ii) the amount previously paid to CONTRACTOR for that calendar year, upon demand by CONTRACTOR. The six thousand dollars (\$6,000.00) minimum annual amount shall be prorated for any partial calendar year during the term of this Agreement. No delay or failure on the part of CONTRACTOR in imposing or collecting the aforesaid monthly minimum amount shall affect CONTRACTOR’s right to receive the aforesaid minimum aggregate annual fees or to collect the aforesaid minimum aggregate monthly amount either then or in the future. CITY acknowledges that the aforesaid minimum fee amounts apply only to the fees payable to CONTRACTOR under this Section 7A, and do not include, by way of example and not by way of limitation, any Start-Up Fee payable to CONTRACTOR under Section 7B.

The fees paid to CONTRACTOR under this Section 7A are further subject to reasonable adjustment in the event that CITY adds, modifies, or eliminates any fees that are charged to Licensees during the term of this Agreement. CITY and CONTRACTOR agree to negotiate any such reasonable adjustments in good faith.

B. Start-Up Fee.

Startup fee is waived for this Agreement as this is the second agreement between CITY and CONTRACTOR.

C. Additional Service Fees or Costs.

The following fees or cost reimbursements will apply to the extent that the corresponding services described below are requested by CITY:

- 1) Cost of Bank Account. CITY will be responsible for all out-of-pocket costs related to any Bank Account. CITY will reimburse CONTRACTOR on a monthly basis for any out-of-pocket costs for a Bank Account that are paid by CONTRACTOR. CITY may request copies of the bank statements for a Maintained Account at any time and CONTRACTOR will provide available bank statements for that Maintained Account within five (5) business days after a request is received by CONTRACTOR.
- 2) Bank Deposit Mailing Fees. If CITY requires CONTRACTOR to deposit money into a CITY Account other than at a branch located in Irving, Texas (or any other city to which CONTRACTOR’s principal office may be moved during the term of this Agreement), CONTRACTOR may make any deposit to that CITY Account by means of any form of U.S. Mail or overnight delivery service, and the actual cost to transmit the deposits to the required bank location will be borne by CITY and included in invoices submitted to CITY for the Services.
- 3) Postal Box/Mail Forwarding Fee. If CITY requests CONTRACTOR to establish a local post office box for mail collection and forwarding, CITY will pay or reimburse CONTRACTOR for the actual costs of mail box rental, mail forwarding and postage fees.

- 4) Supply Fee. If CITY requests changes to supplies or notices that it has previously approved, including but not limited to fee or program changes, CITY will be responsible for the actual costs associated with changing, replacing or discontinuing the use of the previously approved supplies. If CITY terminates this Agreement for any reason other than for cause, CITY will remain responsible for the actual cost of supplies purchased on its behalf.
- 5) Lock Box Fees. If CITY utilizes a lockbox, the actual fees and costs associated with the lockbox, including the cost to forward mail to CONTRACTOR from a lockbox, shall be borne solely by CITY.
- D. Charges to Licensees.

For purposes of this Agreement, CITY agrees that CONTRACTOR may charge the following fees to Licensees, which shall be in addition to any compensation paid by CITY to CONTRACTOR under this Agreement:

- 1) Two dollars (\$2.00) for each on-line transaction engaged in by a Licensee.
- 2) CONTRACTOR may charge a fee to a Licensee of no more than twenty-five dollars (\$25.00) for each check or other payment from that Licensee that is returned uncollected for any reason. Any such returned item fee related to a maintained Bank Account that is actually collected shall be deposited into the maintained Bank Account and shall be for the benefit of CITY.
- E. Invoices.

CONTRACTOR shall submit no-pay invoices or other similar report for all services rendered. CONTRACTOR's invoice shall describe the work performed and any approved direct expenses incurred during the preceding period.

- F. Other Expenses.

Except as otherwise set forth in this Agreement, CONTRACTOR shall be responsible for its own reasonable costs and expenses incident to the performance of services for CITY.

**8. MODIFICATIONS OF SERVICES**

If CITY requests Services in addition to those described in this Agreement, and CONTRACTOR agrees to provide those additional Services, then CONTRACTOR shall be entitled to additional compensation for those additional Services as shall be agreed upon by CONTRACTOR and CITY in a written modification to this Agreement that is signed by CITY and CONTRACTOR. CONTRACTOR shall not be required to perform any such additional Services unless and until the Parties have entered into a written modification of this Agreement. Without limiting the other types of services that may be considered to be outside of the scope of the Services described in this Agreement, the following types of Services would be considered to be outside of the scope of the Services described in this Agreement and, therefore, the subject of additional compensation to CONTRACTOR: customized software projects; requests for new features in CONTRACTOR's software; or requests for CONTRACTOR to implement new procedures or operations. CITY may determine after the Execution Date that certain portions of the Services are no longer necessary, in which event CITY shall notify CONTRACTOR of the portions of the Services that are no longer required, and CONTRACTOR shall be relieved of the responsibility for performing those portions of the Services. However, there shall be no adjustment in CONTRACTOR's compensation hereunder for any portions of the Services that CONTRACTOR is not required to perform.

**9. REPORTS**

A. Reports from CONTRACTOR.

Within fifteen (15) business days after the end of each calendar month during the term hereof, CONTRACTOR shall submit an animal licensing summary report for the preceding calendar month to CITY in a format that is mutually agreed upon by CITY and CONTRACTOR. Any such report may be transmitted electronically or by any other means.

B. Reports from CITY.

Within ten (10) calendar days after the end of each calendar month during the term hereof, CITY shall submit a report to CONTRACTOR of all license fees that CITY has received during the preceding calendar month from Licensees, veterinarians or any other source other than CONTRACTOR. Any such report may be transmitted electronically or by any other means.

**10. PAYMENTS**

A. CITY Account Used.

If and for so long as a CITY Account is utilized hereunder, the following provisions shall apply (and the provisions of Section 10B shall be inapplicable):

Within fifteen (15) business days after the end of each calendar month, CONTRACTOR shall submit to CITY an invoice with supporting documentation for the compensation due CONTRACTOR under this Agreement for that calendar month. CITY shall pay CONTRACTOR the invoiced amount by means of check, ACH payment or other form of payment acceptable to CONTRACTOR within thirty (30) days after the date CONTRACTOR submits the invoice to CITY. Invoices that are not timely paid will, at CONTRACTOR’s option, bear interest from the thirtieth (30<sup>th</sup>) day after the date that CONTRACTOR submits the invoice to CITY until paid at a rate equal to the lesser of (i) 18% per annum or (ii) the maximum annual rate of interest permitted from time to time under applicable law (or if those rates are the same, then at the rate determined under either clause). Invoices shall be submitted electronically to the e-mail address that CITY shall from time to time provide CONTRACTOR for the submission of invoices or in such other manner as CITY may from time to time request in writing to CONTRACTOR and that is acceptable to CONTRACTOR.

B. Maintained Account Used.

If and for so long as a Maintained Account is utilized hereunder, the following provisions shall apply (and the provisions of Section 10A shall be inapplicable):

Within fifteen (15) business days after the end of each calendar month, CONTRACTOR shall remit to CITY the residual amount, if any, of all license fees collected by CONTRACTOR hereunder during the preceding calendar month after deducting therefrom all fees, costs, expenses, and reimbursements due CONTRACTOR hereunder. If at any time the funds in the Maintained Account are not sufficient to fully pay amounts due to CONTRACTOR hereunder, then CONTRACTOR may recoup any shortfall from any subsequent payments due to CITY under this paragraph until all sums due CONTRACTOR have been fully paid.

C. Direct Collections by CITY.

If CITY collects any animal license fee or any other amount that is subject to this Agreement directly from a Licensee, veterinarian or other source, other than CONTRACTOR, CITY may either forward the amount collected to CONTRACTOR within fifteen (15) business days for deposit into a Maintained Account, if a Maintained Account is in effect, or retain the amount. In either event, CITY shall report the amount so collected to CONTRACTOR in accordance with Section 9B so that the fee(s) due CONTRACTOR hereunder with respect to the amount collected by CITY may be determined and paid in accordance with this Agreement.

**11. TERM**

The initial term of this Agreement will commence on the Execution Date and will expire at the close of business on the last day of the thirty six (36) full calendar months after the Execution Date unless this Agreement is sooner terminated in accordance with other provisions of this Agreement.

**12. PERMITS AND REQUIREMENTS**

A. Permits.

CONTRACTOR shall obtain the necessary permits(s), including a business license, required by CITY or its governing ordinances for the performance of the Services. CITY agrees to provide CONTRACTOR with a list of any and all such permits and to work with CONTRACTOR in good faith to aid it in obtaining any such permits in a timely fashion.

B. Compliance With Codes & Laws.

CONTRACTOR shall use reasonable business efforts to keep itself informed of all State and National laws and all municipal ordinances and regulations of CITY which, in any manner, affect those engaged or employed in the performance of the Services by or on behalf of CONTRACTOR or which in any way affect the performance of the Services by or on behalf of CONTRACTOR. CITY agrees to provide CONTRACTOR with copies of any municipal ordinances and regulations which, in any manner, could affect the way in which CONTRACTOR performs the Services. Without limiting the foregoing, CONTRACTOR agrees to observe the provisions of CITY’s Municipal Code obligating every contractor or subcontractor under a contract or subcontract to CITY to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, or ancestry of any employee, applicant for employment, or any potential subcontractor.

**13. COVENANTS REGARDING DATA**

The vaccination and license data collected on behalf of CITY by CONTRACTOR pursuant to this Agreement and maintained by CONTRACTOR shall be deemed for all purposes to be the property of the CITY and may not be sold, assigned, or otherwise transferred by CONTRACTOR or any successor in interest to the assets of CONTRACTOR, including a trustee or receiver.

CONTRACTOR agrees that it will not use any data collected on behalf of CITY for any purposes other than for the performance of the Services and other purposes under this Agreement without the written consent of CITY except as provided in the Agreement or applicable laws. Furthermore, CONTRACTOR specifically agrees that it will not intentionally sell, transfer, or release personal data it has collected in fulfilling the terms of this Agreement to any third party. Additionally, CONTRACTOR agrees that any intentional sale, transfer or release of animal licensing data in violation of this Agreement represents an event of default and CITY has the right to terminate this Agreement immediately. In addition, CONTRACTOR, shall be liable for any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities, and expenses, including, without limitation, reasonable attorneys’ fees (collectively “Damages”) incurred by CITY as a result of any intentional transfer of such data which is not authorized by this Agreement or otherwise in advance by CITY in writing, as to which obligations the indemnification provisions of Section 14A below are specifically agreed to apply.

In the event that this Agreement is terminated for any reason by either Party or upon its expiration, CONTRACTOR agrees to return and transfer all animal licensing data to CITY within ten (10) business days after CITY and CONTRACTOR have agreed to a format that is reasonably acceptable to both Parties and the reimbursement to CONTRACTOR of its reasonable and necessary expenses in connection with such return and transfer.

**14. INDEMNIFICATION/ INSURANCE REQUIREMENTS**

**A. Duty to Defend and Indemnify.**

To the fullest extent permitted by law, CONTRACTOR agrees to defend, through counsel approved by CITY (which approval will not be unreasonably withheld), indemnify, and hold CITY , its officers, agents and employees harmless against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities, and expenses, including, without limitation, reasonable attorneys’ fees arising from a breach of this Agreement by CONTRACTOR or any willful misconduct, negligent acts, errors or omissions of CONTRACTOR or CONTRACTOR’S assistants, employees, or agents, including all claims relating to the injury or death of any person or damage to any property; excluding, however, such liability, claims, losses, damages, or expenses to the extent caused by the breach of this Agreement, willful misconduct, gross negligence, or negligence of CITY, or any of its officers, agents (excluding CONTRACTOR) or employees.

**B. Insurance.**

CONTRACTOR shall procure, pay for, and maintain during the term of this Agreement:

- 1) Commercial Liability Insurance with a minimum combined single limit coverage of \$1,000,000 per occurrence, and a \$2,000,000 General Aggregate Limit for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof.
- 2) Workers Compensation Insurance to cover obligations imposed by federal and state statutes having jurisdiction or employees engaged in the performance of the work or services of not less than \$1,000,000 per accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.
- 3) CONTRACTOR shall furnish evidence of such coverage to CITY and will provide 30 days’ written notice of policy lapse or cancellation, or of a material change in policy terms.
- 4) CONTRACTOR does not own any vehicles. However, CONTRACTOR does have coverage for non-owned vehicles under its commercial liability policy. Therefore, CONTRACTOR does not carry and shall not be obligated to carry separate automobile liability coverage.
- 5) CONTRACTOR shall not commence work under this Agreement until it has furnished evidence of the insurance coverage required by this Section to CITY. For Commercial Liability insurance policies, CONTRACTOR shall provide CITY, prior to commencement of work, with a separate endorsement which states that the policy contains the following language:
  - (a) the insurer waives the right of subrogation against CITY and CITY’S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and
  - (b) insurance shall be primary non-contributing.
- 6) All insurance required by this Agreement shall be carried only by responsible insurance companies licensed and admitted, or otherwise legally authorized to carry out insurance business in California with a current A.M. Best’s rating of no less than A:VII.

**C. No Third Party Beneficiaries.**

The provisions of this Section are solely for the benefit of the Parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity. This Section 14 shall survive termination of this Agreement.

**15. STATE AND FEDERAL TAXES**

As CONTRACTOR is not CITY’S employee, CONTRACTOR shall be responsible for paying all required state and federal taxes owed by CONTRACTOR. Without limiting the foregoing, CONTRACTOR acknowledges and agrees that:

- a. CITY will not withhold FICA (Social Security) from CONTRACTOR’S payments;
- b. CITY will not make state or federal unemployment insurance contributions on CONTRACTOR’S behalf;
- c. CITY will not withhold state or federal income tax from payment to CONTRACTOR;
- d. CITY will not make disability insurance contributions on behalf of CONTRACTOR; and
- e. CITY will not obtain workers’ compensation insurance on behalf of CONTRACTOR.

**16. TERMINATION**

A. Expiration.

If the term of this Agreement expires and is not extended in accordance with other provisions of this Agreement, then CONTRACTOR shall be paid all amounts due CONTRACTOR hereunder with respect to all periods through the date of termination, including CONTRACTOR’s basic fees under Section 7A with respect to animal licenses or renewals that are in process at the time of termination.

B. For Cause.

CITY may, at its option and without prejudice to any other remedy it may be entitled by law or in equity, or elsewhere under this Agreement, terminate this Agreement due to a material default by CONTRACTOR in the performance of the Services under this Agreement, but if and only if CONTRACTOR fails to cure the default within thirty (30) days after being given written notice of such default by CITY. For purposes of this section, written notice will be deemed delivered to CONTRACTOR if sent by e-mail, facsimile, or first class mail. In the event of such termination, CONTRACTOR shall be entitled to payment for all amounts due CONTRACTOR hereunder with respect to all periods through the date of termination, including CONTRACTOR’s basic fees under Section 7A with respect to animal licenses or renewals that are in process at the time of termination.

C. Termination of Licensing Program.

CITY may terminate this Agreement upon not less than ninety (90) days prior notice to CONTRACTOR if CITY determines to terminate its animal licensing program. Upon such termination, CONTRACTOR shall be entitled to payment for all amounts due CONTRACTOR hereunder with respect to all periods through the date of termination plus an additional amount (the “Cancellation Fee”) equal to the sum of all compensation payable to CONTRACTOR under this Agreement for the three calendar months in which the highest monthly compensation was payable to CONTRACTOR hereunder during the twelve (12) calendar months preceding the date of termination (or if shorter during the period from the Execution Date until the date of termination). The parties agree that the Cancellation Fee is reasonable compensation to CONTRACTOR for its lost revenue resulting from the early termination of this Agreement by CITY and is not a penalty.

**17. UNFORESEEN CIRCUMSTANCES**

CONTRACTOR shall not be responsible for any delay or omission in the performance of any of CONTRACTOR’S obligations under this Agreement to the extent caused by natural disaster, power outages, war, civil disturbance, labor dispute or other cause beyond CONTRACTOR’S reasonable control. To the extent CONTRACTOR is able to do so, CONTRACTOR shall provide notice to CITY of any event described in this Section within ten (10) business days after the occurrence of such event.



**18. RIGHT OF CITY TO INSPECT RECORDS**

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, during the term of this Agreement and for a period of three (3) years following the term of this Agreement to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONTRACTOR for the purpose of verifying any and all charges made by CONTRACTOR in connection with this Agreement. CONTRACTOR may elect to maintain books, records and documents in an electronic format, in a database, on paper, or a combination of the aforementioned. After the termination of this Agreement, paper records and supporting documents will either be shipped to CITY or destroyed, at CITY'S option, at CITY'S expense. Records that relate to any litigation, appeals, or settlements of claims arising from performance under this Agreement shall be made available until a final disposition has been made of such litigation, appeals, or claims.

**19. NOTICES**

Any notice, payment, statement, or demand required or permitted to be given hereunder by either Party to the other shall be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the Parties at the addresses appearing below, but each Party may change its address by written notice in accordance with this Section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

Notices to CITY shall be addressed as follows:

City of Beaumont  
Attn: Chief of Police  
660 Orange Avenue  
Beaumont, CA 92223  
Telephone: 951-769-8500  
Fax: 951-769-8508  
E-mail: SThuilliez@beaumontpd.org  
Attn: Chief of Police

Notices to CONTRACTOR shall be addressed as follows:

Chris Richey, President  
PetData, Inc.

P.O. Box 141929 (if mailed)  
Irving, Texas 75014-1929

8585 N Stemmons Fwy, Suite 1100-N (if delivered)  
Dallas, Texas 75247

214-821-3106 (facsimile)

Any such notice shall be effective (a) if delivered personally or by courier, when received, (b) if sent by overnight courier, when received, (c) if mailed, on the second business day after being mailed as described above, and (d) if sent by confirmed (either personal or machine) written telecommunication, when dispatched. Any Party may change any of its contact information for notices upon not less than ten (10) days' prior notice to the other Party in accordance with this Section. The provisions of this Section shall not govern the means of submission of invoices by CONTRACTOR to CITY under this Agreement.

**20. CONTRACTOR'S SYSTEM**

CITY acknowledges that CONTRACTOR has developed and coordinated proprietary means and methods of performing the Services and related know-how, skills, and property (collectively, the "System"). The System includes, among other items, an interactive website, databases, software, and related items. The System is special and unique to CONTRACTOR and has been developed by CONTRACTOR at great cost and expense to CONTRACTOR. CITY acknowledges that CITY

is not acquiring any rights in or to the System, and that the System is and will remain the sole and exclusive property of CONTRACTOR. CITY further acknowledges and agrees that any information that CITY obtains related to the use, formulation or operation of the System that is not generally known is CONFIDENTIAL, may only be used by CITY for the limited purposes described in this Agreement, and may not be disclosed to any third parties except as may be required under applicable law or with CONTRACTOR’s prior, express written consent in CONTRACTOR’s sole discretion. Upon the termination of this Agreement, any information and materials, in whatever media or format, related to the System that CITY has in its possession will be returned to CONTRACTOR or destroyed at CONTRACTOR’s option. CITY agrees that it will not attempt to discover, duplicate, or replicate the System in any manner.

**21. MISCELLANEOUS**

A. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

B. Entire Agreement.

This Agreement, including any exhibits hereto, supersedes any and all prior agreements, whether oral or written, between the Parties hereto with respect to the rendering of services by CONTRACTOR for CITY and contains all the covenants and agreements between the Parties with respect to the rendering of such services in any manner whatsoever. Each Party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent, or employee of CITY, prior to execution of this Agreement, shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

C. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

D. Successors and Assigns.

CONTRACTOR shall not assign this Agreement to any person or entity without the express written agreement of CITY which CITY may withhold in its absolute discretion. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors, and, except as otherwise provided herein, their assigns.-

E. General.

All references in this Agreement to sections and other subdivisions refer to corresponding sections and other subdivisions of this Agreement unless the context indicates otherwise. Titles appearing at the beginning of any such sections or subdivisions are for convenience only and shall not constitute part of such sections or subdivisions and shall be disregarded in construing the language contained in such sections or subdivisions. These words “this Agreement”, “this instrument”, “herein”, “hereof”, “hereby”, “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Words in any gender (including the neutral gender) shall include any other gender, unless the context otherwise requires. Examples shall not be construed to limit, expressly or by implication, the matter they illustrate. The word “includes” and its derivatives shall mean “includes, but is not limited to” and corresponding derivative expressions. The term “or” includes “and/or.” All exhibits attached to this Agreement are incorporated herein by reference. No consideration shall be given to the

fact or presumption that one Party had a greater or lesser hand in drafting this Agreement. All references herein to “\$”, “dollars”, or other sums of money shall refer to U.S. Dollars. References in this Agreement to “business days” shall refer to days other than Saturdays, Sundays, or other days on which CITY offices are closed. Any references in this Agreement to “days” other than business days shall refer to calendar days. Time is of the essence of this Agreement. No delay or forbearance in asserting any right or enforcing any obligation under this Agreement shall constitute a waiver of such right or obligation.

F. Authorization.

Each of the Parties represents and warrants to the other that this Agreement has been duly authorized by all necessary corporate or governmental action on the part of the representing Party and that this Agreement is fully binding on such Party.

G. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

H. Captions.

The captions to the various clauses of this Agreement are for information purposes only and shall not alter the substance of the terms and conditions of this Agreement.

I. Waiver.

The Parties agree that waiver by the other of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

J. Venue,

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

EXECUTED by CITY and by CONTRACTOR on the respective dates set forth below to be effective as of the Execution Date.

“CITY”

CITY OF BEAUMONT  
California municipal corporation

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

Mike Lara

Its: Mayor

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

ATTEST: \_\_\_\_\_

City Clerk

APPROVED AS TO FORM:

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

\_\_\_\_\_  
City Attorney

“CONTRACTOR”

PETDATA, INC.  
Texas for-profit corporation

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

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

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

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

EXHIBIT A  
Description of Services

This exhibit is attached to and a part of the above and foregoing Agreement for Animal Licensing Services (Agreement). Terms used in this exhibit that are not defined in this exhibit but which are defined elsewhere in the Agreement shall have the respective meanings given to them in the other provisions of the Agreement. In the event of any conflict between any of the provisions of this exhibit and the other provisions of the Agreement, the other provisions of the Agreement shall control.

CONTRACTOR RESPONSIBILITIES

1. Process License Applications
  - A. Receive and process animal license applications through the mail.
  - B. Provide online licensing and process applications initiated through CONTRACTOR’s website.
  - C. Enter new and renewal license applications into CONTRACTOR’s proprietary database.
  - D. Deposit, or transmit for deposit, all receipts collected for license fees, with the exception of those payments made via credit card, into a Bank Account.
  - E. Mail license tags within 10 business days after receipt of payment and complete documentation as required by local ordinance and/or CITY policy.
  - F. Update license information in CONTRACTOR’S database and issue replacement tags as needed.
  - G. If CONTRACTOR collects any payments due CITY from Licensees via credit card transactions that are paid to CONTRACTOR, those payments will be deposited, or transmitted for deposit, into a Bank Account within 15 business days after the end of the calendar month in which collected.
2. Mail License Notices
  - A. Mail renewal and reminder notices for expiring animal licenses. Renewal notices will be mailed in the month prior to the license expiration date, or as otherwise agreed upon between CONTRACTOR and CITY.
  - B. Mail billing notices to pet owners who have vaccinated a pet against rabies but have not licensed, if CITY collects rabies vaccination reports from veterinarians.
3. Customer Service for Licensing Program
  - A. Provide customer service to pet owners via phone, email and mail, and respond to requests in a timely fashion.
  - B. Provide customer service to CITY staff, and respond to CITY requests in a timely fashion.
  - C. Provide online access to licensing data to appropriate personnel via CONTRACTOR’s proprietary website, at no additional charge.
4. Manage Reports from Authorized Registrars and Veterinary Clinics
  - A. Process and enter license sales records from any registrars and veterinary clinics authorized to sell animal licenses.
    - 1) Track tag inventories at all authorized registrars, and reconcile reports.
    - 2) Invoice authorized registrars for licenses sold as needed
  - B. Process and enter rabies vaccination records from local veterinary clinics if rabies reporting is required by CITY.

- C. Follow up with delinquent clinics and registrars and report delinquent clinics and registrars to CITY as needed.
- 5. Provide veterinarians and other authorized registrars with reasonable quantities of supplies (reporting forms, applications or vaccination certificates, citizen mailing envelopes, etc.) necessary to sell license tags and/or report rabies vaccinations to CONTRACTOR. Supplies are to be printed in one color with the design and layout to be determined by CONTRACTOR.
- 6. Reporting to CITY
  - A. Send reports to CITY within 15 business days after the end of each month including the number of licenses sold at each location.
  - B. Provide statistical reports to CITY as requested within a timely manner. Depending on the information requested, CONTRACTOR can provide most reports within five business days.

CITY RESPONSIBILITIES

- 1. Purchase license tags to CONTRACTOR's specifications and ship them to CONTRACTOR. CONTRACTOR recommends that tags be shipped directly from tag vendor to CONTRACTOR to reduce shipping costs.
- 2. Report CITY license sales electronically or by mail at least monthly by the 10th calendar day of the month for the prior month's sales.
- 3. Give CONTRACTOR at least 60 days' notice of license fee or ordinance changes.
- 4. Respond to CONTRACTOR inquiries in a timely fashion.
- 5. Provide feedback to CONTRACTOR regarding program and customer matters.



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Todd Parton, City Manager  
**DATE:** February 18, 2020  
**SUBJECT:** Request for Facility and Staff Fee Waiver – Beaumont Kiwanis Club Pancake Breakfast

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### Background and Analysis:

The Beaumont Kiwanis Club has submitted a request for consideration of waiving facility and staff fees for their annual pancake breakfast to be held at the Beaumont Civic Center on Saturday, March 14, 2020. This event is attended by nearly 200 residents.

To use the gymnasium at the Civic Center it requires a \$500 deposit which is requested to be waived. Additionally, facility use fees total \$770, including staff fees and the use of the kitchen.

### Fiscal Impact:

Total amount requested for waiver is \$1,270.

### Recommended Action:

Consider waiver of facility use and staff fees requested by Beaumont Kiwanis Club in the amount of \$770.00, and  
 Consider waiver of a \$500 deposit for the use of the gymnasium at the Beaumont Civic Center.

### Attachments:

- A. Facility Use Application
- B. Fee Waiver Request



CITY OF BEAUMONT  
1310 Oak Valley Pkwy  
Phone (951) 769-8524  
BeaumontCa.gov

# FACILITY RENTAL APPLICATION

Location:

CHATIGNY REC CENTER

CIVIC CENTER

Room(s) number: Gym

Date(s) of Use: ~~FEB 8 2020~~ March 14th, 2020 Period of use:  One Time  Weekly  Monthly  
Other: \_\_\_\_\_

Open Building: 0530 am/pm Close Building: 1:30 am/pm

Starting Time: 0530 am/pm Ending Time: 1:30 am/pm

Equipment Needed for Meeting/Usage:  Chairs  Tables  Other: \_\_\_\_\_

Name of Organization/Group: BEAUMONT KIWANIS CLUB

Purpose of Meeting/Usage: PAN CAKE BREAKFAST

Expected Attendance: 200 Open to the Public?  Yes  No

ALL PERSONS UTILIZING CITY FACILITIES SHALL ABIDE BY ALL CITY RULES AND ORDINANCES INCLUDING BUT NOT LIMITED TO THE FOLLOWING:

1. Applicant is responsible for leaving facilities in the same conditions as received: for cleanliness; and turning off all utilities.
2. It is understood and agreed that the applicant shall be solely responsible for the activities conducted by it or subject to its controls, and applicant agrees to and does here hold the City harmless from any and all liability or alleged liability arising out of, or in any way related to, the activities by said applicant: and in the event suit is brought arising out of any such activities, applicant will defend the City and pay any and all attorney fees and Court cost incurred in such suit.
3. Alcohol is not permitted in the Civic Center/CRC facilities unless you have provided proof of security. Security guards must be present entire time alcohol is being served.
4. Night and weekend use of the Beaumont Facilities will be by special arrangement only, with additional payment required for a City employee to be present in the building for the full length of your use.
5. A cleaning and damage deposit is required.
6. Events at the CRC that use the overflow parking lot at night will be required to rent a light tower for their event. The light must be turned off by 10pm.

Special Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





CITY OF BEAUMONT  
 1310 Oak Valley Pkwy  
 Phone (951) 769-8524  
 BeaumontCa.gov

Item No.5.

# FACILITY RENTAL APPLICATION

Print Name: WALTER (BUZZ) DOPF  
 Street Address: 1505 BELTERRA City: BEAUMONT  
 Zip: 92223 Telephone: 909-248-0880 Date: 8-7-19

Walter Dopf  
 Signature of Person Responsible (must be 18 years of age)

**\*\*The City reserves the right to revoke this permit at any time\*\***

**YOUR DEPOSIT IS REQUIRED TO RESERVE YOUR DATE. FEE BALANCE (IF APPLICABLE) WILL BE DUE AT TIME OF KEY PICK UP - CHECK OR CREDIT CARDS ONLY.**

Please initial to accept below terms:

**Staff: (Civic Center, CRC)**

WBO There will be a charge of \$20.00 per hour of use for a City employee to open the building, be present during your activity and to close the building when your activity is finished. **THIS EMPLOYEE IS NOT RESPONSIBLE FOR CLEAN UP.**

**Deposit:**

WBO A deposit to hold the facility is required of \$500.00 for the GYM: \$45.00 for the Meeting Rooms.

This deposit must be paid, and the application form submitted to reserve the date for your event

WBO \$500.00 cleaning deposit which is refundable when the facility is left clean and no damage occurs. If you do not clean the facility, and there are damages, your deposit will be retained to cover the cost, and you will be liable for any expenses incurred over and above the deposit paid. Cleaning includes the hallway and the restrooms.

**Security Guards:**

WBO Security Guards are required, the number to be determined by the Beaumont Police Department for Civic Center or CRC. (# of guards on all facility rentals are subject to approval by the Beaumont Police Department). Arrangements may be made with a private security firm. A copy of the contract must be provided to this office.

WBO **THE GUARD MUST BE LICENSED, BONDED AND IN UNIFORM.**

**Alcoholic Beverages:**

WBO Special arrangements can be made to sell alcohol in the Civic Center for nonprofit agencies with approval from the Community Service Department and /or the Chief of Police. **ALCOHOL IS NOT ALLOWED FOR PARTIES OF UNDER AGED PERSON(S) (21 & OLDER ONLY).**



CITY OF BEAUMONT  
1310 Oak Valley Pkwy  
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BeaumontCa.gov

# FACILITY RENTAL APPLICATION

WBO If you plan to sell drinks, a one-day permit is required from ABC. You must first contact the Police Department for a letter to the ABC to obtain a permit. NOTE: ABC will not issue a permit to a private party, only nonprofit service clubs or organizations.

### Decoration and Set-Up:

WBO Large events which may take longer to set up can make special arrangements beforehand. If your event falls on a Saturday, and there is nothing scheduled in the gym on the Friday prior to the event, you may come in to set up between the hours of 8am-12pm for a flat rate of \$100.00. You must be finished and out of the building by 12pm.

### Chairs and Tables:

WBO The City has 150 - 200 chairs, and 25 6-foot tables. These are available free of charge. If additional are needed, you will need to rent them from another organization.

### Special Events:

WBO By initialing you are stating you have read and are complying by all rules of the ordinance.

WBO All Parties in the City facilities must end at 10:00p.m. There may be no alcohol served after this time. Everyone must be off the premises by 12:00am.

### CANCELLATION:


\_\_\_\_\_ Should the applicant desire to cancel the facility reservation, notification of the cancellation must be received no later than two weeks prior to the scheduled event. Should cancellation notice not be received by this time limit, a \$100.00 cancellation fee will be charged and taken from the deposit paid.

-----STAFF USE ONLY-----

Fees: See attached page for fees  
Heather H  
Customer Service Coordinator Date: 8/7/19

\_\_\_\_\_  
Community Services Director Date: \_\_\_\_\_

Received by [Signature]  
Date 8/7/2019

Available :  YES  NO  
In Book:  YES  NO  
Staff Needed:  YES  NO 

March 14th 5:30am-1:30pm 8h Item No.5.

RENTAL RATES

CATEGORY:	1	2	3	4
Auditorium/gym \$500.00 Deposit	N/A	N/A	\$120.00	\$220.00 First 2 hours
	N/A	N/A	\$40.00	\$100.00 Extra hours
Kitchen.	N/A	N/A	\$150.00	\$150.00 Flat rate
Meeting Rooms \$45.00 Deposit	N/A	N/A	\$50.00	\$100.00 First 2 hours
	N/A	N/A	\$15.00	\$40.00 Extra hours
Friday set up 8am-12pm	N/A	N/A	TBD	\$100.00 Flat rate
Ball field:	N/A	N/A	N/A	\$40.00 First 2 hours
	N/A	N/A	N/A	\$15.00 Extra hours
Lights Hr:	N/A	N/A	\$30.00	\$60.00
Pavilion: \$40.00 Deposit	N/A	N/A	\$25.00	\$50.00 First 2 hours
	N/A	N/A	\$10.00	\$15.00 Extra hours
Park restroom deposit	N/A	N/A	\$ 40.00	\$ 40.00 Flat rate
Staff Fee per Hour.	TBD	\$20 PER HR	\$20 PER HR	\$20 PER HR

CATEGORIES

1. City sponsored activities and use by departments and divisions of the City of Beaumont.
2. Local schools.
3. Civic groups; non-profit organizations, clubs and associations; other governmental agencies.
4. Wedding, receptions, and private parties. Commercially sponsored activities; use by business, groups, associations or individuals for any type of profit-making activity or event.

CITY OF BEAUMONT FACILITY REQUEST  
WORK OUT FORM

LOCATION City hall FACILITY Gym

FIRST 2 HRS \$ 120 \*THIS IS ONLY A WORK SHEET AND DOES NOT RENT FACILITY\*

ADD. HRS \$ 240

KITCHEN \$ 150 \*RATES ARE SUBJECT TO CHANGE, BEFORE PERMIT IS SIGNED\*

SET UP \$ 100

STAFF FEES \$ 160

SUB TOTAL \$ 770.00 TOTAL \$ 1,270.00

DEPOSIT \$ 500.00 STAFF INT. HH



**KIWANIS CLUB OF BEAUMONT**  
1505 Belterra  
BEAUMONT, CA 92223

**Mayor and City Counsel**

The Beaumont Kiwanis is having it annual Pancake Breakfast on March 14, 2020 at the Civic Center 550 Beaumont Ave. Beaumont. The price of the pancake breakfast is \$6.00. All money received will go towards Kiwanis youth service projects. This breakfast has been going on for over 50 years and will help fund projects.

The Beaumont Kiwanis would request the fees be waived by the city for uses of the Civic Center gym and kitchen. The event will require the civic center to be opened at 5:30am and the Breakfast will end at 11:00am. Following the breakfast there will be a short meeting put on by the Kiwanis Clubs in two divisions which will be attended by over 30 clubs. The breakfast and meeting will be over with by 1:30pm

By the Mayor and Counsel waving the fees, that money will go towards youth service projects,

On Thursday February 6 2020, The Beaumont Club installed a small community library at the Beaumont Sport Park in the area of the play grounds.

Each year Scholarship are given by the Kiwanis to Beaumont High School Students.

On Tuesday February 4 2020 Kiwanis meeting it was brought up and passed to provide money to the city swimming classes. The money will pay for under privileged children that can not afford the swimming classes.

All money received from the community, from the Kiwanis Cherry Fest Car Show and the annual pancake breakfast must go back into the community. The money can not be used by the club for any other reasons.

Thank you  
Youth Service Chairman  
Buzz Dopf



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Jeffrey Mohlenkamp, Finance Director  
**DATE:** February 18, 2020  
**SUBJECT:** December 2020 Financial Reports

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### Background and Analysis:

December 2020 Budget to Actual reports for General Fund and Wastewater Fund are attached for your review.:

1. General Fund (summary level) – Actual versus Budget (7/01/2019 through 12/31/2019) – **Attachment A**
2. Wastewater Fund (summary level) – Actual versus Budget (7/01/2019 through 12/31/2019) – **Attachment B**

An assessment of each of these major funds at the mid-point in FY 2020 is included in the attached worksheets.

### Fiscal Impact:

No fiscal impact.

### Recommended Action:

Receive and file.

### Attachments:

- A. General Fund FY20 Mid-Year
- B. Wastewater FY20 through December



City of Beaumont, CA

**Budget Comparison** Item No.6. **Part**  
 Group Summary  
**General Fund Budget to Actual**  
 FY 2020 through December

Category	Parent Budget				Notes
	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	
<b>Department: 0000 - NON-DEPARTMENTAL</b>					
40 - TAXES	\$ 4,070,207	\$ 4,472,591	\$ 4,714,260	\$ 18,233,045	Taxes are trending slightly higher than FY 2019, revenues are significantly higher in the second half of the fiscal year.
41 - LICENSES	\$ 50,408	\$ 79,689	\$ 129,040	\$ 214,221	
42 - PERMITS	\$ 1,807,857	\$ 3,292,700	\$ 1,540,539	\$ 5,167,885	Permits/ Inspections are down and unlikely to hit budget target
45 - INTERGOVERNMENTAL	\$ 7,288	\$ 29,319	\$ 2,550	\$ 21,288	
47 - CHARGES FOR SERVICE	\$ 3,789,807	\$ 3,558,768	\$ 7,109,643	\$ 2,852,950	Includes one-time \$5 million, prior years include solid waste revenues
50 - FINES AND FORFEITURES	\$ 34,913	\$ 37,510	\$ 46,680	\$ 133,850	
53 - COST RECOVERY	\$ 127,836	\$ 243,270	\$ 319,249	\$ 125,000	
54 - MISCELLANEOUS REVENUES	\$ 14,149	\$ 7,201	\$ 249,811	\$ 22,500	
58 - OTHER FINANCING SOURCES	\$ -	\$ 22,219	\$ 13,400	\$ 5,000	
65 - OPERATING COSTS	\$ -	\$ -	\$ -	\$ -	
78 - CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -	
80 - DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	
90 - TRANSFERS	\$ (4,611)	\$ (209,092)	\$ 477,235	\$ 5,533,300	
<b>Total Revenues</b>	<b>\$ 9,897,853</b>	<b>\$ 11,534,175</b>	<b>\$ 14,602,408</b>	<b>\$ 32,309,039</b>	<b>45.2%</b> Trending up by \$3 million at mid point, including the one time franchise fee.
<b>Department: 1050 - CITY COUNCIL</b>					
60 - PERSONNEL SERVICES	\$ 10,258	\$ 14,025	\$ 12,143	\$ 27,153	
65 - OPERATING COSTS	\$ 6,558	\$ 9,420	\$ 4,970	\$ 23,950	
<b>Total Department: 1050 - CITY COUNCIL:</b>	<b>\$ 16,816</b>	<b>\$ 23,446</b>	<b>\$ 17,113</b>	<b>\$ 51,103</b>	<b>33.5%</b>
<b>Department: 1150 - CITY CLERK</b>					
60 - PERSONNEL SERVICES	\$ 51,939	\$ 55,894	\$ 58,845	\$ 157,201	
65 - OPERATING COSTS	\$ 15,536	\$ 6,678	\$ 2,836	\$ 17,305	
<b>Total Department: 1150 - CITY CLERK:</b>	<b>\$ 67,475</b>	<b>\$ 62,572</b>	<b>\$ 61,680</b>	<b>\$ 174,506</b>	<b>35.3%</b>
<b>Department: 1200 - ADMINISTRATION</b>					
60 - PERSONNEL SERVICES	\$ 776,155	\$ 628,620	\$ 640,840	\$ 1,284,109	
65 - OPERATING COSTS	\$ 298,495	\$ (158,232)	\$ 249,071	\$ (235,739)	
70 - CAPITAL IMPROVEMENTS	\$ 10,873	\$ -	\$ -	\$ -	
77 - CONTINGENCY	\$ -	\$ -	\$ -	\$ 47,961	
<b>Total Department: 1200 - ADMINISTRATION:</b>	<b>\$ 1,085,524</b>	<b>\$ 470,388</b>	<b>\$ 889,911</b>	<b>\$ 1,096,331</b>	<b>81.2%</b>
<b>Department: 1225 - FINANCE AND BUDGETING</b>					
60 - PERSONNEL SERVICES	\$ -	\$ 285,076	\$ 318,301	\$ 862,714	
65 - OPERATING COSTS	\$ -	\$ 92,500	\$ 62,078	\$ 103,125	
<b>Total Department: 1225 - FINANCE AND BUDGETING:</b>	<b>\$ -</b>	<b>\$ 377,576</b>	<b>\$ 380,379</b>	<b>\$ 965,839</b>	<b>39.4%</b>

<b>Department: 1230 - I.T.</b>									
60 - PERSONNEL SERVICES	\$	-	\$	77,992	\$	108,048	\$	388,967	
65 - OPERATING COSTS	\$	-	\$	251,254	\$	243,727	\$	770,075	
70 - CAPITAL IMPROVEMENTS	\$	-	\$	141,139	\$	-	\$	-	
<b>Total Department: 1230 - I.T.:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>470,385</b>	<b>\$</b>	<b>351,775</b>	<b>\$</b>	<b>1,159,042</b>	<b>30.4%</b>
<b>Department: 1240 - RISK AND HUMAN RESOURCES</b>									
60 - PERSONNEL SERVICES	\$	-	\$	184,351	\$	255,294	\$	435,507	
65 - OPERATING COSTS	\$	-	\$	932,078	\$	1,144,276	\$	1,201,602	
<b>Total Department: 1240 - RISK AND HUMAN RESOURCES:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>1,116,430</b>	<b>\$</b>	<b>1,399,570</b>	<b>\$</b>	<b>1,637,109</b>	<b>85.5%</b>
<b>Department: 1300 - LEGAL</b>									
65 - OPERATING COSTS	\$	1,064,614	\$	345,769	\$	452,744	\$	750,454	
<b>Total Department: 1300 - LEGAL:</b>	<b>\$</b>	<b>1,064,614</b>	<b>\$</b>	<b>345,769</b>	<b>\$</b>	<b>452,744</b>	<b>\$</b>	<b>750,454</b>	<b>60.3%</b>
<b>Department: 1350 - COMMUNITY DEVELOPMENT</b>									
60 - PERSONNEL SERVICES	\$	107,017	\$	240,245	\$	166,581	\$	374,203	
65 - OPERATING COSTS	\$	3,530	\$	5,390	\$	12,892	\$	150,407	
70 - CAPITAL IMPROVEMENTS	\$	-	\$	-	\$	-	\$	-	
<b>Total Department: 1350 - COMMUNITY DEVELOPMENT:</b>	<b>\$</b>	<b>110,547</b>	<b>\$</b>	<b>245,634</b>	<b>\$</b>	<b>179,473</b>	<b>\$</b>	<b>524,610</b>	<b>34.2%</b>
<b>Department: 1550 - COMMUNITY SERVICES</b>									
60 - PERSONNEL SERVICES	\$	226,501	\$	252,990	\$	196,036	\$	671,509	
65 - OPERATING COSTS	\$	116,165	\$	51,934	\$	44,098	\$	158,910	
70 - CAPITAL IMPROVEMENTS	\$	-	\$	-	\$	-	\$	12,000	
<b>Total Department: 1550 - COMMUNITY SERVICES:</b>	<b>\$</b>	<b>342,666</b>	<b>\$</b>	<b>304,924</b>	<b>\$</b>	<b>240,134</b>	<b>\$</b>	<b>842,419</b>	<b>28.5%</b>
<b>Department: 2000 - ANIMAL CONTROL</b>									
60 - PERSONNEL SERVICES	\$	232,687	\$	112,985	\$	114,242	\$	238,888	
65 - OPERATING COSTS	\$	58,297	\$	30,004	\$	32,330	\$	79,316	
70 - CAPITAL IMPROVEMENTS	\$	-	\$	8,745	\$	(6,000)	\$	-	
<b>Total Department: 2000 - ANIMAL CONTROL:</b>	<b>\$</b>	<b>290,984</b>	<b>\$</b>	<b>151,734</b>	<b>\$</b>	<b>140,572</b>	<b>\$</b>	<b>318,204</b>	<b>44.2%</b>
<b>Department: 2030 - COMMUNITY ENHANCEMENT</b>									
60 - PERSONNEL SERVICES	\$	35,825	\$	86,045	\$	109,723	\$	235,309	
65 - OPERATING COSTS	\$	16,216	\$	7,661	\$	37,026	\$	45,097	
<b>Total Department: 2030 - COMMUNITY ENHANCEMENT:</b>	<b>\$</b>	<b>52,041</b>	<b>\$</b>	<b>93,706</b>	<b>\$</b>	<b>146,749</b>	<b>\$</b>	<b>280,406</b>	
<b>Department: 2040 - PUBLIC SAFETY - OES</b>									
65 - OPERATING COSTS	\$	-	\$	2,803	\$	-	\$	6,000	
<b>Total Department: 2040 - PUBLIC SAFETY - OES:</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2,803</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>6,000</b>	

workers comp and recruiting costs higher than budgeted

Category	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2	
<b>Department: 2050 - POLICE</b>					
60 - PERSONNEL SERVICES	\$ 3,134,463	\$ 3,930,002	\$ 5,031,683	\$ 9,091,500	
65 - OPERATING COSTS	\$ 715,989	\$ 446,926	\$ 541,557	\$ 811,459	
70 - CAPITAL IMPROVEMENTS	\$ 242,587	\$ 13,344	\$ 103,229	\$ 252,688	
<b>Total Department: 2050 - POLICE:</b>	<b>\$ 4,093,039</b>	<b>\$ 4,390,272</b>	<b>\$ 5,676,469</b>	<b>\$ 10,155,647</b>	<b>55.9%</b>
Up by \$1.3 million, workers comp and pension costs represents a large portion of this.					
<b>Department: 2080 - K-9</b>					
65 - OPERATING COSTS	\$ 4,438	\$ 1,209	\$ 1,236	\$ 5,900	
70 - CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 19,391	\$ -	
<b>Total Department: 2080 - K-9:</b>	<b>\$ 4,438</b>	<b>\$ 1,209</b>	<b>\$ 20,628</b>	<b>\$ 5,900</b>	
<b>Department: 2090 - POLICE SUPPORT</b>					
60 - PERSONNEL SERVICES	\$ 629,337	\$ 791,350	\$ 1,679,736		

65 - OPERATING COSTS	\$ 1,990	\$ 1,800	\$ 3,452	\$ 17,215	
<b>Total Department: 2090 - POLICE SUPPORT:</b>	<b>\$ 631,327</b>	<b>\$ 793,150</b>	<b>\$ 703,074</b>	<b>\$ 1,696,951</b>	<b>41.4%</b>
<b>Department: 2100 - FIRE</b>					
65 - OPERATING COSTS	\$ 668,446	\$ 646,903	\$ 956,500	\$ 4,420,400	
<b>Total Department: 2100 - FIRE:</b>	<b>\$ 668,446</b>	<b>\$ 646,903</b>	<b>\$ 956,500</b>	<b>\$ 4,420,400</b>	<b>21.6%</b>
<b>Department: 2150 - BUILDING AND SAFETY</b>					
60 - PERSONNEL SERVICES	\$ 215,090	\$ 229,768	\$ 219,786	\$ 618,179	
65 - OPERATING COSTS	\$ 162,620	\$ 607,042	\$ 280,399	\$ 674,555	
70 - CAPITAL IMPROVEMENTS	\$ -	\$ 30,470	\$ 24,323	\$ -	
<b>Total Department: 2150 - BUILDING AND SAFETY:</b>	<b>\$ 377,710</b>	<b>\$ 867,281</b>	<b>\$ 524,507</b>	<b>\$ 1,292,734</b>	<b>40.6%</b>
<b>Department: 3100 - ENGINEERING AND PUBLIC WORKS</b>					
60 - PERSONNEL SERVICES	\$ 248,355	\$ 211,735	\$ 423,643	\$ 724,159	
65 - OPERATING COSTS	\$ 469,520	\$ 271,863	\$ 156,683	\$ 511,846	
70 - CAPITAL IMPROVEMENTS	\$ 680	\$ -	\$ 32,007	\$ 60,000	
<b>Total Department: 3100 - ENGINEERING AND PUBLIC WORKS:</b>	<b>\$ 718,555</b>	<b>\$ 483,599</b>	<b>\$ 612,334</b>	<b>\$ 1,296,005</b>	<b>47.2%</b>
<b>Department: 3150 - REFUSE</b>					
65 - OPERATING COSTS	\$ 1,911,102	\$ 2,199,500	\$ -	\$ -	
<b>Total Department: 3150 - REFUSE:</b>	<b>\$ 1,911,102</b>	<b>\$ 2,199,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Refuse expense goes away in FY 2020</b>
<b>Department: 3250 - STREET MAINTENANCE</b>					
60 - PERSONNEL SERVICES	\$ 108,771	\$ 230,804	\$ 255,578	\$ 532,023	
65 - OPERATING COSTS	\$ 504,857	\$ 505,347	\$ 452,303	\$ 1,269,307	
70 - CAPITAL IMPROVEMENTS	\$ 3,390	\$ 28,202	\$ 27,402	\$ 38,332	
<b>Total Department: 3250 - STREET MAINTENANCE:</b>	<b>\$ 617,018</b>	<b>\$ 764,353</b>	<b>\$ 735,283</b>	<b>\$ 1,839,662</b>	<b>40.0%</b>
<b>Department: 6000 - BUILDING MAINTENANCE</b>					
65 - OPERATING COSTS	\$ -	\$ 184,390	\$ 220,005	\$ 519,343	
70 - CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ 6,087	\$ 6,038	
<b>Category</b>	<b>2017-2018 YTD Activity Through Per</b>	<b>2018-2019 YTD Activity Through Per</b>	<b>2019-2020 YTD Activity Through Per</b>	<b>2019-2020 REV 2</b>	
<b>Total Department: 6000 - BUILDING MAINTENANCE:</b>	<b>\$ -</b>	<b>\$ 184,390</b>	<b>\$ 226,091</b>	<b>\$ 525,381</b>	<b>43.0%</b>
<b>Department: 6050 - PARKS AND GROUNDS MAINT</b>					
60 - PERSONNEL SERVICES	\$ 712,837	\$ 753,247	\$ 905,977	\$ 2,066,094	
65 - OPERATING COSTS	\$ 304,329	\$ 406,225	\$ 510,346	\$ 1,049,211	
70 - CAPITAL IMPROVEMENTS	\$ 148,132	\$ 10,462	\$ 25,048	\$ 93,950	
<b>Total Department: 6050 - PARKS AND GROUNDS MAINT:</b>	<b>\$ 1,165,298</b>	<b>\$ 1,169,934</b>	<b>\$ 1,441,371</b>	<b>\$ 3,209,255</b>	<b>44.9%</b>
<b>Department: 6150 - CITY POOL</b>					
60 - PERSONNEL SERVICES	\$ 39,995	\$ 30,884	\$ 37,614	\$ 32,381	
65 - OPERATING COSTS	\$ 6,723	\$ 14,364	\$ 14,746	\$ 28,700	
70 - CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -	
<b>Total Department: 6150 - CITY POOL:</b>	<b>\$ 46,718</b>	<b>\$ 45,249</b>	<b>\$ 52,359</b>	<b>\$ 61,081</b>	<b>85.7%</b>
<b>Report Total:</b>	<b>\$ (3,366,465)</b>	<b>\$ (3,677,033)</b>	<b>\$ 345,692</b>	<b>\$ -</b>	

**Total Expenses**      \$ 13,264,319    \$ 13,008,904      \$ 15,208,716    \$ 32,309,039      47.1%    Expenses trending below budget at the midyear point

**Overall Assessment:** Excluding the one-time franchise fee related to solid waste, revenues are trending a bit lower in FY 2020 vs FY 2019, meanwhile expenses are tracking higher. The budget surplus (Revenues exceeding expenses) is estimated to be \$6 million to \$8 million at the end of FY 2020, including the one time solid waste franchise fee and CFD transfers.







SubCategory	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	Parent Budget	% of	Notes
				2019-2020 REV 2	Budget	
<b>Category: 50 - FINES AND FORFEITURES</b>						
557 - Other	\$ -	\$ 1,750	\$ -	\$ -		
<b>Total Category: 50 - FINES AND FORFEITURES:</b>	<b>\$ -</b>	<b>\$ 1,750</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Category: 53 - COST RECOVERY</b>						
565 - Other Income	\$ 4,699	\$ -	\$ 6,236	\$ -		
<b>Total Category: 53 - COST RECOVERY:</b>	<b>\$ 4,699</b>	<b>\$ -</b>	<b>\$ 6,236</b>	<b>\$ -</b>		
<b>Category: 54 - MISCELLANEOUS REVENUES</b>						
560 - Investment Earnings	\$ -	\$ -	\$ 16,119	\$ 10,000		
<b>Total Category: 54 - MISCELLANEOUS REVENUES:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,119</b>	<b>\$ 10,000</b>		
<b>Category: 56 - PROPRIETARY REVENUES</b>						
570 - WasteWater	\$ 3,998,584	\$ 2,958,341	\$ 3,195,315	\$ 9,862,625		2 of 6 payments posted, tracking 32.4% slightly below budget
<b>Total Category: 56 - PROPRIETARY REVENUES:</b>	<b>\$ 3,998,584</b>	<b>\$ 2,958,341</b>	<b>\$ 3,195,315</b>	<b>\$ 9,862,625</b>		
<b>Category: 58 - OTHER FINANCING SOURCES</b>						
595 - Sale of Assets	\$ -	\$ 635	\$ -	\$ -		
599 - Other	\$ -	\$ -	\$ -	\$ -		
<b>Total Category: 58 - OTHER FINANCING SOURCES:</b>	<b>\$ -</b>	<b>\$ 635</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Total Revenues</b>						
	<b>\$ 4,003,282</b>	<b>\$ 2,960,726</b>	<b>\$ 3,217,670</b>	<b>\$ 9,872,625</b>	<b>32.6%</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>						
600 - SALARIES AND WAGES	\$ 63,815	\$ 199,247	\$ 552,766	\$ 1,313,356		
610 - BENEFITS	\$ 29,982	\$ 80,292	\$ 195,982	\$ 543,485		
615 - OTHER	\$ 1,136	\$ 3,907	\$ 9,207	\$ 38,528		
<b>Total Category: 60 - PERSONNEL SERVICES:</b>	<b>\$ 94,932</b>	<b>\$ 283,445</b>	<b>\$ 757,955</b>	<b>\$ 1,895,369</b>		40.0% tracking below budget at midpoint
<b>Category: 65 - OPERATING COSTS</b>						
650 - UTILITIES	\$ 258,656	\$ 437,058	\$ 420,336	\$ 827,618		
655 - ADMINISTRATIVE	\$ 82,863	\$ 94,388	\$ 46,137	\$ 246,946		
660 - FLEET COSTS	\$ 938	\$ 3,201	\$ 13,870	\$ 36,880		
670 - REPAIRS AND MAINTENANCE	\$ 9,357	\$ 7,923	\$ 38,452	\$ 115,500		
675 - SUPPLIES	\$ 75,569	\$ 120,127	\$ 88,189	\$ 321,610		
690 - CONTRACTUAL SERVICES	\$ 653,474	\$ 669,620	\$ 325,386	\$ 647,140		
697 - ADMIN OVERHEAD	\$ 300,000	\$ 306,000	\$ 25,000	\$ 650,000		
699 - OTHER	\$ 7,581	\$ 9,800	\$ 90,247	\$ 77,304		

Total Category: 65 - OPERATING COSTS: \$ 1,388,438 \$ 1,648,161 \$ 1,347,618 \$ 2,922,998 46.1% tracking below budget at midpoint

Item No.6.

SubCategory	2017-2018 YTD Activity Through Per	2018-2019 YTD Activity Through Per	2019-2020 YTD Activity Through Per	2019-2020 REV 2
<b>Category: 70 - CAPITAL IMPROVEMENTS</b>				
700 - EQUIPMENT	\$ -	\$ 1,832	\$ 19,523	\$ 10,000
750 - OTHER	\$ -	\$ -	\$ -	\$ 300,000
<b>Total Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>\$ -</b>	<b>\$ 1,832</b>	<b>\$ 19,523</b>	<b>\$ 310,000</b>

**Debt Service Payments**

\$ 2,993,663 \$ 4,732,326

principal and interest payment completed in first half of year/ only interest in second half - will match estimated budget

Total Expenditures (including Debt Service) \$ 1,483,370 \$ 1,933,438 \$ 5,118,759 \$ 9,860,693 51.9% Tracking to 46% once debt service is annualized

Revenues less expenses \$ 2,519,912 \$ 1,027,287 \$ (1,901,089) \$ 11,932 Once revenues and expenditures are annualized this budget is tracking very close to budget

**Overall Assessment:** Revenues are trending slightly below budget. Expenditures are trending lower than budget at the midpoint in the fiscal year. Expenses are expected to pickup in the second half of the year. This budget will need careful monitoring and may require adjustment.

**Budget Comparison Report**

**Fund Summary**

Fund	2017-2018	2018-2019	2019-2020	Parent Budget
	YTD Activity Through Per	YTD Activity Through Per	YTD Activity Through Per	2019-2020 REV 2
700 - WASTEWATER FUND	-1205193.87	1027287.08	-1901088.44	11932.18
<b>Report Total:</b>	<b>-1205193.87</b>	<b>1027287.08</b>	<b>-1901088.44</b>	<b>11932.18</b>





**Staff Report**

**TO:** Mayor, and City Council Members  
**FROM:** Elizabeth Gibbs, Community Services Director  
**DATE:** February 13, 2020  
**SUBJECT:** **First Amendment to Design/Build Contract with Baker Electric, Inc., a California Corporation**

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**Background and Analysis:**

On September 17, 2019, City Council approved a design/build contract with Baker Electric, Inc., for the purpose of designing and installing a turn-key electric vehicle charging station located at the Beaumont Civic Center parking lot (Attachment A). Section 1.4: Period of Performance included a guaranteed completion date of February 19, 2020, to ensure that the contractor completed the project in a timely manner and within the grant’s required project timeline.

As part of the project, Southern California Edison (SCE) is performing the utility design of the station and has not yet completed that portion of the project, requiring a contract amendment with Baker Electric, Inc., extending the period of performance (Attachment B).

Staff has communicated the delay and the reasons associated with the contract extension to the granting authority, Southern California Incentive Project (SCIP), and has been assured by their staff that an approved grant extension is forthcoming, to supplement the contract extension with Baker Electric, Inc.

**Fiscal Impact:**

None

**Recommended Action:**

Approve the First Amendment to Design/Build Contract with Baker Electric, Inc., a California Corporation, and authorize the Mayor to execute the amendment on behalf of the City.

**Attachments:**

- A. Design/Build Contract
- B. First Amendment to Agreement for Design/Build

**DESIGN-BUILD CONTRACT  
BETWEEN THE  
CITY OF BEAUMONT  
AND  
DESIGN/BUILD CONTRACTOR**

This Design-Build Contract (“Contract”) is made and entered into this 17th day of September, 2019, by and between the CITY OF BEAUMONT (“City”), and Baker Electric, Inc., a California corporation (the “Design-Build Entity” or “Contractor”), for the purpose of designing and constructing the Public Electric Vehicle Charging Station. The CITY and the Design-Build Entity are herein collectively referred to as the “Parties.”

**RECITALS**

- A. The CITY issued a Request for Proposals to construct and operate the Public Electric Vehicle Charging Station (the “Project”) to be located in the City of Beaumont.
- B. The CITY desires to contract with a single entity for design and construction of the Project, as set forth in this Contract.
- C. The Design-Build Entity submitted a Proposal for the Project, which was selected as providing the best value for the Project, and is prepared to enter into this Contract.

**AGREEMENT**

In consideration of the above recitals and the mutual covenants and conditions set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby set forth their mutual covenants and understandings as follows:

**1. TERMS.**

1.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following Contract Documents, including all exhibits, drawings, specifications and documents thereto, and attachments and addenda thereto:

- a. Request for Proposal (“RFP”)
- b. All Attachments and Appendices to RFP
- c. Design-Build Entity Proposal dated May 24, 2019
- d. General Conditions
- f. All CITY approved Change Orders

1.2.1 Acknowledgement of Contract Documents. The above documents constitute and may hereinafter be referred to as the “Contract Documents.” In addition to signing this Contract, the Design-Build Entity shall review and execute where appropriate all the attachments to this Contract described above. Also, the Design-Build Entity shall initial this paragraph immediately below acknowledging that he or she has read, understood and agrees with all of the terms of the Contract Documents, including, but not limited to, provisions of the General Conditions relating

to indemnification, insurance, standards of performance, termination, compensation, and time of the essence performance. The Design-Build Entity shall not disclaim knowledge of the meaning and effect of any term or provision of the Contract Documents, and agrees to strictly abide by their meaning and intent. Notwithstanding the forgoing, in the event that the Proposal contains any terms or provisions that conflict with or are in addition to any other provisions of the other Contract Documents including, but not limited to, the RFP said conflicting terms shall not be deemed a part of the Contract Documents.

1.2.2 The Design-Build Entity's Basic Obligation. The Design-Build Entity promises and agrees, at its own cost and expense, to furnish to the CITY all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, and all portions thereof, as described in the Contract Documents (hereinafter the "Scope of Work"), for a Lump Sum Amount of Three Hundred and Ten Thousand Eight Hundred Dollars (\$310,800.00) as stated in the Proposal submitted by the Design-Build Entity and as attached to the RFP plus the actual cost paid to Southern California Edison for its related services which is estimated to be approximately Sixty Thousand Dollars (\$60,000.00). Unless otherwise stated in the Contract Documents, the Lump Sum Amount shall pay for all costs and expenses required to design and construct the Project.

1.2.3 Extra Work. Extra work shall be governed by the applicable provisions of the General Conditions. Extra work shall be compensated, and shall be initiated only upon written approval by the CITY as described in the General Conditions.

1.3 Standard of Performance. The Design-Build Entity's performance shall be consistent with the standards set forth in the Contract and the General Conditions.

1.4 Period of Performance. The Design-Build Entity guarantees that it shall perform and complete all work necessary for final completion of the Project by the Guaranteed Completion Date ("GCD") of: February 19, 2020.

1.5 The CITY 's Basic Obligation. The CITY agrees to engage and do hereby engage the Design-Build Entity as an independent contractor to furnish all materials and to perform all work described in the Scope of Work for the Project according to the terms and conditions herein contained for the Lump Sum Amount set forth above. Except as otherwise provided in the Contract, the CITY shall pay to the Design-Build Entity, as full consideration for the satisfactory performance by the Design-Build Entity of the services and obligations required by this Contract, the above referenced compensation in accordance with compensation provisions set forth in this Contract.

1.6 CITY 's Representative. The CITY hereby designates Todd Parton, City Manager or his/her designee as the person to act as its representative for the performance of this Contract ("CITY's Representative"). The CITY's Representative shall be authorized to act as liaison between CITY and the Design-Build Entity in the administration of this Contract and all work on the Project. The CITY's Representative shall have the power to act on behalf of the CITY for all purposes under this Contract. CITY may designate new and/or different individuals to act as CITY's Representative from time to time upon written notice to the Design-Build Entity.



1.7 Design-Build Entity's Representative. The Design-Build Entity hereby designates \_\_\_\_\_, Project Manager to act as its representative for the performance of this Contract ("Design-Build Entity's Representative"). Design-Build Entity's Representative shall have full authority to represent and act on behalf of the Design-Build Entity for all purposes under this Contract. The Design-Build Entity's Representative shall supervise and direct all work on the Project, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the work pursuant to this Contract.

1.8 Design-Build Entity's Licensing. The Design-Build Entity shall have only appropriately licensed contractors performing work on the Project as required by the Business and Professions Code. The Design-Build Entity shall act as the licensed general contractor for the Project. Design-Build Entity's general contractor shall perform all services required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and the Design-Build entity shall be fully responsible to the CITY for any damages and/or delays to the Project as specified in the indemnification provisions of this Contract. Any change in the general contractor shall be subject to the CITY's prior written approval, which approval shall not be unreasonably withheld. The new general contractor shall be of at least equal competence as the prior general contractor. In the event that CITY and Design-Build Entity cannot agree as to the substitution of a new general contractor, the CITY shall be entitled to terminate this Contract as described in the General Conditions.

1.9 Design-Build Entity's Designer of Record. The Design-Build Entity shall act as the Designer of Record. The Designer of Record shall perform all services required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and the Design-Build entity shall be fully responsible to the CITY for any damages and/or delays to the Project as specified in the indemnification provisions of this Contract. Any change in the Designer of Record shall be subject to the CITY's prior written approval, which approval shall not be unreasonably withheld. The new Designer of Record shall be of at least equal competence as the prior Designer of Record. In the event that CITY and Design-Build Entity cannot agree as to the substitution of a new Designer of Record, the CITY shall be entitled to terminate this Contract as described in the General Conditions.

1.10 Design-Build Entity's Indemnification. As provided in the General Conditions, the Design-Build Entity agrees to protect, save, defend and hold harmless, to the greatest extent provided by law, the CITY, its governing board and each member thereof, its officers, agents and employees from any and all claims, liabilities, reasonable expenses or damages of any nature, including reasonable attorney's fees, for injury or death of any person, or damage to property, or interference with the use of property arising out of the negligent acts, errors or omission, or willful misconduct by the Design-Build Entity, the Design-Build Entity's agents, officers, employees, sub-consultants, or independent consultants hired by the Design-Build Entity to provide services pursuant to this Contract. The only exception to the Design-Build Entity's responsibility to protect, save, defend and hold harmless the CITY is where a claim, liability, expense or damage occurs due to the sole negligence or willful misconduct of the CITY. This hold harmless provision shall apply to all liability, as provided for above, regardless of whether

any insurance policies are applicable. Insurance policy limits do not act as a limitation upon the amount of the indemnification to be provided by the Design-Build Entity.

In claims against any person or entity indemnified under this provision, that are made by an employee of the Design-Build Entity or any Subcontractor, a person indirectly employed by the Design-Build Entity or any Subcontractor, or anyone for whose acts the Design-Build Entity or any Subcontractor may be liable, the indemnification obligation under this provision shall not be limited by any limitation on amount or type of damages, compensation, or benefits payable by or for Design-Build Entity or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts or any other insurance limitations. The indemnification obligations under this provision shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty. Joint and several liability shall apply to the Design-Build Entity. In the event the Design-Build Entity and one or more than one other party is connected with an accident or occurrence covered by this indemnification, then all such parties shall be jointly and severally responsible to each of the Indemnitees for indemnification, and the ultimate responsibility among such indemnifying parties for the loss and expense of any such indemnification shall be resolved without jeopardy to any indemnitee listed herein.

1.10.1 Waiver of Consequential Damages. Notwithstanding anything in this Contract to the contrary, the Contractor and CITY waive all claims against each other for all consequential damages arising out of or related to this contract. This mutual waiver includes: Damages incurred by the CITY for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and damages incurred by the Contractor for principal office expenses including compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

1.11 The Design-Build Entity's Labor Certification. The Design-Build Entity maintains that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of all work described in the Scope of Work for the Project.

1.12 Labor Code Compliance. The Design-Build Entity shall comply with the prevailing wage provisions of the California Labor Code and the prevailing wage rate determinations of the Department of Industrial Relations. A copy of these rates shall be posted at the job site. It shall be mandatory upon the Design-Build Entity and all subcontractors to comply with all Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor, and debarment of the Design-Build Entities and subcontractors. Execution of the Agreement by the parties constitutes their agreement to abide by all applicable provisions of the California Labor Code; constitutes contractor's certification that it is aware of the provisions of said Code and will comply with them; and further constitutes Contractor's certification as follows:

"I am aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for worker's compensation or to undertake self insurance

in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract."

1.13 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Contract, the prevailing party in such action shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

1.14 Successors. The parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract. The Design-Build Entity may not either voluntarily or by action of law, assign any obligation assumed by the Design-Build Entity hereunder without the prior written consent of the CITY.

1.15 Notices.

All notices hereunder and communications regarding interpretation of the terms of the Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

**DESIGN-BUILD ENTITY:**

Baker Electric  
1298 Pacific Oaks Place  
Escondido, CA 92029  
Telephone: (760) 745-2001  
Attn: David Lacombe

**CITY:**

City Manager  
City of Beaumont  
550 East 6th Street  
Beaumont, CA 92223

Any notice so given shall be considered received by the other party three (3) days after deposit in the U.S. Mail, first class postage prepaid, addressed to the party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

1.16 Attachments. All Attachments referenced in this Contract are incorporated into the Contract by this reference.

1.17 Recitals.

The above referenced recitals are true and correct and are incorporated into this Contract by this reference.

1.18 Authority of Signatories.

The persons executing this Contract on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties.

**CITY:**

CITY OF BEAUMONT

By:   
Julio Martinez Mayor

**DESIGN-BUILD ENTITY:**

Baker Electric, Inc., a California corporation

By: 


Print Name: George England

Title: Vice President

**ATTEST:**

By:   
Steven Mehlman City Clerk

**APPROVED AS TO FORM:**

By:   
~~John O. Pinkney~~, City Attorney  
Robert Patterson, Assistant

**CITY OF BEAUMONT**

**GENERAL CONDITIONS TO DESIGN BUILD CONTRACT**

**I. SCOPE OF WORK**

The CONTRACTOR shall perform within the time set forth in the Design Build Contract (“Contract”) and shall furnish all labor, materials, equipment, tools, utility services, and transportation and perform and complete all work required in connection therewith Project (hereinafter “Project”).

By entering into this Agreement, CONTRACTOR acknowledges that there may be other contractors on the site whose work will be coordinated with that of its own. CONTRACTOR expressly warrants and agrees that it will cooperate with other contractors and will do nothing to delay, hinder, or interfere with the work of other separate contractors or utilities. CONTRACTOR also expressly agrees that, in the event its work is hindered, delayed, interfered with, or otherwise affected by a separate contractor, its sole remedy will be a direct action against the separate contractor. To the extent allowed by law, the CONTRACTOR will have no remedy, and hereby expressly waives any remedy against the CITY, the Construction Manager (if any), and the Engineer on account of delay, hindrance, interference or other events.

**II. TIME FOR PROJECT COMPLETION**

All of CONTRACTOR’s work on the Project shall be completed within durations established for the individual activities as set forth in the Contract and incorporated herein by this reference. All work shall commence ten (10) calendar days after receiving a written Notice of Award from the CITY or Construction Manager, if a Construction Manager is employed by CITY on the Project. CONTRACTOR shall refer to the Project Plans and Specifications, all of which, as set forth below, are incorporated herein by reference, for contractual obligations regarding individual activity durations.

**III. THE CONTRACT SUM**

The CITY shall pay to the CONTRACTOR for the performance of this Agreement, subject to any additions and deductions provided in the Project documents, the sum of stated in the Contract.

**IV. PROGRESS PAYMENTS**

Based upon Applications for Payment submitted to the Engineer by the CONTRACTOR and Certificates for Payment, the CITY shall make progress payments on account of the Contract Sum to the CONTRACTOR as provided in these General Conditions, which are fully incorporated into the Contract by this reference.

This Agreement is subject to the provisions of Article 1.7 (commencing at Section 20104.50) of Division 2, Part 3 of the Public Contract Code regarding prompt payment of contractors by local governments. Article 1.7 mandates certain procedures for the payment of undisputed and properly submitted payment requests within 30 days after receipt, for the review of payment requests, for notice to Contractor of improper payment requests, and provides for the payment of interest on progress payment requests which are not timely made in accordance with that Article. This Agreement hereby incorporates the provisions of Article 1.7 as though fully set forth herein.

**V. INDEMNITY, DEFENSE AND HOLD HARMLESS AGREEMENT**

A. CONTRACTOR shall indemnify, defend with legal counsel approved by CITY, and hold harmless CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONTRACTOR's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the CITY. Should conflict of interest principles preclude a single legal counsel from representing both CITY and CONTRACTOR, or should CITY otherwise find CONTRACTOR's legal counsel unacceptable, then CONTRACTOR shall reimburse the CITY its costs of defense, including without limitation reasonable legal counsels fees, expert fees and all other costs and fees of litigation. The CONTRACTOR shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of the CONTRACTOR's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

CONTRACTOR obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of CITY under any provision of this agreement, CONTRACTOR shall not be required to indemnify and hold harmless CITY for liability attributable to the active negligence of CITY, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where CITY is shown to have been actively negligent and where CITY active negligence accounts for only a percentage of the liability involved, the obligation of CONTRACTOR will be for that entire portion or percentage of liability not attributable to the active negligence of CITY.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use

counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to Indemnites as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnites herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the Indemnites to the fullest extent allowed by law.

**VI. PREVAILING WAGES**

- A. Contractor shall comply with all applicable laws and regulations relating to prevailing wages. Wage rates for this Project shall be in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Riverside County. Wage rates shall conform with those posted at Beaumont City Hall and the Project site.
- B. The following Labor Code sections are hereby referenced and made a part of this Agreement:
  - 1. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
  - 2. Section 1777.4 - Apprenticeship Requirements.
  - 3. Section 1777.5 - Apprenticeship Requirements.
  - 4. Section 1813 - Penalty for Failure to Pay Overtime.
  - 5. Sections 1810 and 1811 - Working Hour Restrictions.
  - 6. Section 1775 - Payroll Records.
  - 7. Section 1773.8 - Travel and Subsistence Pay.

**VII. RECORD AUDIT**

In accordance with Government Code, Section 8546.7, records of both the CITY and the CONTRACTOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

**VIII. FINAL PAYMENT**

Final payment, constituting the entire unpaid balance of the Agreement Sum, shall be paid by the CITY to the CONTRACTOR no sooner than thirty-five (35) days after a Notice of Completion has been recorded, unless otherwise stipulated in the Notice of Completion, provided the work has then been completed, the Agreement fully performed, and a final Certificate for Payment has been issued by the Engineer.

**IX. CONTRACTOR'S FAILURE TO PROCURE COMPLETION OF PROJECT**

In the event CONTRACTOR fails to furnish tools, equipment, or labor in the necessary quantity or quality, or fails to prosecute the work or any part thereof contemplated by this Agreement in a diligent and workmanlike manner, and if the CONTRACTOR for a period of three (3) calendar days after receipt of written demand from CITY or its designated representative to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, and to prosecute its work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said three (3) calendar days, fails to continue to do so; then the CITY may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said premises or any portion thereof, together with all material and equipment thereon, and may complete the work contemplated by this Agreement or any portion of said work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said work, or the portion taken over by the CITY to another contractor or by a combination of such methods. In any event, the procuring of the completion of said work, or the portion thereof taken over by the CITY, shall be a charge against the CONTRACTOR, and may be deducted from any money due or becoming due to CONTRACTOR from the CITY, or the CONTRACTOR shall pay the CITY the amount of said charge, or the portion thereof unsatisfied. The sureties, provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the CITY.

**X. INSURANCE**

Prior to the beginning of and throughout the duration of the Project, CONTRACTOR and its subcontractors shall maintain insurance in conformance with the requirements set forth below. CONTRACTOR will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so.

CONTRACTOR acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to CONTRACTOR or its subcontractors in excess of the limits and coverage identified in this Agreement and which is applicable to a given loss, claim or demand, will be equally available to CITY.

**A. Types of Insurance**



Without limiting CONTRACTOR's indemnification of CITY, and prior to commencement of Work, CONTRACTOR shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to CITY:

1. **General liability insurance.** CONTRACTOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage, and a \$2,000,000 completed operations aggregate. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.
  
2. **Automobile liability insurance.** CONTRACTOR shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the CONTRACTOR arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.
  
3. **Umbrella or excess liability insurance.** If CONTRACTOR is using umbrella coverage to meet part of its liability insurance requirements under Paragraph 1 of this Section, CONTRACTOR shall obtain and maintain an umbrella or excess liability insurance that will provide bodily injury, personal injury, completed operations and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability and employer's liability. Such policy or policies shall include the following terms and conditions:
  - A drop down feature requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason;
  - Pay on behalf of wording as opposed to reimbursement;
  - Concurrence of effective dates with primary policies;
  - Policies shall "follow form" to the underlying primary policies; and
  - Insureds under primary policies shall also be insureds under the umbrella or excess policies.
  
4. **Workers' compensation insurance.** CONTRACTOR shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000) for CONTRACTOR's employees in accordance with the laws of the State of California, Section 3700 of the Labor Code. In addition, CONTRACTOR shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability

Insurance in accordance with the laws of the State of California, Section 3700 for all of the subcontractor's employees.

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

- 5. Pollution liability insurance.** Environmental Impairment Liability Insurance shall be written on a CONTRACTOR's Pollution Liability form or other form acceptable to CITY providing coverage for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than \$1,000,000 dollars per claim and in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

Products/completed operations coverage shall extend a minimum of three (3) years after project completion. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the Policy must include work performed "by or on behalf" of the insured. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer. The CITY, its officials, officers, agents, and employees, shall be included as insureds under the policy.

- 6. Builder's risk insurance.** Upon commencement of construction and with approval of CITY, CONTRACTOR shall obtain and maintain builder's risk insurance for the entire duration of the Project until only the CITY has an insurable interest. The Builder's Risk coverage shall include the coverages as specified below.

The named insureds shall be CONTRACTOR and CITY, including its officers, officials, employees, and agents. All Subcontractors (excluding those solely responsible for design Work) of any tier and suppliers shall be included as additional insureds as their interests may appear. CONTRACTOR shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to CITY. The policy shall contain a provision that all proceeds from the builder's risk policy shall be made payable to the CITY. The CITY will act as a fiduciary for all other interests in the Project.

Policy shall be provided for replacement value on an "all risk" basis for the completed value of the project. There shall be no coinsurance penalty or provisional limit provision in any such policy. Policy must include: (1) coverage for any ensuing loss from faulty workmanship, Nonconforming Work, omission or deficiency in design or specifications; (2) coverage against

machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) Ordinance or law coverage for contingent rebuilding, demolition, and increased costs of construction; (5) transit coverage (unless insured by the supplier or receiving contractor), with sub-limits sufficient to insure the full replacement value of any key equipment item; (6) Ocean marine cargo coverage insuring any Project materials or supplies, if applicable; (7) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site or any staging area. Such insurance shall be on a form acceptable to CITY to ensure adequacy of terms and sublimits and shall be submitted to the CITY prior to commencement of construction.

**B. *Other provisions or requirements***

1. **Proof of insurance.** CONTRACTOR shall provide certificates of insurance to CITY as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by CITY's risk manager prior to commencement of performance. Current certification of insurance shall be kept on file with CITY at all times during the term of this contract. CITY reserves the right to require complete, certified copies of all required insurance policies, at any time.
2. **Duration of coverage.** CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONTRACTOR, his agents, representatives, employees or subcontractors. CONTRACTOR must maintain general liability and umbrella or excess liability insurance for as long as there is a statutory exposure to completed operations claims. CITY and its officers, officials, employees, and agents shall continue as additional insureds under such policies.
3. **Primary/noncontributing.** Coverage provided by CONTRACTOR shall be primary and any insurance or self-insurance procured or maintained by CITY shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of CITY before the CITY's own insurance or self-insurance shall be called upon to protect it as a named insured.
4. **CITY's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it

deems necessary and any premium paid by CITY will be promptly reimbursed by CONTRACTOR or CITY will withhold amounts sufficient to pay premium from CONTRACTOR payments. In the alternative, CITY may cancel this Agreement.

5. **Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the CITY's risk manager.
6. **Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CITY, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow CONTRACTOR or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONTRACTOR hereby waives its own right of recovery against CITY, and shall require similar written express waivers and insurance clauses from each of its subconsultants.
7. **Enforcement of contract provisions (non estoppel).** CONTRACTOR acknowledges and agrees that any actual or alleged failure on the part of the CITY to inform CONTRACTOR of non-compliance with any requirement imposes no additional obligations on the CITY nor does it waive any rights hereunder.
8. **Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the CONTRACTOR maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the CITY.
9. **Notice of cancellation.** CONTRACTOR agrees to oblige its insurance agent or broker and insurers to provide to CITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

- 10. Additional insured status.** General liability policies shall provide or be endorsed to provide that CITY , and the County of Riverside, and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.
- 11. Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to CITY and approved of in writing.
- 12. Separation of insureds.** A severability of interests provision must apply for all additional insureds ensuring that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.
- 13. Pass through clause.** CONTRACTOR agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONTRACTOR, provide the same minimum insurance coverage and endorsements required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to CITY for review.
- 14. CITY's right to revise requirements.** The CITY reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONTRACTOR a ninety (90) day advance written notice of such change. If such change results in substantial additional cost to the CONTRACTOR, the CITY and CONTRACTOR may renegotiate CONTRACTOR's compensation.
- 15. Self-insured retentions.** Any self-insured retentions must be declared to and approved by CITY. CITY reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by CITY.
- 16. Timely notice of claims.** CONTRACTOR shall give CITY prompt and timely notice of claims made or suits instituted that arise out of or result from CONTRACTOR's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

17. **Additional insurance.** CONTRACTOR shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

**XI. CONTRACTOR’S LICENSE**

CONTRACTOR must possess at the time of commencing work and throughout the Project duration, a Contractor’s License, issued by the State of California, which is current and in good standing. CONTRACTOR shall ensure that any subcontractor working on the Project possesses at the time of commencing work and throughout the Project duration, a Contractor’s License, issued by the State of California, which is current and in good standing.

**XII. REGISTRATION REQUIREMENTS**

A. Pursuant to Section 1771.1(a) of the Labor Code:

“A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.”

B. CONTRACTOR must be registered with the Department of Industrial Relations (DIR) of the State of California in order to be eligible to work on public works projects. CONTRACTOR must ensure registration with the DIR that is active and in good standing.

C. No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

C. The CONTRACTOR is not subject to public works requirements (including registration with the DIR) if the public works project is under \$1,000, unless the

CITY knows that the same CONTRACTOR will be awarded total project costs in excess of \$1,000 for a given year.

**XIII. CORPORATION IN GOOD STANDING**

If CONTRACTOR is a corporation, the undersigned hereby represents and warrants that the corporation is duly incorporated and in good standing in the State of California, and that \_\_\_\_\_ whose title is \_\_\_\_\_ is authorized to act for and bind the corporation.

**XIV. PROVISIONS REQUIRED BY LAW**

Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.

**XV. SUBSURFACE HAZARDOUS MATERIALS**

- A. In the event trenches or other excavations extend deeper than four (4) feet below the surface, the CONTRACTOR shall promptly, and before the following conditions are disturbed, notify the CITY in writing of any:
  - 1. Material that the CONTRACTOR believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code that is required to be removed to a Class I, Class II or Class III disposal site in accordance with the provisions of existing law.
  - 2. Subsurface or latent physical conditions at the site differing from those indicated.
  - 3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the Work or the character provided for in the CONTRACT.
  
- B. Upon receipt of said notification the CITY will investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the CONTRACTOR's cost of or the time required for performance of any part of the work, the CITY will issue a change order under the procedures described in these General Conditions.
  
- C. In the event that a dispute arises between the CITY and the CONTRACTOR whether the conditions materially differ, or involve hazardous waste or cause a decrease or increase in the CONTRACTOR's cost of or time required for performance of any part of the work, the CONTRACTOR shall not be excused from any scheduled completion date provided for by the Agreement, but shall proceed with all work to be performed under the Agreement. The CONTRACTOR shall

retain any and all rights provided either by Agreement or by law which pertain to the resolution of disputes and protests between the contracting parties.

**XVI. COMPONENT PARTS OF THE CONTRACT**

This Agreement entered into consists of the following additional CONTRACT DOCUMENTS, all of which are component parts of the Agreement as if herein set out in full or attached hereto:

- Non-Collusion Affidavit
- Faithful Performance Bond
- Labor and Materials Payment Bond
- Bid Bond
- Plans and Specifications (To be provided to City by Contractor)
- Drawings (To be provided to City by Contractor)
- Change Orders

All of the above named CONTRACT DOCUMENTS are intended to be complementary. Work required by one of the above named CONTRACT DOCUMENTS and not by others shall be done as if required by all.

**XVII. ENTIRE CONTRACT**

This Agreement constitutes the entire contract of the parties. No other agreements or contracts, whether oral or written, pertaining to the work to be performed, exists between the parties. This Agreement can be modified only by an amendment in writing, signed by both parties.

**ADDITIONAL GENERAL CONDITIONS**

**ARTICLE 1. DEFINITIONS**

- a. Acceptable, Acceptance or words of similar import shall be understood to be the acceptance of the Engineer and/or the City.
- b. Act of God an Act of God is an earthquake of magnitude 3.5 on the Richter scale and tidal waves.
- c. Approval means written authorization by City Engineer and/or City.
- d. Contract Documents includes all documents as stated in the Contract.
- e. City and Contractor are those stated in the Contract. The terms City and Owner may be used interchangeably.



- f. Day shall mean calendar day unless otherwise specifically designated.
- g. Engineer shall mean the City Engineer, or his or her designee, of the Department of Public Works for the City of Beaumont, acting either directly or through properly authorized agents, such as agents acting within the scope of the particular duties entrusted to them. Also sometimes referred to as the “City’s Representative” or “Representative” in the Contract Documents.
- h. Equal, Equivalent, Satisfactory, Directed, Designated, Selected, As Required and similar words shall mean the written approval, selection, satisfaction, direction, or similar action of the City Engineer and/or City.
- i. Indicated, Shown, Detailed, Noted, Scheduled or words of similar meaning shall mean that reference is made to the drawings, unless otherwise noted. It shall be understood that the direction, designation, selection, or similar import of the City Engineer and/or City is intended, unless stated otherwise.
- j. Install means the complete installation of any item, equipment or material.
- k. Material shall include machinery, equipment, manufactured articles, or construction such as form work, fasteners, etc., and any other classes of material to be furnished in connection with the Contract. All materials shall be new unless specified otherwise.
- l. Perform shall mean that the Contractor, at Contractor’s expense, shall take all actions necessary to complete The Work, including furnishing of necessary labor, tools, and equipment, and providing and installing Materials that are indicated, specified, or required to complete such performance.
- m. Project is The Work planned by City as provided in the Contract Documents.
- n. Provide shall include provide complete in place, that is furnish, install, test and make ready for use.
- o. Recyclable Waste Materials shall mean materials removed from the Project site which are required to be diverted to a recycling center rather than an area landfill. Recyclable Waste Materials include asphalt, concrete, brick, concrete block, and rock.
- p. Specifications means that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the work. Except for Sections 1-9 of the Standard Specifications for Public Works Construction (“Greenbook”), 2015 Edition which are specifically excluded from incorporation into these Contract Documents, the Work shall be done in accordance with the Greenbook, including all current supplements, addenda, and revisions thereof. In the case of conflict between the Greenbook and the Contract Documents, the Contract Documents shall prevail.
- q. The Work means the entire improvement planned by the City pursuant to the Contract Documents.

- r. Work means labor, equipment and materials incorporated in, or to be incorporated in the construction covered by the Contract Documents.

**ARTICLE 2. CONTRACT DOCUMENTS**

- a. **Contract Documents.** The Contract Documents are complementary, and what is called for by one shall be as binding as if called for by all.
- b. **Interpretations.** The Contract Documents are intended to be fully cooperative and to be complementary. If Contractor observes that any documents are in conflict, the Contractor shall promptly notify the Engineer in writing. In case of conflicts between the Contract Documents, the order of precedence shall be as follows:
  1. Change Orders or Work Change Directives
  2. Addenda
  3. Special Provisions (or Special Conditions)
  4. Technical Specifications
  5. Plans (Contract Drawings)
  6. Contract
  7. General Conditions
  8. Greenbook Standard Specifications
  9. Standard Plans
  10. Reference Documents

With reference to the Drawings, the order of precedence shall be as follows:

1. Figures govern over scaled dimensions
  2. Detail drawings govern over general drawings
  3. Addenda or Change Order drawings govern over Contract Drawings
  4. Contract Drawings govern over Standard Drawings
  5. Contract Drawings govern over Shop Drawings
- c. **Conflicts in Contract Documents.** Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard shall always apply.
  - d. **Organization of Contract Documents.** Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control the Contractor in dividing The Work among subcontractors or in establishing the extent of Work to be performed by any trade.

**ARTICLE 3. CONTRACTS DOCUMENTS: COPIES & MAINTENANCE**

Contractor will be furnished, free of charge, five (5) copies of the Contract Documents. Additional copies may be obtained at cost of reproduction.

Contractor shall maintain a clean, undamaged set of Contract Documents at the Project site.

**ARTICLE 4.           DETAIL DRAWINGS AND INSTRUCTIONS**

- a.     **Examination of Contract Documents.** Before commencing any portion of The Work, Contractor shall again carefully examine all applicable Contract Documents, the Project site and other information given to Contractor as to materials and methods of construction and other Project requirements. Contractor shall immediately notify the Engineer of any potential error, inconsistency, ambiguity, conflict or lack of detail or explanation. If Contractor performs, permits, or causes the performance of any Work which is in error, inconsistent or ambiguous, or not sufficiently detailed or explained, Contractor shall bear any and all resulting costs, including, without limitation, the cost of correction. In no case shall the Contractor or any subcontractor proceed with Work if uncertain as to the applicable requirements.
  
- b.     **Additional Instructions.** After notification of any error, inconsistency, ambiguity, conflict or lack of detail or explanation, the Engineer will provide any required additional instructions, by means of drawings or other written direction, necessary for proper execution of Work.
  
- c.     **Quality of Parts, Construction and Finish.** All parts of The Work shall be of the best quality of their respective kinds and the Contractor must use all diligence to inform itself fully as to the required construction and finish. In no case shall Contractor proceed with The Work without obtaining first from the Engineer such Approval may be necessary for the proper performance of Work.
  
- d.     **Contractor's Variation from Contract Document Requirements.** If it is found that the Contractor has varied from the requirements of the Contract Documents including the requirement to comply with all applicable laws, ordinances, rules and regulations, the Engineer may at any time, before or after completion of the Work, order the improper Work removed, remade or replaced by the Contractor at the Contractor's expense.

**ARTICLE 5.           EXISTENCE OF UTILITIES AT THE WORK SITE**

- a.     The City has endeavored to determine the existence of utilities at the Project site from the records of the owners of known utilities in the vicinity of the Project. The positions of these utilities as derived from such records are shown on the Plans.
  
- b.     No excavations were made to verify the locations shown for underground utilities. The service connections to these utilities are not shown on the plans. It shall be the responsibility of the Contractor to determine the exact location of all service connections. The Contractor shall make its own investigations, including exploratory excavations, to determine the locations and type of service connections, prior to commencing Work which could result in damage to such utilities. The Contractor shall immediately notify the City in writing of any utility discovered in a different position than shown on the Plans or which is not shown on the Plans.
  
- c.     All water meters, water valves, fire hydrants, electrical utility vaults, telephone vaults, gas utility valves, and other subsurface structures shall be relocated or adjusted to final grade by the Contractor. Locations of existing utilities shown on the Plans are approximate and

may not be complete. The Contractor shall be responsible for coordinating its Work with all utility companies during the construction of The Work.

- d. Notwithstanding the above, pursuant to Section 4215 of the Government Code, the City has the responsibility to identify, with reasonable accuracy, main or trunkline facilities on the plans and specifications. In the event that main or trunkline utility facilities are not identified with reasonable accuracy in the plans and specifications made a part of the invitation for bids, City shall assume the responsibility for their timely removal, relocation, or protection.
- e. Contractor, except in an emergency, shall contact the appropriate regional notification center, Southern California Underground Service Alert at 1-800-227-2600 at least two working days prior to commencing any excavation if the excavation will be performed in an area which is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the City, and obtain an inquiry identification number from that notification center. No excavation shall be commenced or carried out by the Contractor unless such an inquiry identification number has been assigned to the Contractor or any subcontractor of the Contractor and the City has been given the identification number by the Contractor.

**ARTICLE 6. SCHEDULE**

- a. **Estimated Schedule.** Within fourteen (14) days after the issuance of the Notice to Proceed, Contractor shall prepare a Project schedule and shall submit this to the Engineer for Approval. The receipt or Approval of any schedules by the Engineer or the City shall not in any way relieve the Contractor of its obligations under the Contract Documents. The Contractor is fully responsible to determine and provide for any and all staffing and resources at levels which allow for good quality and timely completion of the Project. Contractor's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the schedule shall not excuse the Contractor from performing all Work required for a completed Project within the specified Contract time period. If the required schedule is not received by the time the first payment under the Contract is due, Contractor shall not be paid until the schedule is received, reviewed and accepted by the Engineer.
- b. **Schedule Contents.** The schedule shall allow enough time for inclement weather. The schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The schedule shall clearly identify all staffing and other resources which in the Contractor's judgment are needed to complete the Project within the time specified for completion. Schedule duration shall match the Contract time. Schedules indicating early completion will be rejected.
- c. **Schedule Updates.** Contractor shall continuously update its construction schedule. Contractor shall submit an updated and accurate construction schedule to the Engineer whenever requested to do so by Engineer and with each progress payment request. The

Engineer may withhold progress payments or other amounts due under the Contract Documents if Contractor fails to submit an updated and accurate construction schedule.

**ARTICLE 7. SUBSTITUTIONS**

- a. Pursuant to Public Contract Code Section 3400(b) the City may make a finding that is described in the invitation for bids that designates certain products, things, or services by specific brand or trade name.
- b. Unless specifically designated in the Contract Documents, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal." Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in the Contract Documents. However, the City may have adopted certain uniform standards for certain materials, processes and articles.
- c. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with the Contractor. The City has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted.
- d. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from the Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.
- e. The Contractor shall bear all of the City's costs associated with the review of substitution requests.
- f. The Contractor shall be responsible for all costs related to a substituted "or equal" material, process or article.

- g. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

**ARTICLE 8. SHOP DRAWINGS**

- a. Contractor shall check and verify all field measurements and shall submit with such promptness as to provide adequate time for review and cause no delay in his own Work or in that of any other contractor, subcontractor, or worker on the Project, six (6) copies of all shop or setting drawings, calculations, schedules, and materials list, and all other provisions required by the Contract. Contractor shall sign all submittals affirming that submittals have been reviewed and approved by Contractor prior to submission to Engineer. Each signed submittal shall affirm that the submittal meets all the requirements of the Contract Documents except as specifically and clearly noted and listed on the cover sheet of the submittal.
- b. Contractor shall make any corrections required by the Engineer, and file with the Engineer six (6) corrected copies each, and furnish such other copies as may be needed for completion of the Work. Engineer's approval of shop drawings shall not relieve Contractor from responsibility for deviations from the Contract Documents unless Contractor has, in writing, called Engineer's attention to such deviations at time of submission and has secured the Engineer's written Approval. Engineer's Approval of shop drawings shall not relieve Contractor from responsibility for errors in shop drawings.

**ARTICLE 9. SUBMITTALS**

- a. Contractor shall furnish to the Engineer for approval, prior to purchasing or commencing any Work, a log of all samples, material lists and certifications, mix designs, schedules, and other submittals, as required in the specifications. The log shall indicate whether samples will be provided in accordance with other provisions of this Contract.
- b. Contractor will provide samples and submittals, together with catalogs and supporting data required by the Engineer, to the Engineer within a reasonable time period to provide for adequate review and avoid delays in the Work.
- c. These requirements shall not authorize any extension of time for performance of this Contract. Engineer will check and approve such samples, but only for conformance with design concept of work and for compliance with information given in the Contract Documents. Work shall be in accordance with approved samples and submittals.

**ARTICLE 10. MATERIALS**

- a. Except as otherwise specifically stated in the Contract Documents, Contractor shall provide and pay for all materials, labor, tools, equipment, water, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities of every nature whatsoever necessary to execute and complete this Contract within specified time.

- b. Unless otherwise specified, all materials shall be new and the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality.
- c. Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of The Work and shall be stored properly and protected as required by the Contract Documents. Contractor shall be entirely responsible for damage or loss by weather or other causes to materials or Work.
- d. No materials, supplies, or equipment for Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. Contractor warrants good title to all material, supplies, and equipment installed or incorporated in the work and agrees upon completion of all work to deliver the Project, to the City free from any claims, liens, or charges.
- e. Materials shall be stored on the Project site in such manner so as not to interfere with any operations of the City or any independent contractor.

**ARTICLE 11. CONTRACTOR’S SUPERVISION**

Contractor shall continuously keep at the Project site, a competent and experienced full-time Project superintendent approved by the City. Superintendent must be able to proficiently speak, read and write in English. Contractor shall continuously provide efficient supervision of the Project.

**ARTICLE 12. WORKERS**

- a. Contractor shall at all times enforce strict discipline and good order among its employees. Contractor shall not employ on the Project any unfit person or any one not skilled in the Work assigned to him or her.
- b. Any person in the employ of the Contractor whom the City may deem incompetent or unfit shall be dismissed from The Work and shall not be employed on this Project except with the written Approval of the City.

**ARTICLE 13. SUBCONTRACTORS**

- a. Contractor agrees to bind every subcontractor to the terms of the Contract Documents as far as such terms are applicable to subcontractor’s portion of The Work. Contractor shall be as fully responsible to the City for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by its subcontractors, as Contractor is for acts and omissions of persons directly employed by Contractor. Nothing contained in these Contract Documents shall create any contractual relationship between any subcontractor and the City.
- b. The City reserves the right to Approve all subcontractors. The City’s Approval of any subcontractor under this Contract shall not in any way relieve Contractor of its obligations in the Contract Documents.

- c. Prior to substituting any subcontractor listed in the Bid Forms, Contractor must comply with the requirements of the Subletting and Subcontracting Fair Practices Act pursuant to California Public Contract Code section 4100 et seq.

**ARTICLE 14. PERMITS AND LICENSES**

Permits and licenses necessary for prosecution of The Work shall be secured and paid for by Contractor, unless otherwise specified in the Contract Documents.

- a. Contractor shall obtain and pay for all other permits and licenses required for The Work, including excavation permit and for plumbing, mechanical and electrical work and for operations in or over public streets or right of way under jurisdiction of public agencies other than the City.
- b. The Contractor shall arrange and pay for all off-site inspection of the Work related to permits and licenses, including certification, required by the specifications, drawings, or by governing authorities, except for such off-site inspections delineated as the City's responsibility pursuant to the Contract Documents.
- c. Before Acceptance of the Project, the Contractor shall submit all licenses, permits, certificates of inspection and required approvals to the City.

**ARTICLE 15. UTILITY USAGE**

- a. All temporary utilities, including but not limited to electricity, water, gas, and telephone, used on the Work shall be furnished and paid for by Contractor. Contractor shall Provide necessary temporary distribution systems, including meters, if necessary, from distribution points to points on The Work where the utility is needed. Upon completion of The Work, Contractor shall remove all temporary distribution systems.
- b. Contractor shall provide necessary and adequate utilities and pay all costs for water, electricity, gas, oil, and sewer charges required for completion of the Project.
- c. All permanent meters Installed shall be listed in the Contractor's name until Project Acceptance.
- d. If the Contract is for construction in existing facilities, Contractor may, with prior written Approval of the City, use the City's existing utilities by compensating the City for utilities used by Contractor.

**ARTICLE 16. INSPECTION FEES FOR PERMANENT UTILITIES**

All inspection fees and other municipal charges for permanent utilities including, but not limited to, sewer, electrical, phone, gas, water, and irrigation shall be paid for by the City. Contractor shall be responsible for arranging the payment of such fees, but inspection fees and other municipal fees relating to permanent utilities shall be paid by the City. Contractor may either request reimbursement from the City for such fees, or shall be responsible for arranging and coordination with City for the payment of such fees.



**ARTICLE 17. TRENCHES**

- a. Trenches Five Feet or More in Depth. The Contractor shall submit to the City, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches five feet or more in depth. If the plan varies from shoring system standards, the plan shall be prepared by a registered civil or structural engineer. The plan shall not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations.
- b. Excavations Deeper than Four Feet. If work under this Contract involves digging trenches or other excavation that extends deeper than four feet below the surface, Contractor shall promptly, and before the following conditions are disturbed, notify the City, in writing, of any:
  - 1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
  - 2) Subsurface or latent physical conditions at the site differing from those indicated.
  - 3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

The City shall promptly investigate the conditions, and if it finds that the conditions do so materially differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of The Work, shall issue a change order under the procedures described in the Contract Documents.

In the event that a dispute arises between the City and the Contractor as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of The Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the parties.

**ARTICLE 18. DIVERSION OF RECYCLABLE WASTE MATERIALS**

In compliance with the applicable City's waste reduction and recycling efforts, Contractor shall divert all Recyclable Waste Materials to appropriate recycling centers. Contractor will be required to submit weight tickets and written proof of diversion with its monthly progress payment requests. Contractor shall complete and execute any certification forms required by City or other applicable agencies to document Contractor's compliance with these diversion requirements. All costs incurred for these waste diversion efforts shall be the responsibility of the Contractor.

**ARTICLE 19. REMOVAL OF HAZARDOUS MATERIALS**

Should Contractor encounter material reasonably believed to be polychlorinated biphenyl (PCB) or other toxic wastes and hazardous materials which have not been rendered harmless at the Project site, the Contractor shall immediately stop work at the affected Project site and shall report the condition to the City in writing. The City shall contract for any services required to directly remove and/or abate PCBs and other toxic wastes and hazardous materials, if required by the Project site(s), and shall not require the Contractor to subcontract for such services. The Work in the affected area shall not thereafter be resumed except by written agreement of the City and Contractor.

**ARTICLE 20. SANITARY FACILITIES**

Contractor shall provide sanitary temporary toilet buildings for the use of all workers. All toilets shall comply with local codes and ordinances. Toilets shall be kept supplied with toilet paper and shall have workable door fasteners. Toilets shall be serviced no less than once weekly and shall be present in a quantity of not less than 1 per 20 workers as required by CAL-OSHA regulation. The toilets shall be maintained in a sanitary condition at all times. Use of toilet facilities in The Work under construction shall not be permitted. Any other Sanitary Facilities required by CAL-OSHA shall be the responsibility of the Contractor.

**ARTICLE 21. AIR POLLUTION CONTROL**

Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes. All containers of paint, thinner, curing compound, solvent or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

**ARTICLE 22. COMPLIANCE WITH STATE STORM WATER PERMIT**

- a. Contractor shall be required to comply with all conditions of the State Water Resources Control Board ("State Water Board") National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity ("Permit") for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale. Contractor shall be responsible for filing the Notice of Intent and for obtaining the Permit. Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan ("SWPPP") prior to initiating Work. In bidding on this Contract, it shall be Contractor's responsibility to evaluate the cost of procuring the Permit and preparing the SWPPP as well as complying with the SWPPP and any necessary revision to the SWPPP. Contractor shall comply with all requirements of the State Water Resources Control Board. Contractor shall include all costs of compliance with specified requirements in the Contract amount.
- b. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by the Permit. Contractor shall provide copies of all reports and monitoring information to the Engineer.

- c. Contractor shall comply with the lawful requirements of any applicable municipality, the City, drainage district, and other local agencies regarding discharges of storm water to separate storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.
- d. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.
- e. Failure to comply with the Permit is in violation of federal and state law. Contractor hereby agrees to indemnify and hold harmless City, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which City, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the City, its officials, officers, agents, employees or authorized volunteers. City may seek damages from Contractor for delay in completing the Contract in accordance with the Contract Documents, caused by Contractor's failure to comply with the Permit.

**ARTICLE 23. CLEANING UP**

- a. Contractor at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment. Contractor shall not store debris under, in, or about the premises. Upon completion of Work, Contractor shall clean the interior and exterior of the building or improvement including fixtures, equipment, walls, floors, ceilings, roofs, window sills and ledges, horizontal projections, and any areas where debris has collected so surfaces are free from foreign material or discoloration. Contractor shall clean and polish all glass, plumbing fixtures, and finish hardware and similar finish surfaces and equipment and contractor shall also remove temporary fencing, barricades, planking and construction toilet and similar temporary facilities from site. Contractor shall also clean all buildings, asphalt and concrete areas to the degree necessary to remove oil, grease, fuel, or other stains caused by Contractor operations or equipment.
- b. Contractor shall fully clean up the site at the completion of The Work. If the Contractor fails to immediately clean up at the completion of The Work, the City may do so and the cost of such clean up shall be charged back to the Contractor.

**ARTICLE 24. LAYOUT AND FIELD ENGINEERING**

All field engineering required for laying out The Work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense. Layout shall be done by a registered civil engineer Approved by the Engineer. Any required "as-built" drawings of the Work shall be prepared by the registered civil engineer.

**ARTICLE 25. EXCESSIVE NOISE**

- a. The Contractor shall use only such equipment on the work and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by CAL-OSHA.
- b. The Contractor shall comply with the most restrictive of the following: (1) local sound control and noise level rules, regulations and ordinances and (2) the requirements contained in these Contract Documents, including hours of operation requirements. No internal combustion engine shall be operated on the Project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage or be determined to be ineffective or defective, the Contractor shall promptly remove the equipment and shall not return said equipment to the job until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment on the job or related to the job, including but not limited to, trucks, transit mixers or transit equipment that may or may not be owned by the Contractor.

**ARTICLE 26. TESTS AND INSPECTIONS**

- a. If the Contract Documents, the Engineer, or any instructions, laws, ordinances, or public authority require any part of The Work to be tested or Approved, Contractor shall provide the Engineer at least two (2) working days notice of its readiness for observation or inspection. If inspection is by a public authority other than the City, Contractor shall promptly inform the City of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Contractor. Costs for City testing and City inspection shall be paid by the City. Costs of tests for Work found not to be in compliance shall be paid by the Contractor.
- b. If any Work is done or covered up without the required testing or approval, the Contractor shall uncover or deconstruct the Work, and the Work shall be redone after completion of the testing at the Contractor's cost in compliance with the Contract Documents.
- c. Where inspection and testing are to be conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by the City, and not by Contractor. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.
- d. In advance of manufacture of materials to be supplied by Contractor which must be tested or inspected, Contractor shall notify the City so that the City may arrange for testing at the source of supply. Any materials which have not satisfactorily passed such testing and inspection shall not be incorporated into The Work.
- e. If the manufacture of materials to be inspected or tested will occur in a plant or location outside the geographic limits of City, the Contractor shall pay for any excessive or unusual costs associated with such testing or inspection, including but not limited to excessive travel time, standby time and required lodging.

- f. Reexamination of Work may be ordered by the City. If so ordered, Work must be uncovered or deconstructed by Contractor. If Work is found to be in accordance with the Contract Documents, the City shall pay the costs of reexamination and reconstruction. If such work is found not to be in accordance with the Contract Documents, Contractor shall pay all costs.

**ARTICLE 27. PROTECTION OF WORK AND PROPERTY**

- a. The Contractor shall be responsible for all damages to persons or property that occur as a result of The Work. Contractor shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final Acceptance by the City. All Work shall be solely at the Contractor's risk. Contractor shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Contractor shall comply with all applicable safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Contractor shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction.
- b. In an emergency affecting safety of life or of work or of adjoining property, Contractor, without special instruction or authorization from the Engineer, is hereby permitted to act to prevent such threatened loss or injury; and Contractor shall so act, without appeal, if so authorized or instructed by the Engineer or the City. Any compensation claimed by Contractor on account of emergency work shall be determined by and agreed upon by the City and the Contractor.
- c. Contractor shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions.
- d. Contractor shall take adequate precautions to protect existing sidewalks, curbs, pavements, utilities, and other adjoining property and structures, and to avoid damage thereto, and Contractor shall repair any damage thereto caused by The Work operations. Contractor shall:
  - 1) Enclose the working area with a substantial barricade, and arrange work to cause minimum amount of inconvenience and danger to the public.
  - 2) Provide substantial barricades around any shrubs or trees indicated to be preserved.
  - 3) Deliver materials to the Project site over a route designated by the Engineer.
  - 4) Provide any and all dust control required and follow the Applicable air quality regulations as appropriate. If the Contractor does not comply, the City shall have the immediate authority to provide dust control and deduct the cost from payments to the Contractor.

- 5) Confine Contractor’s apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of the Engineer. Contractor shall not unreasonably encumber the Project site with its materials.
- 6) Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by an approved civil engineer or land surveyor, at no cost to the City.
- 7) Ensure that existing facilities, fences and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to the City.
- 8) Preserve and protect from injury all buildings, pole lines and all direction, warning and mileage signs that have been placed within the right-of-way.
- 9) At the completion of work each day, leave the Project site in a clean, safe condition.
- 10) Comply with any stage construction and traffic handling plans. Access to residences and businesses shall be maintained at all times.

These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the Work involved in the preservation of life, safety and property as above specified shall be considered as included in the prices paid for the various contract items of Work, and no additional allowance will be made therefor.

- e. Should damage to persons or property occur as a result of The Work, Contractor shall be responsible for proper investigation, documentation, including video or photography, to adequately memorialize and make a record of what transpired. The City shall be entitled to inspect and copy any such documentation, video, or photographs.

**ARTICLE 28. CONTRACTORS MEANS AND METHODS**

Contractor is solely responsible for the means and methods utilized to Perform The Work. In no case shall the Contractor’s means and methods deviate from commonly used industry standards.

**ARTICLE 29. INSPECTOR’S FIELD OFFICE**

Not Required for this project.

**ARTICLE 30. AUTHORIZED REPRESENTATIVES**

The City shall designate representatives, who shall have the right to be present at the Project site at all times. The City may designate an inspector who shall have the right to observe all of the Contractor’s Work. The inspector is not authorized to make changes in the Contract Documents. The inspector shall not be responsible for the Contractor’s failure to carry out The Work in accordance with the Contract Documents. Contractor shall provide safe and proper facilities for such access.

**ARTICLE 31. HOURS OF WORK**

- a. Eight (8) hours of work shall constitute a legal day's work. The Contractor and each subcontractor shall forfeit, as penalty to the City, twenty-five dollars (\$25) for each worker employed in the execution of Work by the Contractor or any subcontractor for each day during which such worker is required or permitted to work more than eight (8) hours in any one day and forty (40) hours in any week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, except as provided in Labor Code Section 1815.
- b. Work shall be accomplished on a regularly scheduled eight (8) hour per day work shift basis, Monday through Friday, between the hours of 7:00 a.m. and 5:00 p.m.
- c. It shall be unlawful for any person to operate, permit, use, or cause to operate any of the following at the Project site, other than between the hours of 7:00 a.m. to 5:00 p.m., Monday through Friday, with no Work allowed on City-observed holidays, unless otherwise Approved by the City Engineer:
  - 1) Powered Vehicles
  - 2) Construction Equipment
  - 3) Loading and Unloading Vehicles
  - 4) Domestic Power Tool.

**ARTICLE 32. PAYROLL RECORDS**

- a. Pursuant to Labor Code Section 1776, the Contractor and each subcontractor shall maintain weekly certified payroll records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed in connection with the work. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.
- b. The payroll records described herein shall be certified and submitted by the Contractor at a time designated by the City. The Contractor shall also provide the following:
  - 1) A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.
  - 2) A electronic copy of all certified payroll records described herein shall be submitted directly to the Department of Industrial Relations ("DIR").

- c. The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement (“DLSE”) of the DIR or shall contain the same information as the forms provided by the DLSE.
- d. Any copy of records made available for inspection and furnished upon request to the public shall be marked or obliterated in such a manner as to prevent disclosure of an individual’s name, address, and social security number. The name and address of the Contractor or any subcontractor shall not be marked or obliterated.
- e. In the event of noncompliance with the requirements of this Section, the Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying any item or actions necessary to ensure compliance with this section. Should noncompliance still be evident after such ten (10) day period, the Contractor shall, as a penalty to the City, forfeit Twenty-five Dollars (\$25.00) for each day, or portion thereof, for each worker until strict compliance is effectuated. Upon the request of the DIR, such penalties shall be withheld from contract payments.

**ARTICLE 33. PREVAILING RATES OF WAGES**

- a. The Contractor is aware of the requirements of Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. Since this Project involves an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at [www.dir.ca.gov/dlsr/](http://www.dir.ca.gov/dlsr/). In the alternative, the Contractor may view a copy of the prevailing rates of per diem wages at the City. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at the Contractor’s principal place of business and at the Project site. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.
- b. The Contractor and each subcontractor shall forfeit as a penalty to the City not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing wage rate for any work done by him, or by any subcontract under him, in violation of the provisions of the Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.



- c. Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.
- d. If the Work involves federal funds or otherwise requires compliance with the Davis-Bacon Fair Labor Standards Act, the Contractor and all its subcontractors shall comply with the higher of the state or federal prevailing wage rates.

**ARTICLE 34. EMPLOYMENT OF APPRENTICES**

The Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning employment of apprentices by the Contractor or any subcontractor. The Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Section 1777.5, 1777.6, and 1777.7 of the Labor Code. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, the Administrator of Apprenticeships, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

**ARTICLE 35. NONDISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY**

Pursuant to Labor Code Section 1735 and other applicable provisions of law, the Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap on this Project. The Contractor will take affirmative action to insure that employees are treated during employment or training without regard to their race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap.

**ARTICLE 36. LABOR/EMPLOYMENT SAFETY**

The Contractor shall maintain emergency first aid treatment for his employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4.

**ARTICLE 37. WORKERS' COMPENSATION INSURANCE**

The Contractor shall Provide, during the life of this Contract, workers' compensation insurance for all of the employees engaged in Work under this Contract, on or at the Project site, and, in case any of sublet Work, the Contractor shall require the subcontractor similarly to provide workers' compensation insurance for all the latter's employees as prescribed by State law. Any class of employee or employees not covered by a subcontractor's insurance shall be covered by the Contractor's insurance. In case any class of employees engaged in work under this Contract, on or at the Project site, is not protected under the Workers' Compensation Statutes, the Contractor shall provide or shall cause a subcontractor to provide, adequate insurance coverage for the protection of such employees not otherwise protected. The Contractor is required to secure payment of compensation to his employees in accordance with the provisions of Section 3700 of the Labor Code. The Contractor shall file with the City certificates of his insurance protecting workers.

Company or companies providing insurance coverage shall be acceptable to the City, if in the form and coverage as set forth in the Contract Documents.

**ARTICLE 38. EMPLOYER’S LIABILITY INSURANCE**

Contractor shall provide during the life of this Contract, Employer’s Liability Insurance, including Occupational Disease, in the amount of, at least, one million dollars (\$1,000,000.00) per person per accident. Contractor shall provide City with a certificate of Employer’s Liability Insurance. Such insurance shall comply with the provisions of the Contract Documents. The policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and contain a Waiver of Subrogation in favor of the City.

**ARTICLE 39. COMMERCIAL GENERAL LIABILITY INSURANCE**

- a. Contractor shall procure and maintain during the life of this Contract and for such other period as may be required herein, at its sole expense, Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products/completed operations if applicable, personal and advertising injury – which may arise from or out of Contractor’s operations, use, and management of the Project site, or the performance of its obligations hereunder. Policy limits shall not be less than \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Such policy shall comply with all the requirements of this Article. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Contractor from liability in excess of such coverage, nor shall it limit Contractor’s indemnification obligations to the City, and shall not preclude the City from taking such other actions available to the City under other provisions of the Contract Documents or law.
- c. Contractor shall make certain that any and all subcontractors hired by Contractor are insured in accordance with this Contract. If any subcontractor’s coverage does not comply with the foregoing provisions, Contractor shall indemnify and hold the City harmless from any damage, loss, cost, or expense, including attorneys’ fees, incurred by the City as a result thereof.
- d. All general liability policies provided pursuant to the provisions of this Article shall comply with the provisions of the Contract Documents.
- e. All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, under-ground excavation, removal of lateral support, and other covered loss, however occasioned, occurring during the policy term, and shall specifically insure the performance by Contractor of that part of the indemnification contained in these General Conditions, relating to liability for injury to

or death of persons and damage to property. If the coverage contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any aggregate limit has been paid or reserved, the City may require additional coverage to be purchased by Contractor to restore the required limits. Contractor may combine primary, umbrella, and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the additional insured endorsement described in the Contract Documents.

**ARTICLE 40. AUTOMOBILE LIABILITY INSURANCE**

Contractor shall take out and maintain at all times during the term of this Contract Automobile Liability Insurance in the amount of, at least, one million dollars (\$1,000,000). Such insurance shall provide coverage for bodily injury and property damage including coverage for non-owned and hired vehicles, in a form and with insurance companies acceptable to the City. Such insurance shall comply with the provisions of Article 30 below.

**ARTICLE 41. BUILDER’S RISK [“ALL RISK”]**

- a. It is the Contractor’s responsibility to maintain or cause to be maintained Builder’s Risk [“All Risk”] extended coverage insurance on all work, material, equipment, appliances, tools, and structures which are a part of the Contract and subject to loss or damage by fire, and vandalism and malicious mischief, in an amount to cover 100% of the replacement cost. The City accepts no responsibility until the Contract is formally accepted by the Governing Board for the work. The Contractor is required to file with the City a certificate evidencing fire insurance coverage.
- b. Provide insurance coverage on completed value form, all-risk or special causes of loss coverage.
  - 1) Insurance policies shall be so conditioned as to cover the performance of any extra work performed under the Contract.
  - 2) Coverage shall include all materials stored on site and in transit.
  - 3) Coverage shall include Contractor’s tools and equipment.
  - 4) Insurance shall include boiler, machinery and material hoist coverage.
- c. Such insurance shall comply with the provisions of the Contract Documents.

**ARTICLE 42. FORM AND PROOF OF CARRIAGE OF INSURANCE**

- a. Any insurance carrier providing insurance coverage required by the Contract Documents shall be admitted to and authorized to do business in the State of California unless waived, in writing, by the City Administrative Services Manager. Carrier(s) shall have an A.M. Best rating of not less than an A:VIII. Insurance deductibles or self-insured retentions must be declared by the Contractor, and such deductibles and retentions shall have the prior written consent from the City. At the election of the City the Contractor shall either 1)

reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- b. Contractor shall cause its insurance carrier(s) to furnish the City with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the City Administrative Services Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. The City, its Director's and officers, employees, agents or representatives are named as Additional Insureds and Provide a Waiver of Subrogation in favor of those parties. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that shall provide no less than thirty (30) days written notice be given to the City prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, the City may terminate or Stop Work pursuant to the Contract Documents, unless the City receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Contractor shall not take possession, or use the Project site, or commence operations under this Agreement until the City has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements or policies of insurance including all Endorsements and any and all other attachments as required in this Section. The original Endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.
- c. It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary, and the City's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- d. The City reserves the right to adjust the monetary limits of insurance coverage's during the term of this Contract including any extension thereof-if in the City's reasonable judgment, the amount or type of insurance carried by the Contractor becomes inadequate.
- e. Contractor shall pass down the insurance obligations contained herein to all tiers of sub-contractors working under this Contract.

**ARTICLE 43. TIME FOR COMPLETION AND LIQUIDATED DAMAGES**

- a. **Time for Completion/Liquidated Damages.** Work shall be commenced within ten (10) days of the date stated in the City's Notice to Proceed and shall be completed by Contractor in the time specified in the Contract. The City is under no obligation to consider early completion of the Project; and the Contract completion date shall not be amended by the City's receipt or acceptance of the Contractor's proposed earlier completion date. Furthermore, Contractor shall not, under any circumstances, receive additional compensation from the City (including but not limited to indirect, general, administrative

or other forms of overhead costs) for the period between the time of earlier completion proposed by the Contractor and the Contract completion date. If The Work is not completed as stated in the Contract Documents, it is understood that the City will suffer damage. In accordance with Government Code section 53069.85, being impractical and infeasible to determine the amount of actual damage, it is agreed that Contractor shall pay to the City as fixed and liquidated damages, and not as a penalty, the sum of \$500.00 for each day of delay until The Work is fully completed. Contractor and its surety shall be liable for any liquidated damages. Any money due or to become due the Contractor may be retained to cover liquidated damages.

- b. **Inclement Weather.** Contractor shall abide the Engineer’s determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the critical path of the Project schedule.
- c. **Extension of Time.** Contractor shall not be charged liquidated damages because of any delays in completion of The Work due to unforeseeable causes beyond the control and without the fault or negligence of Contractor (or its subcontractors or suppliers). Contractor shall within five (5) Days of identifying any such delay notify the City in writing of causes of delay. The City shall ascertain the facts and extent of delay and grant extension of time for completing The Work when, in its judgment, the facts justify such an extension. Time extensions to the Project shall be requested by the Contractor as they occur and without delay. No delay claims shall be permitted unless the event or occurrence delays the completion of the Project beyond the Contract completion date.
- d. **No Damages for Reasonable Delay.** The City’s liability to Contractor for delays for which the City is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall the City be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office overhead and other ongoing costs. Damages caused by unreasonable City delay, including delays caused by items that are the responsibility of the City pursuant to Government Code section 4215, shall be based on actual costs only, no proportions or formulas shall be used to calculate any delay damages.

**ARTICLE 44. COST BREAKDOWN AND PERIODIC ESTIMATES**

Contractor shall furnish on forms Approved by the City:

- a. Within ten (10) Days of award of the Contract a detailed estimate giving a complete breakdown of the contract price;
- b. A monthly itemized estimate of Work done for the purpose of making progress payments. In order for the City to consider and evaluate each progress payment application, the Contractor shall submit a detailed measurement of Work performed and a progress estimate of the value thereof before the tenth (10th) Day of the following month.
- c. Contractor shall submit, with each of its payment requests, an adjusted list of actual quantities, verified by the Engineer, for unit price items listed, if any, in the Bid Form.

- d. Following the City's Acceptance of the Work, the Contractor shall submit to the City a written statement of the final quantities of unit price items for inclusion in the final payment request.
- e. The City shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

Contractor shall certify under penalty of perjury, that all cost breakdowns and periodic estimates accurately reflect the Work on the Project.

**ARTICLE 45. MOBILIZATION**

- a. When a bid item is included in the Bid Form for mobilization, the costs of Work in advance of construction operations and not directly attributable to any specific bid item will be included in the progress estimate ("Initial Mobilization"). When no bid item is provided for "Initial Mobilization," payment for such costs will be deemed to be included in the other items of The Work.
- b. Payment for Initial Mobilization based on the lump sum provided in the Bid Form, which shall constitute full compensation for all such Work. No payment for Initial Mobilization will be made until all of the listed items have been completed to the satisfaction of the Engineer. The scope of the Work included under Initial Mobilization shall include, but shall not be limited to, the following principal items:
  - 1. Obtaining and paying for all bonds, insurance, and permits.
  - 2. Moving on to the Project site of all Contractor's plant and equipment required for first month's operations.
  - 3. Installing temporary construction power, wiring, and lighting facilities.
  - 4. Establishing fire protection system.
  - 5. Developing and installing a construction water supply.
  - 6. Providing and maintaining the field office trailers for the Contractor and the Engineer, complete, with all specified furnishings and utility services including telephones, telephone appurtenances, computer and printer, and copying machine.
  - 7. Providing on-site communication facilities for the Owner and the Engineer, including telephones, radio pagers, and fax machines.
  - 8. Providing on-site sanitary facilities and potable water facilities as specified per Cal-OSHA and these Contract Documents.
  - 9. Furnishing, installing, and maintaining all storage buildings or sheds required for temporary storage of products, equipment, or materials that have not yet been installed in the Work. All such storage shall meet manufacturer's specified storage

requirements, and the specific provisions of the specifications, including temperature and humidity control, if recommended by the manufacturer, and for all security.

- 10. Arranging for and erection of Contractor’s work and storage yard, including required project signage.
- 11. Posting all OSHA required notices and establishment of safety programs per Cal-OSHA.
- 12. Full-time presence of Contractor’s superintendent at the job site as required herein.
- 13. Submittal of Construction Schedule as required by the Contract Documents.

**ARTICLE 46. PAYMENTS**

- a. The City shall make monthly progress payments following receipt of undisputed and properly submitted payment requests. Contractor shall be paid a sum equal to ninety-five percent (95%) of the value of Work performed up to the last day of the previous month, less the aggregate of previous payments.
- b. The Contractor shall, after the full completion of The Work, submit a final payment application. All prior progress estimates shall be subject to correction in the final estimate and payment.
- c. Unless otherwise required by law, the final payment of five percent (5%) of the value of the Work, if unencumbered, shall be paid no later than sixty (60) Days after the date of recordation of the Notice of Completion.
- d. Acceptance by Contractor of the final payment shall constitute a waiver of all claims against the City arising from this Contract.
- e. Payments to the Contractor shall not be construed to be an acceptance of any defective work or improper materials, or to relieve the Contractor of its obligations under the Contract Documents.
- f. The Contractor shall submit with each payment request the Contractor’s conditional waiver of lien for the entire amount covered by such payment request, as well as a valid unconditional waiver of lien from the Contractor and all subcontractors and materialmen for all work and materials included in any prior invoices. Waivers of lien shall be in the forms prescribed by California Civil Code Section 3262. Prior to final payment by the City, the Contractor shall submit a final waiver of lien for the Contractor’s work, together with releases of lien from any subcontractor or materialmen.

**ARTICLE 47. PAYMENTS WITHHELD AND BACKCHARGES**

In addition to amounts which the City may retain under other provisions of the Contract Documents the City may withhold payments due to Contractor as may be necessary to cover:

- a. Stop Notice Claims.
- b. Defective work not remedied.
- c. Failure of Contractor to make proper payments to its subcontractors or suppliers.
- d. Completion of the Contract if there exists a reasonable doubt that the work can be completed for balance then unpaid.
- e. Damage to another contractor or third party.
- f. Amounts which may be due the City for claims against Contractor.
- g. Failure of Contractor to keep the record (“as-built”) drawings up to date.
- h. Failure to provide updates on the construction schedule.
- i. Site clean up.
- j. Failure of the Contractor to comply with requirements of the Contract Documents.
- k. Liquidated damages.
- l. Legally permitted penalties.

Upon completion of the Contract, the City will reduce the final Contract amount to reflect costs charged to the Contractor, backcharges or payments withheld pursuant to the Contract Documents.

**ARTICLE 48. CHANGES AND EXTRA WORK**

- a. **Change Order Work.**
  - 1) The City, without invalidating the Contract, may order changes in the Work consisting of additions, deletions or other revisions, the Contract amount and Contract time being adjusted accordingly. All such changes in the Work shall be authorized by Change Order, and shall be performed under the applicable conditions of the Contract Documents. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including any adjustment in the Contract amount or the Contract time, and the full and final settlement of all costs (direct, indirect and overhead) related to the Work authorized by the Change Order.
  - 2) All claims for additional compensation to the Contractor shall be presented in writing before the expense is incurred and will be adjusted as provided herein. No work shall be allowed to lag pending such adjustment, but shall be promptly executed as directed, even if a dispute arises. No claim will be considered after the work in question has been done unless a written contract change order has been issued or a timely written notice of claim has been made by Contractor. Contractor shall not be entitled to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any item or portion of Work



to be done. Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions and provisions of the original Contract.

- 3) Owner Initiated Change. The Contractor must submit a complete cost proposal, including any change in the Contract time, within seven (7) Days after receipt of a scope of a proposed change order, unless the City requests that proposals be submitted in less than seven (7) Days.
- 4) Contractor Initiated Change. The Contractor must give written notice of a proposed change order required for compliance with the Contract Documents within seven (7) Days of discovery of the facts giving rise to the proposed change order.
- 5) Whenever possible, any changes to the Contract amount shall be in a lump sum mutually agreed to by the Contractor and the City.
- 6) Price quotations from the Contractor shall be accompanied by sufficiently detailed supporting documentation to permit verification by the City.
- 7) If the Contractor fails to submit the cost proposal within the seven (7) Day period (or as requested), the City has the right to order the Contractor in writing to commence the work immediately on a force account basis and/or issue a lump sum change to the contract price in accordance with the City's estimate of cost. If the change is issued based on the City estimate, the Contractor will waive its right to dispute the action unless within fifteen (15) Days following completion of the added/deleted work, the Contractor presents written proof that the City's estimate was in error.
- 8) Estimates for lump sum quotations and accounting for cost-plus-percentage work shall be limited to direct expenditures necessitated specifically by the subject extra work, and shall be segregated as follows:
  - (a) Labor. The costs of labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the extra work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from Federal, State or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. The use of a labor classification which would increase the extra work cost will not be permitted unless the contractor establishes the necessity for such additional costs. Labor costs for equipment operators and helpers shall be reported only when such costs are not included in the invoice for equipment rental.
  - (b) Materials. The cost of materials reported shall be at invoice or lowest current price at which such materials are locally available in the quantities involved, plus sales tax, freight and delivery. Materials cost shall be based upon supplier or manufacturer's invoice. If invoices or other satisfactory

evidence of cost are not furnished within fifteen (15) Days of delivery, then the Engineer shall determine the materials cost, at its sole discretion.

- (c) Tool and Equipment Use. No payment will be made for the use of small tools, tools which have a replacement value of \$1,000 or less. Regardless of ownership, the rates to be used in determining equipment use costs shall not exceed listed rates prevailing locally at equipment rental agencies, or distributors, at the time the work is performed.
- (d) Overhead, Profit and Other Charges. The mark-up for overhead (including supervision) and profit on work added to the Contract shall be according to the following:
  - i. "Net Cost" is defined as consisting of costs of labor, materials and tools and equipment only excluding overhead and profit. The costs of applicable insurance and bond premium will be reimbursed to the Contractor and subcontractors at cost only, without mark-up.
  - ii. For Work performed by the Contractor's forces the added cost for overhead and profit shall not exceed fifteen (15%) percent of the Net Cost of the Work.
  - iii. For Work performed by a subcontractor, the added cost for overhead and profit shall not exceed fifteen (15%) percent of the Net Cost of the Work to which the Contractor may add five (5%) percent of the subcontractor's Net Cost.
  - iv. For Work performed by a sub-subcontractor the added cost for overhead and profit shall not exceed fifteen (15 %) percent of the Net Cost for Work to which the subcontractor and general contractor may each add an additional five (5 %) percent of the Net Cost of the lower tier subcontractor.
  - v. No additional mark up will be allowed for lower tier subcontractors, and in no case shall the added cost for overhead and profit payable by City exceed twenty-five (25%) percent of the Net Cost as defined herein.
- 9) For added or deducted Work by subcontractors, the Contractor shall furnish to the City the subcontractor's signed detailed estimate of the cost of labor, material and equipment, including the subcontractor markup for overhead and profit. The same requirement shall apply to sub-subcontractors.
- 10) For added or deducted work furnished by a vendor or supplier, the Contractor shall furnish to the City a detailed estimate or quotation of the cost to the Contractor, signed by such vendor or supplier.

- 11) Any change in The Work involving both additions and deletions shall indicate a net total cost, including subcontracts and materials. Allowance for overhead and profit, as specified herein, shall be applied if the net total cost is an extra; overhead and profit allowances shall not be applied if the net total cost is a credit. The estimated cost of deductions shall be based on labor and material prices on the date the Contract was executed.
- 12) Contractor shall not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration and/or actual acceleration beyond what is stated in the change order for work. No claims shall be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. The Contractor may not change or modify the City's change order form in an attempt to reserve additional rights.
- 13) If the City disagrees with the proposal submitted by Contractor, it will notify the Contractor and the City will provide its opinion of the appropriate price and/or time extension. If the Contractor agrees with the City, a change order will be issued by the City. If no agreement can be reached, the City shall have the right to issue a unilateral change order setting forth its determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Such determination shall become final and binding if the Contractor fails to submit a claim in writing to the City within fifteen (15) Days of the issuance of the unilateral change order, disputing the terms of the unilateral change order.
- 14) No dispute, disagreement or failure of the parties to reach agreement on the terms of the change order shall relieve the Contractor from the obligation to proceed with performance of the work, including extra work, promptly and expeditiously.
- 15) Any alterations, extensions of time, extra work or any other changes may be made without securing consent of the Contractor's surety or sureties.

**ARTICLE 49. OCCUPANCY**

The City reserves the right to occupy or utilize any portion of The Work at any time before completion, and such occupancy or use shall not constitute Acceptance of any part of Work covered by this Contract. This use shall not relieve the Contractor of its responsibilities under the Contract.

**ARTICLE 50. INDEMNIFICATION**

Contractor shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, agents, employees, and representatives free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, to the extent arising out of or incident to any acts, omissions or willful misconduct of Contractor, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Work or this Contract, including claims made by subcontractors for nonpayment, including without limitation the

payment of all consequential damages and attorney’s fees and other related costs and expenses. Contractor shall defend, at Contractor’s own cost, expense and risk, with counsel of City’s choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its officials, officers, agents, employees and representatives. To the extent of its liability, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, its officials, officers, employees, agents, employees and representatives, in any such suit, action or other legal proceeding. Contractor shall reimburse City, its officials, officers, agents, employees and representatives for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

**ARTICLE 51. RECORD (“AS BUILT”) DRAWINGS**

- a. Contractor shall prepare and maintain a complete set of record drawings (herein referred to as “as-builts”) and shall require each trade to prepare its own as-builts. The as-builts must show the entire site for each major trade, including but not limited to water, sewer, electrical, data, telephone, cable, fire alarm, gas and plumbing. Contractor shall mark the as-builts to show the actual installation where the installation varies from the Work as originally shown. Contractor shall mark whichever drawings are most capable of showing conditions fully and where shop drawings are used, Contractor must record a cross-reference at the corresponding location on the contract drawings. Contractor shall give particular attention to concealed elements that would be difficult to measure and record at a later date. Contractor shall use colors to distinguish variations in separate categories of The Work.
- b. Contractor shall note related change order numbers where applicable. Contractor shall organize as-builts into manageable sets, bound with durable paper cover sheets and shall print suitable title, dates and other identification on the cover of each set. Contractor to also provide an electronic version of the as-builts. The suitability of the as-builts will be determined by the Engineer.

**ARTICLE 52. RESOLUTION OF CONSTRUCTION CLAIMS**

- a. In accordance with Public Contract Code Sections 20104 *et seq.* and other applicable law, public works claims of \$375,000 or less which arise between the Contractor and the City shall be resolved under the following the statutory procedure unless the City has elected to resolve the dispute pursuant to Public Contract Code Section 10240 *et seq.*
- b. **All Claims:** All claims shall be submitted in writing and accompanied by substantiating documentation. Claims must be filed on or before the date of final payment unless other notice requirements are provided in the contract. "Claim" means a separate demand by the claimant for (1) a time extension, (2) payment of money or damages arising from work done by or on behalf of the claimant and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled, or (3) an amount the payment of which is disputed by the City.

- c. **Claims Under \$50,000.** The City shall respond in writing to the claim within 45 days of receipt of the claim, or, the City may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the City may have. If additional information is needed thereafter, it shall be provided upon mutual agreement of the City and the claimant. The City's written response shall be submitted 15 days after receiving the additional documentation, or within the same period of time taken by the claimant to produce the additional information, whichever is greater.
  
- d. **Claims over \$50,000 but less than or equal to \$375,000.** The City shall respond in writing within 60 days of receipt, or, may request in writing within 30 days of receipt of the claim, any additional documents supporting the claim or relating to defenses or claims the City may have against the claimant. If additional information is needed thereafter, it shall be provided pursuant to mutual agreement between the City and the claimant. The City's response shall be submitted within 30 days after receipt of the further documents, or within the same period of time taken by the claimant to produce the additional information or documents, whichever is greater. The Contractor shall make these records and documents available at all reasonable times, without any direct charge.
  
- e. The Contractor will submit the claim justification in the following format:
  - 1) Summary of claim merit and price, and Contract clause pursuant to which the claim is made.
  - 2) List of documents relating to claim
    - (a) Specifications
    - (b) Drawings
    - (c) Clarifications (Requests for Information)
    - (d) Schedules
    - (e) Other
  - 3) Chronology of events and correspondence
  - 4) Analysis of claim merit
  - 5) Analysis of claim cost
  - 6) Analysis of time impact analysis in CPM format
  - 7) Cover letter and certification of validity of the claim
  
- f. If the claimant disputes the City's response, or if the City fails to respond within the statutory time period(s), the claimant may so notify the City within 15 days of the receipt of the response or the failure to respond, and demand an informal conference to meet and

confer for settlement. Upon such demand, the City shall schedule a meet and confer conference within 30 Days.

- g. If following the meet and confer conference, the claim or any portion thereof remains in dispute, the claimant may file a claim pursuant to Government Code 900 et seq. and Government Code 910 et seq. For purposes of those provisions, the time within which a claim must be filed shall be tolled from the time the claimant submits the written claim until the time the claim is denied, including any time utilized for the meet and confer conference.
- h. Submission of a claim, properly certified, with all required supporting documentation, and written rejection or denial of all or part of the claim by City, is a condition precedent to any action, proceeding, litigation, suit, general conditions claim, or demand for arbitration by Contractor.

**ARTICLE 53. CITY'S RIGHT TO TERMINATE CONTRACT**

- a. **Termination for Cause:** The City may, without prejudice to any other right or remedy, serve written notice upon Contractor of its intention to terminate this Contract if the Contractor: (i) refuses or fails to prosecute The Work or any part thereof with such diligence as will ensure its completion within the time required; (ii) fails to complete The Work within the required time; (iii) should file a bankruptcy petition or be adjudged a bankrupt; (iv) should make a general assignment for the benefit of its creditors; (v) should have a receiver appointed; (vi) should persistently or repeatedly refuse or fail to supply enough properly skilled workers or proper materials to complete the work; (vii) should fail to make prompt payment to subcontractors or for material or labor; (viii) persistently disregard laws, ordinances, other requirements or instructions of the City; or (ix) should violate any of the provisions of the Contract Documents.

The notice of intent to terminate shall contain the reasons for such intention to terminate. Unless within ten (10) Days after the service of such notice, such condition shall cease or satisfactory arrangements (acceptable to the City) for the required correction are made, this Contract shall be terminated. In such case, Contractor shall not be entitled to receive any further payment until the Project has been finished. The City may take over and complete The Work by any method it may deem appropriate. Contractor and its surety shall be liable to the City for any excess costs or other damages incurred by the City to complete the Project. If the City takes over The Work, the City may, without liability for so doing, take possession of and utilize in completing The Work such materials, appliances, plant, and other property belonging to the Contractor as may be on the Project site.

- b. **Termination For Convenience:** The City may terminate performance of The Work in whole or, in part, if the City determines that a termination is in the City's interest.

The Contractor shall terminate all or any part of The Work upon delivery to the Contractor of a Notice of Termination specifying that the termination is for the convenience of the City, the extent of termination, and the effective date of such termination.

After receipt of Notice of Termination, and except as directed by the City, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:

- 1) Stop Work as specified in the Notice.
- 2) Complete any Work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
- 3) Leave the property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
- 4) Terminate all subcontracts to the extent that they relate to the portions of The Work terminated.
- 5) Place no further subcontracts or orders, except as necessary to complete the remaining portion of The Work.
- 6) Submit to the City, within ten (10) Days from the effective date of the Notice of Termination, all of the documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Effective Date of the Notice of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of the City's exercise of its right to terminate this Contract pursuant to this clause, which costs the Contractor is authorized under the Contract Documents to incur, shall: (i) be submitted to and received by the City no later than thirty (30) Days after the Effective Date of the Notice of Termination; (ii) describe the costs incurred with particularity; and (iii) be conspicuously identified as "Termination Costs Occasioned by the City's Termination for Convenience."
- 7) These provisions are in addition to and not in limitation of any other rights or remedies available to the City.

c. Notwithstanding any other provision of this Article, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, the City may immediately order Contractor to cease Work on the Project until such safety or liability issues are addressed to the satisfaction of the City or the Contract is terminated.

**ARTICLE 54. WARRANTY AND GUARANTEE**

a. Contractor warrants that all materials and equipment furnished under this Contract shall be new unless otherwise specified in the Contract Documents; and that all Work conforms to the Contract Document requirements and is free of any defect whether performed by the Contractor or any subcontractor or supplier.

- b. Unless otherwise stated, all warranty periods shall begin upon the filing of the Notice of Completion. Unless otherwise stated, the warranty period shall be for one year.
- c. The Contractor shall remedy at its expense any damage to City-owned or controlled real or personal property.
- d. Contractor shall furnish the City with all warranty and guarantee documents prior to final Acceptance of the Project by the City.
- e. The City shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. The Contractor shall within ten (10) Days after being notified commence and perform with due diligence all necessary Work. If the Contractor fails to promptly remedy any defect, or damage; the county shall have the right to replace, repair, or otherwise remedy the defect, or damage at the Contractor's expense.
- f. In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of the Contractor not in accordance with the Contract requirements, the City may undertake at Contractor's expense, and without prior notice, all Work necessary to correct such condition.
- g. With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for Work performed and Materials furnished under this Contract, the Contractor shall:
  - 1) Obtain for City all warranties that would be given in normal commercial practice;
  - 2) Require all warranties to be executed, in writing, for the benefit of the City; and
  - 3) Enforce all warranties for the benefit of the City, unless otherwise directed in writing by the City.

This Article shall not limit the City's rights under this Contract or with respect to latent defects, gross mistakes, or fraud. The City specifically reserves all rights related to defective work, including but not limited to the defect claims pursuant to California Code of Civil Procedure Section 337.15.

**ARTICLE 55. DOCUMENT RETENTION & EXAMINATION**

- a. In accordance with Government Code Section 8546.7, records of both the City and the Contractor shall be subject to examination and audit by the State Auditor General for a period of three (3) years after final payment.
- b. Contractor shall make available to the City any of the Contractor's other documents related to the Project immediately upon request of the City.
- c. In addition to the State Auditor rights above, the City shall have the right to examine and audit all books, estimates, records, contracts, documents, bid documents, subcontracts, and other data of the Contractor (including computations and projections) related to



negotiating, pricing, or performing the modification in order to evaluate the accuracy and completeness of the cost or pricing data at no additional cost to the City, for a period of four (4) years after final payment.

**ARTICLE 56. SOILS INVESTIGATIONS**

When a soils investigation report for the Project site is available, such report shall not be a part of the Contract Documents. Any information obtained from such report as to subsurface soil condition, or to elevations of existing grades or elevations of underlying rock, is approximate only and is not guaranteed. Contractor acknowledges that any soils investigation report (including any borings) was prepared for purposes of design only and Contractor is required to examine the site before submitting its bid and must make whatever tests it deems appropriate to determine the underground condition of the soil.

**ARTICLE 57. SEPARATE CONTRACTS**

- a. The City reserves the right to let other contracts in connection with this Work or on the Project site. Contractor shall permit other contractors reasonable access and storage of their materials and execution of their work and shall properly connect and coordinate its Work with theirs.
- b. To ensure proper execution of its subsequent Work, Contractor shall immediately inspect work already in place and shall at once report to the Engineer any problems with the work in place or discrepancies with the Contract Documents.
- c. Contractor shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by the City in prosecution of the Project to the end that Contractor may perform this Contract in the light of such other contracts, if any. Nothing herein contained shall be interpreted as granting to Contractor exclusive occupancy at site of the Project. Contractor shall not cause any unnecessary hindrance or delay to any other contractor working on the Project. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or contracts, the Engineer shall decide which Contractor shall cease Work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously. The City shall not be responsible for any damages suffered or for extra costs incurred by Contractor resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Project site.

**ARTICLE 58. NOTICE AND SERVICE THEREOF**

All notices shall be in writing and either served by personal delivery or mailed to the other party as designated in the Bid Forms. Written notice to the Contractor shall be addressed to Contractor's principal place of business unless Contractor designates another address in writing for service of notice. Notice to City shall be addressed to the City as designated in the Notice Inviting Bids unless City designates another address in writing for service of notice. Notice shall be effective upon receipt or five (5) Days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

**ARTICLE 59. NOTICE OF THIRD PARTY CLAIMS**

Pursuant to Public Contract Code Section 9201, the City shall provide Contractor with timely notification of the receipt of any third-party claim relating to the Contract.

**ARTICLE 60. STATE LICENSE BOARD NOTICE.**

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

**ARTICLE 61. INTEGRATION**

- a. Oral Modifications Ineffective. No oral order, objection, direction, claim or notice by any party or person shall affect or modify any of the terms or obligations contained in the Contract Documents.
- b. Contract Documents Represent Entire Contract. The Contract Documents represent the entire agreement of the City and Contractor.

**ARTICLE 62. ASSIGNMENT**

Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of this Contract or any part thereof including any claims, without prior written consent of the City. Any assignment without the written consent of the City shall be void. Any assignment of money due or to become due under this Contract shall be subject to a prior lien for services rendered or Material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such Materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

**ARTICLE 63. CHANGE IN NAME AND NATURE OF CONTRACTOR'S LEGAL ENTITY**

Should a change be contemplated in the name or nature of the Contractor's legal entity, the Contractor shall first notify the City in order that proper steps may be taken to have the change reflected on the Contract.

**ARTICLE 64. ASSIGNMENT OF ANTITRUST ACTIONS**

Pursuant to Section 7103.5 of the Public Contract Code, in entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, Contractor or subcontractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (chapter 2 (commencing with Section 16700) of part 2 of division 7

of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this Contract or any subcontract. This assignment shall be made and become effective at the time the City makes final payment to the Contractor, without further acknowledgment by the parties.

**ARTICLE 65. PROHIBITED INTERESTS**

No City official or representative who is authorized in such capacity and on behalf of the City to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the project, shall be or become directly or indirectly interested financially in the Contract.

**ARTICLE 66. LAWS AND REGULATIONS**

- a. Contractor shall give all notices and comply with all federal, state and local laws, ordinances, rules and regulations bearing on conduct of work as indicated and specified by their terms. References to specific laws, rules or regulations in this Contract are for reference purposes only, and shall not limit or affect the applicability of provisions not specifically mentioned. If Contractor observes that drawings and specifications are at variance therewith, he shall promptly notify the Engineer in writing and any necessary changes shall be adjusted as provided for in this Contract for changes in work. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Engineer, he shall bear all costs arising therefrom.
- b. Contractor shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA laws, rules and regulations. Contractor shall comply with the Historic Building Code, including, but not limited to, as it relates to the ADA, whenever applicable.
- c. Contractor acknowledges and understands that, pursuant to Public Contract Code Section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code Section 2717(b) in order to supply mined material for this Contract.

**ARTICLE 67. PATENT FEES OR ROYALTIES**

The Contractor shall include in its bid amount the patent fees or royalties on any patented article or process furnished or used in the Work. Contractor shall assume all liability and responsibility arising from the use of any patented, or allegedly patented, materials, equipment, devices or processes used in or incorporated with The Work, and shall defend, indemnify and hold harmless the City, its officials, officers, agents, employees and representatives from and against any and all liabilities, demands, claims, damages, losses, costs and expenses, of whatsoever kind or nature, arising from such use.

**ARTICLE 68. OWNERSHIP OF DRAWING**

All Contract Documents furnished by the City are City property. They are not to be used by Contractor or any subcontractor on other work nor shall Contractor claim any right to such documents. With exception of one complete set of Contract Documents, all documents shall be returned to the City on request at completion of The Work.

**PERFORMANCE BOND**

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, \_\_\_\_\_ (hereinafter referred to as "City") has awarded to \_\_\_\_\_, (hereinafter referred to as the "Contractor") \_\_\_\_\_ an agreement for \_\_\_\_\_ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated \_\_\_\_\_, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, \_\_\_\_\_, the undersigned Contractor and \_\_\_\_\_ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of \_\_\_\_\_ DOLLARS, (\$ \_\_\_\_\_), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by City in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the

Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the CITY, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

[Remainder of Page Left Intentionally Blank.]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
CONTRACTOR/PRINCIPAL

\_\_\_\_\_  
Name

By \_\_\_\_\_

SURETY:

By: \_\_\_\_\_  
Attorney-In-Fact

The rate of premium on this bond is \_\_\_\_\_ per thousand. The total amount of premium charges, \$ \_\_\_\_\_.  
(The above must be filled in by corporate attorney.)

**THIS IS A REQUIRED FORM**

Any claims under this bond may be addressed to:

(Name and Address of Surety)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name and Address of Agent or Representative for service of process in California, if different from above)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Telephone number of Surety and Agent or Representative for service of process in California)

\_\_\_\_\_  
\_\_\_\_\_

STATE OF CALIFORNIA )  
 ) ss.  
CITY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2011, before me, \_\_\_\_\_, a Notary Public in and for said state, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the within instrument as the Attorney-In-Fact of the (Surety) acknowledged to me that he subscribed the name of the \_\_\_\_\_ (Surety) thereto and his own name as Attorney-In-Fact.

\_\_\_\_\_  
Notary Public in and for said State

(SEAL)

Commission expires: \_\_\_\_\_

NOTE: A copy of the Power-of-Attorney to local representatives of the bonding company must be attached hereto.



**PAYMENT BOND (LABOR AND MATERIALS)**

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Beaumont (hereinafter designated as the "City"), by action taken or a resolution passed \_\_\_\_\_, 20\_\_\_\_ has awarded to \_\_\_\_\_ hereinafter designated as the "Principal," a contract for the work described as follows:  
\_\_\_\_\_  
(the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and \_\_\_\_\_ as Surety, are held and firmly bound unto the City in the penal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 3181 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 3181 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or

attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 3110 or 3112 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed unoriginal thereof, have been duly executed by the Principal and Surety above named, on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed b its undersigned representative pursuant to authority of its governing body.

(Corporate Seal of Principal,  
if corporation)

\_\_\_\_\_  
Principal (Property Name of Contractor)

By \_\_\_\_\_  
(Signature of Contractor)

(Seal of Surety)

\_\_\_\_\_  
Surety

By \_\_\_\_\_  
Attorney in Fact

(Attached Attorney-In-Fact  
Certificate and Required  
Acknowledgements)

\*Note: Appropriate Notarial Acknowledgments of Execution by Contractor and +surety and a power of Attorney MUST BE ATTACHED.

NON-COLLUSION AFFIDAVIT

To be Executed by Bidder and Submitted with Bid

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF San Diego )

George England, being first duly sworn, deposes and says that he/she is of , the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

By: [Signature]  
Signature  
Title: George England, V.P.  
CONTRACTOR

State of California  
County of \_\_\_\_\_

Subscribed and sworn to (or affirmed), before me this day of (month), 20 (year), by ,, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature of Notary: see Attached Jurat Notary Public in and for said County and State

(seal of notary)

Page

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 \_\_\_\_\_

Signature of Document Signer No. 1 \_\_\_\_\_

Signature of Document Signer No. 2 (if any) \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
 County of San Diego

Subscribed and sworn to (or affirmed) before me  
 on this 9 day of September, 2019  
 by \_\_\_\_\_  
Date Month Year  
 (1) George England  
 (and (2) \_\_\_\_\_),  
Name(s) of Signer(s)



proved to me on the basis of satisfactory evidence  
 to be the person(s) who appeared before me.  
 Signature Dana  
Signature of Notary Public

**Seal**  
 Place Notary Seal Above

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**  
 Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
 Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_



**Website:**  
www.beaumontca.gov

**Address:**  
550 E. 6th Street  
Beaumont, CA 92223

**Phone:**  
951.769.8530

# Request for Proposals For Public Electric Vehicle Charging Station

**Proposals Due By:**

3:00 pm  
April 4, 2019

**Contact:**

Celina Cabrera  
Management Analyst  
[ccabrera@beaumontca.gov](mailto:ccabrera@beaumontca.gov)

**RFP Available:**

[www.publicpurchase.com](http://www.publicpurchase.com)



## OVERVIEW

The City of Beaumont (“City”) is issuing this document, a Request for Proposals (“RFP”) to request proposals from qualified Contractors to design, furnish, and install four (4) Charge Point CPE 200 Level 2 electric vehicle (EV) charging stations for public use on City-owned property located adjacent to Beaumont Civic Center located at 550 E 6<sup>th</sup> Street, Beaumont, CA. A turnkey solution is sought in which the Contractor shall design, furnish, install, coordinate with utilities including SCE, facilitate networking agreement, and maintain the requested EV chargers for a period of sixty (60) months.

## BACKGROUND

The City of Beaumont was incorporated in November 1912. The City is located in the western portion of Riverside County and is bounded on the west by Calimesa and unincorporated areas, on the north by the unincorporated County area (Cherry Valley), on the south by unincorporated County area and the City of San Jacinto, and on the east by the City of Banning. The land area within the City’s boundaries is approximately 26 square miles.

## SCOPE OF SERVICES

The City has described the proposed Scope of Services in Exhibit A attached to this RFP and is incorporated herein by reference.

## ADDITIONAL CONTRACTOR RESPONSIBILITIES

The Contractor shall be responsible for completing the specified services in accordance with the City’s Agreement of Services by Independent Contractor (Exhibit B)

## TERM

The term of the agreement shall be determined upon need of services and consistent with City’s policies. The initial period of the contract is for one (1) year, with extensions approved by City Council, subject to agreement terms and the Beaumont Municipal Code.

## SOLICITATION SCHEDULE

EVENT	DATE
RFP Issued	March 18, 2019
Questions Due from Bidders	March 25, 2019

City of Beaumont  
Request for Proposal



Public Electric Vehicle Charging Station

City Response to Bidders with advertised Addendum #1	March 28, 2019
Bid Proposals Due	April 4, 2019 at 3:00 p.m.

### QUESTION AND ANSWER PERIOD

Inquiries regarding this RFP must be submitted in writing and should be emailed to Celina Cabrera, [ccabrera@beaumontca.gov](mailto:ccabrera@beaumontca.gov) and Aftab Hussain [ahussain@beaumontca.gov](mailto:ahussain@beaumontca.gov)

The cut-off date for questions and inquiries relating to this RFP is indicated on the solicitation schedule. Addendum to this RFP, if any, will be posted on Public Purchase webpage.

No telephone calls will be permitted.

### SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by City of Beaumont, at the appropriate location by the required time in a sealed envelope.

Contractors should submit one (1) hard copy marked original, three (3) additional hard copies, and one (1) digital copy on either CD or flash drive in accordance with the bid submission deadline, which is **3:00 pm on April 4, 2019** to the following location:

City of Beaumont  
Attn: Celina Cabrera  
550 E 6<sup>th</sup> Street  
Beaumont CA 92223

Responses received after this date and time will not be considered. Emailed and/or faxed proposals will not be accepted. The City is not responsible for lost or misdirected documents. Bids must be enclosed in a sealed envelope/package bearing the name of the Bidder and titled "RFP for Public Electric Vehicle Charging Station" clearly marked on the outside of the envelope.

The prospective bidder assumes sole responsibility for submitting a complete bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to comply with all requirements of the RFP.

No postmarked proposals will be accepted. Once submitted, proposals cannot be altered without prior written consent of the City.

All costs associated with preparation of any proposal shall be the sole responsibility of the proposer. Each proposal shall be limited to a maximum of 30 pages (not including resumes),



using minimum 12-point font size.

## PROPOSAL REQUIREMENTS

The proposal shall clearly address all of the information requested herein. To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized and contain all information as specified below.

- A. **Cover Letter:** Maximum of two (2) pages serving as an Executive Summary, which shall include an understanding of the Scope of Services (outlined in Exhibit A). The RFP shall be transmitted with a cover letter that must be signed by an official, authorized to bind the Contractor contractually. The cover letter accompanying the RFP shall also provide the name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the Contractor. The cover letter constitutes certification by the Contractor, under penalty of perjury, that the Contractor complies with nondiscrimination requirements of the State and Federal Government. An unsigned proposal or one signed by an individual unauthorized to bind the Contractor may be rejected.
- B. **Introduction/Information:** Introduction of the service proposal, including a statement of understanding the types of services requested. Provide a discussion on how the objectives of the Scope of Services (Exhibit A) will be accomplished. Provide the name of the firm submitting the proposal, mailing address, telephone number and the name of the individual to contact if further information is required. Any participating Contractors and proposed sub-Contractors shall be identified and included in the proposal (all sub-Contractors must be approved by City prior to signing the agreement with City).
- C. **Firm Profile:** Provide the firm name, including number of personnel, years in business, office location(s), organizational structure (e.g., corporation, partnership, sole practitioner, etc.), areas of particular expertise, and relevant experience. Include any other information which should be considered, such as any special services or customer service philosophy which define your firm's practice.
- D. **References:** Three to five references from current or past clients. Discuss the services you have provided or are currently providing to them. Include references your company has provided services for that were directly funded by Southern California Incentive Project (SCIP) rebate program. Be sure to include reference's business name, contact person, address and phone number length of time services were provided, and a description of the services provided.
- E. **Scope of Services:** Scope of Services provided in Exhibit A. Provide a description of how the tasks, sub-tasks, and deliverables will be provided. Responses should be presented in





a logical format that can be easily attached to the Agreement of Services by Independent Contractor.

- F. **Cost Proposal:** Cost proposal should detail and itemize all costs related to the services requested, as outlined in Scope of Services. An estimate of any additional fees that may accrue over the course of the contract should also be itemized.

Should additional work be required, which is beyond the scope of this RFP but is related to the overall contract, the Contractor will be requested to submit a written proposal and upon approval, a purchase order will be issued to authorize the work.

- G. **Liability Insurance:** The selected Contractor will be required to have professional liability insurance including liability at a minimum of one million (\$1,000,000) per occurrence and two million (\$2,000,000) in aggregate, worker’s compensation, and vehicle coverage including comprehensive and collision insurance naming the City of Beaumont as additional insured. The proposal shall state whether such insurances will be in force at time of contract execution.

## CONFIDENTIALITY

Prior to the proposal submittal deadline, all proposals will be designated confidential to the extent permitted by the California Public Records Act. After the proposal submittal deadline, all responses will be regarded as public record and will be subject to review by the public. Any language purported to render confidential all or portions of the proposals will be regarded as non-effective and will be disregarded.

## AMENDMENTS TO REQUEST FOR PROPOSALS

The City reserves the right to amend the RFP by addendum prior to the final proposal submittal date.

## NON-COMMITMENT TO CITY

The City reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. The City may reject any proposal that does not conform to the instructions provided in this RFP. Additionally, the City reserves the right to negotiate all final terms and conditions of any proposal received before entering into final contract.

## CONFLICT OF INTEREST

The Contractor shall disclose any personal or professional financial, business, or other



relationships with the City that may have an impact on the outcome of this contract or any resulting project. The Contractor shall also list current clients who may have a financial interest in the outcome of this contract.

### PROPOSAL EVALUATION/SELECTION

The City intends to engage the most qualified Contractor available that demonstrates a thorough understanding of the City's needs. City staff will use the following criteria to evaluate the proposals:

Criteria	Points
Understanding of the Scope of Services	10
Approach to Performing this Type of Service	10
Time Line	10
Related Experience with SCIP grant funded projects	20
Itemized Cost Proposal for Design, Construction, Maintenance and Network	50
<b>Total</b>	<b>100</b>

1. The successful Contractor will be required to provide all necessary equipment needed to perform the service.
2. The successful Contractor will coordinate utility notifications and work at the job site.

### EXHIBITS

- A. Scope of Services
- B. Agreement for Services by Independent Contractor

----- END OF REQUEST FOR PROPOSAL -----  
EXHIBITS TO FOLLOW



## EXHIBIT A

### SCOPE OF SERVICES

City of Beaumont has secured Southern California Incentive Project (SCIP) rebate funding for the installation of four (4) electric vehicle charging stations located adjacent to Beaumont Civic Center. Contractors submitting a proposal shall be familiar with the guidelines of SCIP and provide references and recent projects funded by SCIP.

Beaumont is seeking a turnkey solution in which the Contractor shall design, furnish, install, coordinate with utilities including SCE, facilitate networking agreement, and maintain the requested EV chargers for a period of sixty (60) months.

**Equipment Requirements (as outlined in approved application submitted to SCIP for funding):**

1. Four (4) New ChargePoint CPE 200 units.
2. Equipment must meet both CHAdeMO and Combined Charging System (CCS) standards for electric vehicle chargers and have both a CHAdeMO and CCS Connector.
3. Equipment must be networked, which is defined as a charger connected to a backend network operations center, which at a minimum enables remote diagnostics, remote start, and usage data collection.
4. Equipment capable of delivering electricity to a plug-in electric vehicle at a minimum of 50kW or greater.
5. Equipment must use an open standard protocol as a basic framework for purposes of network interoperability.
6. Equipment must be able to accept some form of credit card payment and accept more than one form of payment. The equipment is not required to have a credit card reader installed, but credit card payment must be accepted in some form (e.g. App, toll free, etc.)
7. Equipment must be approved by a NRTL, that is accredited to certify EVSE standards. Underwriter's Laboratory (UL), Intertek (ETL) and MET Laboratories, Inc. are all currently accredited NRTLs

#### Role of Contractor

1. Design Electric Vehicle (EV) Charging Station located at 600 Orange Ave, Civic Center Parking Lot located adjacent to Beaumont Civic Center.

**City of Beaumont  
Request for Proposal**



**Public Electric Vehicle Charging Station**

2. Furnish equipment as outlined in the Equipment Requirements above
3. Coordinate with City of Beaumont Building and Safety Department to acquire permits.
4. Coordinate with utility companies including Southern California Edison (SCE) for power and telecommunications for networking capability.
5. Install EV Charging units with payment reader or other type of payment platform.
6. Include warranty or maintenance information on the installed product for a term of no more than 5 years as is required by SCIP rebate.
7. Facilitate a 5-year network service agreement.
8. Pay prevailing wage in accordance with California Prevailing Wage Law.
9. Submit completed copy of the purchase invoice for all design costs. A completed invoice must be executed and signed. It includes an itemization of credits, discounts, and incentives received, if applicable.
10. Submit completed copy of the purchase invoice for all installation costs. A completed invoice must be executed and signed. It includes an itemization of credits, discounts, and incentives received, if applicable.
11. Submit completed copy(s) for the purchase of equipment. A completed invoice must be executed and signed. It includes an itemization of credits, discounts, and incentives received, if applicable.
12. Coordinate with City of Beaumont Building & Safety Department for inspections.
13. Submit a copy of final inspection card.
14. Submit a copy of the utility service order.
15. Submit copy of 5-year network agreement.
16. Provide a Charging Session Data file from the chargers once it is operational.

**Time Line**

1. Design station and charger locations, obtain permits and coordinate with utilities to obtain a utility service order completed by July 1, 2019.
2. Project must be completed, operational and all invoices and required paperwork submitted by November 1, 2019.

**City of Beaumont  
Request for Proposal**



**Public Electric Vehicle Charging Station**

**Cost Proposal**

1. Contractor should itemize cost proposal to include:
  - a. Design
  - b. Equipment Purchase
  - c. Installation
  - d. Utility coordination and facilitation (list each entity)
  - e. Maintenance agreement for a period of sixty (60) months.
  - f. Other fees associated with the project not listed above.

City of Beaumont  
Request for Proposal



Public Electric Vehicle Charging Station

EXHIBIT B

Agreement for Services by Independent Contractor

Agreement of Services by Independent Contractor

THIS AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the \_\_\_ day of \_\_\_, 2018, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6<sup>th</sup> Street, Beaumont, California 92223 and \_\_\_\_\_, a California corporation, whose address is \_\_\_\_\_ ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY desires to engage CONTRACTOR to design, furnish, install, coordinate with utilities including SCE, facilitate networking agreement, and maintain EV chargers; and
- B. CONTRACTOR has made a proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit "A"; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

- 1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.
- 2. Services to be Performed. CONTRACTOR agrees to provide the services ("Services") as follows: design, furnish, install, coordinate with utilities including SCE, facilitate networking agreement and maintain EV chargers and any other services which the City may request in writing. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates \_\_\_\_\_ as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR. Notwithstanding anything to the contrary herein, any provisions in the Proposal that are in addition to or inconsistent with the terms of this Agreement shall be deemed invalid and shall have no force or effect.

- 3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR's sole cost and



expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed \_\_\_\_\_.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15<sup>th</sup>) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.



5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:





6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required \_\_\_ /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.



7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.



9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents: Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR



shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having

**City of Beaumont  
Request for Proposal**



**Public Electric Vehicle Charging Station**

such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

**CITY:**

**CONTRACTOR:**

CITY OF BEAUMONT

By: \_\_\_\_\_  
Julio Martinez, Mayor

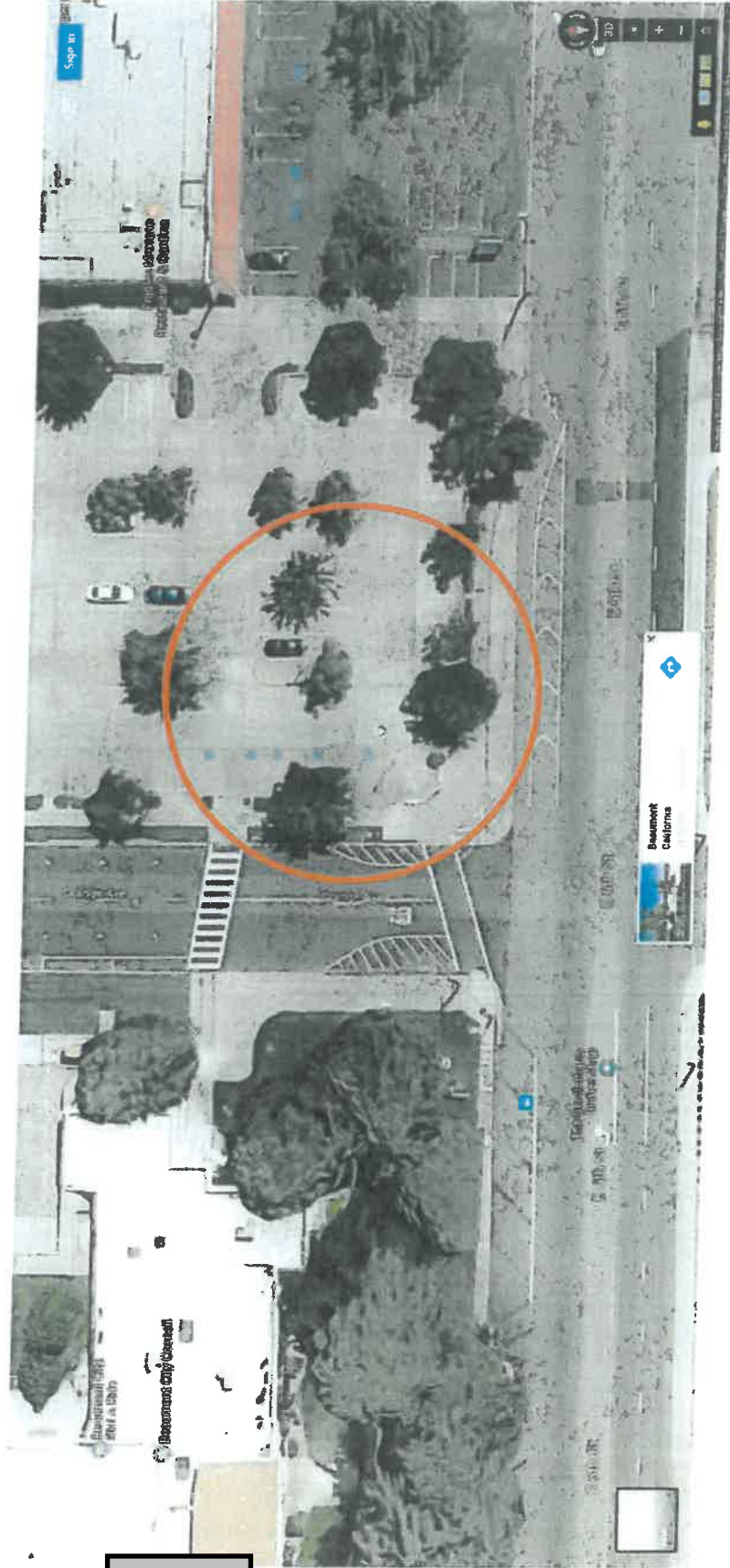
By: \_\_\_\_\_

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

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

# Attachment #1

**Location of Future Charging Station**  
**@ parking lot corner of 6<sup>th</sup> Street, Orange Ave in Beaumont, CA**  
**Adjacent to Beaumont Civic Center and Police Station**



**BID BOND**

The makers of this bond are, \_\_\_\_\_, as Principal, and \_\_\_\_\_, as Surety and are held and firmly bound unto the City of Beaumont, hereinafter called the City, in the penal sum of TEN PERCENT (10%) OF THE TOTAL BID PRICE of the Principal submitted to CITY for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid dated \_\_\_\_\_, 20\_\_\_\_, for Design and Installation of Public Electric Vehicle Charging Station located at East Parking lot of Beaumont Civic Center which address is 550 E 6<sup>th</sup> Street, Beaumont, CA 92223

If the Principal does not withdraw its bid within the time specified in the Contract Documents; and if the Principal is awarded the Contract and provides all documents to the City as required by the Contract Documents; then this obligation shall be null and void. Otherwise, this bond will remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents shall in affect its obligation under this bond, and Surety does hereby waive notice of any such changes.

In the event a lawsuit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the name and corporate seal of each corporation.

(Corporate Seal)

Principal \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

(Corporate Seal)

Surety \_\_\_\_\_

By \_\_\_\_\_

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title \_\_\_\_\_

STATE OF CALIFORNIA )  
 )  
CITY OF \_\_\_\_\_ )

ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2019, before me, \_\_\_\_\_, a Notary Public in and for said state, personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the within instrument as the Attorney-In-Fact of the (Surety) acknowledged to me that he subscribed the name of the \_\_\_\_\_ (Surety) thereto and his own name as Attorney-In-Fact.

\_\_\_\_\_  
Notary Public in and for said State

(SEAL)

Commission expires: \_\_\_\_\_

NOTE: A copy of the Power-of-Attorney to local representatives of the bonding company must be attached hereto.





relationships with the City that may have an impact on the outcome of this contract or any resulting project. The Contractor shall also list current clients who may have a financial interest in the outcome of this contract.

### PROPOSAL EVALUATION/SELECTION

The City intends to engage the most qualified Contractor available that demonstrates a thorough understanding of the City's needs. City staff will use the following criteria to evaluate the proposals:

Criteria	Points
Understanding of the Scope of Services	10
Approach to Performing this Type of Service	10
Time Line	10
Related Experience with SCIP grant funded projects	20
Itemized Cost Proposal for Design, Construction, Maintenance and Network	50
<b>Total</b>	<b>100</b>

1. The successful Contractor will be required to provide all necessary equipment needed to perform the service.
2. The successful Contractor will coordinate utility notifications and work at the job site.

### EXHIBITS

- A. Scope of Services
- B. Agreement for Services by Independent Contractor

-----END OF REQUEST FOR PROPOSAL-----  
EXHIBITS TO FOLLOW

March 26, 2019



# Addendum #1

## Public Electric Vehicle Charging Station

TO: All Potential Contractors:

This addendum forms a part of the contract documents for the above-identified project and modifies the original Request for Proposal as noted below. Portions of the Proposal, not specifically mentioned by the Addendum, remain in force. All trades affected shall be fully advised of these changes, deletions, and additions.

Upon award of contract, winning contractor will be required to submit a Performance and Payment Bond for the construction phase.

*Please note that a signed Acknowledgement of Addendum #1 (located at the end of this document) will be required to be submitted with your proposal.*

*Updated Evaluation Grading will be Attachment #3 to this document.*

### Questions and Answers

- 1) How many chargers will be installed?
  - a. RFP states 4 chargers, but after confirmation with the rebate program, only 3 will be funded. That means, we only will be requiring the installation of 3 chargers.
  
- 2) Are substitutions of Equal or better specs to ChargePoint allowed?
  - a. Yes. There is an Equipment Eligibility List provided by CALeVIP of DCFC's. Although the rebate was originally written for the CPE200, clarification has been received that eligible substitutions can be considered. We will accept the following DCFC Level 3 Chargers as substitutions to ChargePoint CPE200:
    - i. ChargePoint CPE250
    - ii. Efacec HV160
    - iii. Efacec HV350
    - iv. Tritium TR193-50-01-US

**March 26, 2019**

- 3) The document incorrectly states Level 2 EV charging station in the Overview Section
  - a. Yes. That is true. Revised overview should omit the Level 2 reference and instead reference DCFC.
- 4) Will accessibility be required as stated in CBC 11.B.228?
  - a. Yes. We expect that the design will include accessibility requirements.
- 5) What are ADA requirements?
  - a. ADA requirements should adhere to state and federal mandates.
  - b. See this link for additional information-  
[https://calevip.org/sites/default/files/docs/calevip/CALeVIP\\_Accessible\\_EV\\_Parking\\_Requirements.pdf](https://calevip.org/sites/default/files/docs/calevip/CALeVIP_Accessible_EV_Parking_Requirements.pdf)
- 6) Provide a Map of the location
  - a. See Attachment #1
- 7) A map of the location was not provided in the RFP. The SCE information can be ascertained once on site. Can a map of the proposed site be provided?
  - a. Map is attached titled 'Attachment A'
- 8) Would the City provide a screenshot of the proposed charging location indicating what area is available for the chargers?
  - a. Please see Attachment #1
- 9) Which adjacent parking lot will the new EV chargers be installed? The parking lot on the east side or north side of the building?
  - a. Chargers will be on the east side of the building.
  - b. Map is in 'Attachment A'.
- 10) Is there a scheduled job walk for the project?
  - a. No. There is not a job walk scheduled.
  - b. Location is in a public parking lot and interested parties may visit the location at their convenience.
  - c. A job walk can be requested with Staff by emailing [ccabrera@beaumontca.gov](mailto:ccabrera@beaumontca.gov) and [ahussain@beaumontca.gov](mailto:ahussain@beaumontca.gov)
- 11) Will you require a Bid Bond?
  - a. Yes. See Attachment #2
  - b. One must be submitted with the proposal.
- 12) Is this project a "prevailing wage" project?
  - a. Yes. Onsite workers are mandated to be paid prevailing wage

**March 26, 2019**

- b. See this site for additional information-  
[https://www.energy.ca.gov/contracts/PON-11-604/10-Attachment-J Information on Compliance with Prevailing Wage.pdf](https://www.energy.ca.gov/contracts/PON-11-604/10-Attachment-J%20Information%20on%20Compliance%20with%20Prevailing%20Wage.pdf)
  - c. Certified payroll will be required pursuant to Dept of Industrial Relations  
[www.dir.ca.gov](http://www.dir.ca.gov)
  - d. More information can be found at <https://www.dir.ca.gov/oprl/2019-1/PWD/index.htm>
- 13) Is EVITP a requirement from the City of Beaumont, SCIP and/or SCE?
- a. EVITP is not a specific requirement of City of Beaumont or SCIP.
  - b. However, under the SCIP Implementation Manual, the DCFC's shall be "installed by a qualified and licensed contractor in accordance with all local, state and federal codes and permitting inspection requirements".
  - c. Respondents should list their qualifications in their proposals.
- 14) Will you require a Lead-Time Document?
- a. Timeline is worth 10 points out of a hundred in the proposal grading.
  - b. It should be clearly stated in your proposal your lead time as to when you will be able to secure the unit you are proposing to install.
  - c. We are on a strict timeline to ensure rebate funding does not expire.
- 15) Has the city made an application through the SCE's Charge Ready Program?
- a. No. This program is reserved for another project in the near future.
  - b. The rebate that is funding this project is the Southern California Incentive Program (SCIP). Contractors are graded based on their experience with this program.
- 16) What is the available power at the site and are utility upgrades required?
- a. Unknown. This is part of the scope of work of the project.
- 17) Can the City provide a sketch of Source of Power and where the chargers will be installed to give an idea of how long we will need to run wires?
- a. The city does not have a sketch for the design, however Attachment #1 has a map of the location and the general area in which we would like the charging units.
- 18) Has the City of Beaumont coordinated with SCE in order to disburse information regarding the project to all contractors?
- a. City of Beaumont has not coordinated with SCE on this project and has not contacted them.
- 19) Are there any network requirements if the units have cellular connectivity?

**March 26, 2019**

- a. Yes. SCIP guidelines states, "Maintain a 5-year network service agreement immediately after the equipment installation".
- 20) Regarding the station design schedule, is the City expecting to review the design drawings throughout design? If so, what review cycle should we anticipate and how often does the city expect to review drawings?
- a. Once awarded, a kickoff meeting will be held with staff and awarded contractor to discuss the design/location of the chargers.
  - b. We will be in touch throughout the design process but will only need to see the drawings once before being submitted to utility companies or Building & Safety Department for permits.
- 21) Is there an existing electrical panel that can be utilized for electrical equipment associated to the proposed charging station? (i.e. space for breakers)
- a. No. There are 2 distribution/SCE lines on each side of parking lot.
  - b. Part of the design/build would be to provide all utility coordination and installation needed for a turnkey system.
- 22) In our experience, it is difficult to predict how long it takes to receive a permit after drawings are submitted to the local permitting agency. The contractor has no control over the amount of time taken by the permitting agency to review drawings and provide an approved permit. Is there a driver behind the July 1<sup>st</sup> timeline? Can the city provide assurance of the time from submission of drawing to approval of permit?
- a. Permits for the project will be issued by City of Beaumont Building & Safety Department
  - b. First plan submittal is 10 business day turn around for either corrections or approval. 2<sup>nd</sup> plan review is 5 business days.
  - c. The driver behind the July 1<sup>st</sup> timeline is for first milestone reporting to SCIP agency that is providing the rebate funding for the project.
- 23) Since the City of Beaumont is the facilitator of this work, should we expect that permit fees are going to be waived?
- a. The plan check, and permit issued by City of Beaumont Building & Safety Department will be at no charge.
- 24) Will permit and utility fees for the project be covered by City of Beaumont?
- a. Only the permit fees for the building permit itself will be covered by City of Beaumont.
  - b. Cost proposals should include anticipated fees associated with utilities.
- 25) Does the City have specs around the maintenance schedule or should the Contractor propose a maintenance schedule based on charger manufacturer

**March 26, 2019**

guidance and contractor experience?

a. Maintenance schedule is dependent on manufacturers recommendations.

26) Are references from SCIP funded projects a hard requirement for the bidder?

a. Yes. This is a requirement.

**Attachments:**

1. Site map and location
2. Bid Bond
3. Revised page 5 of the evaluation grading

**Please include this page with proposal submittal. By signing this you acknowledge the content of this Addendum and are in receipt of Attachments listed above.**

Signature: \_\_\_\_\_

Company: \_\_\_\_\_

March 27, 2019



## Addendum #2

### Public Electric Vehicle Charging Station

TO: All Potential Contractors:

This addendum forms a part of the contract documents for the above-identified project and modifies the original Request for Proposal as noted below. Portions of the Proposal, not specifically mentioned by Addendum #1 or #2, remain in force. All trades affected shall be fully advised of these changes, deletions, and additions.

The below statements are to clarify some answers issued in Addendum #1.

*Please include the following required information with your bid proposals:*

- 1) What is the current daily DC utility usage of the proposed product being used in the San Geronio Pass Area?
- 2) What is your maintenance response time? Include parts and labor.
- 3) What is your guaranteed up-time of the equipment you are proposing?
- 4) Outline the driver's experience and benefits to the charging unit you are proposing.
- 5) Service location will require new SCE service and contractor shall provide all labor, material and pay applicable fees to SCE to provide new service feed. There are potentially 2 areas in which the service could be done. Bids should include design and drawing fees for the SCE service drop.
- 6) Sub-contractors must be listed in your proposal.
- 7) Experience with SCIP is required, please include references in which you performed work with SCIP funding.

**March 27, 2019**

8) Provide references of user companies/entities that you have installed your proposed unit.

**Please include this page with proposal submittal. By signing this you acknowledge the content of Addendum #2.**

Signature: \_\_\_\_\_

Company: \_\_\_\_\_



April 2, 2019



## Addendum #3

### Public Electric Vehicle Charging Station

TO: All Potential Contractors:

This addendum forms a part of the contract documents for the above-identified project and modifies the original Request for Proposal as noted below. Portions of the proposal, not specifically mentioned by Addendum #1, #2, or #3 remain in force. All trades affected shall be fully advised of these changes, deletions, and additions.

***City of Beaumont has extended the due date for the Public Electric Vehicle Charging Station to Tuesday, April 16, 2019 at 3:00 pm.***

**Please include this page with proposal submittal. By signing this you acknowledge the content of Addendum #3.**

Signature: \_\_\_\_\_

Company: \_\_\_\_\_



1298 Pacific Oaks Place  
Escondido, CA 92029  
760.745.2001 Tel  
760.745.3610 Fax

Friday, May 24, 2019

**BTW: 31010-19**

**City of Beaumont**  
550 E 6<sup>th</sup> Street  
Beaumont, CA 92223

Attention: Celina Cabrera

Re: **Public Electric Vehicle Charging Station**

Celina,  
Thank you for this opportunity to bid on this scope of work, and we look forward to working with you.

We propose to furnish labor, materials and equipment to perform the electrical work on the above referenced project for the amount shown below. This proposal is based on the scope of work shown on the drawings, specifications and the following clarifications/exclusions listed below. This proposal is contingent upon contract terms and conditions being acceptable to Baker Electric, Inc.

**Electrical Sheets:** N/A

**Specification Sections:** NEC

**Addendums Acknowledged:** 1, 2 & 3

<b>Design</b>	<b>\$7,867.61</b>
<b>Equipment Purchase</b>	<b>\$130,325.61</b>
<b>Installation</b>	<b>\$ 110,052.42</b>
<b>Utility Coordination</b>	<b>\$1,741.76</b>
<b>Maintenance Agreement (60 months)</b>	<b>\$ 51,812.60</b>
<b>Other Fees</b>	<b>\$0.00</b>
<b>Total Base Bid</b>	<b>\$ 310,800.00</b>

**Adder;**

**Utility Fee Allowance** **\$ 60,000.00**

Per conversation with SCE, we believe the \$60,000 allowance will not be needed due to the fact that this is a new service and the POC is within the allowed distance covered for new service to provide power from SCE

**TOTAL WITH ADDER** **\$371,800.00**





1298 Pacific Oaks Place  
Escondido, CA 92029  
760.745.2001 Tel  
760.745.3610 Fax

**Electrical Scope:**

Design, furnish and install three (3) ChargePoint Express 250 Level 2 electric vehicle charging stations for public use.

**Clarifications:**

1. ChargePoint will be serving as the SCIP subject matter expert for the experience portion of this RFP
2. Assuming the POC for SCE is the Transformer at the rear right corner of the Civic Center. New transformer that is required to take voltage from 208 to 480 will be set next to the existing transformer and 480 will be brought across the street to the new meter pedestal. Wire by SCE.
3. Please see the Balance of the proposal for remaining clarifications and exclusions.
4. RFP is contingent on acceptance of ChargePoint T&C and MSA
5. This bid is based on the use of approved industry standard materials and methods.
6. Proposal is based upon a concurrent construction schedule with no delays.
7. Standard lead-times apply; no expediting of manufacturing or delivery has been included in this proposal.
8. Pricing is based on Baker having control of design as it relates to maintaining the pricing above.
9. Pricing is based on both existing SCE services being in good working order, we will review and provide an evaluation of existing to remain to owner and SCE.
10. This bid assumes that we will have access to the work area during normal business hours.
11. It is presumed that the existing electrical service/equipment can accept any/all of the added electrical equipment/demand, and that all existing equipment is in good working conditions to accept the alterations per the above scope of work.
12. This bid includes a 1 year warranty on all work from Baker Electric.

**Exclusions:**

1. Unforeseen conditions.
2. Hazardous material survey or removal and disposal of any hazardous materials.
3. BIM, 3-D modeling.
4. Owner certified insurance programs.
5. Payment and performance bond.
6. Cutting, coring, patching and painting for all interior surfaces.
7. Any work in asbestos or lead contaminated environments or work requiring containment areas and/or special containment clothing / protection suits.
8. Seismic Bracing to existing conduits.
9. Seismic Engineering to existing conduits.
10. Working in energized electrical gear, or on energized electrical devices.

**This proposal is contingent upon:**

- *Payment for the below services will be due in full upon completion of the work. If the duration of the project extends past one month, Baker Electric will submit an invoice for*





1298 Pacific Oaks Place  
Escondido, CA 92029  
760.745.2001 Tel  
760.745.3610 Fax

*the work accomplished in that month. All invoices are due and payable within fifteen (15) days of receipt or 2% interest per month may be added at the sole discretion of our firm. In the event it shall become necessary for Baker Electric to institute legal proceedings to collect the cost of the charge as set forth herein, then and in that event the unsuccessful party shall pay to the successful party reasonable attorney fees.*

- *This proposal is based upon not participating in an OCIP or Wrap Insurance Program. In the event this is a requirement of the project, Baker Electric will need to be notified of the content and requirements of the program at time of project award, an insurance credit, if applicable, will be provided by Baker Electric and Baker Electric will require a \$ 1,500.00 administration fee to be added to the contract for the management and administrative effort required to participate within the OCIP, CCIP or Wrap Program.*

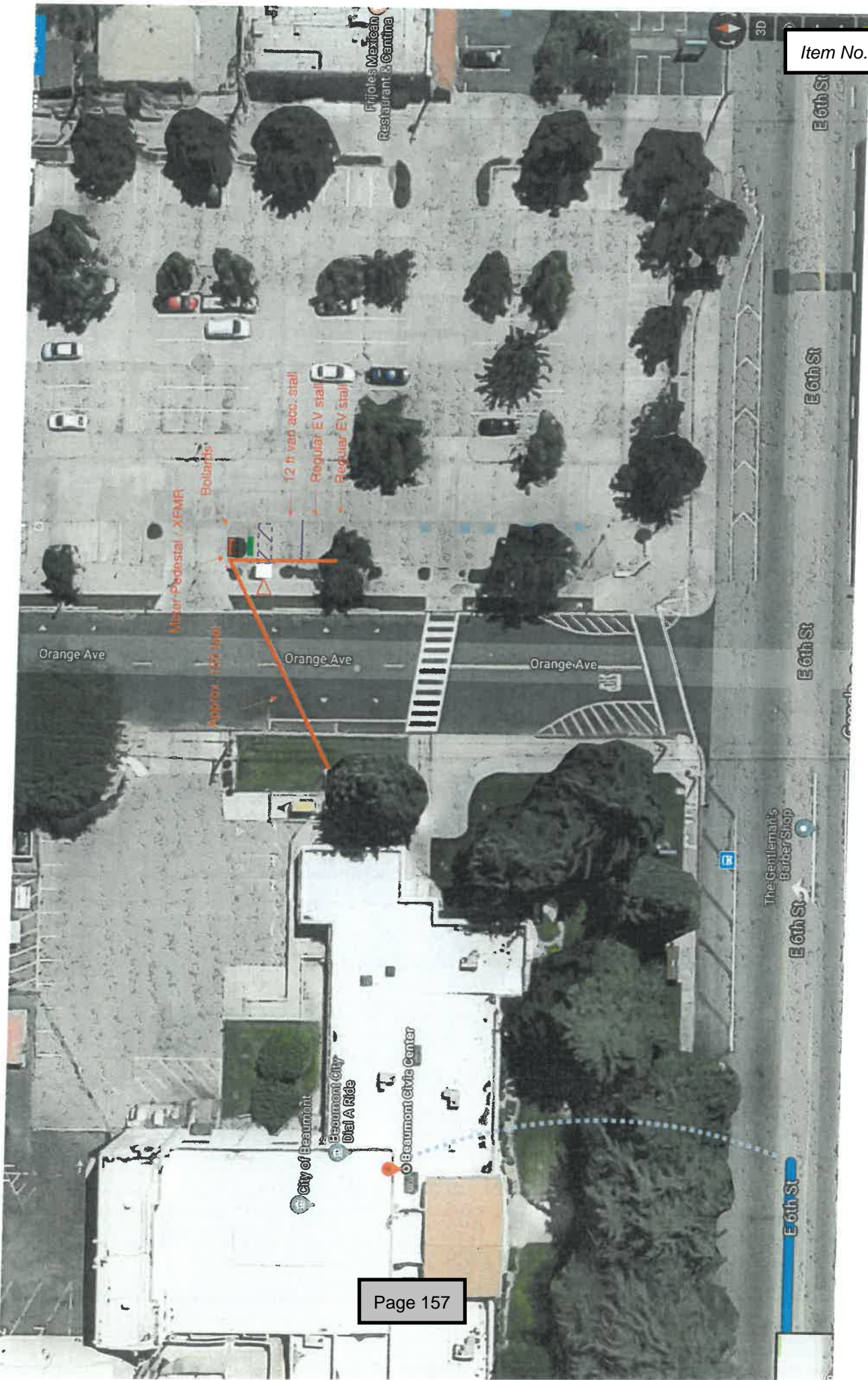
Please call me at (760-891-6837) if there are any questions regarding this proposal. This quotation is valid for (30) days from the date of proposal, and any modifications or amendments to this document must be in writing.

Sincerely,

**R. Jae Free**  
Estimating Manager  
Baker Electric, Inc.  
Phone (760) 745-2001 Ext. (5058)  
Fax: (760) 745-0321  
Cell (760) 891-6837



Item No.7.





# CERTIFICATE OF LIABILITY INSURANCE

Item No.7.

9/3/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Alliant Insurance Services, Inc. 701 B Street, 6th floor San Diego CA 92101		<b>CONTACT NAME:</b> Wella Campbell <b>PHONE (A/C, No, Ext):</b> 619-849-3924 <b>E-MAIL ADDRESS:</b> wcampbell@alliant.com		<b>FAX (A/C, No):</b> 619-699-2164
<b>INSURED</b> BAKEELE-01 Baker Electric, Inc. NB Baker Electric, Inc. 1298 Pacific Oaks Pl Escondido CA 92029		<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
		<b>INSURER A:</b> Berkley Assurance Company		39462
		<b>INSURER B:</b> Old Republic General Insurance Corporation		24139
		<b>INSURER C:</b> Natl Union Fire Ins Co of PA		19445
		<b>INSURER D:</b>		
		<b>INSURER E:</b>		
		<b>INSURER F:</b>		

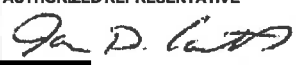
**COVERAGES** **CERTIFICATE NUMBER:** 1834544010 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY	Y	Y	MVWZY31255419	3/1/2019	3/1/2020	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/>	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
	<input checked="" type="checkbox"/>	Contractual Liab						MED EXP (Any one person)	\$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:							PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/>	POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE	\$ 2,000,000
	OTHER:							PRODUCTS - COMP/OP AGG	\$ 2,000,000
									\$
B	<input checked="" type="checkbox"/>	AUTOMOBILE LIABILITY	Y	Y	MWVWB31255319	3/1/2019	3/1/2020	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/>	ANY AUTO OWNED AUTOS ONLY						BODILY INJURY (Per person)	\$
	<input checked="" type="checkbox"/>	HIRED AUTOS ONLY						BODILY INJURY (Per accident)	\$
	<input type="checkbox"/>	SCHEDULED AUTOS NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	\$
									\$
C	<input checked="" type="checkbox"/>	UMBRELLA LIAB			BE 061213316	3/1/2019	3/1/2020	EACH OCCURRENCE	\$ 15,000,000
	<input type="checkbox"/>	EXCESS LIAB						AGGREGATE	\$ 15,000,000
	<input checked="" type="checkbox"/>	RETENTION \$ 10,000							\$
B	<input checked="" type="checkbox"/>	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y	N/A	MWC 312555 19	3/1/2019	3/1/2020	<input checked="" type="checkbox"/> PER STATUTE	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y	<input type="checkbox"/> N				E.L. EACH ACCIDENT	\$ 1,000,000
		If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
								E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	<input type="checkbox"/>	PROFESSIONAL LIABILITY & POLLUTION LIABILITY			PCADB-5008095-0319	3/1/2019	3/1/2020	Each Claim Aggregate	\$5,000,000 \$5,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Coverage: 2nd Layer Excess Liability \$10Mx\$15M  
Policy Period: 3/1/2019 - 3/1/2020  
Policy Number: BEX09603551-00  
Each Occurrence Limit: \$10,000,000  
Aggregate Limit: \$10,000,000

Re: Job #19949, Beaumont Public EV Charger, Parking lot on corner of 6th Street & Orange Ave., Beaumont, CA 92223.  
City of Beaumont is included as Additional Insured, waiver of subrogation applies.

<b>CERTIFICATE HOLDER</b>  City of Beaumont 550 E 6th Street Beaumont CA 92223	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--

POLICY NUMBER: MWZY31255419

COMMERCIAL GENERAL LIABILITY  
CG 20 10 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
All persons or organizations when required by written contract or agreement	All Locations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



POLICY NUMBER: MWZY31255419

COMMERCIAL GENERAL LIABILITY  
CG 20 37 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
All persons or organizations when required by written contract or agreement	All completed operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

POLICY NUMBER: MWZY31255419

COMMERCIAL GENERAL LIABILITY  
CG 20 01 04 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NONCONTRIBUTORY –  
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

**Primary And Noncontributory Insurance**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and

- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

POLICY NUMBER: MWZY31255419

COMMERCIAL GENERAL LIABILITY  
CG 25 03 05 09

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

**Designated Construction Project(s):**  
The project(s) as specified in the written contracts or agreements.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
  - 1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  - 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  - 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
  - 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

**B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

**C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

**D.** If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

**E.** The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

POLICY NUMBER: MWZY31255419

COMMERCIAL GENERAL LIABILITY  
CG 24 04 05 09

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

<p><b>Name Of Person Or Organization:</b> All persons or organizations as required by written contract or agreement</p>   
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

POLICY NUMBER: MWTB31255319

COMMERCIAL AUTO  
CA 20 48 10 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:** Baker Electric, Inc., NB Baker Electric, Inc.  
**Endorsement Effective Date:** 3/1/2019

### **SCHEDULE**

**Name Of Person(s) Or Organization(s):**  
All persons or organizations as required by written contract or agreement.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

POLICY NUMBER: MWTB31255319

**IL 10 (12/06) OLD REPUBLIC INSURANCE COMPANY**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED/DESIGNATED INSURED AMENDMENT - PRIMARY AND NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

Designated Person(s) or Organization(s):

All persons or organizations where required by written contract.

**WHO IS AN INSURED (SECTION II)** is amended to include the person(s) or organization(s) shown in the above Schedule, but only with respect to "accidents" arising out of work being performed for such person(s) or organization(s).

As respects any person(s) or organization(s) shown in the above Schedule with whom you have agreed in a written contract to provide primary insurance on a non-contributory basis, this insurance will be primary to and non-contributing with any other insurance available to such person(s) or organizations(s).

POLICY NUMBER: MWTB31255319

COMMERCIAL AUTO  
CA 04 44 10 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

# **WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:** Baker Electric, Inc., NB Baker Electric, Inc.

**Endorsement Effective Date:** 3/1/2019

### **SCHEDULE**

**Name(s) Of Person(s) Or Organization(s):**  
All persons or organizations as required by written contract or agreement.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

POLICY NUMBER: MWC 312555 19

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 0 % of the California workers' compensation premium otherwise due on such remuneration.

**SCHEDULE**

**PERSON OR ORGANIZATION**

**JOB DESCRIPTION**

**AS REQUIRED BY WRITTEN CONTRACT TO THE EXTENT ALLOWABLE BY LAW.**

**FIRST AMENDMENT TO AGREEMENT FOR DESIGN/BUILD CONTRACTOR**

THIS FIRST AMENDMENT TO AGREEMENT FOR DESIGN/BUILD CONTRACT (“Amendment”) is made and effective as of the 18<sup>th</sup> day of February, 2020 by and between the CITY OF BEAUMONT (“CITY”), a general law city, and Baker Electric, Inc., a California corporation (“CONTRACTOR”) in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

**RECITALS**

This First Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

A. On September 17, 2019 the City and CONTRACTOR entered into that certain agreement entitled “Design/Build Contract” (“Agreement”).

B. Contractor has begun performing the services under the Agreement and because of delays in the project caused by the actions of Southern California Edison (SCE), Baker Electric requires an extension of ninety days to the stated deadline in the contract as stated in Section 1.4 of the Agreement.

**AMENDMENT**

Section 1.4 of the Agreement is hereby amended to delete the original referenced guaranteed completion date and to insert the following language:

“1.4 Period of Performance. The Design-Build Entity guarantees that it shall perform and complete all work necessary for final completion of the Project.”

The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect. In the event of a conflict between the Agreement and this Amendment, this Amendment shall control.

[Signatures on following page]

SIGNATURE PAGE TO

CITY OF BEAUMONT  
FIRST AMENDMENT

CITY:

CITY OF BEAUMONT

By: \_\_\_\_\_  
Rey Santos, Mayor

CONTRACTOR:

BAKER ELECTRIC, INC., A CALIFORNIA  
CORPORATOIN

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

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

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

ATTEST:

By: \_\_\_\_\_  
Steven Mehlman, City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
John O. Pinkney, City Attorney



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Todd Parton, City Manager  
**DATE:** February 18, 2020  
**SUBJECT:** **Resolution of Support and Authorization of a \$10,000 Sponsorship Package for the 2020 IOA Championship Presented by Morongo Casino Resort & Spa**

---

### Background and Analysis:

City Council requested that the City's sponsorship of the IOA Championship Presented by Morongo Casino Resort & Spa (Tournament) be placed on an agenda for discussion. The Tournament is an LPGA qualifying event that has been held at the Tukwet Golf Course since 2013. The City of Beaumont has provided support to the Tournament over the past years but has not been an official sponsor.

City staff has been working with representatives of the Tournament and the Morongo Casino Resort & Spa about draft a sponsorship package. Attached to this memorandum is a summary sheet showing what the City's proposed sponsorship package would include, presuming a sponsorship in the amount of \$10,000 for this year's event. Key elements of the package include:

1. Community marketing via social media, web exposure and other marketing targeted by the City of Beaumont;
2. Establishment of the "Council Cup," a challenge event between City Council representatives of the Cities of Banning, Beaumont and Calimesa during the Official Pro-Am event scheduled for March 16 where Beaumont would be officially hosting its neighboring City Council peers; and
3. Creation of a signature community event, the "Taste of Beaumont," to be held during one night of the Tournament.

City staff's evaluation process included asking 13 specific due diligence questions of the Morongo Casino Resort & Spa. Those questions and responses, dated February 6, 2020, are included as an attachment to this memorandum.

The Tournament in Beaumont is the second of 20 scheduled events for 2020. These events are held throughout the United States and culminate with the Symetra Tour Championship in Daytona Beach, Florida in October. Beaumont's event is one of two tour events that occur on the West Coast, the other being in Windsor, California in April. More than 140 pro golfers from around the world participate in the tour each year. Participants often come from Asia, Europe, North America, Central America and South America.

The sponsorship package provides the following benefits to the City of Beaumont:

1. Significant media and marketing exposure, some of which would be to targeted markets;
2. Draw for regional, national, and international tourism with exposure to many parts of the world;
3. Creation of another high-quality, free regional event that will provide exposure to local businesses; and
4. Establishment of a local challenge event that will foster positive relationships with the elected representatives of Banning and Calimesa.

City staff proposes to allocate Transit Occupancy Tax (TOT) proceeds to any approved City Council sponsorship amount. Year to date TOT revenues are \$151,214.91 of the \$263,925.01 budgeted for this year. It is anticipated that actual revenues for this fiscal year will actually be around \$300,000. Total TOT revenues for FY2018-2019 were \$335,303.62.

**Fiscal Impact:**

Should the City Council approve the resolution and authorize a sponsorship package, cost to the City will be \$10,000 plus event insurance premiums of up to \$1,000 (depending on the type and level of coverage) and staff time estimated to be \$1,950 of indirect costs.

**Recommended Action:**

Sponsorship of the IOA Championship Presented by Morongo Casino Resort & Spa provides a public benefit to the City of Beaumont and may be authorized by the City Council. Additionally, the marketing exposure and establishment of another signature event is consistent with the City Council's goals and objectives. Therefore, City staff recommends approval of the resolution and authorization to enter into a sponsorship agreement for the 2020 event in the amount of \$10,000.

**Attachments:**

- A. Resolution of Support for the 2020 IOA Championship Presented by Morongo Casino Resort & Spa
- B. Due Diligence Questions Dated February 6, 2020
- C. Sponsorship Package Summary Sheet
- D. 2020 Tournament Schedule

**RESOLUTION NO. 2020-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
BEAUMONT, CALIFORNIA, DESIGNATING THE SYMETRA  
TOUR IOA CHAMPIONSHIP AS A SIGNATURE EVENT FOR THE  
CITY OF BEAUMONT**

**WHEREAS**, the Symetra Tour is the official qualifying tour of the Ladies Professional Golf Association (LPGA); and

**WHEREAS**, the Symetra Tour is the most established women’s developmental tour in the world, entering its 40th year of structured competition; and

**WHEREAS**, the Symetra Tour includes 24 tournaments across the nation and awards over \$4 million in purses; and

**WHEREAS**, more than 600 Symetra Tour alumnae have earned LPGA membership and own a total of 428 LPGA victories; and

**WHEREAS**, the only southern California stop for the Symetra Tour, the IOA Championship, is hosted in the City of Beaumont; and

**WHEREAS**, the Symetra Tour IOA Championship is the only professional sporting event held annually in the Pass area; and

**WHEREAS**, the City of Beaumont benefits greatly from the Symetra Tour IOA Championship through increased awareness, visitation, and economic benefits to the City; and

**WHEREAS**, the City of Beaumont is committed to seeing the Symetra Tour IOA Championship succeed and strongly supports the continued hosting of the tournament in the City; and

**WHEREAS**, the City of Beaumont encourages its residents and business community to experience the Symetra Tour IOA Championship firsthand; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Beaumont as follows:

**Section 1:** that the City Council does hereby declare the Symetra Tour IOA Championship as a signature event for the City of Beaumont.

**Section 2:** As a signature event, the City of Beaumont will help provide support to the Symetra Tour IOA Championship including cooperation in promoting the event on the City’s web site and social media pages.

**Section 3:** The City of Beaumont will also consider a financial contribution not to exceed \$10,000 to support the tournament and help raise awareness of the City and its service to attendees of the Symetra Tour IOA Championship and the residents of Beaumont.

**MOVED, PASSED AND ADOPTED** this 18th day of February 2020.

AYES: White, Martinez, Carroll, Lara, Santos

NOES:

ABSTAIN:

ABSENT:

**APPROVED:**

\_\_\_\_\_  
Rey Santos, Mayor

**ATTEST:**

\_\_\_\_\_  
Steven Mehlman, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
John O. Pinkney, City Attorney



**Exhibit A**  
**Request for Destruction of Records**

**Due Diligence Questions  
Request for Symetra Tour Sponsorship  
February 6, 2020**

1. **Is a single year or a multi-year commitment being requested from the city?**  
We would appreciate the City’s participation as long as the event is hosted at the golf course here in Beaumont. This will be the sixth year that the event has been hosted in Beaumont.
  
2. **Who owns the golf tournament?**  
The golf tournament is part of the Symetra Tour, which is the pre-cursor to the LPGA tour and was acquired by the league in 2007. As the tour organizer, Symetra is the umbrella partner organization with IOA Insurance Service as the title sponsor for the world-class event hosted annually in Beaumont.
  
3. **What is the relationship between Morongo and Symetra?**  
Morongo hosts the tournament at the Morongo Golf Club at Tukwet Canyon and provides in-kind services including use of the golf course, management staff, hotel accommodations, hosting player reception dinners and other accommodations for the players.
  
4. **What is the specific request(s) of the City?**  
Morongo would like to see the City take the following action to help support the event in Beaumont:
  - i. Pass a resolution of support for this year’s tour
  - ii. Contribute public funds to demonstrate the city’s commitment and support for a signature event that brings publicity and visitors to the city
  - iii. Promote the event through the City’s communication channels to encourage public attendance by Beaumont residents and businesses
  
5. **How would any public funds be utilized?**  
The tournament is an economic driver for the City, and the City’s sponsorship would serve as an investment in economic development programs and events that raise awareness of the City to a broad audience. This world-class event transcends golf by offering fun family activities, such as two designated days of youth clinics with Symetra Tour professionals, as well as promotional opportunities for local businesses and vendors. Sponsorships help offset the costs to host the tournament and reserve the course, as well as help cover costs for the golfers, many of whom will stay with local host families during the tournament. Sponsorships also demonstrate that our community is supportive of the event.
  
6. **What benefits would the City derive as a sponsor from the golf tournament?**
  - a. **Direct benefits**
    - i. Information is attached and varies based on sponsorship level.
  - b. **Indirect benefits**
    - i. Promotes the City and raises awareness of Beaumont
    - ii. Brings 5,000+ people into the City who stay at local hotels and shop at local stores encouraging and promoting future Beaumont tourism
    - iii. Positive national, regional and local media coverage and social media promotion not just for the tour, but the City of Beaumont as a destination

7. **What is the economic impact of the tournament on the City of Beaumont?**

- a. **Hotel nights?**
- b. **Local spending?**
- c. **Sales tax revenues?**
- d. **Other?**

The tournament is held over 5 days and includes 125 players, their families and caddies. If you factor just the 125 players with 2 parents and one caddie for 5 days, the food consumption itself would generate \$75,000 (3 meals @ \$10 per meal for 5 days, for 500 people). This does not take into account the over 5,000+ attendees who come to watch the event. Guests typically stay at local hotels and spend money at local retailers and restaurants. The event also generates significantly increased social media and traditional media promotion of the City.

8. **What is the draw for the event?**

- a. **How many golf fans attend each year? Last year?** The first year brought 2,000 attendees. As the event has grown and there is greater awareness, the attendance has risen to 5,000 or more, and continues to rise.
- b. **What is the trend in the attendance?** Attendance has consistently grown each year.
- c. **From which region(s) do fans come?** Predominantly the Inland Empire and Los Angeles region, but fans come from all over the U.S. and globally as well.

9. **Who are the sponsors for the event?**

- a. **What is the level of commitment from the title sponsor(s)?** IOA Insurance Services covers the majority of the costs to host the event. They have expressed their desire to keep the event in the City of Beaumont.
- b. **Has event sponsorship grown?** Event sponsorship has grown significantly this year. We are seeing greater participation and interest from local and regional businesses this year than in past years.

10. **How has/is the event been marketed?**

Marketing for the event has traditionally been done by the LPGA and includes online and social media, billboards, and outreach to local, regional and national press, such as ESPN and the Golf Channel.

11. **Can the City have an event pro-forma?** For specific financial information we recommend that the City contact IOA directly.

- a. **What is the event budget?**
- b. **How much revenue is derived?**
- c. **Where does the event profit go?**
- d. **How viable/sustainable is this event?**

Attendance has continued to grow steadily over the last five years, and we are seeing more local business sponsorships this year than ever before. The LPGA and IOA enjoy hosting the event in the City of Beaumont and want to keep the tour in the City for many years to come.

- e. **What plans does the owner have to grow/expand this event?**

We are exploring additional activities to engage the public and local businesses, including vendors and food trucks, as well as increasing family and kid-centered activities such as our youth clinics. Additionally, we're growing public awareness to increase turnout through multiple communications channels and local partnerships.

**12. How does this event compare to other events on the tour?**

**a. How does it compare to the top two or three other events?** Beaumont is a jewel in the Symetra Tour, performing incredibly well by comparison to other host sites on the tour. That success is measured across three metrics. Many players rank Beaumont as their favorite stop on the tour. The volunteer program is one of the strongest with about 100 participating volunteers from the local community who enjoy an opportunity to serve the sport they love while engaging with professional-level players. And, lastly, Beaumont's central location attracts attendance from across the Southern California region.

**b. How committed is the owner to the Beaumont event?**

Both the LPGA and IOA Insurance Services prioritize this event and are committed to seeing the event succeed in the City Beaumont for years to come. We are taking steps to ensure the event remains a key part of the Symetra Tour and remains a centerpiece of local Beaumont events for the public to enjoy. This year the event will execute more robust media, partnership and business outreach plans that will help position Beaumont as the long-term host city.

**13. What is the marketing plan for the event?**

In addition to the activities in #10, we are working with community partners, including the Chamber of Commerce, the City, the County, to leverage our resources to raise awareness and increase attendance so residents and business owners from Beaumont, across Riverside County and all across Southern California can enjoy the event and experience all the City of Beaumont has to offer.



# Invest in the Future Stars of the LPGA at the IOA Championship

Item No.8.



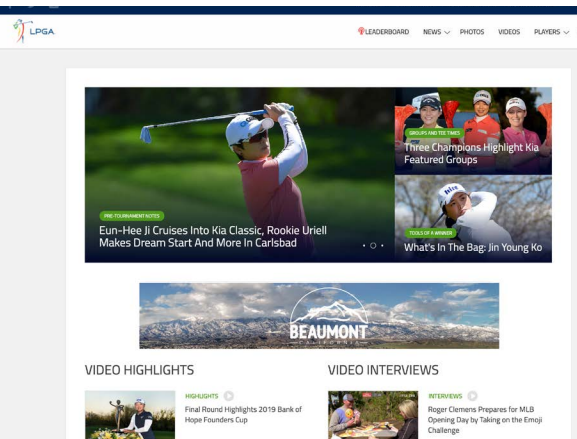
## Social Media & Web Exposure

- Symetra Tour will include #ACityElevated or any other desired hashtags provided by the city on social media accounts during tournament week
- Encourage Symetra Tour players to include #ACityElevated on all social media posts during tournament week
  - I.e. Amy Boulden has over 15K followers on Twitter
- Include "About Beaumont" blurb on SymetraTour.com and IOAChampionship.com with a link to the Beaumont website
- Access to player interviews for Beaumont to leverage social media stories



## Hospitality

- Three (3) teams in the Official Pro-Am on Thursday, March 26<sup>th</sup>
  - Utilize the three teams to create a "Council Cup" with local cities playing against each other
- 24 Invitations to the Pro-Am Party at Cielo Steakhouse at Morongo Casino Resort & Spa on Wednesday, March 25<sup>th</sup>



## Target Markets

Last years IOA Championship delivered over \$400,000 in earned media value the week of the tournament for the Beaumont community.

- With Beaumont's commitment, Symetra Tour can promote #ACityElevated on social media and Internet focusing on target markets provided by Beaumont
- Placement of Beaumont banner ad on LPGA.com and SymetraTour.com leading up to the tournament
  - I.e. Website example with banner ads on websites



## Marketing & Promotion

- Opportunity to distribute Beaumont items to Symetra Tour Players in welcome bags
  - Provide 144 Symetra Tour Pros handouts / bounce-backs to local restaurants and shops in the area
- Opportunity to create a taste of Beaumont event one night during the week of the tournament with local community support

# 2020 Tournament Schedule\*

\*Schedule as of January 30, 2020

DATES	TOURNAMENT NAME	CITY, STATE	TOURNAMENT COURSE & ADDRESS	PURSE
March 6-8	<b>Florida's Natural Charity Classic</b>	Winter Haven, FL	Country Club of Winter Haven 4200 Country Club Rd South, Winter Haven, FL 33881	\$125,000
March 27-29	<b>IOA Championship Presented by Morongo Casino Resort &amp; Spa</b>	Beaumont, CA	Morongo Golf Club at Tukwet Canyon 36211 Champions Drive, Beaumont, CA 92223	\$150,000
April 2-4 (Sat. Finish)	<b>Windsor Golf Classic</b>	Windsor, CA	Windsor Golf Club 1340 19th Hole Drive, Windsor, CA 95492	\$150,000
May 7-9 (Sat. Finish)	<b>IOA Invitational</b>	Milton, GA	Atlanta National Golf Club 350 Tournament Players Dr., Milton, GA 30004	\$150,000
May 13-15 (Fri. Finish)	<b>Symetra Classic</b>	Davidson, NC	River Run Country Club 19125 River Falls Drive, Davidson, NC 28036	\$175,000
May 20-23** (Sat. Finish)	<b>Zimmer Biomet Championship Hosted by Nancy Lopez</b>	Auburn, AL	Lake Course at Grand National (RTJ Golf Trail) 3000 Robert Trent Jones Trail, Opelika, AL 36801	\$300,000
May 29-31	<b>The CDPHP Open</b>	Albany, NY	Capital Hills at Albany 65 O'Neil Road, Albany, NY 12208	\$150,000
June 12-14	<b>Four Winds Invitational</b>	South Bend, IN	Blackthorn Golf Club 6100 Nimtz Parkway, South Bend, IN 46628	\$150,000
June 19-21	<b>Island Resort Championship</b>	Harris, MI	Sweetgrass Golf Club W399 Highway 2 & 41, Harris, MI 49845	\$200,000
June 26-28	<b>Prasco Charity Championship</b>	Cincinnati, OH	TPC River's Bend 316 Winding River Blvd., Maineville, OH 45039	\$175,000
July 9-11 (Sat. Finish)	<b>Donald Ross Classic at French Lick Resort</b>	French Lick, IN	French Lick Resort 8670 West State Rd. 56, French Lick, IN 47432	\$225,000
July 16-19**	<b>Danielle Downey Credit Union Classic</b>	Rochester, NY	Brook Lea Country Club 891 Pixley Road, Rochester, NY 14624	\$175,000
July 24-26	<b>FireKeepers Casino Hotel Championship</b>	Battle Creek, MI	Battle Creek Country Club 318 Country Club Dr., Battle Creek, MI 49015	\$175,000
August 7-9	<b>PHC Classic</b>	Milwaukee, WI	Brown Deer Park Golf Course 7625 North Range Line Road, Milwaukee, WI 53209	\$125,000
August 14-16	<b>Garden City Charity Classic at Buffalo Dunes</b>	Garden City, KS	Buffalo Dunes Golf Club 5685 S US Hwy 83, Garden City, KS 67846	\$175,000
August 28-30	<b>Circling Raven Championship</b>	Worley, ID	Circling Raven Golf Club 37914 S Nukwalqw Rd, Worley, ID 83876	\$200,000
September 3-5 (Sat. Finish)	<b>Copper Rock Championship</b>	Hurricane, UT	Copper Rock Golf Course 3376 S 1100 W, Hurricane, UT 84737	\$200,000
September 18-20	<b>Guardian Championship</b>	Prattville, AL	Capitol Hill Golf Club 2600 Constitution Ave., Prattville, AL 36066	\$175,000
September 25-27	<b>IOA Golf Classic</b>	Longwood, FL	Alaqua Country Club 2091 Alaqua Dr., Longwood, FL 32799	\$175,000
October 1-4**	<b>Symetra Tour Championship</b>	Daytona Beach, FL	LPGA International, Jones Course 1000 Champions Drive, Daytona Beach, FL 32124	\$250,000

\*\* 4-day Tournament



## Staff Report

**TO:** Mayor, and City Council Members

**FROM:** Kari Mendoza, Administrative Director

**DATE:** February 18, 2020

**SUBJECT:** **Select Engie Services U.S. Inc., as the City’s Partners for Design/Build Energy Performance Contract Services and Authorize City Staff to Negotiate a Contract for Services**

### Background and Analysis:

On June 18, 2019, City Council authorized the release of a request for qualification (RFQ) for Design/Build Energy Performance Contracting Services. The documents were published on the City’s website and Public Purchase on June 20, 2019, in accordance with the City’s purchasing ordinance. The bid closed July 31, 2019, and bids were received from five (5) firms. Those firms were: Ameresco, Engie Services U.S. Inc., New Energy, Trane and Willdan.

An energy sub-committee was created to evaluate the request for qualifications received. The committee consisted of employees from the Facilities Department, Information Technology Department, Public Works Department, Police Department and City Administration. The committee identified two top firms, Ameresco and Engie Services U.S. Inc. Both firms were invited to participate in an interview conducted November 6, 2019. Evaluations and research continued with these firms through January to ensure a complete understanding of project management.

The committee noted that Engie Services U.S. Inc. demonstrated a strong relationship with the public sector including school districts, cities and counties and had more than forty-five years of experience in energy efficiency. Local projects included Moreno Valley, Brea, Norco, Palm Springs and San Jacinto. They focus on a comprehensive team approach utilizing finance, development, construction and marketing.

The committee also noted that Ameresco had government experience and had done numerous local projects with the Beaumont Unified School District. They are a publicly traded company with in-house engineers and utilize the federal government pricing model ensuring transparency.

**Fiscal Impact:**

None at this time. This RFQ process was to identify an energy partner to assist the City with energy performance projects at all City owned facilities as well as future projects or facilities. Any contracts for energy efficiency will be brought back to City Council in accordance with our current purchasing policies along with any budget amendments if necessary.

**Recommended Action:**

Select Engie Services U.S. Inc. as the preferred consultant for Design/Build Energy Performance Contracting Services and authorize City staff to negotiate a contract for services. City staff further recommends that City Council authorize negotiation of a contract for services with Ameresco should contract negotiations with Engie Services U.S. Inc. fail.

**Attachments:**

- A. Engie Proposal
- B. Ameresco Proposal



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# Design/Build Energy Performance Contracting Services

Request for Qualification  
City of Beaumont

July 31, 2019

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**SUBMITTAL LETTER**

Kari Mendoza  
City of Beaumont  
550 E 6th Street  
Beaumont, CA 92223

Dear Ms. Mendoza,

The City of Beaumont (the City) can reduce costs, upgrade its energy/building/water infrastructure, increase occupant comfort levels in its City buildings, and support local economic development through a guaranteed energy savings program with ENGIE Services U.S. Inc.

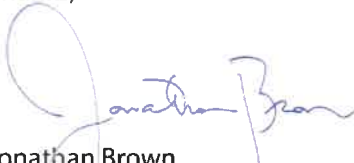
As a national energy infrastructure and building services company, ENGIE Services has deep experience partnering with government, education, and commercial and industrial customers. Over the past 44 years, thousands of our customers have captured billions in savings, while also improving the performance of their facilities in terms of reliability, safety, comfort and resource use. By leveraging ENGIE Services depth of experience, financial strength and commitment to a true, collaborative partnership in support of energy conservation and modernization initiatives, the City can meet its high-level objectives.

With the full backing of our parent company, ENGIE, we are driving the energy transition to a low-carbon economy. ENGIE has a strong commitment to renewables. ENGIE has helped tens of thousands of commercial and industrial, municipal and public organizations across approximately 1,000,000 sites become more efficient, productive and sustainable.

Our combined strength, enthusiastic and experienced staff, commitment to energy efficiency and renewable generation, coupled with our company value of providing true partnership as an ENGIE company means that we can build on the City's commitment to creating a more energy efficient, modern and sustainable community. As you consider our proposal, we want to inspire confidence that ENGIE will execute the best solution for a successful project and looks forward to being selected as your energy partner. We are well-positioned with a local office in Riverside, local staff and many project references to provide the best customer service and ensure your success. We believe that the information provided in our RFQ response will give the City ample evidence of how ENGIE Services can not only meet but exceed its desired scope of services. For any questions regarding our response, please contact our team leader:

Suzanne Gentilini  
Senior Business Development Manager  
714-745-0031  
suzanne.gentilini@engie.com

Thanks,



Jonathan Brown  
Vice President  
Authorized Signatory

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This proposal, in whole or in part, is to be used only for evaluation purposes. If the proposal is accepted and a contract entered into then, to the extent, federal or state law requires disclosure, advance notice to ENGIE Services is requested with a right to oppose or seek to narrow the disclosure. The data subject to this restriction is contained in all sheets marked, "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

ENGIE Services is not a municipal advisor and cannot give advice with respect to municipal securities or municipal financial products. This information is provided for educational purposes about possible financing options and is not the provision of advice, or a recommendation to pursue, any financing option. Consult with your municipal advisor or financial advisor about the financing option appropriate for your situation. ENGIE Services can provide information to your municipal advisor or financial advisor about the hypothetical assumptions and educational scenarios used in these materials.

To ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any US federal tax advice contained in this communication (including any attachments), unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any matters addressed herein. The information contained herein is general in nature and based on authorities that are subject to change. ENGIE Services recommends that you consult your tax adviser to understand its applicability to specific situations.



# Firm Information





**TAB ONE: FIRM INFORMATION**

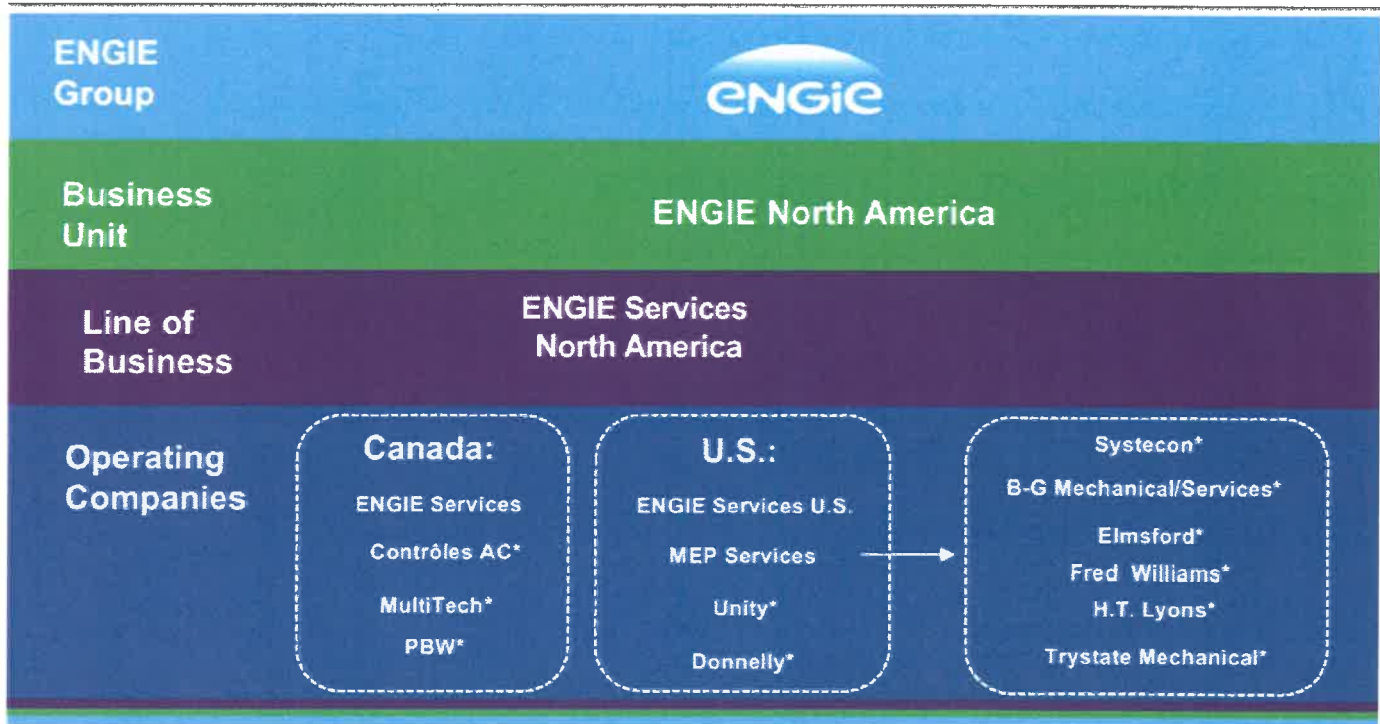
<b>Legal Name</b>	ENGIE Services U.S. Inc.
<b>Address of Firm/ Principal Place of Business</b>	1420 Iowa Avenue, Suite 210 Riverside, CA 92507
<b>Legal Form of Entity</b>	Corporation

**Company Overview and Organizational Structure**

ENGIE Services U.S. Inc. is a national energy infrastructure and building services company that helps public-sector customers become more efficient, productive, and sustainable. With more than 45 continuous years in energy efficiency, our customers have benefitted from our wide spectrum of highly customizable building system maintenance and facility management services, technical projects, and integrated programs. Thousands of customers have captured more than \$2.8 billion in savings combined, while also improving the performance of their facilities in terms of reliability, safety, comfort and resource use.

ENGIE Services is a subsidiary of ENGIE, the largest independent power producer in the world with a more than 100-year history. ENGIE is a global energy and services group, founded on low-carbon electricity production. ENGIE has a strong commitment to renewables. With decarbonization at our strategic core, ENGIE generates power from a diverse and low-carbon fuel mix with over 1,300 MW of behind-the-meter generation in North America. ENGIE is also the leading efficiency provider worldwide, with \$5.2 billion in identified energy savings for our customers.

As a business unit under ENGIE North America, ENGIE Services has partnership access to several other ENGIE North America operating companies as shown in the graphic below:



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**City of Beaumont**

Request for Qualifications

Efficiency Upgrades - Energy Service Performance Contract

**Company History, Financial Strength and Stability**

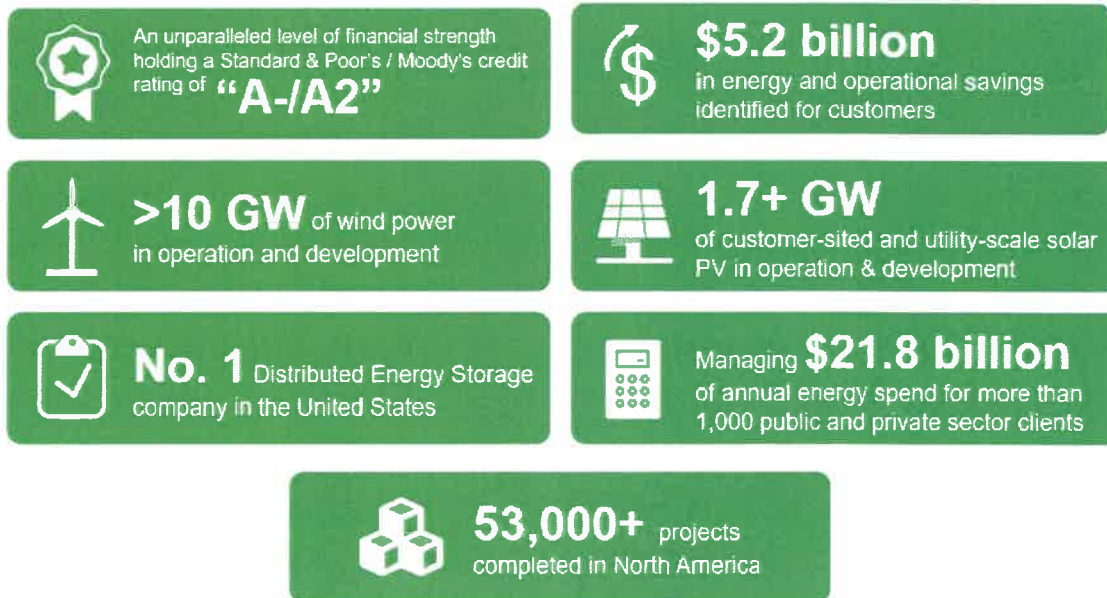
ENGIE Services can trace its roots back to the mid-seventies when America was reeling from an energy crisis. Viron Energy Services, one of our legacy companies, was founded in 1974 to answer the need for energy conservation services primarily in government facilities across the United States. Viron was an innovative company from the beginning and is widely credited with implementing the first energy savings performance contract (ESPC) in 1981. In 2003 Viron was purchased by Chevron as a part of a strategy by the oil giant to have plays across the entire energy spectrum including energy efficiency and renewable power generation. For over a decade, Chevron Energy Solutions operated as a progressive arm of a global enterprise, implementing renewables and energy efficiency projects for commercial and public sector customers, including K-12 school districts, higher education, and federal, state and local government entities. In September 2014 Oaktree Capital Management, a leading investment firm with a strong track record of energy sector investing, acquired Chevron Energy Solutions, creating OpTerra Energy Services, Inc. a national company with over 250 employees. In January 2016, OpTerra became a subsidiary of ENGIE, the number

one energy efficiency services provider in the world. In January 2018, ENGIE rebranded three subsidiaries in North America to build an even more comprehensive portfolio of energy offerings which included changing OpTerra Energy Services, Inc. name to ENGIE Services U.S. Inc.

With annual revenues over \$67.8 billion and Earnings before interest, tax, depreciation and amortization (EBITDA) of \$10.3 billion in 2018, ENGIE offers a strong balance sheet, a proven financial track record and a favorable credit rating. ENGIE has partnered with tax equity investors and lenders to finance hundreds of energy projects. The City of Beaumont will benefit from ENGIE's ability to invest its own equity and attract international financiers interested in high quality investments with a proven operational partner.

ENGIE SA is a public entity with approximately 60% of its shares available on the public exchange with additional shareholdings held by the French State (~33%), and employees (~3%). ENGIE Holdings Inc., is a North American wholly owned subsidiary of ENGIE SA. ENGIE North America alone manages a \$1 billion portfolio of intercompany debt, \$3.75 billion of project finance debt, and over \$1 billion of Letter of Credit Lines and working capital facilities.

**ENGIE North America by the Numbers**





**City of Beaumont**

*Request for Qualifications*

*Efficiency Upgrades - Energy Service Performance Contract*

As a subsidiary of ENGIE North America. ENGIE Services has helped facilitate financing of approximately \$2 billion in "paid from savings projects" for our public-sector clients throughout the U.S. Our long-standing role as one of the premier energy service company's in the U.S. has given our team unparalleled access to financing markets and financiers.

The ENGIE Group is rated by the two international rating agencies, namely Moody's and Standard & Poor's (S&P: A- / Moody's: A2), and maintains investment grade ratings for both long-term and short-term credit.

**Total ESPC Contracted Value in the last five years**

ENGIE Services has contracted more than \$1.2 billion in ESPC contracts in the last five years.

**Most Current Financial Statement**

ENGIE Group's Management Report and Annual Consolidated Financial Statements available for download from the ENGIE Group's website at the link below:

<b>2018</b>	<a href="https://www.engie.com/wp-content/uploads/2019/02/engie_2018-management-report-and-annual-consolidated-financial-statements_27.02.2019_bat.pdf">https://www.engie.com/wp-content/uploads/2019/02/engie_2018-management-report-and-annual-consolidated-financial-statements_27.02.2019_bat.pdf</a>
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**Business Engagement Model**

Our business engagement model includes three key phases.

First, ENGIE will collaborate with the City to conduct an investment grade audit of all its facilities and infrastructure in scope to identify savings opportunities. Historical energy consumption is the greatest measure of a facilities performance. We analyze data from your utility to capture historical demand, 15-minute interval pricing, seasonal price changes, and cost escalation. Based on this, we will create an investment grade audit report summarizing results and making recommendations to the City.

Once the audit is completed, ENGIE Services will host meetings with City staff to discuss project prioritization to achieve specified goals and develop the scope of work.

The ENGIE team will coordinate study sessions for City Council and community outreach meetings designed to inform and garner feedback, thus ensuring strong communication and transparency throughout the process. These meetings will take place at City staff discretion and convenience.

A key ENGIE Services value is our success working with California Investor Owned Utilities. Over the past five years, ENGIE Services has helped secure more than \$100 million in state and utility incentive or rebate funding on behalf of our California customers. Our experience allowed us to navigate the requirements and application process, including energy calculations, and develop strategic scopes of work to fit within program guidelines and ensured approval for the highest amount of funding available.

As a part of Phase II, ENGIE Services will manage all aspects of project design and take responsibility for ensuring that all necessary permits are obtained for the proposed work. We have in-house design capability with numerous licensed professional design engineers in multiple disciplines (e.g. mechanical, electrical, civil) and a selection of highly qualified consultants to develop plans and specifications and to provide construction support. Furthermore, through the implementation of multiple projects in the region, ENGIE Services has acquired extensive knowledge and understanding of the applicable codes, standards, and legal requirements for the successful implementation of energy and water conservation projects.

Finally, ENGIE Services provides a turnkey design-build model to implement our program. The City will have one dedicated team that will remain with the project from development through delivery, including one primary point-of-contact. Our managers and engineers develop, design, and deliver these projects as a cohesive team that often becomes an extension of the City's staff. Our senior business development manager, operations director, project manager, construction manager, and the entire team assigned to this project will ensure one clear and consistent line of communication. When the project development team follows the project through its implementation, our clients benefit from a true design-build process and seamless transitions between each stage of work.



**City of Beaumont**

Request for Qualifications

Efficiency Upgrades - Energy Service Performance Contract

To ensure that this model is delivered in the most cost-effective and highest-quality manner, we use a combination of in-house staff capability and subcontracted installation labor. ENGIE Services takes complete responsibility for the entire program, regardless of how many different projects, scopes, or sites are within the design-build contract.

From start to finish, our goal is to design and implement energy and water conservation measures in a safe and efficient manner, with minimal risk to the City. ENGIE Services believes in clearly demonstrating value to our customers. This means we will deliver a program to the City that will positively impact the City's environmental and modernization goals, job creation, and financial objectives well into the future.

Moreover, after construction, ENGIE Services will deliver on our performance guaranteed savings through measurement and verification and operations and maintenance services where applicable.

ENGIE Services' management approach ensures that projects are completed on-time, on-budget, and to the satisfaction of the City.

**Buy American Act and Federal Grant Compliance**

The Buy American Act requires Federal agencies to procure domestic materials and products. Two conditions must be present for the Buy American Act to apply: (1) the procurement must be intended for public use within the United States; and (2) the items to be procured or the materials from which they are manufactured must be present in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality. The provisions of the act may be waived if the head of the procuring agency determines the act to be inconsistent with the public interest or the cost of acquiring the domestic product is unreasonable. Contracts awarded by State and local authorities under Federal grant programs are not covered by the act unless authorizing statutes explicitly providing for application of the act. Problems in administering the act involve definitions of "substantially all" of the components and definitions of "manufactured in the United States."

As a part of our procurement process, we seek to identify whether products can be considered a "domestic-end product" under the Buy American Act meaning the end-product is manufactured in the United States and more than 50 percent of the cost of all the component parts are also manufactured in the United States. We have done this for many customers when dealing with grant requirements. Customers we have managed this for include, but are not limited to:

Customer	Grant
Colorado Capitol Complex Phase IV Geothermal	\$4,124,299
City of Austin - Hornsby Bend Biosolids Management Plant	\$1,250,000
City of Garden Grove	\$1,473,101
Southern Utah University	\$250,000

In addition, ENGIE Services maintains a Federal business unit versed in complying with the following statues and Federal Acquisition Regulations (FAR):

#	Name
252.225-7000	BUY AMERICAN--BALANCE OF PAYMENTS PROGRAM CERTIFICATE--BASIC (NOV 2014)
252.225-7001	Buy American And Balance Of Payments Program-- Basic (Dec 2016)
252.225-7035	BUY AMERICAN--FREE TRADE AGREEMENT --BALANCE OF PAYMENTS PROGRAM CERTIFICATE--BASIC (NOV 2014)
252.225-7036	Buy American--Free Trade Agreement--Balance of Payments Program--Basic (DEC 2016)
52.225-2	Buy American Certificate
52.225-4	Buy American--Free Trade Agreements--Israeli Trade Act Certificate. (Basic, Alternates I, II, and III.)





## Project Team





**TAB TWO: PROJECT TEAM**

**Roles and Responsibilities**

Our proposed project at Beaumont will be developed and delivered employing the “team” concept. Our approach to building a team for this project is to ensure that there is one clear and consistent line of communication between the City and ENGIE Services.

**Engineering (Development)** – Our approach to every project is to establish a consultative partnership with the City. Therefore, ENGIE Services begins its partnership with a kickoff meeting to understand needs and challenges, identify problem areas, and prioritize. Once this framework is established, we conduct a full audit. We begin every project with an investment grade audit to determine baseline energy use, seasonal variation, and effective energy costs. The energy assessment includes a review of utility data, consideration of any existing tracked utility baseline data, and site walks. Once completed, ENGIE Services runs energy models using the collected data to estimate system performance and simulate the yield of certain energy conservation measures (ECMs). This allows us to determine the most viable design at each site. As a best practice, we design to maximize customer benefit.

**Construction Management** – Implementation ensues via clearly defined management channels. For the City’s project, a full-time, on-site construction manager (CM) will be responsible for construction scheduling, subcontractor and vendor coordination, safety programs, security issues, permits and licenses, and progress meetings with subcontractors and vendors. Our CM inspects all subcontractor work for compliance to design and performance specifications. Throughout the project, our project manager (PM) will work in conjunction with our CM. A detailed timeline will be created outlining and scheduling all construction activities to ensure timely completion, close coordination with the City’s other activities, and minimal impact to operations. The on-site CM will ensure there is a managed process incorporating all City inputs, goals and needs into a successful energy savings project. Moreover, the CM’s regular presence at the job site will provide the opportunity to develop a close working relationship with City staff.

**Project Finance** – ENGIE Services brings a robust portfolio of experience leveraging funding and maximizing resources for clients in the public-sector. We bring strong and unique expertise in structuring financial solutions from multiple funding sources to maximize program impact. Our in-house project finance department assists with identifying project funding and obtaining financing. We have assisted in the financing of more than \$1.25 billion in performance contracts (paid from savings projects) for our public-sector customers throughout the U.S. We have successfully developed projects that leverage funds and financing with low interest financing, grants, rebates, utility incentives, California state proposition funds and local and state bond proceeds without requiring any additional capital from the City’s budgets.

**Legal/Labor Compliance** – To ensure compliance, ENGIE Services has an in-house legal team that supports project implementation activities through drafting, reviewing, editing and negotiating customer and subcontractor/vendor contracts and agreements. To increase adherence to laws, policies, procedures, and best practices, our labor compliance team conducts internal training programs, enhances subcontractor/consultant compliance with California Labor Code, Awarding Body requirements and Department of Industrial Relations regulations, and verifies submission of certified payroll records and apprenticeship (DAS 140 & DAS 142) forms and reports (including Fringe Benefit Statements and Training Fund Contributions) through a team of specialists.

**Marketing/Communications** – To effectively showcase the success of your energy program from pre-construction to implementation, ENGIE Services provides a suite of communications and public relations support to promote community awareness, engagement, and recognition for your strides toward sustainability during our partnership together. Our team of energy experts is supported by additional ENGIE Services communication staff with over 25 years of experience in marketing, communications, and public relations – enabling us to help you tell your story to local stakeholders and build your legacy.

**Measurement & Verification (M&V)** – Throughout the energy savings term, we will submit an annual Performance Guarantee Report that shows a precise calculation of the energy conservation savings during the corresponding

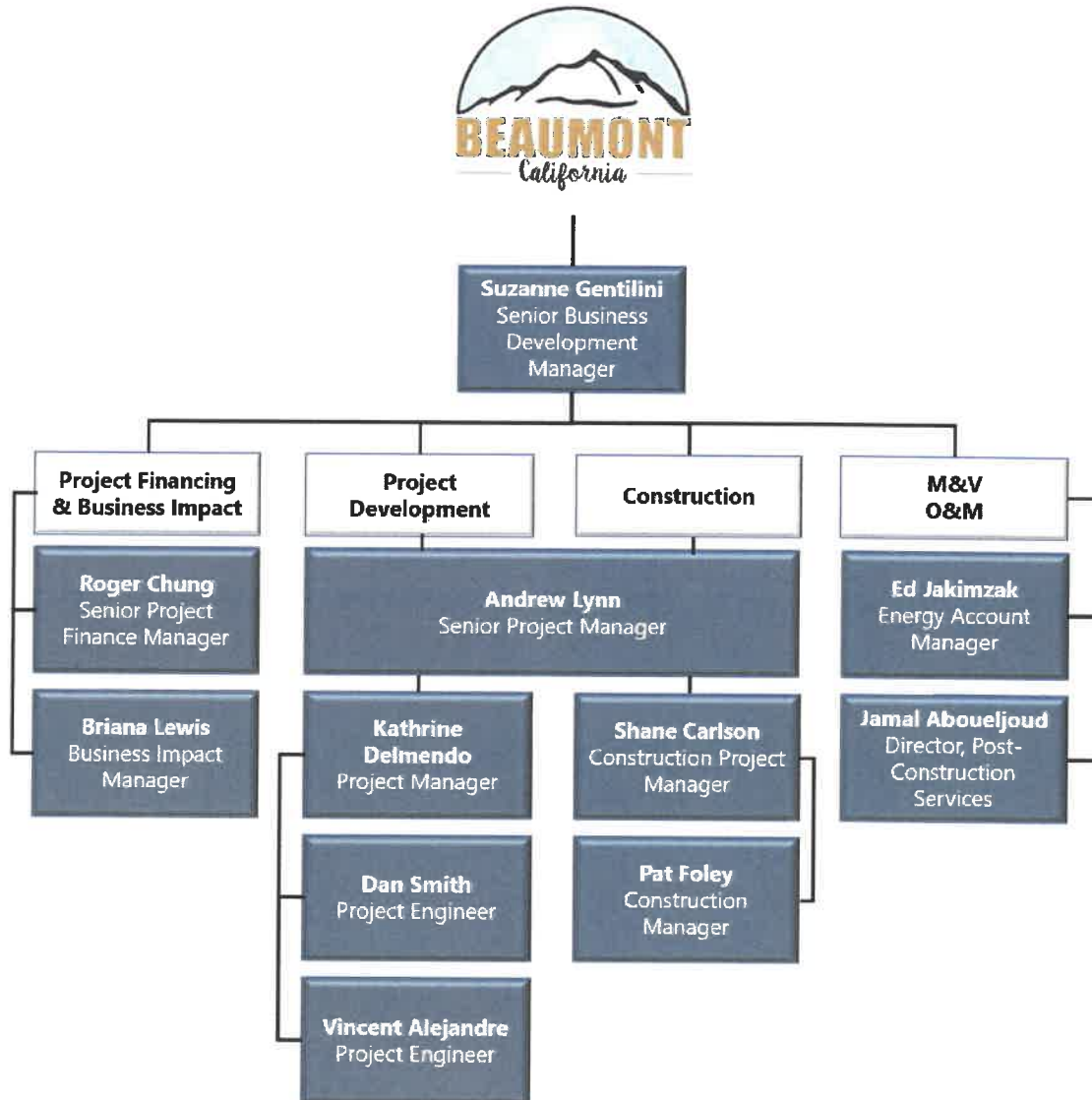


measurement period. Kilowatt-hours (kWh) produced by the system(s) will be measured using automated metering. Measured interval production kWh will be compared against production shown on the monthly utility bills, and any differences will be reconciled. To monitor data acquired from our energy projects, we use a proprietary web-based system, Utilityvision.

have been developed based upon the best practices that evolved from providing O&M services. ENGIE Services believes that a strong preventative maintenance program ensures reliability and efficiency standards are met. Most preventative maintenance can be conducted through using ENGIE Services' proprietary remote monitoring service, Utilityvision. These projects will be incorporated immediately into our regional maintenance rotations and preferred service dates will be coordinated with City staff.

**Operations & Maintenance (O&M)** – ENGIE Services' O&M team helps ensure equipment warranties remain valid and that our systems produce at or above guaranteed production levels. Our infrastructure, organization, policies, procedures, management, and O&M philosophies

**Organization Chart**



**Description of Team Experience**

**Suzanne Gentilini**  
 Senior Business Development Manager

*Experience Summary, Roles and Responsibilities*



Senior Business Development Manager, Suzanne Gentilini, has more than 14 years of experience in modernization, design-build and energy services. She is responsible for the development and implementation of successful energy efficiency and renewable energy generation projects for public sector clients. She works closely with customer staff to determine needs and goals of the desired project during the development of objectives and scope. She ensures that each of our comprehensive programs positively impacts our client's general fund, improves facility operations and efficiency, promotes clean renewable energy, and provides measurable improvements to the customers defined goals and objectives.

**Education:**

B.A. in Psychology from University of California, Los Angeles

**Licenses/Certifications:**

Member: Association of Energy Engineers and the League of California Cities

**Representative Project Experience**

Name	Project Scope
Westminster School District	Installed 1.5 MW solar PV, HVAC replacements, two EV charging stations, LED lighting upgrades, wireless thermostats, water conservation measures, new electrical switchgear, EMS expansion and STEM education program.
Huntington Beach Union High School District	Scope included 7.7 MW of solar PV, financed through a PPA, emergency backup generators and STEAM learning opportunities for all District students and staff.
Magnolia School District	Installed 1 MW solar PV at 11 school sites, 378 HVAC rooftop units, plug load management, 739 thermostats, lighting upgrades and a customized STEM education program.
City of Brea	Scope included 1.8 MW solar PV at three city sites (Civic Center, Reservoir Pump Yard and shade structures at the Community Center), citywide streetlight retrofits to energy-efficient induction lights, interior and exterior lighting retrofits at 14 sites and major heating, ventilation and air-conditioning infra-structure upgrades and controls at six civic sites.

**Roger Chung**  
 Senior Project Finance Manager

*Experience Summary, Roles and Responsibilities*



Roger has arranged more than \$300 million in paid from savings project financings in various structures. He is responsible for analyzing client needs/concerns and then structuring and coordinating all project financing activities to assure the optimal form and cost of financing is obtained. Financing activities include, but are not limited to, proposal solicitation, evaluation, and negotiation. He spends significant time building and maintaining relationships with leading financial vendors in the energy services arena. Roger also works with project teams in reviewing the financial aspects of proposed energy projects (e.g., interest rate assumptions, capitalized interest calculations, graduated payment calculations and the financial implications of the project from the client’s perspective).

**Education:**

B.S. in Management Science from University of California, San Diego (Honors, Cum Laude, Provost’s, Phi Beta Kappa member and Golden Keys Honors Society member)

**Representative Project Experience**

Name	Project Scope
Solar PPAs	Coordinated PPA with ENGIE for: <ul style="list-style-type: none"> <li>• County of Kings: 3.8 MW solar PV system and 500 kW battery energy storage system</li> <li>• County of Tulare: 9.2 MW solar PV system and 1 MW battery energy storage system</li> <li>• County of Madera: 1.9 MW solar PV system</li> <li>• Moreno Valley Unified School District: 6.8 MW solar PV system</li> <li>• Huntington Beach Union High School District: 7.7 MW solar PV system</li> </ul>
County of Riverside	Project finance manager: secured financing for \$55 million at 3.33% for 20 years.
City of Salinas	Project finance manager: secured financing for \$5 million at 2.89% for 15 years.
City of Brea	Project manager: Energy efficiency and solar power project, including 1.8 MW of solar PV, lighting retrofits at 14 buildings, citywide streetlight upgrades, HVAC upgrades at one site, and controls expansion at four sites.

**Andrew Lynn**  
 Senior Project Manager

*Experience Summary, Roles and Responsibilities*



Senior Project Manager, Andrew Lynn, has nearly 25 years of industry experience. He is responsible for day-to-day oversight of the development and implementation of the project. He brings more than 20 years of experience in consulting engineering, energy engineering, performance assurance, commissioning, construction management, estimating, engineering and energy solutions management. He has engineered and/or managed the engineering for more than \$250 million of energy solutions and services projects.

**Education:**

B.S. in Engineering HVAC Emphasis, California State Polytechnic University, San Luis Obispo and Certificate of Applied Science, HVAC&R, College of Southern Idaho, Twin Falls, ID

**Licenses/Certifications:**

LEED AP, CEM, Member: Association of Energy Engineers, U.S. Green Building Council, and American Society of Heating, Refrigeration and Conditioning Engineers (ASHRAE)

**Representative Project Experience**

Name	Project Scope
Los Angeles Unified School District	GMAX design-build project with open book pricing including central plant replacements, new chillers, variable volume conversions, interior and exterior lighting projects, building automation and controls systems upgrades or new installation, battery energy storage, high efficiency electrical transformer replacements and pool upgrades.
Magnolia School District	Installed 1 MW solar PV at 11 school sites, 378 HVAC rooftop units, plug load management, 739 thermostats, lighting upgrades and a customized STEM education program.
Montebello Unified School District	Installed 3.5 MW solar PV at 17 school sites, 263 HVAC unit upgrades, 2,656 LED lighting retrofits, 4 new EV charging stations, six battery storage units and one solar greenhouse enclosure.
El Camino Real Charter High School	Scope included parking structure solar generation systems, central plant upgrades, interior and exterior lighting projects, building automation systems, high efficiency electrical transformation replacement and STEM education programs.



**Kathrine Delmendo**  
 Project Manager

*Experience Summary, Roles and Responsibilities*



Kathrine has more than nine years of industry experience. She is responsible for the overall program development, scope identification, analysis oversight, delivery and customer interface. Kathrine will be assigned to the project from the initial development through final close-out.

**Education:**  
 B.S., in Computer Engineering,  
 University of the Philippines  
  
 M.S. in Mechanical Engineering,  
 California State University, Long  
 Beach  
  
**Licenses/Certifications:**  
  
 Registered Professional Mechanical  
 Engineer

Representative Project Experience	
Project	Scope Description
City of La Habra	Managing team and developing the ECMs, pricing, and schedules along with managing the guarantee and ongoing M&V team. ECMs included internal and external lighting upgrades; HVAC replacements and efficiency upgrades at multiple locations; building automated control systems; solar PV; BESS; and energy efficient transformer upgrades.
City of Mission Viejo	Managing team and developing the ECMs, pricing, and schedules along with managing the guarantee and ongoing M&V team. ECMs included internal and external lighting upgrades including new ceilings; HVAC replacements and efficiency upgrades at multiple locations; building automated control systems; BESS; and EV charging stations.
Helendale School District	Scope included solar PV, lighting, controls, HVAC replacements, wireless thermostat upgrades, and energy education curriculum.
Los Angeles Unified School District	GMAX design-build project with open book pricing including central plant replacements, new chillers, variable volume conversions, interior and exterior lighting projects, building automation and controls systems upgrades or new installation, battery energy storage, high efficiency electrical transformer replacements and pool upgrades.

**Dan Smith**  
 Project Engineer



*Experience Summary, Roles and Responsibilities*

Project Engineer, Dan Smith, has more than 10 years of experience. Dan's work centers around achieving cost-effective and efficient use of energy and designing and implementing solar PV generating systems at various facilities. He models solar PV energy production, calculates utility cost savings and assists with construction management.

**Education:**

B.S. in Mechanical Engineering from University of California, San Diego

**Licenses/Certifications:**

Registered Professional Electrical Engineer (CA #19700)

**Representative Project Experience**

Name	Project Scope
County of Riverside	Developed and implemented 12.1 MW of solar PV systems across 13 county sites. Designed PV utility interconnection, developed conceptual layouts, and assisted with equipment procurement.
City of Lemoore, Phase III	Developed and implemented 3.1 MW of solar PV systems across 11 city sites. Work included financial analysis, solar layout design, utility interconnection and construction support.
City of Hanford, Phase III	Technical liaison for streetlight and lighting retrofit, occupancy sensor installation and design-build of 2.3 MW solar PV. Developed layouts for project approval and then administered design package through plan check for approval.
City of Brea	Energy efficiency and solar power project, including 1.8 MW of solar PV, lighting retrofits at 14 buildings, citywide streetlight upgrades, HVAC upgrades at one site, and controls expansion at four sites.



**Vincent Alejandro**  
 Project Engineer

*Experience Summary, Roles and Responsibilities*



Vince is a project engineer responsible for conducting solar PV, energy storage, electrical and mechanical engineering, solar thermal, lighting and construction. Vince performs engineering support (auditing, design, and project management) for energy efficiency and renewable energy projects. He has extensive knowledge in third-party and utility energy efficiency rebate processing. His work centers on achieving cost-effective and efficient use of energy at various facilities, including data centers, industrial sites, factories, chain stores, professional sports stadium facilities, city and county government buildings, public schools, and universities.

**Education:**

B.S. in Mechanical Engineering,  
 California State Polytechnic University,  
 Pomona

**Licenses/Certifications:**

Member: Association of Energy  
 Engineers, U.S. Green Building  
 Council, and American Society  
 of Heating, Refrigeration and  
 Conditioning Engineers (ASHRAE)

**Representative Project Experience**

Name	Project Scope
La Mesa Spring Valley School District	Performed energy and cost analysis and forecasting, design and construction of energy conservation measures such as 12,000 retrofit lighting kits, 126 transformers, and multiple HVAC systems, oversaw the HVAC and controls retrocommissioning construction, and managed and secured over \$400,000 in public utility rebates for lighting, HVAC, controls, and transformers.
City of San Jacinto	Performed the testing and commissioning for 750 kW solar PV ground mounts connected to well pump houses. Performed the audit and created the scope for over 350 streetlights. He was responsible for labelling, mapping, and documentation for all the streetlighting, helped secure solar incentives for the two PV sites.
City of Moreno Valley	Responsible for all engineering tasks related to the construction of the 611 kW solar PV canopy system with battery storage. He managed RFIs and submittals, commissioning, punch listing, and coordinated subcontractors and site walks, inspections, boring, and soil sampling. He also redesigned the City Hall walking pathways due to column placement and ADA requirements.

**Shane Carlson**  
 Construction Project Manager

*Experience Summary, Roles and Responsibilities*



Project Manager (Construction), Shane Carlson, has 15 years of industry experience. He focuses on developing and executing renewable energy and infrastructure enhancement projects for public sector clients with an emphasis on reducing energy consumption at various facilities. He has been a key construction project engineer for more than 5 MW of ground mount, rooftop, parking canopy, and shade solar installations. As a project manager, Shane is an integral part of the project team from beginning to end including initial site visits, audits, energy calculations and guarantees, contract development review and negotiations, project implementation, working closely with the construction management team, and verifying that the project is properly closed out.

**Education:**

B.S. in Mechanical Engineering,  
 California State Polytechnic University,  
 Pomona

**Licenses/Certifications:**

Engineer-in-Training (EIT) Certificate,  
 CEM, Member: American Society  
 of Heating, Refrigerating and Air-  
 Conditioning Engineers

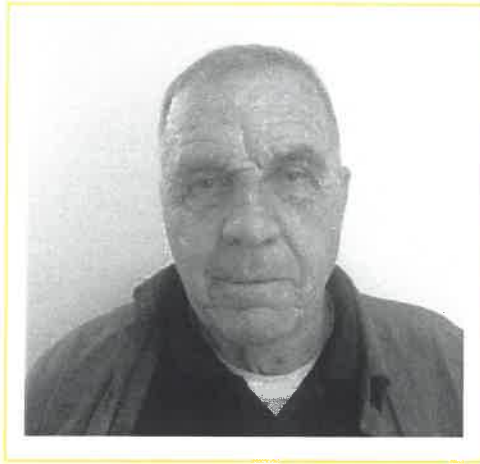
**Representative Project Experience**

Name	Project Scope
Moreno Valley Unified School District	6.8 MW solar installation at 15 District sites.
Nuvview Union School District	Scope included 622 kW of solar generation projects across three sites; and energy efficiency improvements.
Kings County, Phase III	Supported final design and construction phase of project scope, including installing 504 kW solar PV across two sites; HVAC and lighting improvements; and coordinated utility rebates and incentives.
City of Lemoore, Phase III	Provided engineering support during the construction phase of the 3.1 MW solar PV systems and parking lot carport structures at various well sites and city facilities.
Temple City Unified School District	Energy efficiency and solar photovoltaic improvement project, including design-build of 400 kW solar PV parking canopies and complete refurbishing of high school student parking lot; installing lighting and HVAC controls at nine sites; new boiler and chiller at elementary school; window replacement at three sites; designs for HVAC upgrades, roof replacements, and electrical upgrades; project required interface with DSA for improvement approvals.



**Pat Foley**  
 Construction Manager

*Experience Summary, Roles and Responsibilities*



Patrick Foley, Construction Manager, successfully applies more than 40 years of training and experience to the team. His responsibilities include specification review, contractor selection, specification compliance, project work coordination and management, project implementation, and documentation. Patrick has managed work performed on a wide variety of environmental control systems and has working knowledge of the components, including pneumatic temperature controls required to successfully integrate state of the art energy management systems with existing, modified, and new mechanical systems. Additionally, Patrick is able to evaluate and recommend variances to the specification and work requirements as the job conditions warrant.

**Education:**

Refrigeration Correspondence Course,  
 University of Wisconsin, Madison, WI

USMC training as Refrigeration  
 Engineer

Engineering Courses, Golden West  
 College, Huntington Beach, CA

**Licenses/Certifications:**

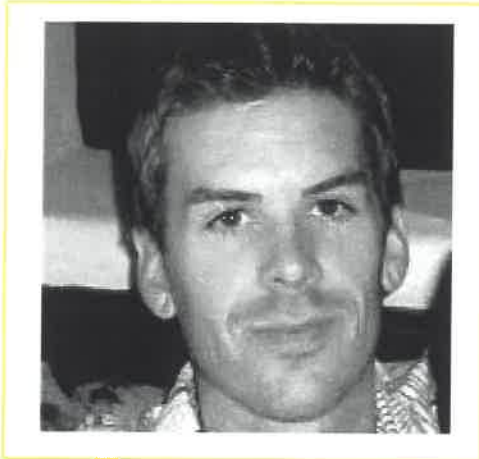
Member: Refrigeration Service  
 Engineers Society

**Representative Project Experience**

Name	Project Scope
Mt. San Antonio College	Scope included new boilers; 1.4 MW cogeneration system, central chilled water and heating plant, thermal energy storage, energy management system, and lighting retrofit.
City of Brea	Scope included 1.85 MW solar PV array installations, utility analysis, modeled solar photovoltaic system energy production, and estimated cost savings; produced conceptual rendering of solar photovoltaic shade structures, and provided on-site construction management.
Los Angeles Community College District	Scope included central plant and heating and chilled water infrastructure installation

**ED JAKIMZAK**  
 Energy Account Manger

*Experience Summary, Roles and Responsibilities*



Ed oversees and manages all system monitoring, measurement and verification (M&V), and other ongoing customer service activities in California. He is responsible for coordinating and performing all physical measurements as well as creating the reports necessary to fulfill ENGIE Services' M&V and performance guarantee responsibilities in accordance with the International Performance Measurement and Verification Protocol (IPMVP). Additionally, he is responsible for all ongoing services required to fulfill performance contracting responsibilities. He joined the organization in 2008.

**Education:**

B.S. in Electrical Engineering from California State University, Northridge

**Licenses/Certifications:**

Certified Energy Manager (CEM) - Association of Energy Engineers

Certified Measurement & Verification Professional (CMVP) - Association of Energy Engineers

**Representative Project Experience**

Name	Project Scope
Multiple	<p>Performs measurement and verification services for the California municipalities, including, but not limited to:</p> <ul style="list-style-type: none"> <li>• City of Brea</li> <li>• City of Garden Grove</li> <li>• City of Palm Springs</li> <li>• City of Simi Valley</li> <li>• County of Kings</li> <li>• County of Riverside</li> <li>• Indian Wells Water District</li> <li>• City of Concord</li> <li>• City of Dublin</li> <li>• City of Gonzales</li> <li>• City of Livermore</li> <li>• City of Patterson</li> <li>• City of Salinas</li> <li>• City of Waterford</li> <li>• City of Yuba</li> <li>• County of Yuba</li> </ul>

**JAMAL ABOUELJOUND**

Director of Post-Construction Services

*Experience Summary, Roles and Responsibilities*



With nearly 30 years of relevant experience, Jamal leads all post-construction activities including operations and maintenance and warranty service. Jamal's areas of expertise include: energy management, business development, portfolio management, project lifecycle management, customer relations, team leadership, training and development, professional consulting, cross-team collaboration and communications. He joined the organization in 2015.

**Education:**

Master of Engineering from Lawrence Technological University

**Licenses/Certifications:**

Certified Energy Manager (CEM) - Association of Energy Engineers

Leadership in Energy and Environmental Design - Accredited Professional (LEED-AP)

California Advanced Lighting Controls Training Program - Acceptance Technician (CALCTP-AT)

**Representative Project Experience**

Name	Project Scope
Multiple	Managed the execution of all scheduled PV system maintenance and customer relations for the California government projects, including, but not limited to: <ul style="list-style-type: none"> <li>• City of Brea</li> <li>• City of Garden Grove</li> <li>• City of Palm Springs</li> <li>• City of Simi Valley</li> <li>• County of Kings</li> <li>• County of Riverside</li> <li>• Indian Wells Water District</li> <li>• City of Concord</li> <li>• City of Dublin</li> <li>• City of Gonzales</li> <li>• City of Livermore</li> <li>• City of Patterson</li> <li>• City of Salinas</li> <li>• City of Waterford</li> <li>• City of Yuba</li> <li>• County of Yuba</li> </ul>

**BRIANA LEWIS**  
 Business Impact Manager

*Experience Summary, Roles and Responsibilities*



Briana works with K-12, higher education and city customers to develop programs that compliment and build on the energy work ENGIE Services performs. She works with customers at every phase of a project, but focuses on the creation and implementation of education and community programs. She is an ongoing point of contact and resource for customers with our education program. Prior to working at ENGIE Services, Briana had nine years of experience in various aspects of environmental education, focusing on topics such as renewable energies, ocean science, pollution, and school gardens.

**Education:**

B.A. in Environmental Studies,  
 University of California, Santa Cruz

M.P.A., California State University,  
 Dominguez Hills

**Representative Project Experience**

Name	Project Scope
City of Simi Valley	Education Program Manager; Oversight of Simi Valley Conserves program which hosts high school interns to work with residents to conserve energy through behavioral changes and small purchases.
Westminster School District	Education Program Manager; developed STEM focused Saturday School curriculum for school years 2015/16 and 2016/17 for grades 1-8 for a program that allows the District to recoup ADA dollars lost to absenteeism; supported their purchase and adoption of an online project-based learning platform; professional development for District staff around energy topics has also been provided.



**How Organization Chart Provides Value to the City**

As previously described, our proposed project team at Beaumont is built to ensure there is one clear and consistent line of communication between the City and ENGIE Services. Our team consists of technical and professional experts that span from development and engineering to construction management and commissioning. We design and deliver scalable, multifaceted programs with an unrivaled team of specialists to achieve the highest level of results at every program phase. With ENGIE Services, you have a partner every step of the way.

ENGIE's areas of expertise are rooted in our technical team that will be assigned to the City's program. We take great pride in the fact that we have a strong professional and technical in-house staff, capable and experienced in performing in-depth energy evaluations and engineering design, including mechanical, electrical, lighting, building envelope and water management. Our engineers have worked in the industry in a wide variety of capacities and, together, they bring broad project experience and expertise in all areas of energy and water conservation.

Our team is built to provide a consultative partnership at every phase of the project. For instance, ENGIE's approach to subcontractors will combine our national buying power and resources with a great local and preferred selection process (co-authored by the City) to ensure transparency and multiple bids for the best value.

**Firm's Overhead Structure**

ENGIE Services determines fees for engineering and professional services including design engineering, project and construction management, guarantee services, and commissioning based on project scope, requirements and cost. Project costs are calculated using generally accepted industry standards based on the type, size, and complexity of the project. The overhead and profit percentages apply:

Mark-up Table	
Category	% of Total Project Cost
Overhead	9%
Profit	5%

Transparency and communication in the public-sector are more critical than ever before. Using a competitive process, such as the current RFQ the City is undertaking to select its energy partner, is an important first step. As a collaborative partner with our public-sector clients, ENGIE Services understands the need for transparency and communication and is committed to supporting a process that will facilitate those goals. An open, collaborative and communicative process will allow Beaumont's staff, elected officials, residents and stakeholders to have confidence that they are getting the best value and return on investment.

To better serve the City of Beaumont's goals of transparency and communication, ENGIE Services can:

- Provide open book pricing
- Involve City staff in the subcontractor selection process, if desired including:
  - o Developing and sending out RFPs for each scope of work to multiple subcontractors from our list of prequalified vendors
  - o Including any local subcontractors preferred by the City, as long as they are able to successfully complete our rigorous, prequalification process
  - o Reviewing subcontractors bids, once received, together with the City, to select the most cost effective, qualified subcontractors for each scope of work
  - o Provide regular updates and communication about the development, costs, and other relevant information about the project on the City of Beaumont's Transparency Portal



# Project Approach





**TAB THREE: PROJECT APPROACH**

**Project Development and Delivery Process**

Our approach to energy services begins with the City's goals and then work our way back to the initiation of design work. The basis for design is an ASHRAE Level II investment-grade, computer modeled audit to yield energy savings projections and a detailed scope to achieve the City's goals. The table below outlines the steps performed during scope development.

IDENTIFY	Examine each building and energy-using system at the facility to identify candidate ECMs
	Use utility bill analysis and sample metering to create energy-use profile for each building
	Identify potential ECMs, renewable power generation, and other infrastructure projects that meet key criteria identified by customer
	Draft preliminary assessment discussed with key stakeholders
	Develop schematic scopes of work and budgetary cost, savings and rebate estimates to validate feasibility of identified ECMs
	Summarize findings in a report and present initial recommendations
QUANTIFY	Conduct thorough on-site engineering of facility
	Conduct interviews of personnel regarding equipment and building usage and schedules
	Collected data entered into a computer energy model
	Simulate energy usage of facility for the year through computer energy model
	Verify accuracy of model by comparison and calibration to three-year history of monthly facility energy bills to create "baseline"
Enter all viable ECMs into model to conduct a full-year simulation to determine savings	

PRIORITIZE	Evaluate ECM 'packages' in model to observe interactive effects
	Determine cost estimates for each ECM developing schematic diagrams and performance specifications
	Solicit price proposals from subcontractors and estimate measures in-house
	Validate all savings and cost estimates compared to database of past projects for accuracy
	Review project cost effectiveness and determine the best selection of ECMs to meet customer energy savings and fiscal requirements

**Design** - Our process is designed to incorporate both technical requirements and unique local considerations. The design, review, and acceptance processes are composed of three major components: review design, finalize design package and validate the design process.

ENGIE Services' PM and design team will meet on a weekly basis during the design process of each site to ensure proper coordination between each discipline. Our typical design process requires conceptual 30%, 60%, 90% and 100% reviews, with the design team and/or the customer to ensure a thorough and compliant design. For this project, the team would consider the 60%, 90% and 100% designs as the schematic design, design development package, and completed construction documents stages, respectively.

Coordination among design disciplines (e.g. architect, civil, structural, electrical, landscape) will be performed at all design milestones:

- **Conceptual Design:** The early design stage in which design criteria are developed.
- **Preliminary Design - 30% Complete:** The "design freeze" point for conceptual and the point at which the initial steps of final design begin.
- **Interim Design - 60% Complete:** The design plans and specifications are at an advanced stage, all calculations are completed, value engineering performed, constructability reviewed, preliminary cost estimate finalized, and a preliminary construction schedule developed.
- **Pre-Final Design - 90% Complete:** This phase of the design is the basis for development of the



construction schedules and cost estimate. The design drawings, specifications, and calculations are essentially complete and changed only based on review comments or to add final details.

- **Final Design - 100% Complete:** Final design process validation is completed, and resolutions of design review comments have been accepted by reviewers. Plans, specifications, and calculations are signed and sealed by the professional engineer/architect, as appropriate, and the approved final design package is released for implementation.

**Engineering** - Coordinating engineering with our clients follows a parallel track with the technical design. We begin detailed engineering after the project has been approved by our client and the implementation contract has been executed. The first task of the project team will be to review and confirm all project requirements in detail. This involves examination of all engineering analyses included in reports, as well as drawings and other documents that are pertinent to project design. The team will assess the constructability of preliminary designs made during the engineering analysis. If needed, modifications to the design, or alternatives to meet the original objectives, are then developed.

**Procurement** - ENGIE Services does not manufacture any equipment. At ENGIE Services, we are “vendor neutral,” meaning we design, select, install, and maintain equipment openly available to the market. Moreover, as a subsidiary of ENGIE, we can leverage the buying power of our parent company to procure equipment at the best price. ENGIE is a global energy company, and the number one supplier of energy efficiency services, with \$67.8 billion in 2018 revenue. As such, we are a major buyer of HVAC equipment, lighting, solar modules and inverters. Our global buying power has allowed us to negotiate favorable terms to qualify industry leading original equipment manufacturers (OEMs) as preferred suppliers. Our procurement department leverages this buying power and our global agreements to receive the most competitive pricing. We will evaluate your unique specifications through total cost of ownership to ensure you receive the highest quality equipment at the lowest cost.

The procurement function supports our project management and operations team through policy, processes, and supplier management in the following areas:

- Negotiation of terms and conditions for subcontractors and material suppliers
- Category management - systematically managing spend by categories
- Leveraging global buying power and strategic supplier relationships
- Execution of cost savings opportunities
- Pre-qualification of new suppliers
- Supplier performance management
- Supplier management and tracking of Key Performance Indicators (KPIs)
- Spend analytics and reports

In addition, our procurement team has extensive experience and knowledge about the California labor market related to engineering, construction, installation, and other services. We work with our customers to adhere to other requirements related to diversity, geography (local subcontractors), sustainability, material origin traceability, and any other important considerations and requests. Often our customers have existing relationships with contractors. In such instances, we prioritize awarding subcontracts to those preferred companies if they possess the capabilities needed to execute the scope of work and meet our supplier qualification requirements including safety, financial, commercial competitiveness, and work quality. In short, we take a customer centric approach to procurement and tailor our processes for each customer to include your unique, important necessities and requests.

**Installation** - Installation efforts and planning begin during the technical design period. We maintain close contact and coordination with equipment manufacturers and subcontractors to ensure that equipment and materials can be ordered with as much notice as possible.

During installation, ENGIE Services manages all activities through our installation staff. For the City’s project, a full-time, on-site construction manager (CM) and assistant CMs (as needed) will be responsible for construction, subcontractor and vendor coordination, safety programs, security issues, permits and licenses,

and progress meetings with subcontractors and vendors. In addition, the scheduler, estimator, labor compliance personnel, safety coordinator, and other key personnel will participate as needed for seamless project execution. Our Project Manager (PM) and on-site CM will hold weekly or bi-weekly construction meetings with designated City personnel, designers, and contractors. The field engineers and CMs inspect all subcontractor work for compliance to design and performance specifications. Careful attention to job safety, handling of any hazardous materials, and coordination of construction activities ensure minimal disruptions to the City.

For document control and to support project execution, the Project Team uses Procore™, a cloud-based construction project management tool. In addition to Procore™, the CM creates and maintains a project schedule (Gantt chart) using Microsoft Project® or Primavera® for tracking weekly construction progress and to establish construction start and completion dates for each installation. The CM also compares the actual progress to the project schedule to anticipate and communicate potential delays or advances in construction.

We use a collaborative approach, with the City and its individual sites, to carefully coordinate schedules and activities. In cases where building occupants will be impacted, the work will be scheduled with the City maintenance staff. Work that occurs in non-occupied areas and outside the building will be appropriately scheduled to assure that City officials are aware of all work activities being performed by ENGIE Services.

We take pride in our ability to complete work with minimal disruption to the occupants within a space. We look for portions of work that can be done with minimal disruptions to occupants during normal business hours. Other portions of a project that may be more disrupting can be scheduled during off hours. As always, communication is key in creating a smooth operations plan. As an example, when retrofitting HVAC systems for a City, we communicate the construction plan to occupants through a color-coded map with a legend of which work spaces are being impacted when. Building lighting work is always completed after regular business hours. Any power shutdown needed to interconnect the solar projects will be scheduled with the City well in advance

and during weekends or least disruptive times. Proactive communication allows occupants to prepare for any impact and ask questions.

**Commissioning** - As part of our Quality Assurance and Quality Control (QA/QC) process, every project built by ENGIE Services is commissioned. Commissioning is a process, separate from construction, which verifies each ECM is functioning according to the program design and ensures the success of our performance-based projects. ENGIE begins by creating a customized commissioning plan for the project that contains specific commissioning procedures for each ECM. We start the commissioning plan prior to completion of design work to help ensure the design effort will succeed in delivering a project that meets expectations. The process ensures that each ECM meets the design intent and that savings will be achieved.

ENGIE has a library of commissioning procedures for all of our ECMs that will be installed. These procedures include pre-functional checklists and tests, functional checklists and tests, as well as performance tests. These commissioning procedures are performed at the completion of the construction but prior to the system start-up. During system start-up, proper operation and control are verified, including proper flow rates, delivered temperatures, etc. ENGIE's commissioning team follows-up the installation of equipment by all subcontractors to ensure all ECMs are working properly. We highly recommend that the designated customer staff participate in the start-up to fully understand all facets of the newly installed systems.

Executing the commissioning plan includes: pre-functional equipment manufacturer checklists and inspections to verify the proper equipment was installed correctly, functional testing to verify equipment components are installed properly and function properly, performance testing to confirm the ECM works as intended (over a period of time) to generate the expected energy savings and commissioning documentation to record commissioning activities and test results including operations and maintenance (O&M) documentation and as-built documentation.



**City of Beaumont**

Request for Qualifications

Efficiency Upgrades - Energy Service Performance Contract

**Required information from City**

ENGIE Services anticipates requiring the following information from the City, as available:

**Development and Energy Audit Phase**

- Utility bills, by building (three years) including Commodity supply contracts
- Utility company demand interval recordings of 15/30 minute electrical demand for characteristic months of the year (ENGIE Services can assist the City in obtaining this data by submitting a Third Party Authorization form to SCE)
- Record drawings (AutoCAD or hard copy) for the included buildings (e.g.: mechanical, plumbing, electrical, building automation and temperature controls, structural, architectural, modifications and remodels, floor and roof plans, including age, type and condition of the roof)
- Key contacts at each site, including Customer personnel knowledgeable of the electrical, HVAC, lighting and controls systems
- Energy management system and HVAC equipment operating schedules point lists and sequences of operation
- Communication tree contact list of stakeholders/ scheduling
- Access to the facility and maintenance staff that run the buildings.
- Security requirements, (i.e. keys, escorts needed)
- Facility master plan
- Asbestos report
- Previous studies/analysis/audits
- Original construction submittals and factory data (specifications, pump curves, etc.), where available.
- Test and balance reports for water and air systems, where available.

**Program Implementation Phase**

During program implementation, we wear many hats, so you don't have to. The ENGIE construction team plans and coordinates closely with our subcontractors to minimize impact on the customer and their staff. As a result, the owner requirements during implementation are not extensive or taxing to your team.

- Secure Office Space/Trailer location
- Storage, staging areas identified
- Coordination for site access
- Weekly/Bi-Weekly update meetings with CM
- Monthly Progress update meeting with Project Management team
- Collaboration & Communication: notification to facilities and staff informing their teams of construction location, impact, and potential temporary shut-downs as required

**Start-Up / Commissioning / Training**

Following implementation, we will work with the City's staff to engage them for training. We find it is best to engage the staff during the start-up and commissioning process. This allows them gain insight and hands-on experience, while we have technicians and manufacturers' representatives onsite. Our team will coordinate with City staff to best accommodate the training sessions. We offer flexibility in our training approach, to ensure all the staff has the opportunity to participate in these activities.

**Describe any direct relationship of the company or team member's interest or affiliation with any energy, fuel, product or system.**

ENGIE goes beyond our competitors in the energy market who try to solve a piece of the problem, or default to their own products as "best fit". Our team offers cross-functional expertise across the entire value chain with vendor neutral procurement, acting as one accountable provider to make infrastructure and systems more efficient, sustainable, and usable for the long-term. ENGIE is the developer and general contractor on all our projects, which means we provide project and construction management services and assume responsibility for the proper installation of all equipment and systems.

**Description of measures or services provided related to energy efficiency, renewable energy, energy storage, asset planning, utility program expertise, energy supply management, and other services relevant to the goals identified in Section 1.**

A summary of measures or services provided include:

**Electrical Systems**

**Civil Underground Utility Construction**

- Direct buried conduits
- Duct bank construction
- Transformer and switchgear foundations

**Data & Telco Construction**

- Low voltage implementation of voice, data, broadcast, network or specialty comms systems

**High Voltage Electrical Contracting**

- 5 kV to 230 kV installations
- Overhead & underground line construction

**IT Services**

- Enterprise scale IT infrastructure and outsourcing

**Lighting Systems & Controls**

- Advanced controls
- Human centric lighting
- LED lighting retrofits
- Natural lighting systems

**Mission Critical Systems**

- Management of power infrastructure including generators, UPS, batteries and ATS maintenance

**Temporary Construction Power**

- ESA plan review
- Site power requirements
- Lease/rent/purchase arrangements

**Renewables & Energy Storage**

**Renewable Energy**

- Cogeneration/CHP
- Geothermal
- Ground source heat pump
- Solar photovoltaic (PV)
- Solar thermal
- Waste-to-Energy/Biogas
- Wind

**Storage**

- Energy Storage/batteries
- Microgrids
- Thermal energy storage

**Energy Management & Controls**

**Controls**

- Building automation controls
- Energy management systems
- HVAC set-point optimization
- Smart sensors & devices
- Variable frequency drives

**Commissioning**

- Continuous commissioning
- HVAC tuning/retrocommissioning
- Operations and Maintenance (O&M)
- Rooftop retrocommissioning
- Steam system retrocommissioning
- Utilityvision™ remote energy monitoring

**Safety and Security Measures**

- Electronic access locks
- Motion sensors
- Networked video-surveillance system

**Heating and Cooling Systems**

**Air Side**

- Demand ventilation
- Efficient fume exhaust hoods
- Heat reclamation
- Heat recovery units (enthalpy wheels)
- Outside air economizers
- Radiant heating

**Central Plant and Mechanical Room**

- Heating and cooling/energy networks
- Electric motor replacement
- Energy recovery
- Heat exchanger Systems
- High efficiency boilers and chillers
- Modular heating and cooling systems
- Tower tree cooling
- Waste heat recovery
- Waste treatment systems

**Influences/Other**

- Building envelope improvements
- Efficient monitor conversion & network upgrades
- Facility maintenance (re-training)
- Operating practices
- Power factor correction
- Water conservation and efficiency

**Description of project financing models, asset ownership offerings, public-private partnership opportunities, or service agreements available to the City.**

ENGIE Services has deep experience in securing grants, incentives and other financings. Our in-house project finance experts help today's public-sector customers bridge the gap between aging (and often failing) infrastructure, and the availability of revenue-saving energy technologies that are proven to increase comfort and productivity. The goal of project financing is to capitalize the program offering and repay the entire financial obligation out of realized savings, freeing up funds for important priorities.

Just as we are not tied to a single manufacturer for the purchase of the products that go into our projects, nor are we tied to a single funding source. We are involved in a wide spectrum of project types and each of these types has unique financing requirements. Based on the size and scope of a project, our project finance team investigates the energy performance contracting, public-private partnership and structured finance, tax exempt municipal leases, standard capital leases and loans, public sector bond issuances, general obligation bonds, revenue bonds, certificates of participation (COP), private activity bonds, Power Purchase Agreements (PPA) for generation projects, on-bill financing and PACE financing options (where applicable), state-specific loans programs and grants, and rebates and incentives. ENGIE Services has successfully developed projects that leverage funds and financing with low-interest financing, grants, rebates, utility incentives, California state proposition funds (like Prop 1, Prop 39 and Prop 84) and local and state bond proceeds without requiring any additional capital from City budgets. ENGIE Services' project finance department can educate and link you to funding opportunities such as, but not limited to, the following:

**Tax Exempt Lease Purchase (TELP)** - TELPs are a mature financing structure for public sector entities so there is little contract variance between TELP providers. The City would enter an agreement with a bank (as a TELP provider) who will typically secure the financing using the project's equipment as collateral. The terms for this type of financing vary, but generally range from 15-to-20-year terms at low rates. Based on recent market trends, financiers are

considering more than 20-year terms, typically securing the financing with an asset pledge. The payment structure can consider construction period interest and payment amounts, and can be shaped to match net cash flows which can vary over time because of varying incentives, maintenance costs, and energy prices. At the end of the term, the equipment would effectively be paid for and the end of term purchase is typically transacted with \$1 payment. Based on our observations, if 25-year and even 30-year terms are desired, Certificates of Participation are typically considered, where the financing is secured with an asset pledge.

ENGIE Services has assisted many customers with financing solar and other energy efficiency programs via a TELP.

TELP Examples	
Customer	Amount
Westminster SD	\$22.1M
Madera County	\$10.3M
City of Grass Valley	\$4.96M

**Power Purchase Agreements (PPA)** - As an ENGIE company, we offer an in-house PPA that allows for a fixed, predictable cost of electricity and/or battery storage over the term (20-25 years). Our project finance team will ensure the most efficient structured finance offering by leveraging ENGIE's low cost of capital to achieve the lowest PPA rates possible. This provides the City with the security of knowing that ENGIE Services will be there for the long term to service these sites and ensure savings to each of your sites is optimized and maximized. ENGIE's PPA is a service contract, rather than a lease. When a client enters into a PPA, it is agreeing only to purchase the power generated by the system. The PPA provider will own the system, monetize any ownership tax benefits such as the Investment Tax Credit (ITC) and depreciation, manage construction finance, and be responsible for system maintenance. Typically, at the end of the PPA term, the client will have the option to renegotiate/extend the PPA term, acquire the system at a fair market value, or have ENGIE Services remove the system. Under a PPA structure, after the tax benefit period in year six, the client generally has the option to purchase the system through an early buy out. This allows the client to exchange tax equity financing rates for tax exempt financing rates, typically to

the client's benefit.

PPA Examples	
Customer	Amount
Lake Elsinore USD	\$4.7M
City of Dinuba	\$5.4M
Madera County	\$7.0M
Huntington Beach UHSD	\$23.5M

**Grant / Incentive Funding** - During the development and design phase, ENGIE consistently achieves cost reductions by identifying and securing a broad spectrum of funding sources, grants, and incentives on behalf of our customers. Over the past five years, our team has submitted more than 400 projects to utility incentive programs and helped to secure more than \$100 million in state and utility incentive or rebate funding on behalf of our customers in California. ENGIE will identify and prepare applications for all available incentive programs.

SGIP Advanced Energy Storage Incentives	
Level	Amount
Step 1	\$5.58M
Step 2	\$8.81M

**Low Interest California Energy Commission Loans** - Many of our customers use the Energy Commission's low-interest loan programs. For cities, the CEC offers loans for energy projects at 1% interest. ENGIE Services keeps abreast of the funding levels of this program and has experience with the loan application, disbursement, and documentation requirements. For example, ENGIE Services assisted the City of Waterford in securing a \$1.3 million 1% interest CEC loan to convert their streetlights to efficient LEDs, install solar panels, and implement an energy control system.

**On-bill Financing (OBF)** - OBF is a utility program that provides funding for qualified energy efficiency improvements that uses the utility bill as the repayment vehicle. OBF is a no-fee, 0% loan with terms and maximum loan amounts that vary depending on type of applicant. Payments are calculated to be "bill neutral" based on savings achieved by the project.

Once a financing option has been selected by the City, ENGIE Services project finance team can assist with request for proposals for project financing from a broad range of banks and financiers. This requires that the financiers bid for the business and helps secure the best overall financing rates and terms for the client. The client can then select from a range of submissions on multiple criteria, including rate, maturity, and terms and conditions. With ENGIE Services' financial strength, reputation for quality, and our strong financing relationships, we can assist in identifying the most attractive financing options available while leveraging our best-in-class performance guarantee.

**Describe significant construction issues involving the following: 1) equipment non-performance, 2) design or development issues and 3) unexpected delay; and how they were resolved.**

We believe in the value and impact of true partnership between us and our client. As a result our process emphasizes collaboration and consultation with our customers to navigate any issues. Many energy projects fail because the development, design, procurement and construction processes lead to misaligned incentives and goals or even worse, adversarial relationships between the owner, designer, and builder. ENGIE Services seeks out opportunities where we can work collaboratively with our customers through all stages of a project.

For certain projects, we have encountered significant construction issues that required resolution.

For example, at one school district customer in Riverside County, we experienced an equipment non-performance issue after an air-handling unit was damaged during shipping and the damage was not discovered until after the product was placed on the customer's roof. To reconcile the issue, we worked with the manufacturer to repair the unit, and offered the owner an extended warranty on the unit at no cost to our customer.

For another school district in Los Angeles County, ENGIE Services designed HVAC to be installed on one of its roofs. We conducted our due diligence during the design and development stage and navigated Division of State Architect (DSA) approval to install the HVAC unit; however,

**City of Beaumont**

*Request for Qualifications*

*Efficiency Upgrades - Energy Service Performance Contract*



when we began to tear open the roof for installation, we identified roof beams were sagging and other structural defects that we would not have been able to determine during the design and development stage. We swiftly notified the District of the defects, worked with our design consultants to look at the issue, and established a cost effective change order solution that would be approved by DSA to repair the roof.

For another customer, we navigated unexpected delays after we received a notice to proceed, ordered equipment under the assumption that our customer's bond sales would be approved. When they were not on schedule, we worked with the customer to identify a solution that would not lead to extensive delays. Our executive management approved our team to proceed with the project allowing the customer six months to sell the bonds or obtain an alternate means of financing for the project.





# Project References

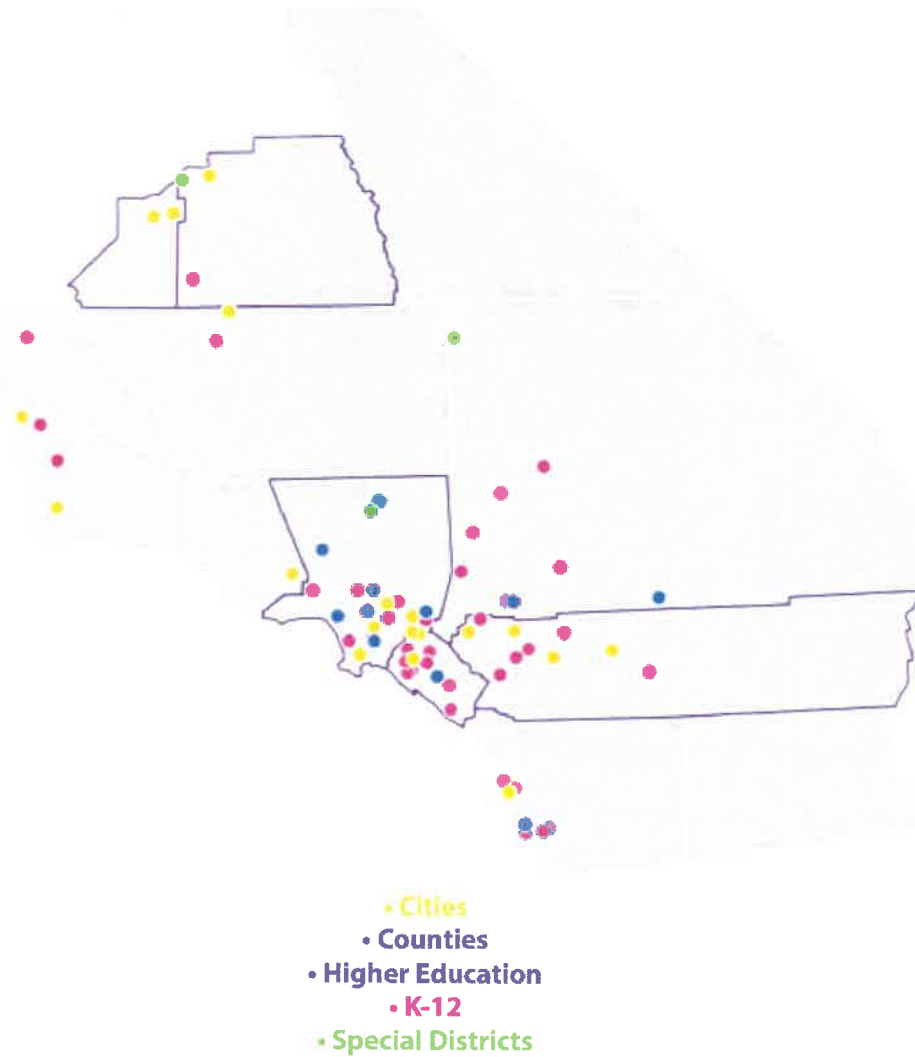




**TAB FOUR: PROJECT REFERENCES**

ENGIE Services is the largest independent energy efficiency infrastructure and renewable power solutions provider for the public sector in the U.S. With a more than 40-year company legacy, ENGIE Services has implemented economically viable, comprehensive energy programs for over 500 public sector customers throughout the U.S., including more than 100 energy programs for California public agencies. The ENGIE Services portfolio has generated over \$2.8 billion in utility savings for our public-sector customers. Our proven results and diverse experience demonstrate our reliability and credibility to deliver various aspects of the City's energy and water efficiency and renewable energy goals.

Our experience with public-sector customers in Southern California is represented in the graphic below. Select references that include one energy service performance contract, one PPA, one energy master planning or energy supply management and one smart cities project are provided on the following pages.



Energy Service Performance Contract	
<b>Name and Location</b>	Merced County, California
<b>Price and Savings</b>	\$11,762,997; more than \$19 million in savings over the project life
<b>Approval and Completion Dates</b>	November 2016 - February 2018
<b>ECMs implemented</b>	Project included installing a 804 kW solar PV system at the administration building and 1,077 kW ground-mounted solar PV system for countywide cost avoidance on county land, removing and replacing specified HVAC equipment, upgrading existing or installing a new energy management system (EMS) where specified, installing new or retrofitting 4,990 lighting fixtures to LED, and furnishing and installing high-efficiency plumbing fixtures.
<b>Customer name, title, and contact information</b>	Jim Brown County Executive Officer 209-385-7538 ceo1@co.merced.ca.us

Power Purchase Agreement	
<b>Name and Location</b>	Perris Union High School District Perris, California
<b>Price and Savings</b>	\$10,587,056; Savings guarantee of \$3,121,504 over five years
<b>Approval and Completion Dates</b>	April 2018 - June 2018
<b>ECMs implemented</b>	Design-build of 3,586.8 kW solar PV at eight sites under a PPA.  in a previous phase, ENGIE Services implemented comprehensive energy and efficiency and lighting upgrades at eight schools and the District office including mechanical unit replacements, retrofitting 1,800 interior and exterior lighting fixtures with LED technology, transformer replacements, and a pool pump variable frequency drive (VFD) and new pool cover at Perris High School.
<b>Customer name, title, and contact information</b>	Hector Gonzales Director of Facilities 951-943-6369 hector.gonzales@puhsd.org





Energy Master Planning or Energy Supply Mgmt	
<b>Name and Location</b>	Westminster School District Westminster, CA
<b>Price and Savings</b>	\$22,174,659; more than \$18.3 million in savings over the project life
<b>Approval and Completion Dates</b>	August 2015 - January 2017
<b>ECMs implemented</b>	Comprehensive, District-wide energy analysis and development of energy master plan. Design, and implementation of 1.5 MW solar PV at all 19 District sites, 15,799 interior and exterior LED lighting fixture upgrades, two electric vehicle charging stations, HVAC replacements at 13 sites, wireless thermostats for all portable classrooms, water conservation measures, energy management system expansion, new electrical switchgear at four sites, and customized STEM education program.
<b>Customer name, title, and contact information</b>	Brian Johnson Executive Director of Facilities 714-264-4036 bkjohnson@wsdk8.com

Smart Cities Project	
<b>Name and Location</b>	City of Pismo Beach, California
<b>Price and Savings</b>	\$4,934,318; more than \$5.3 million in savings over project life
<b>Approval and Completion Dates</b>	October 2017 - October 2019
<b>ECMs implemented</b>	Scope included replacing linear fluorescent T-8 and T-12 lamps and ballasts and incandescent lamps with LED technology at six sites, replacing HVAC package unit and split systems at three sites, a gas furnace replacement, web-enabled thermostat installation, server room redundancy, HVAC tune-up, variable frequency drive installation, dual electric vehicle chargers, 53 kW solar PV at the police station, 648 kW solar PV at the wastewater treatment plant/city yard, and a 120 kW/240 kWh energy storage. Our smart city partnership with Pismo Beach establish it as a regional technology leader, stimulates the local economy and provides local jobs and reduces the equivalent of 225 cars from the road annually via carbon dioxide reduction.
<b>Customer name, title, and contact information</b>	Jim Lewis City Manager 805-773-70003 jlewis@pismo beach.org





# Pismo Beach City 360 Roadmap

The sequence of projects was strategically determined based on project feasibility, current City plans, and staff capacity.



Example Roadmap of Five Recommended Projects for City of Pismo Beach Reference. ENGIE Services can customize a roadmap with City of Beaumont stakeholders.



## Additional Benefits and Value-Added Elements



**TAB FIVE: ADDITIONAL BENEFITS AND VALUE-ADDED ELEMENTS**

**Describe any additional benefits that may result from ECM implementation and the respondent's added value elements.**

**Community Awareness, Engagement and Recognition Support**

To support community involvement, ENGIE Services customized approach, co-authored with the City, includes communications and public relations support to promote community awareness, engagement, and recognition to highlight Beaumont's success specific to its goals.

The ENGIE communication team can create a communications roadmap to share ongoing news about the life of the City's energy program with the local community from pre-construction to project implementation. We can work with the City to determine the right cadence of information that it needs to effectively communicate with its residents, local businesses, staff, families, and other constituents about work progress.

Potential deliverables to promote community awareness:

- Construction signage and materials translated in relevant languages for community members
- Project team calls/in-person meetings with City points-of-contact and City stakeholders
- Council report updates based on City request
- Social media "packages" with highlights on program activity to date, photos, and reference to upcoming activities during pre-construction and construction
- Quarterly program summary for community newsletters/City email outreach to residents and staff
- Other City and ENGIE Services -branded materials for community meetings, City Manager updates, City events, or website updates
- Regular project updates and communications provided on Beaumont's Transparency Portal

Our communication team will actively work with your community to directly engage stakeholders around

positive changes coming to facilities and infrastructure across the City. We define engagement by the amount of touchpoints where we can support the City at events, fairs, and community forums that allow us to meet members of your community in person, be available to answer questions and concerns from neighbors, and help describe the benefits and exciting opportunities to come with your completed sustainability program.

Potential deliverables to promote community engagement include:

- Town hall-type Q&A forums where we can answer questions about proposed work
- Project team site visits with staff and community members during project info-sessions
- Support science fairs, career days, or other City-hosted events where we can link the energy program to learning
- Walking tours with local leaders or other interested community members to showcase improvements

The most significant part of our support around communications and public relations often culminates in a customer dedication event following the development of our program together. We believe that working together to craft a positive narrative of change, ingenuity, and leadership around your energy program is always a win for the community at large. We will work closely with City personnel to design a customized public outreach program that benefits the City's ongoing awareness and engagement efforts.

Potential deliverables to promote community recognition:

- Newsletters to communicate all the activities taking place in the City
- Press release(s) during major program milestones
- Media advisory pitches to local press to promote major program milestones
- Press conferences
- Case study collateral (handouts, brochures, posters, presentations, etc.) highlighting the program for external use
- Support applying for awards and recognition from local, state, and federal organizations
- Full-court press customer recognition events

(dedications, milestones, ground-breakings, ribbon cuttings, etc.) that include run of show development, media engagement, and coordination with elected officials

Unifying our approaches to awareness, engagement, and recognition to serve customers across the country, we are proud of the communications services we provide to support our customers' goals for building buy-in and excitement about what they are doing to create more sustainable, healthier, happier communities.

### **Economic/Workforce Development - The Capacity Project**

ENGIE Services has a rich history of bringing strategic and exclusive partnerships to our municipal clients. As part of our development plan with the City, we will work with the City to develop an innovative program, that we call the Capacity Project, aimed at spurring sustainable economic development. This program will help residents and business owners identify free and low-cost ways to reduce energy usage and generate between an anticipated nine to 20% savings on their utility bills. These savings will create more disposable income for households and lower expenses for businesses, which will increase spending and business expansion, helping to stimulate the local economy.

This strategic partnership will also include a rewards program in which the program participants who achieve energy savings targets can participate in a monthly contest with hundreds of dollars in prizes redeemable at participating Beaumont merchants.

Coupled with these efforts, this program will also launch a paid internship program that trains local high school and college students as home energy savings consultants. The internship program will provide project-based Science Technology Engineering and Math (STEM) learning experiences and invaluable exposure to opportunities in the emerging green economy and the job skills necessary to take advantage of those opportunities.

At ENGIE Services we are committed to creating local jobs for skilled men and women working in the region's construction industries. Examples of the job creation

and economic impact from our projects are depicted for a project below and top right. We will prioritize the construction businesses within City of Beaumont's boundaries to help support the local economy and reinvest public funds in the community. To do this, we will work closely with City staff in sourcing bids from trusted local vendors with proven track records of safety and reliability. ENGIE Services projects have generated thousands of local jobs, many of them in the construction sector, by working with our California customers.

Examples of new and/or local jobs that have been generated from our projects include:

- City of Livermore: Will create 188 new jobs over the life of the program
- Selma-Kingsburg Fowler County Sanitation District: Will create the equivalent of 244 jobs resulting from the economic multiplier effect
- Franklin McKinley School District: Created 70 jobs
- East Side Union High School District: Created 85 local jobs
- Salinas City Elementary School District: Created more than 20 union construction jobs

We are proud of our programs and have implemented them with great success in past municipal projects. For example, at the City of Patterson, ENGIE Services implemented a program that included installing 1.12 MW of solar PV, upgrading 794 city-owned streetlights from high pressure sodium to more energy efficiency LED technology, retrofitting interior/exterior lighting city-wide, and installing a plug-in electric vehicle charging station. The program will generate \$6 million in savings during the 30-year life of the program and impacts the community by reducing greenhouse gas emissions equivalent to removing 316 cars from the road per year. Centered around this project, our Capacity Project team empowered local high school student interns to engage with the community through energy consultations, conservation education, and sustainability initiatives. To further understand the impact of the Capacity Project, see the Appendices.

### **Environmental Impact**

ENGIE Services' comprehensive approach to energy savings



has a quantifiably positive impact on the environment for the clients we serve. Once audits are complete and ECMs identified, ENGIE Services will provide estimates of greenhouse gas reductions that will result from our work.

**Smart Cities – Better Cities Today**

ENGIE’s Better City Today platform goes beyond “smart cities” by integrating holistic solutions that improve quality of life for City residents, staff and constituents. ENGIE Services supports small and mid-sized municipalities in creating a ‘Smart City’ roadmap. Using ENGIE’s Unlock Process™ (highlighted in the graphic below and on the forthcoming page), we will develop a custom smart city roadmap to identify key priorities and incorporate the most relevant technologies and connectivity solutions to reduce operational costs, increase energy efficiency, improve customer service, and create new value through data. For instance, Smart City lighting and surveillance capabilities could mitigate crime issues and create a safer living environment for residents.

First, the City’s key priorities are identified and highlighted through online research, a City staff survey, and stakeholder interview, as well as our City 360 Scan tool designed to provide a baseline measurement of a city’s readiness and maturity. The City 360 Scan helps develop a strategy for

cities – regardless of their size – to advance to their future state, while assessing how they can specifically improve quality of life for their constituents in six key categories. This framework starts with reviewing a City’s existing goals and assessing progress in each category to provide a snapshot assessment.

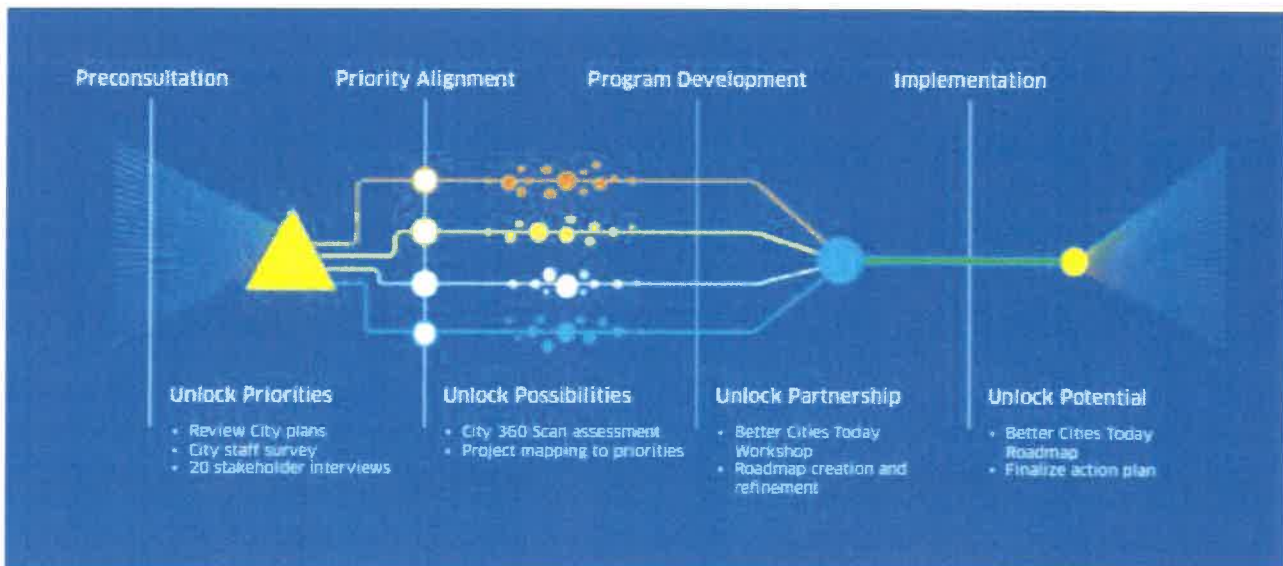
After creating an assessment, we unlock possibilities by facilitating a workshop with City staff and community members. In this discovery phase, primary opportunity areas for improvement are identified.

The final stage is to unlock partnership for implementation of these improvements. ENGIE’s capabilities enable it to be a long-term partner to implement a City’s vision for infrastructure, services and digital solutions. Collectively, a customized plan is put into action that takes tangible steps towards solving the City’s most critical issues.

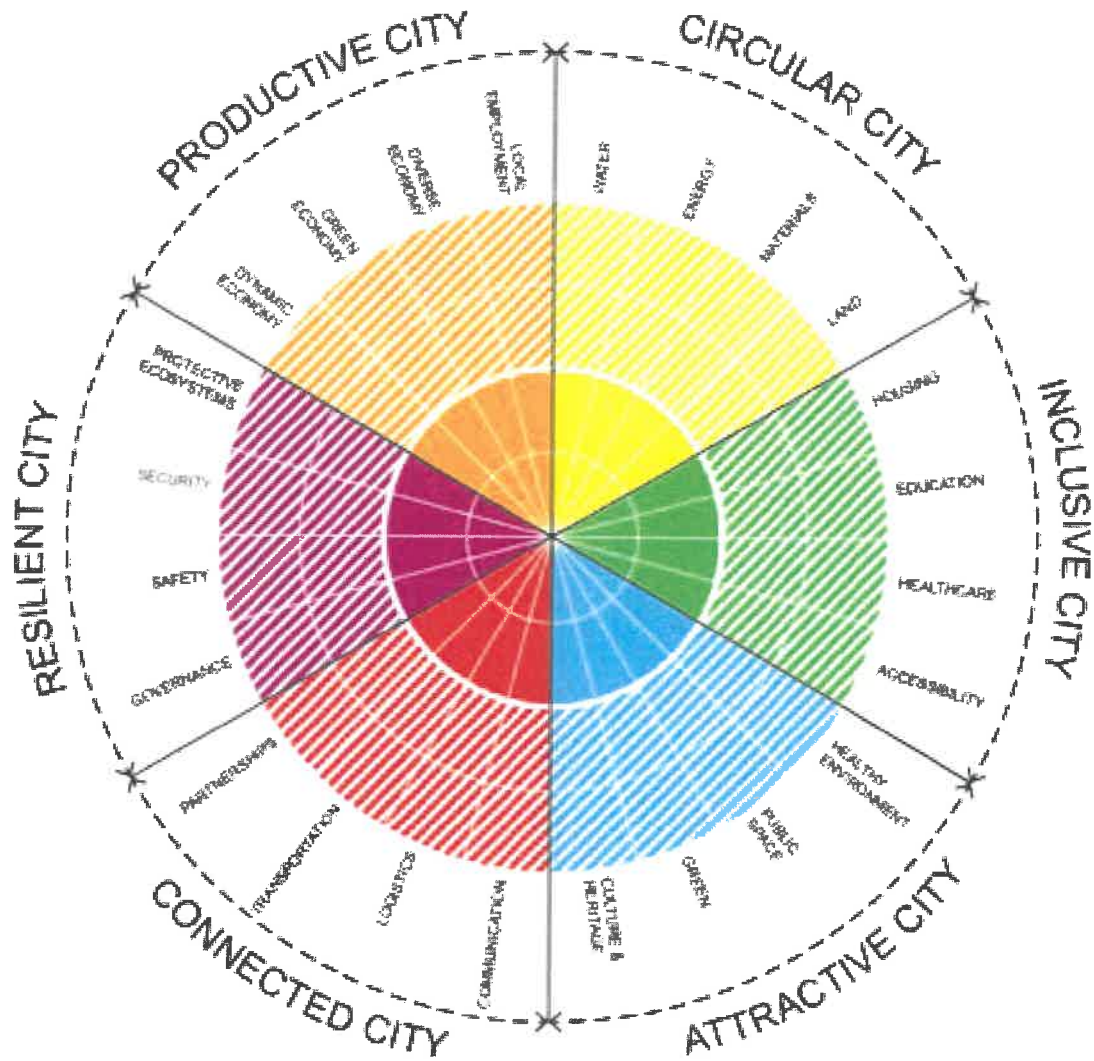
The Better Cities Today platform creates key advantages of pursuing a comprehensive partner for multiple projects:

- Leveraging gains from economies of scale
- Implementing/launching projects in parallel
- Streamlined contracting
- The opportunity to direct operational savings from certain projects into others that need resources

**THE UNLOCK PROCESS™**



**ENGIE's response is guided by the needs and priorities of the City via a 360 degree City Scan.**



## Measurement & Verification

ENGIE Services uses a proprietary web-based system, Utilityvision, to monitor data and provide post-project reporting acquired from our energy projects.

In 2014, ENGIE Services partnered with eSight Energy, a global leader in energy management software, to create a robust web-based energy management platform to handle our diverse portfolio of renewable and energy efficiency projects. We branded this platform Utilityvision™. Utilityvision™ is not only a powerful monitoring and data reporting tool, but it can also provide site, building, or individual ECM level diagnostics, trends, and energy consumption profiles depending on the project and our customer needs. ENGIE Services currently receives about three million data records per day from active renewable energy and energy efficiency customers.

As a standard, we provide monthly value reports from Utilityvision™ that we can customize based on project and customer needs. Administrative personnel can also use Utilityvision to create summary reports while facilities managers can set alarms and run trend analysis diagrams with the click of a button.

### Robust Analytics

Utilityvision™ enables our customers to make energy decisions from a place of confidence and assuredness and provides the following:

- **Find anomalies in energy data in real-time** via 15-minute interval data instead of waiting until you get your monthly energy bill
- **Visualize the data** in ways that make sense for a variety of stakeholders from senior administrative leadership to facilities managers and custodial staff – all of whom play an important role in energy conservation
- **Monitor performance** of solar arrays and energy conservation measures so that staff leadership can report on the successes of the programs in which you have invested. Energy consumption is shown against solar production to result in net energy metering (NEM) values
- **Visualize trends over time** to spot recurring

issues and resolve them quickly

- **Track guaranteed performance** to ensure that the investment made is performing as expected
- **Isolate issues and deviations** from expected production output of the solar arrays so that issues can get resolved as soon as possible
- **Identify arrays that aren't performing as expected** and dispatch people directly to those arrays for the shortest down time
- **Use alarming capabilities** to alert personnel to outages immediately so as to reduce lost production

### Analysis Tools

Within Utilityvision™, personnel will be able to run a variety of reports to meet their needs. Building analysis reports showcase a daily, month, yearly summary of consumption data which can be compared day-over-day, month-over-month, or year-over-year. Additionally, consumption data can be compared to solar production data to analyze efficiency and percentage of total consumption offset by the solar power project. Reports can also be run comparing predicted performance and actual performance of the solar PV system. These reports can be used to showcase the success of the program. Additionally, more detailed analytical reports can be viewed as graphic representations and printed for sharing amongst staff.

- **Load Profiles:** Utilityvision's web-based reports profile electric consumption and demand data by day, week and year for individual meters at 15-minute intervals. This capability helps facilities managers determine unnecessary peaks and spikes in the building consumption and correct those in real-time.
- **Trend Analysis:** Trend analysis is a tool that helps facilities managers compare energy consumption day-over-day, month, and year to spot trends and correct unnecessary energy consumption.
- **Diagnosis:** Within Utilityvision™, there are specific diagnostic tools that alert energy managers and facilities managers to potential problems. Alarms can be customized to monitor specific issues – for example, inverter alarms can alert personnel that an inverter has been down for a longer period than should be expected so that the issues

can be resolved with minimal down time. The schedule verification tool can be used to compare schedules to actual energy consumption assisting in the detection of equipment that is not following a prescribed schedule. These diagnostic tools can prove to be extremely valuable in detecting energy waste very quickly so that it can be corrected.

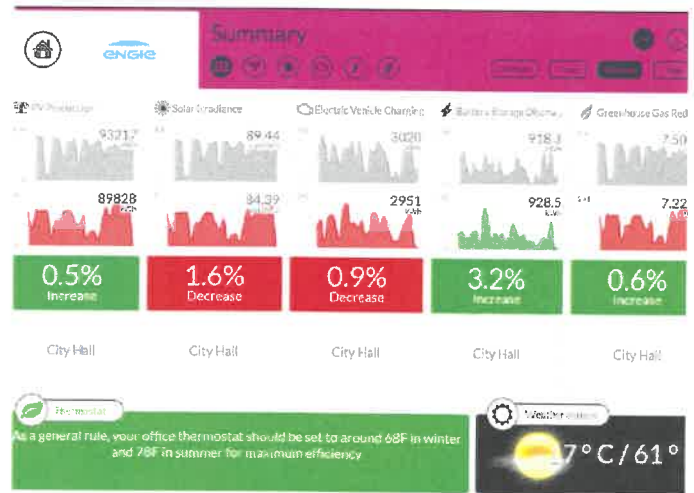
- **Data Downloads:** With Utilityvision™, reports and raw data can be downloaded for use and analysis with other tools (or even by students in a CTE program or advanced mathematics course).
- **Metering Equipment:** All metering equipment for the installation of Utilityvision would be included for energy services including hardware maintenance and cellular connection for the duration of our partnership and a one-year equipment warranty.
- **Green Button:** The Green Button program was created in a response issued by the White House to give utility customers timely, online access to their energy data. Through our partnerships with local public utilities commission (PUCs), ENGIE Services is now able to provide utility consumption and billing data through the Utilityvision™ platform, allowing our customers to take care of all their energy needs through a single web portal.

Utilityvision™ allows for users of all skillsets to access data relevant to their needs in a report or dashboard that is user definable. Each technical user can customize their own graphs, tables, digital displays, and dial indicators into a dashboard that cycles through each screen to keep important information at the users' fingertips. Custom reports can be automated and emailed directly to users or a list serve. The report can be represented in four different file formats.

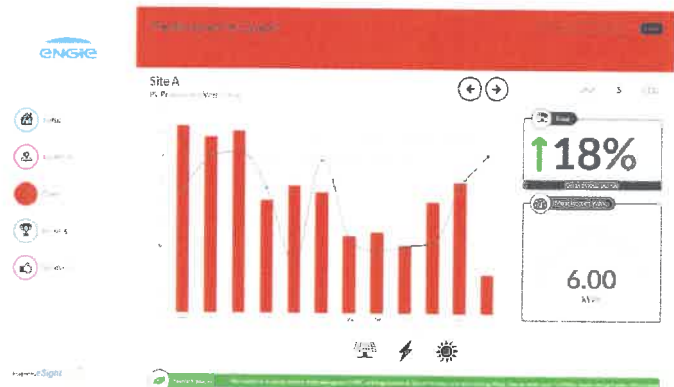
To the right, several screen shots of our monitoring software are shown illustrating the Utilityvision dashboards as they would appear on public-facing displays.



Home Screen



Summary of Data Dashboard



Yearly Performance Graph



**ENGIE Services U.S. Inc.**  
1420 Iowa Ave. Suite 210  
Riverside, CA 92507

STATEMENT OF QUALIFICATIONS  
DESIGN/BUILD ENERGY PERFORMANCE CONTRACTING SERVICES



PREPARED FOR

**THE CITY OF BEAUMONT, CALIFORNIA**

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JULY 31, 2019

135 S. State College Boulevard, Ste. 265  
Brea, CA 92821

P: (909) 255-5682  
F: (480) 499-9170

ameresco.com

## COVER LETTER

July 31, 2019

Kari Mendoza, Administrative Services Director  
City of Beaumont  
550 E. 6th Street  
Beaumont, CA 92223

**Re: Statement of Qualifications – Design/Build Energy Performance Contracting Services**

Members of the Selection Committee:

On behalf of the Ameresco team, thank you for the opportunity to participate in the City of Beaumont's Request for Qualification – Design/Build Energy Performance Contracting Services. Beaumont's tagline is "A City Elevated;" and while Beaumont literally sits at the top of the San Gorgonio Pass at 2,600 feet above sea level, the City has also "risen above" many challenges to exemplify the highest standards of integrity in public service. *Ameresco is excited about the opportunity to partner with the City of Beaumont to support this ongoing commitment to the community by delivering a project that demonstrates fiscal responsibility, transparency, and environmental stewardship.* As the largest independent energy services company in the United States with over \$6 billion in energy and water infrastructure projects throughout North America, we are committed to providing transparent pricing, innovative energy efficiency and supply options, and a highly experienced project team in order to earn your business. We pride ourselves on being big enough to develop and implement complex projects, but flexible and nimble enough to meet our client's individualized needs.

In collaboration with the City we will jointly develop solutions that maximize the impact of utility and operational savings, while remaining sensitive to the various high-priority projects that the City has underway. We will deliver a turnkey project that provides the following benefits to the City:

- *Jointly develop, "open-protocol" solutions that account for short- and long-term plans for facilities use;*
- *An innovative, vendor-neutral and engineering-based approach to our proposed solutions;*
- *A showcase project with clear benefits and measurable outcomes easily communicated to stakeholders;*
- *A comprehensive, strategic approach addressing both the usage and supply side of energy;*
- *Alignment with the City's existing planning and budgeting processes.*

As noted in the 2018 State of the City address, the City's focus areas of expanding and enhancing core infrastructure, facilitating economic balance, securing raw resources for future development, and efficiently managing resources resonate deeply with Ameresco. Our desire is to provide you with the service you expect while demonstrating fiscal responsibility and helping you achieve those goals. Should you have any questions or require additional information, please do not hesitate to reach out to your primary contact, Kelsey Gormley, Account Executive, at 909.255.5682 or via email at [kgormley@ameresco.com](mailto:kgormley@ameresco.com).

Respectfully,



Bob Georgeoff, Vice President  
Ameresco, Inc.

PREPARED FOR

# THE CITY OF BEAUMONT, CALIFORNIA

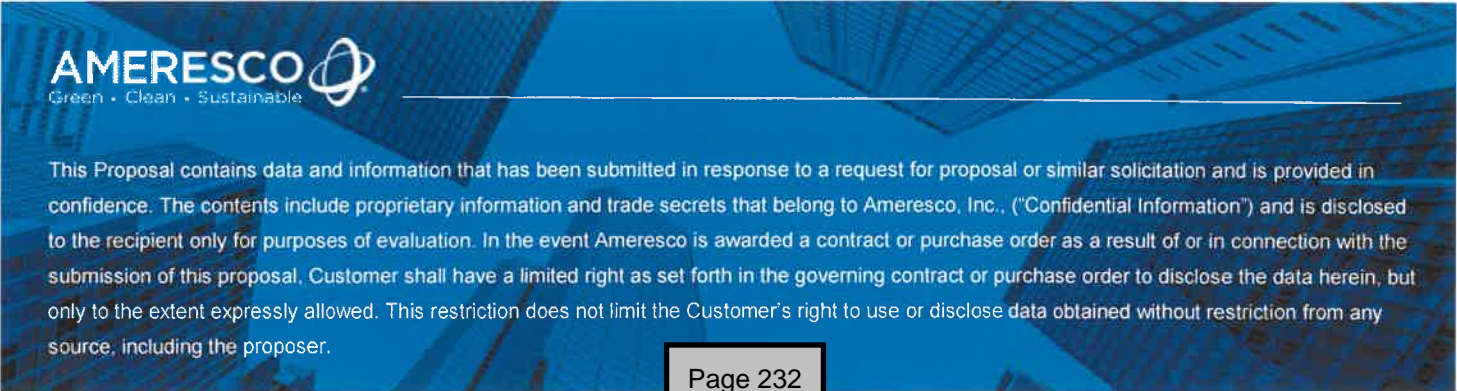
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July 31, 2019

REQUEST FOR QUALIFICATIONS FOR  
**DESIGN/BUILD ENERGY PERFORMANCE CONTRACTING SERVICES**

PRESENTED BY

**Ameresco, Inc.**  
**135 S. State College Boulevard, Suite 265**  
**Brea, California 92821**  
**T: 909.255.5682 • F: 480.499.9171**



**AMERESCO**  
Green • Clean • Sustainable

This Proposal contains data and information that has been submitted in response to a request for proposal or similar solicitation and is provided in confidence. The contents include proprietary information and trade secrets that belong to Ameresco, Inc., ("Confidential Information") and is disclosed to the recipient only for purposes of evaluation. In the event Ameresco is awarded a contract or purchase order as a result of or in connection with the submission of this proposal, Customer shall have a limited right as set forth in the governing contract or purchase order to disclose the data herein, but only to the extent expressly allowed. This restriction does not limit the Customer's right to use or disclose data obtained without restriction from any source, including the proposer.



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## TAB ONE: FIRM INFORMATION

- Legal name and address of Firm, principal place of business, legal form of entity

Ameresco, Inc. (NYSE: AMRC) will serve the City of Beaumont (City) from its office in Brea, California, with support from its offices in Los Angeles, Ontario, Palo Alto, Temecula, and Walnut Creek, as well as from Ameresco's Regional Headquarters located in Phoenix, Arizona. This team of professionals has a strong history and reputation throughout California and will co-author solutions that meet the fiscal, operational, and environmental goals of the City while supporting the local California community.

### BREA

135 S. State College Boulevard, Suite 265  
 Brea, California 92821

### REGIONAL HEADQUARTERS

2375 E. Camelback Road, Suite 400  
 Phoenix, Arizona 85016

### LOS ANGELES

777 S. Alameda, Second Floor  
 Los Angeles, California 90021

### CORPORATE HEADQUARTERS

111 Speen Street, Suite 410  
 Framingham, Massachusetts 01701

Ameresco maintains 58 offices throughout North America. Contact information for office locations can be found at [www.ameresco.com/ameresco-office-locations](http://www.ameresco.com/ameresco-office-locations) or by calling 866.AMERESCO.

- Company Overview and Organizational Structure
- Company History, Financial Strength, and Stability

Incorporated on April 25, 2000, Ameresco is a leading independent provider of comprehensive energy services, including comprehensive energy and design/build services, including energy conservation, energy analytics, renewable energy generation, and supply management, for clients throughout North America and the United Kingdom, delivering long-term value through innovative systems, strategies, and technologies.

Ameresco's only business is energy and water, and the execution of performance-based solutions is the core function supported by our dedicated company of professionals. Our team of experts will develop and deliver custom solutions that meet the unique energy conservation, economic, operational, and sustainability goals of the City. As an American-owned Energy Service Company (ESCO), Ameresco is unique in that we are both **vendor neutral** and **technology agnostic** across all product/service lines and **independent of any parent company** or other competing lines of business. With over \$6 billion in successfully completed energy projects, Ameresco is a leading provider of energy and water services with one of the largest portfolios of government clients in the industry. Our clients appreciate that all decisions are made locally versus overseas and the financial impacts of our projects stay at home instead of being sent abroad. This ensures an attention to detail and commitment from our executive leadership and all employees, which ultimately results in successful and timely project completion and more financial savings for our clients.

**LEADING ENERGY SERVICES PROVIDER**  
 • Implement efficient, energy- and money-saving solutions, including retrofits  
 • Design, build and even operate distributed renewable energy assets  
 • Tailor services to meet specific customer needs and sustainability goals

**SOCIALLY RESPONSIBLE ECONOMICALLY EFFICIENT**

**TRUSTED SUSTAINABILITY PARTNER**  
 FOR PUBLIC AND PRIVATE SECTORS

**PIONEERING DEVELOPER OF RENEWABLE POWER PROJECTS**  
 • Industry leading expertise in solar and landfill gas  
 • Developed over 300 MW of renewable energy projects  
 • Nearly \$200 Million in renewable power projects for customers

**MORE THAN 1,000 employees**

**70 OFFICES**  
 throughout the United States, Canada, and the United Kingdom

**BRINGING LONG-TERM VALUE TO CUSTOMERS SINCE 2000**

Since Ameresco's inception, we have designed and implemented over \$6 billion in energy projects. Over the past five years, we have completed over \$3.4 billion in energy projects for government entities throughout North America, including [cities and counties](#), [federal government](#), [K-12 public and private schools](#), [higher education institutions](#), state agencies, commercial and industrial clients, and non-profit organizations.

Since Ameresco's inception, we have designed and implemented over \$6 billion in energy projects. Over the past five years, we have completed over \$3.4 billion in energy projects for government entities throughout North America, including [cities and counties](#), [federal government](#), [K-12 public and private schools](#), [higher education institutions](#), state agencies, commercial and industrial clients, and non-profit organizations.

The City's RFQ requires that the responding ESCO be a member of the National Association of Energy Service Companies (NAESCO). **Ameresco was the first energy services provider accredited by the National Association of Energy Service Companies (NAESCO).** With experience in every corner of North America, we understand the unique regulatory requirements of each locality and market in which we work, from Federal agencies to local school districts. NAESCO accreditation is a rigorous examination of a company's core competencies and business practices. The examination includes an evaluation of the precise nature of the applicant's business; the range of measures and services offered to customers; the availability of a performance-based project approach; ethical business practice commitment; project engineering and design, financing, project management, operations and maintenance capabilities; and the capability to verify and monitor energy cost savings. Ameresco met, and embodies, all these criteria. Furthermore, Ameresco is an active member of the energy efficiency and renewable energy industry, with memberships in local, national and international organizations, including the **Energy Services Coalition**. Our consistent and perpetual engagement with the energy industry provides the opportunity to not only learn of the latest technological innovations and legislative changes that impact our clients, but to become active participants in the process.



### CALIFORNIA EXPERIENCE:

The City of Beaumont's Minimum Qualifications Section of this Request for Qualification requires that an ESCO company be established in the state of California for a minimum of 10 years. Ameresco has been licensed in California (817191), performing energy generation and saving technologies and strategies since 2003. Ameresco has performed a wide variety of energy saving and renewable energy projects. With six fully staffed offices in the State, **Ameresco has completed over \$300 million in energy projects throughout California, including over 92 MW in renewable energy generation that has been awarded, is currently under construction, or has been completed.** As an added benefit to the City, the Account Executive for this project was previously employed by the City of Beaumont for several years and brings her extensive knowledge of the City's past efforts related to energy as well as an acute understanding of the unique challenges and opportunities that exist in Beaumont.

Ameresco's experience includes cities and counties in rural areas as well as the nation's urban centers. Because these projects can have a particularly significant impact on local economies, Ameresco strives to maximize employment of local subcontractors and vendors. We also understand that for many of our clients, these projects represent a unique opportunity to upgrade their facilities in an impactful, sustainable manner. Therefore, we take our "design-build" approach seriously and work to make sure that all decisions made from development to commissioning, are framed from the lens of the end users and occupants of these facilities. Ameresco recently completed a \$5.4 million project with the City of National City, to address critical infrastructure needs, enhance controls to monitor and manage energy, and to deploy renewable energy generation assets. Like Beaumont, National City's facilities are "recycled" public buildings that had lived numerous lives and served different functions. The challenges we encountered included a lack of accurate records, unforeseen hazards, and historical changes in occupancy that had adversely affected the functionality of existing building systems. Ameresco did not shy away from these challenges, but rather worked collaboratively to deliver a project that exceeded the City's expectations for energy savings and improved the facility maintenance operations significantly.

## FINANCIAL STRENGTH AND STABILITY

Ameresco recognizes that it is paramount to have a partner that is not only technically qualified, but also financially strong, with a stable and solid track record of performance in the capital markets. With 2018 revenues of over \$787 million and a construction backlog exceeding \$1.97 billion, For the year ending 2018, Ameresco had total assets of approximately \$1.16 billion, cash in excess of \$60 million and an \$85 million credit facility. In addition, Ameresco maintains a \$1.0 billion surety credit facility, provided through Western Surety Company and Liberty Mutual Insurance Company acting as co-sureties. Ameresco has a \$1 billion backlog aggregate bonding capacity with a \$200 million single limit, demonstrating its financial strength and ability to deliver high quality projects on-time and on-budget. Both companies carry an AM Best Rating of 'A' with a financial size category of XIV and XV respectively.

As a publicly traded company, Ameresco's most current prospectus, including Balance Sheet and Cash Flow statement, is provided within our audited, publicly available 10-K and is located using the U.S. Securities and Exchange Commission website as follows:

<https://www.sec.gov/Archives/edgar/data/1488139/000148813919000022/amrc1231201810-k.htm>

- Total ESPC (guaranteed or not guaranteed) contracted value in the last 5 years.

The following provides a historical summary of the contract value for energy related services:

2014:	\$651,227,000
2015:	\$630,832,000
2016:	\$593,241,000
2017:	\$574,171,000
2018:	\$684,998,000

- Total value of owned energy producing assets under energy supply agreements.

The total value of Ameresco-owned energy producing assets under energy supply agreements is approximately \$400M.

- Business Engagement Model

Ameresco understands that the City is looking for a partner to help achieve their energy goals as they relate to reducing operating costs and managing resources effectively. We believe that we are only as successful as our last project, and this philosophy underlies all our client engagements.

Our goal is to assist the City in identifying the measures that are not only the most cost-effective, but also provide ancillary benefits such as operation and maintenance improvements, improved work environment for staff, upgraded public facilities, and increased

"Implementing energy-saving programs that help preserve our community's natural resources for future generations is a key component of our vision to be America's Premier Community."  
 - Mayor Andy Hahn, City of Henderson

"By using the performance contract approach with Ameresco, we were able to address several important city priorities of improving our facilities, saving money and being environmentally proactive in reducing the use of energy."  
 - Bernie Lynch, Former City Manager, City of Lowell

"One of the most exciting aspects of this project was the cost and financing structure. Energy savings guaranteed by Ameresco were bundled with funding support through utility incentives, a Federal grant, and low-interest loans. This financial package resulted in a project that was cash flow positive immediately — and will continue to become more profitable for the City as energy costs rise."  
 - Debbie Sullivan, Administrative Services Director, City of Olympia, Department of Public Works

"Making Phoenix more sustainable isn't just the right thing to do, it also sparks innovation and creates exciting new economic opportunities. By partnering with Ameresco at our new processing plant, Phoenix is taking previously untapped raw biogas generated by wastewater treatment and turning it into a renewable energy source that can be sold. This cutting-edge partnership benefits our regional economy and environment at the same time. Phoenix has set ambitious sustainability and renewable energy goals, and this partnership will help us get there."  
 - Mayor Greg Stanton, City of Phoenix

"Not only will these projects save the City money year after year, they have upgraded critical infrastructure without the need for capital funds. And the new LED streetlights have made the City safer at the same time."  
 - Chris Gallagher, Interim Director of Buildings and Grounds, City of Fall River

public safety. Our business engagement model allows the City to lead the process and provides opportunities for staff input at all levels, from management to the day-to-day end users of the technologies selected. We also understand the importance of providing measurable outcomes and communicating project success to the various stakeholders, City staff, elected leaders, and the citizens of Beaumont. To this aim, we provide our clients with measurement and verification services which translate raw, energy data to useful and easily understood statistics.

Clients that select Ameresco as their energy partner can be certain they are dealing with a company who recognizes the importance of delivering high-quality products, systems, and services. Our experience has taught us that the long-term success of any project or relationship requires adherence to the quality process as a number-one priority and must be recognized as such at all levels in the organization. All Ameresco projects regardless of size or scope receive the same level quality and dedication.

Ameresco is growing rapidly in California and has a large base of successful projects spanning multiple end markets, all with customers that continue to engage us for additional phases of work and to collaborate with them into new markets and solving complex challenges. Our client-focused approach has resulted in 54% of our customers approving multiple phases of work over the last five years with Ameresco's team in the Southwest Region. This statistic reflects the time and effort that we take to build an ongoing relationship with our customers as their trusted energy advisor and partner throughout the development and construction of our projects.

- Describe your firm's experience complying with the provisions of the "Buy American" Act and other Federal grant requirements.

Ameresco is recognized by both the U.S. Department of Defense (DoD) and Department of Energy (DoE) as a federal qualified ESCO and holds multiple Super ESPC indefinite delivery/indefinite quantity (ID/IQ) contracts under both the DoD and DoE programs. Ameresco works with federal organizations to design, build and, in many cases, own, operate, and manage energy projects financed through an ESPC and procured utilizing the following Indefinite Delivery/Indefinite Quantity (IDIQ) contracting vehicles:

- U.S. DOE Energy Savings Performance Contract Program
- Energy Savings Performance Contract – U.S. Army Corps of Engineers, Huntsville Center
- Utility and Monitoring Control System III Program – U.S. Army Corps of Engineers, Huntsville Center
- General Services Administration (GSA) Federal Supply Schedule (FSS) for Energy Management Services (EMS)

As one of the largest energy services providers to the federal government, Ameresco is well-versed in understanding and complying with the provisions of the "Buy American" Act and other Federal grant requirements. Further, over the years, many of Ameresco's clients have leveraged federal grants to fund energy projects. Ameresco will ensure compliance with all federal requirements are met on behalf of the City, this may include sourcing materials locally, using local subcontractors, and providing all required documentation related to prevailing wage requirements. Federal reporting guidelines related to measurement and verification (M&V) will also be employed as required.

Ameresco works within the guidelines of the Federal Energy Management Program (FEMP), established by the U.S. Department of Energy (DOE). This program is designed to help federal facility managers construct new facilities and update older buildings in compliance with new energy consumption regulations, including those in the Energy Policy Acts of 1992 and 2005, Executive Orders issued in the past 10 years, and the Energy Independence and Security Act of 2007.

In addition to our NAESCO, DOE, and DOD certifications, Ameresco is accredited in all states and territories that prequalify energy service companies. These prequalification's are based on an independent evaluation of our experience and demonstrated technical capabilities similar to the NAESCO, DOE, and DOD accreditation processes.

## TAB TWO: PROJECT TEAM

- Roles and responsibilities of team members to be dedicated to the project, including an organization chart

With over 1,000 full-time employees located across the United States, Ameresco possesses the experience and skills required to complete a project of nearly any size or scope. Team members are comprised of licensed professional engineers, certified energy auditors, certified and licensed master electricians, certified energy managers, LEED Accredited professionals, certified public accountants, and lawyers.

Our project teams are onsite, local, empowered, and encouraged to make all site-specific decisions on every aspect of project performance. Ameresco manages and conducts the Preliminary Energy Audit, Investment Grade Audit, project development, construction management, commissioning, and measurement and verification (M&V) using in-house resources. **Because our experts are best qualified to establish the potential projects for our clients and understand how to mitigate the risks inherent to this industry, project management will never be subcontracted to a third-party firm.**

Table 2.0 provides a brief description of the roles and responsibilities of the key personnel identified as part of the City of Beaumont Team. An organizational chart follows.

**Table 2.0.** Key Personnel

Name and Certifications	Title	Area(s) of Expertise/ Project Role	Academic/ Professional Qualifications	Years of Exp.
<b>Account Management, Contracts, Legal, and City of Beaumont Satisfaction</b>				
<b>Kelsey Gormley</b>	Account Executive	Business Development, Account Management, Contracts and Legal, Client Satisfaction, Grants/Incentives	MA, Conflict Resolution and Negotiation, California State University – Dominguez Hills BA, Government and History, University of Redlands	9
<b>Overall Management</b>				
<b>Rebecca Wetzstein</b> PE, CEM	Director of California Sales	Overall Management	BS, Mechanical Engineering, California State Polytechnic University, Pomona	18
<b>Robert Georgeoff</b>	Vice President	Overall Management, Executive Authority	BS, Business, University of Arizona	30
<b>Timothy Farkas</b>	Finance Director	Management, Project Financing including Evaluation of Funding Mechanisms	MBA, Business Administration, University of Nevada, Las Vegas BS, Finance and Secondary in Accounting, University of Oregon	18
<b>Preliminary Assessment, Investment Grade Audit, Design and Engineering</b>				
<b>Seth Pearce</b> PE, LEED AP OSHA 30-Hour Construction Industry Certified	Director of Project Development Engineering	Audit Development/ Technical Analysis/ Engineering Design Overall Management	MS, Mechanical Engineering, California State Polytechnic University, Pomona BS, Mechanical Engineering, California State Polytechnic University, Pomona AA, Construction Management, University of California	14
<b>Rigoberto Garcia</b> CEM, LEED AP	Project Development Engineer	Audit Development/ Technical Analysis/ Engineering Design	BS, Electrical Engineering, University of the Pacific	18
<b>Kendall Marks</b> CEM, CDSM	Senior Project Developer	Audit Development/ Technical Analysis/ Project Development	BA, Geology, State University of New York, Binghamton	30
<b>Renewable Energy Project Development</b>				
<b>Hans Meyer</b>	Director of Renewable Energy	Renewable Project Development	BS, Finance, Arizona State University, WP Carey School of Business	10
<b>Alex Griffiths</b>	Manager, Renewable Energy and Operations	Renewable Technical Analysis/Engineering Design	BS, General Engineering, California Polytechnic State University, San Luis Obispo	10

**Table 2.0.** Key Personnel

Name and Certifications	Title	Area(s) of Expertise/ Project Role	Academic/ Professional Qualifications	Years of Exp.
<b>Project Management, Construction, Safety, Training, and Commissioning</b>				
<b>Kevin Nissley</b>	Director of Construction	Construction Project Management/ Safety/ Overall Management	Engineering Curriculum; Building Construction Management, J. Sergeant Reynolds Community College U.S. Naval Electronic and Engineering A&C Schools, Life Sciences, Virginia Commonwealth University	34
<b>Scott Wentworth PE, LC</b>	Senior Project Manager	Construction Project Management/ Safety	BS, Electrical Engineering, California Polytechnic State University, San Luis Obispo	32
<b>Performance Period Services</b>				
<b>Steven Croxton CEM, GC RMI</b>	Regional Senior Energy Manager	Post-Construction Services (Performance Monitoring, O&M)	MBA, University of Nevada, Las Vegas BS, Business Administration, University of Phoenix	28

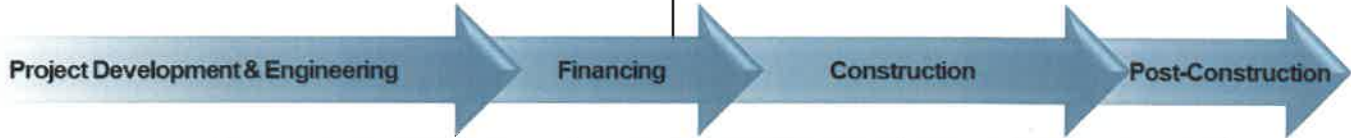


**Executive Oversight:**

**Rebecca Wetzstein, PE, CEM**  
*Director of California Sales*

**Robert Georgeoff**  
*Vice President*

Account Management, Contracts,  
Legal and City of Beaumont Satisfaction  
  
**Kelsey Gormley**  
*Account Executive*



- A description of each person in the organization chart's experience as relevant to the proposed energy projects

### **KELSEY GORMLEY | ACCOUNT EXECUTIVE**

Prior to joining Ameresco, Ms. Gormley spent 10 years in the public sector and worked for numerous cities in Southern California. She has a deep understanding of the unique challenges that cities face, particularly when it comes to implementing energy efficiency and sustainability initiatives. Ms. Gormley's background is diverse and consistent with the "other duties as assigned" common in public service. Her experience in municipal government includes implementing energy efficiency projects, sustainability planning, community outreach and strategic planning, grant-writing/ management, and legislative analysis. In the past 10 years, Ms. Gormley has successfully acquired over \$10 million in Federal, State, and private grants for projects ranging from freeway interchanges to sustainability planning to community health clinics. In her role as Account Executive, Ms. Gormley is responsible for energy conservation and energy performance contracting projects for municipal, industrial, health care, higher education, school districts, and commercial clients. She coordinates activities between the Ameresco team, the multiple levels of decision makers in the client's organization and any third parties involved in the development of a comprehensive solution. Additional responsibilities include arranging project financing and overall customer satisfaction. Ms. Gormley is a lifelong resident of the San Geronio Pass, a proud Beaumont High School graduate, and currently serves on committee for the American Association of University Women's annual Pass Area STEM Conference for 8<sup>th</sup> grade girls from Beaumont and Banning Unified School Districts.

### **REBECCA WETZSTEIN, PE, CEM | DIRECTOR OF CALIFORNIA BUSINESS DEVELOPMENT**

Ms. Wetzstein is a mechanical engineer and Director of California Business Development. Offering over 18 years of experience, Ms. Wetzstein assists clients to solve challenges related to infrastructure upgrades and maintenance, energy resiliency, sustainability goals, energy market consulting, and energy and facilities master planning. Further, she has vast knowledge of qualifying and evaluating energy savings performance contracts, solar power purchase agreements, and alternative delivery models for design-build energy projects. She was the lead on the Climate Action Plan consulting study that the City completed approximately five years ago and led the Business Development for Beaumont Unified School District for the implementation of energy projects.

### **ROBERT GEORGEOFF | VICE PRESIDENT**

Mr. Georgeoff is a Vice President of Ameresco, Inc. and a member of Ameresco's executive management team, responsible for the Southwest Region and the Solar Center of Excellence. Within these business lines, he provides senior management oversight to all sales and operations activities and is responsible for developing and executing the company's growth strategies. Mr. Georgeoff earned a B.S. degree in Business from the University of Arizona. He currently serves on the Board of Directors for the Energy Service Coalition (ESC) as Board President and represents Ameresco on the Board of Directors for the National Association of Energy Service Companies (NAESCO).

### **TIMOTHY FARKAS | FINANCE DIRECTOR**

Mr. Farkas offers over 19 years of experience managing financing processes for energy efficiency and renewable energy projects for municipal, healthcare, higher education, school districts, and commercial clients. Responsible for providing structured financing for new projects, Mr. Farkas has helped clients secure more than \$275 million in energy improvement projects in past six years alone. He has been a leader in utilizing several incentives, such as Tax Credit Bonds, which resulted in effective interest rates ranging from 0 to 1.5 percent interest for terms up to 21 years. Mr. Farkas holds a BS, Finance and Secondary in Accounting from the University of Oregon and an MBA, Finance from the University of Nevada, Las Vegas. Prior to joining Ameresco in 2012, Mr. Farkas served as the Assistant Vice President of the Nevada State Bank.

### **SETH PEARCE, PE, LEED AP | DIRECTOR OF PROJECT DEVELOPMENT ENGINEERING**

Mr. Pearce has an MBA in Mechanical Engineering from Cal-Poly Pomona, an Associate Degree in Construction Management, and is CEM and LEED AP certified. As Director of Project Development Engineering for the Southwest region, Mr. Pearce is dedicated to complex energy solutions and brings great experience in both the areas of project development and construction management for turnkey solutions. Notable recent project experience



includes a \$5.4 million water savings and energy services project for the City of National City, California. This project included solar installation on six buildings, extensive mechanical and HVAC controls upgrades, and lighting, water and irrigation controller retrofits. Additionally, Mr. Pearce developed a \$4.3 million energy efficiency project for 13 schools in the Orange Unified School District in California. This project entailed interior and exterior LED lighting retrofits, HVAC equipment replacement, and various other energy retrofits. Mr. Pearce is also responsible for a \$3 million project at San Ysidro School District in California that included replacing HVAC system and installing DDC controls throughout various sites throughout the District.

### **RIGOBERTO GARCIA, CEM, LEED AP | PROJECT DEVELOPMENT ENGINEER**

Mr. Garcia is an electrical engineer with 18 years of experience in developing and implementing energy projects. He is responsible for identifying energy conservation opportunities, preparing energy savings calculations, and performing engineering assessments. His experience includes developing projects with combined heat and power, solar generation, controls upgrades, HVAC improvements and consulting/managing behavioral based energy programs. Mr. Garcia excels in successful project implementation that meets or exceeds client objectives, financial parameters, and technical needs required to deliver energy cost savings.

### **KENDALL MARKS, CEM, CDSM | SENIOR PROJECT DEVELOPER**

Mr. Marks has over 30 years of experience working in project development, including energy auditing, energy engineering, and construction management. Mr. Marks' energy efficiency, optimization and renewable activities include all facets of our clients' facilities. He is a performance contracting engineer experienced in developing new business opportunities by working with prospects and customers at every level, and generating proposals and presentations from project surveys, energy calculations, energy analysis and cost estimates.

### **HANS MEYER | DIRECTOR OF RENEWABLE DEVELOPMENT**

Mr. Meyer leads the solar development team for Ameresco's Solar Center of Excellence. Mr. Meyer has over 11 years of professional experience in the energy services industry. In his role as Senior Manager of Renewable Development, Mr. Meyer assesses risk and facilitates structuring activities for large-scale renewable energy projects. His primary focus is on the financial and technical development, analysis and measurement of initiatives through complex-scenario data analysis and evaluation to drive desired business results. Mr. Meyer has a strong understanding of valuation techniques, energy market analysis, operational budgeting, and financial statements.

### **ALEX GRIFFITHS | MANAGER, RENEWABLE ENERGY AND OPERATIONS**

As Engineering and Operations Manager for the Renewable Energy Group, Mr. Griffiths is responsible for developing technical solutions that achieve a client's operational and fiscal goals for alternative energy production. His responsibilities include onsite feasibility assessments, energy production modeling, renewable system sizing and pricing, project scheduling and project management support. Mr. Griffiths also works to develop and maintain national buying agreements with renewable suppliers.

### **KEVIN NISSLEY | DIRECTOR OF CONSTRUCTION**

Mr. Nissley is responsible for the planning, developing and implementation of the overall management practices for energy improvement construction projects, including scheduling, budgeting, customer expectations management and technical/administrative support. He has construction management experience in the public and private sectors. With over 30 years of industry experience, Mr. Nissley's project background includes cradle to completion for general construction, large HVAC and mechanical projects and energy retrofits. His expertise includes project development and implementation using strong organizational, management and client relations skills. Mr. Nissley also facilitates training for all Ameresco project managers regarding management policies and procedures, including OSHA compliance. He is responsible for ensuring that an adequate project measurement, control system, and a project status reporting system are established in order to monitor and control safety, scope, quality, cost, and schedule.

### SCOTT WENTWORTH, PE, LC | SENIOR PROJECT MANAGER

Mr. Wentworth is an electrical engineer and Senior Project Manager. He has over 30 years of experience as a professional engineer and is Lighting Certified credentialed by the National Council on Qualifications for Lighting Professionals. Mr. Wentworth's role involves overseeing, managing, and coordinating the design and on-site construction functions for energy performance contracts, renewable energy projects, infrastructure upgrades and capital improvement projects. His responsibilities include cost estimation, management of the subcontractor bid process and selection, and overall site management. Prior to Ameresco, Mr. Wentworth served the City of Oakland, California as the City's Energy Engineer, where he was the project manager for energy conservation projects at over 100 municipal facilities.

### STEVEN CROXTON, CEM, GC RMI | REGIONAL SENIOR ENERGY MANAGER

Mr. Croxton serves as the Regional Energy Manager. He has nearly three decades of experience in the energy services industry, from developing energy conservation projects to measurement and verification of guaranteed savings to the operations and maintenance of energy and renewable energy installations. Mr. Croxton's responsibilities include managing the post construction activities of energy and water conservation projects and performing energy consultative duties for clients seeking information on the efficient purchase of energy commodity. He works to measure, troubleshoot, and correct energy savings or energy production shortfalls to ensure program compliance, as well as maintains responsibility for the region's operations and maintenance contracts.

- Describe how your organizational structure provides the best value to the City

Ameresco is the only true "independent" ESCO in the marketplace, we are not owned by or a subsidiary of any other corporation. This makes Ameresco uniquely positioned to provide our clients with maximum flexibility in our approach, which is valuable to cities like Beaumont, where unknown or unforeseen challenges can delay or derail a project. The municipal space is dynamic and influenced by many outside factors, from unfunded State mandates to changes in political leadership, and Ameresco's flat organizational structure combined with a depth of technical and financial solutions makes responding to these ever-changing dynamics a relatively simple process. [Ameresco's company decision makers are one level removed from the team implementing our projects, which facilitates decisive action and responsiveness over burdensome and time-consuming internal processes required by corporate ESCOs.](#)

A key benefit of Ameresco's independent position in this marketplace as a vendor-neutral, technology agnostic ESCO is that we have no pull-through product or service goals. Our only product is performance contracting, and we have no larger manufacturing or service-providing corporation influencing our offering. Technology and products are recommended based on their ability to best meet the needs of our clients for the lowest possible cost. Ameresco casts a wide net to national and local suppliers and contractors for all goods and services and works directly with several major manufacturers. Our position as a nationally recognized ESCO results in strong relationships with leading equipment manufacturers providing LED lighting solutions, water meters, HVAC systems, solar panels, and other energy efficiency/ renewable energy technologies. The City receives the benefit of that relationship as it relates to our ability to leverage bulk pricing, priority delivery of equipment to minimize any lead time and prevent project delays and provides significant leverage to our clients when it comes to negotiating with vendors on warranties and commissioning issues.

As a company with its core business solely focused on developing and implementing comprehensive turnkey projects, Ameresco is structured regionally with a broad bench of experts in the industry. Not only have we attracted the best talent from other ESCOs, we have also incorporated the preeminent experts in solar and energy storage, street lighting and smart cities, renewable natural gas (waste to energy), P3, Power Purchase Agreements, CAISO, microgrids, decarbonization, CCA's and other areas of innovation. This allows us to bring the best experts into the project in the most streamlined and cost-effective structure.

- Describe your firm's overhead structure

As exemplified in the Organization Chart, Ameresco has a very flat, low overhead business structure. We are not a product vendor that carries high overhead through Research & Development (R&D) and multiple go-to-market strategies. Our flat organization is nimble, allowing us to have nearly all our employees directly benefitting our projects. This can save the City 30-50% compared to typical ESCOs. In addition, we look to integrate local labor and contracting pools to ensure we are minimizing the direct cost to the project in the form of travel costs, per diem, etc. We direct procure major equipment and have national supplier agreements with nearly all of the major product vendors, including product-ESCOs, at extremely favorable rates. Further, we leverage our buying power as the #1 ESCO currently serving the Federal Government to bring competitive pricing to our customers.

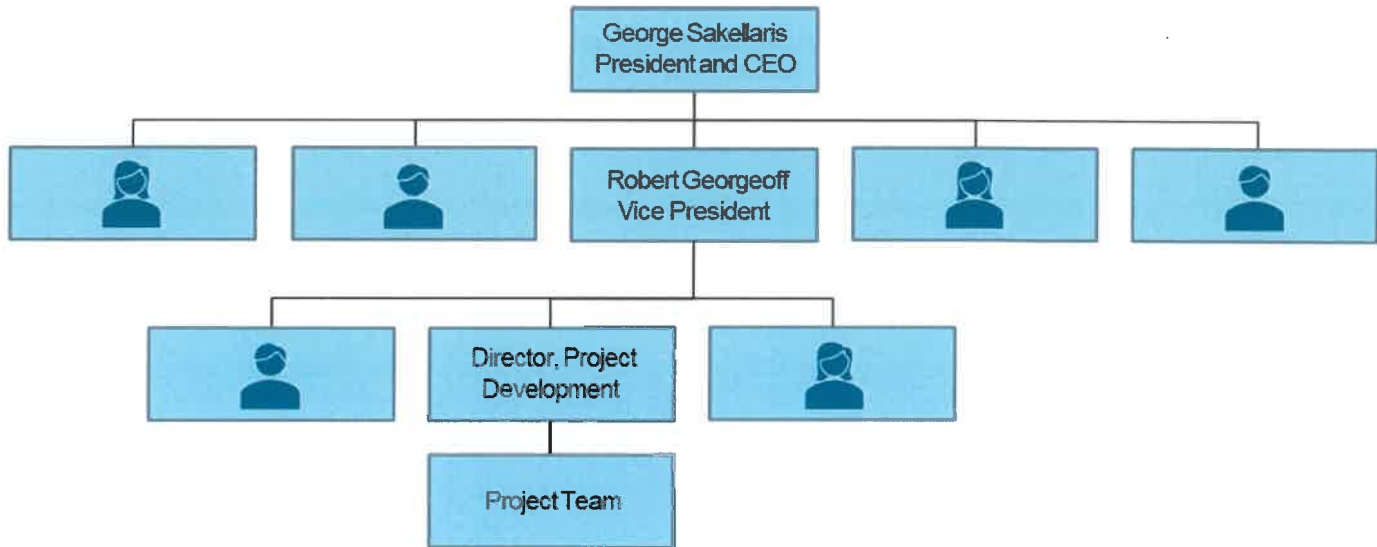


Figure 2.0. Organizational Structure

Finally, Ameresco does not employ a large amount of capital into a full-service marketing and advertising group. Instead, we choose to invest that capital into our projects and our clients. While Ameresco does participate in Tradeshows and other industry events, we also see the importance of sponsoring local events that are meaningful to our clients. This keeps our overhead in check and assures that the dollars we do spend on sponsorship are truly impactful at the local level.



Figure 2.1. Ameresco Solar Wagon at Costa Mesa 3<sup>rd</sup> of July Event

## TAB THREE: PROJECT APPROACH

- The intent of the project approach section is to judge the strength of the responding firms project process. For each sub-section describe in detail your firm's methodologies and practices. Describe the project development and delivery process that you would recommend.

An ESCOs individual approach to energy audits, equipment selection, self-performance of energy conservation measures (ECMs), and many other factors markedly differ and can have a major impact on the City of Beaumont's returns on investment. Ameresco's general approach to delivering an ESPC is centered upon working closely with all project stakeholders to collaboratively develop solutions that meet the City's unique operational and financial goals. We will use our expert engineering and technical capabilities to provide co-authored comprehensive solutions that maximize value—ensuring that the maximum reduction in operating costs for the lowest possible cost is delivered.

Ameresco understands the City of Beaumont wants to implement and invest in infrastructure that will benefit the City in their current goals of a city-wide energy conservation/modernization program, as well as secure the City's investment with future proof technologies. Ameresco is technology agnostic and recommends open protocol products when developing projects. Our development engineers will work closely with City staff to evaluate existing systems and co-author a solution for implementing energy conservation measures that will maximize the City's investments with an eye toward future facility goals. This can include modeling of future energy consumption in facilities that are not currently occupied; identifying energy supply options that can insulate the City from utility volatility; and right-sizing equipment for future use.

The City has established planning, budgeting and long-term planning processes, and our project development and implementation process is designed to align with these processes. Ameresco will work with City staff to coordinate our project development process with the City's annual budgeting process in order to eliminate the administrative burden and challenges of requesting Council approval for items not pre-approved in the City's annual budget. This includes participation in public workshops, ad-hoc committees, or council meetings, where appropriate.

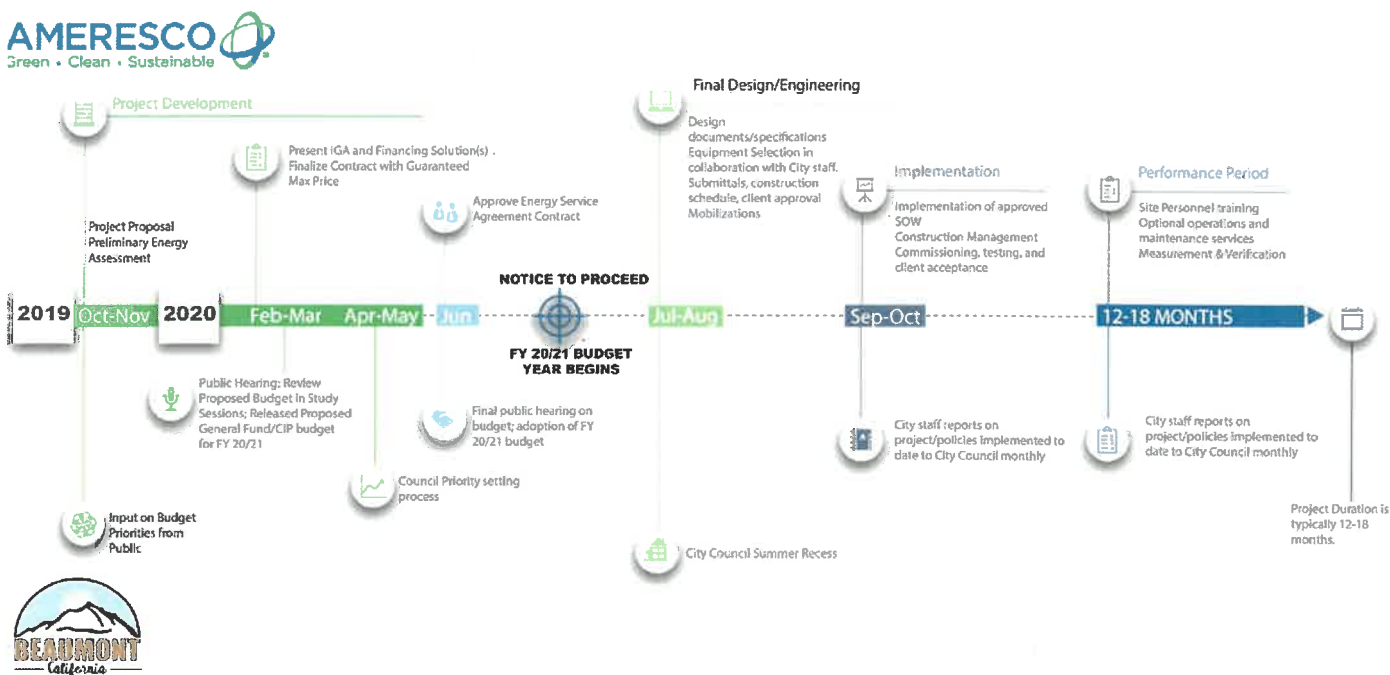


Figure 3.0. Ameresco's Comprehensive Approach to Design/Build Performance Contracting Services

## PHASE I: PROJECT DEVELOPMENT

The Project Development phase requires Ameresco and the City to work collaboratively to jointly identify energy efficiency opportunities, address known areas of need, and to vet any proposed solutions with the appropriate stakeholders and staff. This process is crucial to the overall project success from a technical and administrative perspective.

### STEP 1: NEEDS IDENTIFICATION

At the inception of the project, Ameresco will first partner with the City's staff to understand the specific goals and objectives of the program, including fiscal, operational, sustainability, and social purposes that are most fundamentally driving the program. The final project will then be developed with the specific goals and priorities as the forefront of the design and implementation processes. In this way, the mutually agreed upon solution will most effectively maximize value to ensure the greatest reduction in operating costs is achieved in the long-term.

Specific to the City of Beaumont, our project team would work to understand all existing planning documents, including, but not limited to: Capital Improvement Plans, regional and local Climate/ Energy Action Plans (CAP/ EAP) adopted by the City or Western Riverside Council of Governments (WRCOG); City facilities master planning documents, and the City's General Plan.

### STEP 2: FIELD DATA ACQUISITION

Reducing the impact on City staff during the field data acquisition phase is something that Ameresco is sensitive to. [We recognize that, like many small cities, the City of Beaumont may have limited staff available and a lack of readily available information on the City's facilities.](#) As such, we strive to minimize any data requests and site walks by maximizing the time allotted and drawing upon our experience in the municipal space to make assumptions where needed. We validate any assumptions with City staff and adjust our calculations appropriately.

Once project goals are thoroughly understood, Ameresco engineers gather data on utility rates, historical consumption and facilities. This information provides the foundation needed to evaluate the technological and economic feasibility of various ECMs and provides insight into the greatest energy and cost savings opportunities. Ameresco's engineers are quickly able to evaluate the feasibility of various ECMs, based on factors including utility rate structures, existing equipment and controls, annual operating parameters, and the age and condition of the building envelope. Engineers contributing to the Preliminary Assessment will also be assigned to complete the detailed Investment Grade Audit (IGA). To gain an accurate picture of existing conditions at the City's facilities, Ameresco will:

- Perform onsite surveys with in-house project designers and engineer(s). Our staff members hold all the appropriate industry credentials, including PEs, CEMs, and CEAs, among others.
- Interview the City's facility/maintenance director and staff, administration and any other stakeholders.
- Understand the City's commitment to the ENERGY STAR program and other sustainability and environmental metrics, so that these efforts can be included in the final project (if applicable).
- Analyze the recent utility data provided by the City to evaluate operation schedules, utility demand and usage, rate structures, and areas of excessive energy and/or water use.
- Understand the City's perspective on current carbon footprint and the potential value of reducing and tracking of its current and future carbon emissions.
- Review recent operational and capital expenditures by the City to determine areas that may require further investigation.
- Update and/or review any previous energy audits or feasibility studies recently conducted by/for the City.
- Review as-built drawings for existing buildings.
- Analyze any available submeter data.

### STEP 3: ENERGY/ WATER ANALYSIS AND ECM DEFINITION

Information gathered during the field data acquisition is analyzed at this step and individual Energy Conservation Measures (ECMs) are specified. The savings potential of each ECM is determined, and preliminary energy baselines are established. In a parallel effort, the cost estimating for all identified ECMs is begun using a combination of contractor quotes and pricing databases. The ECMs are then subjected to further analysis, resulting in conceptual design, firm savings and implementation price. The individuals involved in the data gathering and evaluations perform most of the analyses. Our in-house Senior Project Managers (SPMs) are also heavily involved in the cost estimating. The task of verifying and approving project implementation costs at this project development stage will typically be the responsibility of Ameresco's Director of Construction and Safety.

### STEP 4: FINANCIAL MODELING

The financial analysis will incorporate the cost and savings developed in the third step into the appropriate financial model(s) for the project. These models incorporate requests from the financial institution and applicable interest rates and terms to produce a financial scenario that supports the required investment and debt service. Ameresco's dedicated Finance Director keeps a watchful eye on the trends that could impact the financials of a project and weighs in on the variables that need to be considered in the modeling, this includes national trends, like trade disputes or tariffs and local concerns, such as demographic shifts and pension liability.

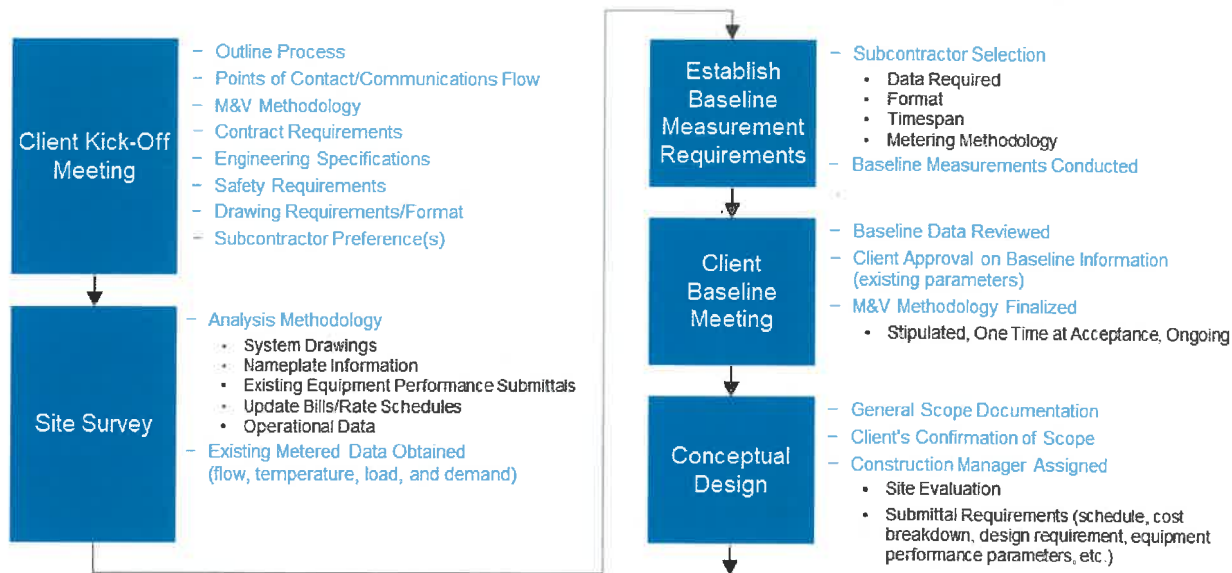


Figure 3.1. Investment Grade Audit Delivery Process Steps 1-4

### STEP 5: INVESTMENT GRADE AUDIT

Ameresco has tremendous amount of experience in identifying energy efficiency upgrades throughout facilities. During the Investment Grade Audit (IGA) our engineers will interview and spend time with City staff to understand how the facilities operate, how they are maintained and how existing systems are performing. Working alongside City staff is paramount in developing ECM's that will benefit the City. Ameresco engineers will review as-built drawings, conduct detailed energy audits, take instantaneous measurements, data log equipment (power, temperature, flow, light intensity, etc.), collect nameplate data and document any other pertinent energy information. Open protocol technologies will be recommended to future proof the City's continuing energy conservation goals. The IGA will be co-developed with staff and stakeholders and presented to the City, along with a fixed-cost pricing and a co-authored detailed scope of work. This highly technical and valuable document becomes the property of the City, regardless of whether a project moves into construction.

## STEP 6: FINANCING

Once there is agreement between the City of Beaumont and Ameresco on the ECMs that will be included in the project, the project can then be bid out to the financing community. This will ensure that the City secures the lowest interest rate for its loan. Ameresco's finance team works throughout the detailed IGA process to facilitate an easy transition from audit to construction with minimal lag time and disruption. Ameresco personnel have assisted in the financing related to a variety of ESPCs using vehicles such as:

- Tax-exempt lease financing
- Off-balance, pay-from-savings financing
- Installment payment financing

The City has worked diligently to reduce prior debt obligations and maintain fiscal transparency with its citizens. While this may seem routine to other cities, we understand that getting this piece right and finding the right solution will be key to the project's success. [Based on the City's needs and objectives, a selection will be made from a variety of financing options that will be supported by Ameresco's savings guarantee, ensuring that payments will be made from the savings of the project.](#) Unlike other ESCOs, Ameresco is truly "finance agnostic" and has cultivated relationships with various financing partners, each with unique offerings that can be tailored to meet the City's needs.

Our experience in the commercial and federal markets has helped us have a firm grasp on the changing accounting issues around the treatment of leases and the differences between a lease and a service agreement. We have worked with financing parties who can help us address the needs of each customer, once we understand your goals.

Ameresco works with each client to structure a business plan that aligns with its unique goals and needs. Financing vehicles typically employed by our clients include one or a combination of the following methods:

- Tax-exempt lease financing
- Capital lease financing
- Installation payment financing
- Government sponsored energy efficient funding programs
- State agency funding
- On-bill financing (OBF) through Investor-owned Utility (IOU) OBF Programs
- Financing provided through Ameresco

To further expand on our project enabling capabilities, Ameresco has also implemented numerous "public-private" partnerships (P3), service agreements, and other unique offerings that facilitate these improvements without requiring the City to take on additional debt. Ameresco will explore all available options with the appropriate City staff and vet any solutions through the City's Finance and Audit Committee, as directed. We have included some samples of unique project financing mechanisms secured for our clients below:

- \$5.2 million financing through the Texas SECO LoanStar for Austin Energy, Domain Central Plant project
- \$5.4 million financing through Qualified Energy Conservation Bond (QECCB) financing for the [City of National City, CA](#)
- \$17.5 million tax exempt lease financing for the [State of Hawaii](#) to implement 28 separate ECMs including solar PV across 6 islands

- Taxable lease purchase Qualified Energy Conservation Bond (QECCB) financing for the \$14.5 million project with Prairie View A&M University
- \$15.9 million tax exempt lease purchase financing for the [City of Wichita Falls, TX](#)
- Taxable lease purchase Qualified Energy Conservation Bond (QECCB) financing for a \$3.1 million project with [San Patricio County, TX](#)
- \$3.7 million taxable lease purchase Qualified Energy Conservation Bond (QECCB) the [City of Bowie, TX](#)
- Qualified Energy Conservation Bond financing for a \$2.7 million project with the [City of Smithville, TX](#)
- Tax exempt lease financing for municipalities, hospitals, housing authorities, and universities totaling over \$615 million, including \$32.4 million tax exempt lease financing for a \$64 million project at a large university in Chicago, IL
- Non-recourse project finance debt of \$177 million for \$351 million of renewable energy facilities throughout the country including both biogas and solar facilities.

### STEP 7: CONSTRUCTION CONTRACT APPROVAL

During this step, the final detailed IGA report is presented to the City. This report will include a detailed description of the scope of work, energy calculations, M&V protocols, financing terms and conditions, and facilities to be upgraded.

The resultant construction/ implementation contract will ensure that the City of Beaumont's facilities will be upgraded, occupants' health and safety improved, and sustainability goals advanced without an up-front capital expenditure. The guaranteed energy savings will pay for the project, reduce operating costs, and allow the client to allocate more of its finite resources towards other priorities. To enable a cohesive and efficient approval process, Ameresco can provide sample contract documents to the City's legal counsel for review prior to presenting the final IGA. This allows both entities to work through any contractual or legal questions in tandem with the project development process, thus facilitating a comprehensive, fully reviewed and vetted project approval package to include the technical scope (IGA), financing agreements, and implementation contract for the City Council's consideration.

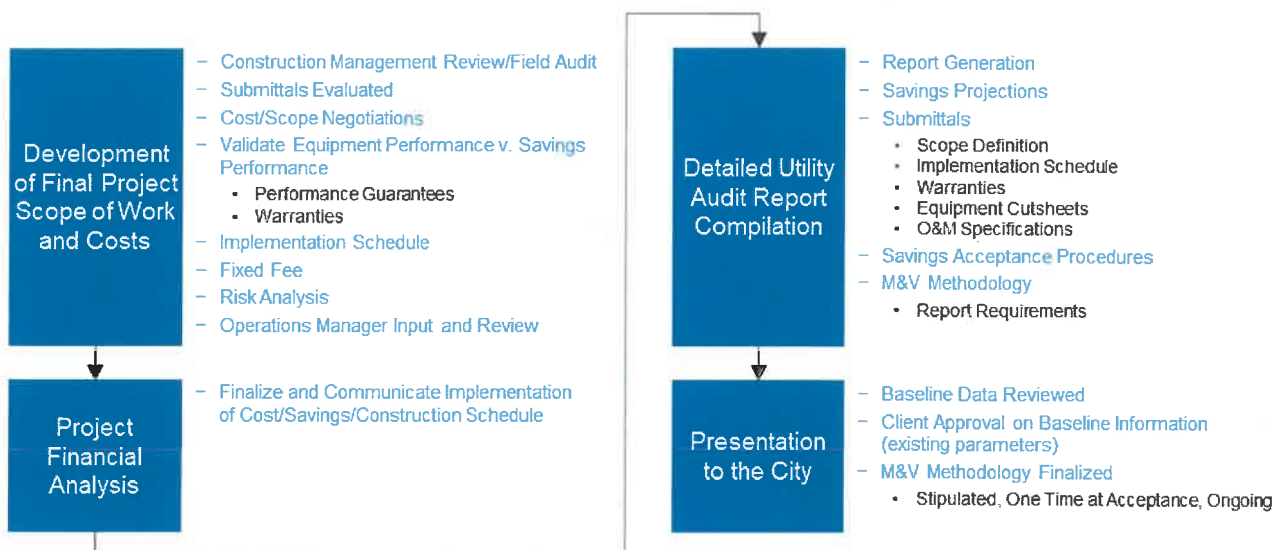


Figure 3.2. Investment Grade Audit Delivery Process Steps 5-7



## PHASE II: IN-HOUSE ENGINEERING

### STEP 1: DETAILED ECM DESIGN

At this step, Ameresco's experienced project developers will complete the conceptual designs. The Ameresco engineering team will oversee the design and engineering work and will ensure that any intermediate design submittals are prepared for the City's review in a timely fashion. The City will provide input and retains the ultimate authority on any and all design elements. Ameresco will work with the City's appointed project manager/ team to address any design concerns.

### STEP 2: EQUIPMENT SPECIFICATION

The final equipment selections, subject to the City of Beaumont's approval, will ensure that the guaranteed equipment performance and energy savings will be achieved and sustained for the full contract term.

### STEP 3: SUBMITTALS, CONSTRUCTION SCHEDULE, CITY APPROVAL

Following the City's final review and approval of submittals, the submittals will become formal project documents. The equipment and materials will be installed in accordance with these plans, drawings, schedules and specifications. All submittals are prepared by Ameresco's professional engineering staff or reviewed in the event that consultants supplemented the firm's in-house resources. A construction schedule will also be included in the submittals. Ameresco will coordinate with the City's Building and Safety Division to apply for all required permits and comply with the City's building code regulations and schedule inspections as required.

## PHASE III: IMPLEMENTATION

### STEP 1: IMPLEMENTATION, COORDINATION, PRE-CONSTRUCTION MEETINGS

Once the City has reviewed and approved all final submittals and issued a Notice to Proceed, pre-construction meetings can be held. At these meetings, site personnel and Ameresco's SPM will confirm all the details needed to ensure smooth implementation of the improvements at each facility including any and all site safety, security, background checks, and badging requirements.

The SPM is responsible for the successful construction of the project, on schedule and within budget. Two critical roles that Ameresco's SPM fulfills are customer service and quality assurance. This staff member will ensure a smooth and well-coordinated implementation that minimizes any impact on the City's personnel, operating mission and building constituents.

As is standard practice in all Ameresco's construction efforts, the SPM reports directly to Ameresco's Director of Construction, who retains ultimate responsibility for all implementation period activities. These activities include, but are not limited to, oversight of procurement and subcontracting, construction budgets and cost control, installation progress, completion, training, commissioning, project close, and ensuring a smooth transition into the long-term performance period.

### STEP 2: EQUIPMENT PROCUREMENT

The procurement process begins as soon as Ameresco has received the Notice to Proceed. Any equipment and materials that Ameresco will furnish for installation will be purchased in a timely manner to be available for the coordinated construction efforts. The SPM will be responsible for procurement logistics to ensure that all the equipment and materials meet contract specifications and that procurement is accomplished in the most cost-effective manner possible. Ameresco is not bound by low-bid requirements; therefore, equipment can be acquired that provides the best value while meeting guaranteed performance levels. Competitive procurement solicitations are the favored and typical means of ensuring cost-effectiveness while maintaining best value.

Ameresco typically solicits a minimum of three contractor quotations on all measures, to assure that the best goods and services are delivered for the lowest price. Technology and products are recommended based on their ability to best meet the needs of our clients for the lowest possible cost. Ameresco casts a wide net to national and local suppliers and contractors for all goods and services and works directly with several major manufacturers.

### STEP 3: SUBCONTRACT SOLICITATIONS/EXECUTIONS

Similar to Ameresco's material procurement practice, the primary focus is on the proven track record and capabilities of the firms hired to perform work throughout the City of Beaumont's facilities, whether it is installation labor only or complete turnkey service. Ameresco selects Subcontractors based on a holistic evaluation of their ability to add value and enhance the service provided to the City. All subcontractors will accomplish the specified work on time within the budget. All subcontractors will be required to obtain a City business license prior to starting construction and comply with California Department of Industrial Relations (DIR) certified payroll requirements.

Ameresco believes that community-wide, comprehensive utility efficiency and conservation projects provide the greatest benefit in terms of cost and utility savings, as well as sustainability, greenhouse gas reduction, and social responsibility. Our projects most often encompass numerous facilities with diverse stakeholder groups requiring multi-jurisdictional support, approval and collaboration. Our projects are structured to benefit the broader communities which our clients service. *We are committed to utilizing the maximum amount of local labor and vendors to bring the greatest value to the wider community.* Local contractors and vendors have a vested interest in the success of the project, relationships that can be leveraged in its support, and an intimate knowledge of the context in which they are working.

Ameresco's success depends upon timely, professional quality workmanship performed by qualified subcontractors who are proficient in the specific technology. In addition to price and technical proficiency, a premium is placed on the ability of the contractor to work cooperatively in a non-disruptive fashion. To this end, it is generally beneficial to engage local subcontractors who have a proven track record of success in similar installations, and an established relationship with the City personnel. Ameresco looks favorably to contractors that have had positive experience with the City. During the design phase, Ameresco will establish a prequalified list of local subcontractors and vendors in collaboration with the City's staff and in accordance with Ameresco's Subcontractor Selection Criteria.

Ameresco maintains detailed subcontracting procedures that help reduce the financial and legal risks associated with subcontracting. By using standard subcontracting documents, internal review and authorization procedures, holding retainage through completion (including punch-list), requiring the City's review and sign-off on subcontracted work during the construction period, and compensating our subcontractors in a timely manner, Ameresco is well-equipped to manage the inherent risks associated with subcontracting. In this manner, Ameresco assumes all of the performance and liability risks of its subcontractors; thereby, the City is sheltered from those same risks.

#### Performance of Work

- **Timelines:** Adherence to schedules and response to schedule orders and emergency requests
- **Quality:** Workmanship, task accomplishment and effectiveness of subcontractor's self-inspection
- **Manpower Use:** Work schedule assignments and measurement techniques
- **Materials Use:** Quality, cost-selection and control and care of materials and equipment

#### Technical Management

- **Management Structure:** Lines of communication between the subcontractor and Ameresco, local autonomy and authority to support by subcontractor corporate headquarters
- **Management Performance:** Subcontractor's performance with respect to supervision, cooperation, responsiveness, initiative, coordination, follow-up, improvements, and economics
- **Planning and Control:** Task accomplishment with respect to planning, estimating resources, schedule control, understanding requirements, and reporting
- **Operations:** Housekeeping, equipment maintenance, training and safety, including progress standards, education, reporting, and accident investigation

#### Business Management

- **Overall Business Management:** Effectiveness of subcontractor-to-business management and management response
- **Purchasing:** Effectiveness of, compliance with and control of purchasing policies and procedures
- **Cost Control:** Cost estimating policies, procedures and practices, control of overtime and absenteeism, cost reduction and statement of the overall program performance

Figure 3.3. Subcontractor Selection Qualification

### STEP 4: ECM CONSTRUCTION

As noted previously, two critical responsibilities that the Senior Project Manager assumes are quality assurance and client satisfaction. To fulfill the quality assurance responsibilities, Ameresco's SPM must ensure that equipment and materials meet the contract specifications and all work is accomplished in a timely and professional manner, including obtaining any required approvals and permits through the City's Building and Safety Division. To fulfill the service responsibilities, Ameresco's SPM will oversee all subcontractor and supply vendor activities to ensure minimal disruption. They will also serve as the primary point of contact throughout the implementation phase. All issues or concerns that arise will be addressed immediately and resolved to the City's satisfaction. Any support that Ameresco's SPM requires to accomplish this level of service will be readily available, and efforts can be supplemented as needed from the reservoir of nationwide talent on Ameresco's staff.

During active construction, Ameresco assigns a dedicated construction manager to manage the subcontractors on-site. This person is responsible for on-going communication with the facilities' occupants and is typically on-site daily, checking-in with subcontractors, making safety observations, performing quality control during construction, verifying compliance with all permit requirements, acting as the client advocate with subcontractors, and problem-solving in unknown environments or unforeseen situations. The SPM and Construction Manager both make decisions with the understanding that for most of our clients, the work we implement is a "once in a generation" opportunity to make an in-depth impact on their facilities. They also understand the long-term impact of equipment installations and relationship between installed equipment and guaranteed project savings. It is with this forward-thinking mindset that decisions are made during the construction process.

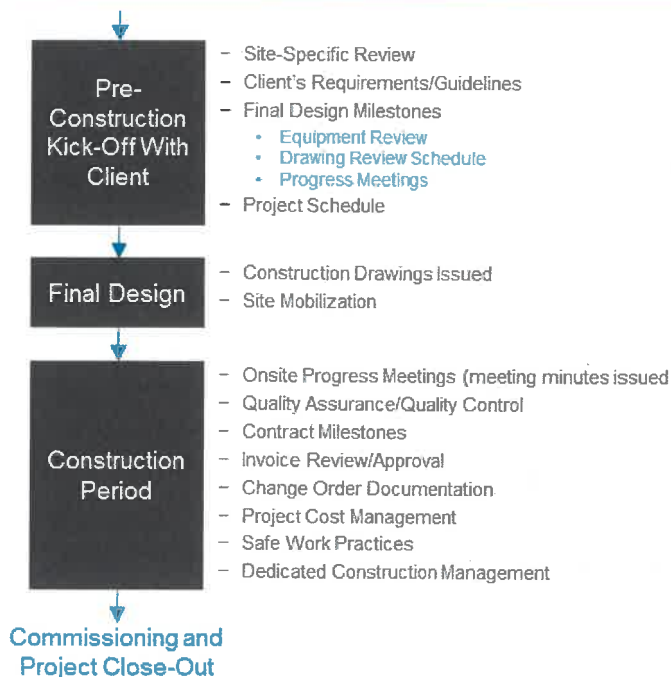


Figure 3.4. Construction Process

### COMMITMENT TO PROJECT SAFETY

Ameresco's SPM also serves as the project safety officer and is responsible for a safe environment for all tradesmen and facility occupants. This staff member will oversee construction-related activities to ensure compliance with all applicable OSHA, state and local codes and regulations.

All phases of project design, implementation, and long-term performance monitoring and O&M services are achieved with safety as our number one focus. In construction, insurance companies use an organization's Experience Modification Rating (EMR) to gauge the past cost of injuries and future chances of risk; the average EMR being 1.0. At 0.69, Ameresco's Experience Modification Rating (EMR) is one of the best in the industry and means that Ameresco's insurance premiums are lower than average, which translates into lower overhead and better project value for our clients. No financial goal, work task, client deliverable, or schedule demand is worth an injury or environmental compromise. It is the responsibility of every Ameresco employee, supplier, contractor, partner, and vendor to strive at all times and on every work assignment to work safely and in an environmentally responsible fashion. In fact, Ameresco considers good health, safety, and environmental performance as a fundamental element of providing industry-leading comprehensive energy solutions on behalf of our clients.

To these ends, Ameresco is committed to meeting or exceeding 100 percent compliance to all established safety and health regulations, zero accidents, and maintaining a safe and healthy work environment.

We currently have implemented policies, procedures, training, and self-assessments to ensure compliance with the following federal regulations, in addition to any site-, client-, and jurisdictional-specific requirements:

- OSHA 29 CFR 1910 (General Industry Standards)
- OSHA 29 CFR 1926 (Construction Standards)
- U.S. Army Corps of Engineers EM 385-1-1 (US Military Safety Standards)
- U.S. Department of Energy 10 CFR 851 (Worker Safety & Health Standards)

The Ameresco Corporate Safety & Health Program incorporates an Integrated Safety Management System (ISMS) approach to ensure compliance and quality in relation to project-specific goals and objectives. The ISMS is a practical approach to the prevention of accidents and emphasizes the necessity of onsite accountability and management of safety planning. A central premise is that work planning starts with a focus on the nature of the job to be performed and assessment of the hazards involved in each step. Using self-assessment and feedback from the site personnel, continuous improvement in each safety process is expected. Ameresco's ISMS approach is based on defining the scope of work, analyzing the potential hazards, developing and implementing mitigation controls, performing the work safely, and providing feedback for improvement.

Because of Ameresco's commitment to safety and strong safety record, Ameresco recently received the National Safety Council's (NSC) Occupational Safety Excellence Achievement Award. This award is given to organizations whose lost workday incident rate is equal to or less than 50 percent of the Bureau of Labor Statistics rating. We have also received the NSC's Industry Leader Award for our industry-leading safety record.

## STEP 5: COMMISSIONING, TESTING, CLIENT ACCEPTANCE

When the installation of an ECM, a whole facility, or logical grouping of ECMs is completed satisfactorily, Ameresco's staff and the installation contractor will commission and test the systems in accordance with the detailed plan described in the ECM write-ups in the detailed IGA. The development and design engineering staff responsible for the conception and finalization of these measures will also assist in the commissioning phase. The City's facilities and maintenance staff will be invited to the commissioning events to ensure their complete understanding of the new equipment and recently installed systems. Ameresco's operations manager will also be intimately involved in this process as part of his responsibility for long-term measurement and verification (M&V) activities.



A significant amount of responsibility is placed upon Ameresco's SPM. For that reason, the individuals who perform these services for Ameresco are extremely experienced and selected for certain projects based upon their unique skill sets and bases of operations. They are appropriately vested with a corresponding level of authority to control the project's progress and all related activities and provided with all the support that is required to successfully accomplish their tasks.

As part of the close-out process, the City will be provided with a "Close-out Book". This document contains the records of all commissioning activities, As-Built drawings, Operations and Maintenance manuals for each ECM, contact information for sub-contractors, and warranty information. An overview of the energy system will be provided, as well as a more detailed examination of specific equipment and components. Documentation will include a review of the O&M manuals, drawings and equipment manufacturers' specification literature. Ameresco has extensive experience preparing training manuals specific to the needs of our efficiency and renewable clients. The training class will use the O&M manuals as a primary textbook.

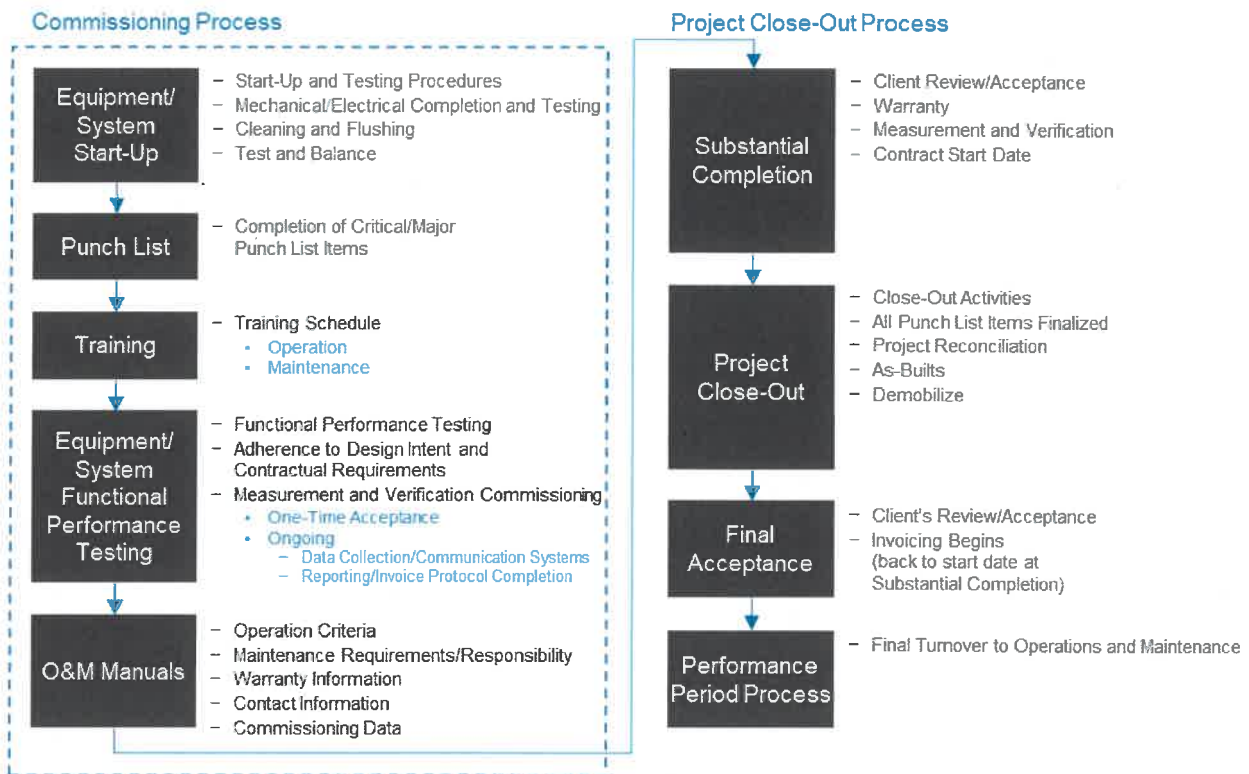


Figure 3.5. Commissioning Process

## PHASE IV: PERFORMANCE PERIOD SERVICES

### STEP 1: CLIENT TRAINING

Training of the City of Beaumont’s staff that will be involved in the long-term operation of the new equipment and systems is of paramount importance. A strong focus on energy savings strategies and maintenance schedules will be provided to those individuals. Because the SPM will be familiar with the newly installed equipment and systems, as well as the City’s facilities and personnel, this staff member is the most appropriate candidate to supervise training efforts. By providing training to the City’s maintenance staff in the proper O&M of the newly installed ECMs, both Ameresco and the City are assured of sustained performance of the equipment and persistency of energy and water savings.

Training typically commences during the commissioning phase when staff will first become acquainted with the new equipment and systems. Training will be conducted in a classroom setting and documented on video to train new staff or provide refresher courses for existing employees. The basic format includes an introduction to the overall installation, so all staff members understand the benefits of the equipment and systems. Each ECM will be explained in detail, including how to operate, maintain, and troubleshoot, as well as any possible interactions with existing equipment. Documentation will include review of operations and maintenance (O&M) manuals, drawings, and equipment specification literature. A hands-on approach will be encouraged to facilitate understanding of all presented material. The training will emphasize the essential role that equipment users and operators play in energy conservation, as poorly maintained equipment will not perform as efficiently as possible, as well as experience more frequent breakdowns and a shortened useful service life. Ameresco will make provisions with the City to conduct training sessions at remote sites if needed. Informal training can also be provided throughout the contract term and may be accomplished in conjunction with an O&M contract.

## STEP 2: LONG-TERM MEASUREMENT AND VERIFICATION, ANNUAL RECONCILIATION

Long-term M&V services and annual reconciliation of performance and savings will be carried out in accordance with the site-specific M&V plan. The M&V plan will be written in accordance with the International Performance Measurement and Verification Protocol (IPMVP), the industry-standard international guideline established to aid organizations understand M&V procedures and support standardization across the industry. The M&V specialist will be instrumental in creating the M&V plans for the City's project and will finalize these plans as part of the detailed IGA process. With his or her responsibility for satisfactory long-term M&V and project performance, the Manager of Measurement and Verification will oversee the M&V of this project in conjunction with local personnel.

- Describe what information, documents, staff assistance, facilities or other resources would be required from the City.

Ameresco's general approach to delivering a comprehensive energy project is centered upon working closely with all project stakeholders to collaboratively develop solutions that meet the City's unique operational, financial, and sustainability goals. As noted in the preceding steps, Ameresco will require the following information or resources from the City:

- Interview facility/maintenance director and staff, administration, and any other stakeholders
- Three years of utility bills
- Any previous utility audits or feasibility studies recently conducted by/for the City
- As-built drawings for existing buildings
- Any available submeter data
- Site escorts during onsite energy audits
- City preferences related to equipment, technology, and/or vendors and subcontractors

Further, Ameresco will work in close collaboration with the City to ensure construction does not interfere with a site's normal operational needs while maintaining a safe and secure environment for the City, citizens, and Ameresco staff members.

- Describe any direct relationship of the company or team member's interest or affiliation with any energy, fuel, product or system.

A visionary and entrepreneur, Mr. George Sakellaris founded Ameresco in 2000. He aspired to build an entirely **product-neutral** and **supplier-independent** energy company that had the skills, capabilities, and foresight to create independent energy solutions that went beyond just conservation; one that addressed a customer's entire energy stream including supply and demand, energy efficiency and renewable energy.

As an engineering based ESCO, we are not invested in a particular technology or solution; therefore, we are not conflicted or biased. We are solely interested in providing the best technology solutions that meets the unique needs of the City. We are experts in and have installed or worked with ALL major controls' technologies, storage technologies, smart city technologies, generation options, etc. This brings the City the best technical solutions at the most competitive price.

- Description of measures or services provided related to energy efficiency, renewable energy, energy storage, asset planning, utility program expertise, energy supply management, and other services relevant to the goals identified in Section 1.

## RANGE OF CAPABILITIES

The following provides a brief description of the typical technologies and systems evaluated for efficiency improvement, infrastructure modernization, and cost savings during a performance-based contract.

## LIGHTING SYSTEMS

### LIGHTING UPGRADES

Ameresco retrofits or replaces well over \$50 million in lighting each year. These include the retrofit and redesign of indoor and outdoor lighting throughout various facility types. Ameresco conducts performance tests for new lamp products on an annual basis at our corporate office to determine which products offer reliable light output at a reduced wattage. Special attention is given to this application to ensure that the appropriate light levels are achieved or maintained in the office, working, and specialty environments. Ameresco routinely performs sample installations for clients to showcase the proposed lighting retrofits, upgrades, and replacements prior to large-scale installations. All interior and exterior lighting will be upgraded with LED technology and capable of 0-10V dimming, daylight harvesting, occupancy and task tuning, and include web-based controls. All will be based on open protocol wireless mesh networks if Boeing so desires.

### DAYLIGHTING

Natural light illuminates spaces while making it more inviting to the occupants. Ameresco has employed several control technologies to harvest this ambient light. Dimming LED fixtures with built-in controllers are now available to automatically adjust the light output of a fixture.

### LIGHTING CONTROLS

Ameresco implements various lighting control systems in a variety of energy conservation projects. Daylighting control is performed using on/off control and dimming ballasts; occupancy-based controls are applied in spaces that are used intermittently; lighting zone controls are applied where portions of buildings are unoccupied while others are in-use.

### LED STREETLIGHTING

Ameresco is a national leader in citywide streetlight conversion projects and is the largest non-utility installer of streetlights in the United States. Our unique approach is designed to maximize energy savings, enhance public safety, and eliminate light pollution. Unlike other ESCOs, Ameresco's approach accounts for the specific application and location of each light through a detailed analysis. We then select the appropriate fixture/ wattage for each location. It is not simply a "like-for-like" product changeout. The end result is upgraded lighting infrastructure that minimizes energy use without sacrificing the quality of the lighting needed at each location.

Ameresco uses a GIS-based design process and high-performance LED luminaires that offer higher efficacy (more lumens per watt of energy) to meet light level requirements with lower wattage luminaires.

Design decisions are made collaboratively with our customer based on their light level requirements, roadway configuration, photometric analysis and field testing, and are dependent on pole heights, pole spacing and other considerations. Should the City desire, Ameresco would also willingly provide a comprehensive pole-by-pole audit of the City's streetlight assets.

Our design objective is to meet light level requirements with the lowest possible energy use and lowest lifecycle cost. By utilizing GIS data, we can design to a highly granular level, ensuring that we do not over- or under-light any areas. In our experience, this approach ensures that light level requirements are met throughout a city, resulting in significantly greater energy savings, and eliminating complaints associated with over lighting.

A key component of the design process is selecting the appropriate correlated color temperature (CCT) for the LED luminaires installed. Recently there have been several high-profile instances in which LED streetlight projects encountered local opposition due to the use of high CCT luminaires, which some people find too harsh and industrial for residential settings. We work with our customers to address this issue early through an open public process.

## MECHANICAL SYSTEMS

### COMPREHENSIVE HVAC SOLUTIONS AND SERVICES

Ameresco's audits focus on building systems when determining opportunities for energy conservation and operational savings. Ameresco has extensive experience implementing HVAC energy conservation projects including replacing chillers and cooling towers, installing variable frequency drives, converting dual duct HVAC systems and multi-zone HVAC systems to variable air volume systems, replacing variable inlet vanes on fans with variable frequency drives, replacing electric duct heaters with hot water systems, replacing electric boilers with gas or oil fired boilers, and converting air-cooled chillers to water cooled systems.

### ENERGY MANAGEMENT AND CONTROL SYSTEMS

Ameresco's engineers and project developers have a wealth of experience in energy management control systems (EMCS) for large and small facilities. Ameresco does not represent any one manufacturer or product line of control system and can work with clients to tailor the system to their needs. As a vendor-neutral ESCO, Ameresco produces unbiased, value-based energy programs to address the unique needs of each of client. Ameresco is neither affiliated with nor a subsidiary of any equipment or system manufacturers. Thus, our energy projects are never influenced by the sale of equipment or systems. Ameresco has worked with all major manufacturers including Johnson Controls, Alerton, Tridium, Network 8000, Siemens, Honeywell, Automated Logic, Schneider Electric, and Andover systems.

Additionally, Ameresco has extensive experience converting systems from pneumatic controls to Direct Digital Controls (DDC), which is often a desired measure to improve the monitoring and control of the systems. Ameresco has experience installing BACNet, LONWORKS, MODBUS, and other open protocol systems. A key element to achieving EMCS savings is eliminating simultaneous heating and cooling within a given zone and matching facility conditions with the needs of the specific facility.

In addition to the installation of EMCS, Ameresco has used EMCS to provide continuous commissioning and re-commissioning of HVAC and lighting systems. As part of a short-term M&V program, Ameresco uses the EMCS to provide 60- to 90-day trend logging on various critical points to make sure that the systems are operating according the energy savings calculation parameters. By using the EMCS to continuously commission (i.e., monitor) the operation, Ameresco verifies the correct operation of the system. Ameresco selects "open protocol" solutions that will allow the City to build on any existing infrastructure for future facilities expansion.

### BUILDING ENVELOPE

Ameresco will conduct evaluations of existing levels of wall, floor, ceiling, and roof insulation. We will examine the design and condition of fenestration (windows/doors), any interior and exterior shading provisions, and construction materials. The extent to which air infiltration may have an effect is noted, and air pressurization techniques are sometimes used to determine air infiltration rates. Consideration will be given to the effect of reflective surface materials, as well as additional weather-stripping, caulking and sealing.

### WINDOWS

Ameresco has experience replacing existing windows with new energy efficient windows. A typical replacement project includes removing the old single pane windows for replacement with dual pane low-emissivity (low-E) windows.

### INSULATION

Ameresco can install insulation and modify soffits to prevent air from infiltrating the return air stream.

### WEATHERIZATION

Installing weather stripping, door gasketing, and sealing air leaks is a simple but effective energy efficiency measure appropriate for most building and facility types.



## ROOFS

Installing reflective cool roof technology improves the reflectivity and emissivity of the roofs surface, improves comfort, and lowers energy consumption.

## SPECIALTY SYSTEMS

Ameresco will audit all systems that use energy including compressed air; industrial processes; laundry and kitchen equipment; trash compaction; and communications, security, and swimming pool systems. We will also investigate savings opportunities in computer power management, power quality, electrical distribution, load management, and demand response technologies.

## WASTEWATER TREATMENT

Wastewater treatment plants often account for 30 to 50 percent of a city's electric bill, which provide an excellent opportunity for energy savings. Pumps, motors, and blowers are often good candidates for replacement. Because aeration could account for over 50 percent of the energy used by wastewater plants, converting mechanical aerators to diffused aeration can be beneficial. Where diffusers are already in place, updating existing equipment with automatic dissolved oxygen controls is often a good measure. Depending on the size of the plant; methane gas can be used to create energy for larger plants if the plants have existing anaerobic digesters. Ameresco has experience capturing, treating, and utilizing methane gas in various applications for large and small wastewater facilities.

We understand that the City's wastewater treatment facility is currently undergoing a significant expansion, as such, the scope of efficiency measures that could be considered at the facility may be limited. As the highest energy user in the City, this facility represents a significant opportunity for reduced utility costs and operational improvements, Ameresco will follow the City's lead at this site and make recommendations in collaboration with the engineer-of-record for the expansion project, as directed. Given the size of the existing facility, there may be a significant opportunity for on-site solar generation either as a City-owned asset or in an Ameresco owned and managed Power Purchase Agreement (PPA). In the PPA model, Ameresco can take advantage of the Investment Tax Credit (ITC) and reflect that benefit in the economics of the PPA.

In addition to these ECMs, the City may also have an opportunity to expand upon current participation in utility demand response programs by exploring controls solutions to enable Automated Demand Response (ADR) at the WWTP. These programs may require controls upgrades and, more importantly, specific controls strategies that allow the facility to receive communications from the utility, in this case, Southern California Edison, and shed energy load while not impacting the integrity of the treatment process. These programs can be lucrative for wastewater treatment facilities if implemented properly. Ameresco will explore these options in collaboration with the WWTP management staff to determine the viability of demand response measures at this site.

We recognize that maintaining compliance with the Regional Water Quality Control Board is the City's highest priority at this facility. Consequently, any proposed process related improvements will be thoroughly vetted with the City's treatment plant management and operations staff at the IGA stage to ensure the modifications are consistent with the City's operational needs.

## IRRIGATION

Irrigation is often a significant budgetary item, especially in Southern California. Ameresco has implemented many projects to reduce this cost by replacing non-native species, including many grasses, with native plants that require little or no watering. At the State of Nevada Belrose and Bradley Buildings in Las Vegas, for example, Ameresco converted over six acres of turf to desert xeric landscape, saving over 10,000,000 gallons per year and substantially reducing landscape maintenance costs. This project also included an Americans with Disabilities Act accessible xeric landscape demonstration garden for use by landscape architect students to showcase the benefits of saving water. Given the ongoing drought conditions in California and accompanying State mandates for conservation, The City can take advantage of incentives available to local agencies for water conservation to enable this work.

For facilities that require non-native grasses or other water-intensive species, such as sports fields, Ameresco can install “smart” sprinkler systems which irrigate based upon the soil’s moisture content. Watering is reduced after a rainstorm, for example, and will likely occur less frequently during periods of high humidity. On average, these systems can reduce irrigation costs by upwards of 30 percent.

### INDOOR PLUMBING SYSTEMS

Inside the facilities, Ameresco will evaluate the feasibility of a number of plumbing retrofits that replace plumbing fixtures and flush valves with lower-flow units, install low-flow aerators on faucets and, in some cases, add automatic controls on fixtures. Old diaphragm flush valves have a historically high maintenance cost for leaky rubber diaphragms. Ameresco replaces these valves with piston-style flushometers that require virtually no maintenance and dramatically reduce the leakage rate.

### KITCHEN AND DINING FACILITIES

There are several energy conservation opportunities within kitchen and dining facilities, including gas pilots on cooking appliances, fuel switching of kitchen equipment, and installation of variable air-volume exhaust hoods to demand control ventilation for dining area make-up air.

### FLEET

Ameresco can work with clients to improve fleet operations to reduce reliance on fossil fuels and enhance vehicle efficiency. In one common solution, Ameresco will install nitrogen tire fill stations to fill tires with nitrogen instead of oxygen. Because nitrogen filled tires lose pressure far less quickly than oxygen, tire life is extended, gas mileage improves (typically between three and ten percent), and maintenance time to inflate tires is reduced. In other cases, Ameresco has provided clients with solar powered or electric golf carts to reduce or eliminate fossil fuel emissions. While the City has invested in compressed natural gas (CNG) infrastructure to fuel the Pass Transit fleet, there are opportunities to get ahead of the “electrification” of public transit fleets that Ameresco can help the City identify as part of our IGA. This includes funding sources for charging infrastructure and purchasing electric vehicles, as well as understanding the short and long-term budget impacts of electrification.

### POOL SYSTEMS

Swimming pools offer a host of opportunities for cost, water and energy savings. Ameresco engineers and project managers have applied a variety of measures for our clients, including installation of pool covers, leak repairs, variable frequency drives, and alternative heating methods. There are also cost savings to be realized by doing on-site and on demand chemical treatment. Producing less toxic solutions on-site enables a facility to reduce health and safety risk by eliminating high concentration hazardous chemicals from the work place, and also enables a facility to generate their own chemicals at a fraction of the cost of buying in bulk.

### COMPUTER AND DATA PROCESSING EQUIPMENT

Because most data centers operate 24/7/365 days per year, they provide a significant opportunity for energy consumption savings. Ameresco has created a process for data centers to significantly reduce the amount of energy required to cool the facilities by taking advantage of a proprietary evaporative cooling process and hot and cold aisle separation structure. Energy savings can be as high as 80 percent in cooling-load reduction. When coupled with utility rebates, data centers can provide a quick payback period that fits most organizations’ capital improvement budget requirements.

### SUPPLY-SIDE SOLUTIONS

Ameresco offers a full range of services on the supply side of the utility meter to ensure utilities are procured at the lowest cost available in the marketplace over the long-term.

### RENEWABLE ENERGY PROJECT DEVELOPMENT

Building upon a strong reputation and nearly 400 MW in renewable energy experience, Ameresco develops energy solutions including solar photovoltaics (PV) and thermal, landfill-gas-to energy, biomass, biogas, geothermal, and

cogeneration and microgrid projects to meet the client's supply needs. Ameresco has the expertise to design and install on- and off-grid renewable energy systems of nearly any size or scope. Further, Ameresco can develop and finance renewable systems with no up-front capital cost, as well as own, operate and maintain the project with a portion of the energy cost savings as payment. With the Federal Investment Tax Credit (ITC) expiring at the end of 2019; it is the optimal time to explore power purchase agreements (PPAs) at City facilities, such as the wastewater treatment plant, where the economics make sense and the City can monetize these private tax credits.

We are experts in designing custom solar PV and thermal systems for clients with challenging operational or installation requirements. Most of our projects are installed on active, high profile public campuses that operate 24 hours a day/7 days a week. These locations require extensive coordination efforts between numerous stakeholders, including site administration, facilities and operations personnel, and permitting agencies to ensure that normal business operations are not interrupted.

### COMMODITY PROCUREMENT

Ameresco can procure energy for use in all facilities at a savings to the alternative utility rates available. Energy procured includes electricity, if allowed by state regulation, and natural gas. Our comprehensive set of services addresses all aspects of creating, purchasing, managing and using energy. Ameresco can work with your energy supplier(s) to ensure they recognize the value of your renewable energy purchases while providing the best electricity pricing available. If savings will not be realized through competitively sourced procurement, then the facilities shall remain with, or be returned to, utility supply. A savings report shall be generated annually.

### RATE ANALYSIS & NEGOTIATION

Using our understanding of tariffs, rate structures, and energy systems, we can reduce the cost of energy by identifying where a more beneficial rate is available, leveraging advantage of economic development riders, and recommending adjustments in the way utility services are purchased, received, or used. Often, a basic audit of the City's utility bills can uncover significant opportunities for savings, simply by changing the account to a more beneficial rate. While time consuming and tedious to City staff, Ameresco's experienced project development team is very familiar with all the applicable rate structures that may be available for a specific account and can decipher whether or not the City is taking advantage of the best rate.

### ENERGY PRICE RISK MANAGEMENT

Volatility in utility prices is a growing concern in California, issues with large natural gas storage facilities and ongoing questions about liability for natural disasters has made utility customers rightfully concerned about how these larger issues will affect their monthly bill. By hedging this exposure, Ameresco can assist clients gain budget stability and predictability. Ameresco offers hedging strategies that integrate fixed price, basis, and swing exposure mitigation. We execute hedge transactions at the best market prices. In addition, Ameresco can assist the City in evaluating the risks and benefits of Community Choice Aggregation (CCA) opportunities. Our deep knowledge and experience in working for the Investor-Owned Utilities in California and crafting Public Utilities Commission programs gives us a unique insight and perspective into the utility landscape that will benefit the City as all options are considered.

## ENERGY INFORMATION SYSTEMS/WEB-BASED SYSTEMS

### ASSET SUSTAINABILITY

The Ameresco Asset Sustainability program helps clients develop strategies to manage the funding gaps associated with aging infrastructure. Asset Sustainability reviews key risk management criteria to identify and prioritize the most important renewal and replacement projects. The program provides valuable data to help decision-makers define long-term capital planning strategies which leverage available funds to maximize project value.

The Asset Sustainability approach incorporates state-of-the-art business processes designed to manage current capital costs and predict the future capital needs for multi-facility public and private property owners, including commercial clients; states, counties and municipalities; higher education institutions; public housing authorities; K-12 schools; and healthcare.

## BUILDING DYNAMICS

### REMOTE OPERATIONS CENTER

Ameresco can provide additional support to the City through remote operation support for heating, ventilation, and air conditioning (HVAC) controls and can provide utility bill management, tracking, and troubleshooting services through Ameresco’s Building Dynamics dashboard and reporting system. Ameresco has experience designing, installing, commissioning, and operating all major brands of HVAC control systems including Johnson Controls, Siemens, Honeywell, Trane, Alerton, Delta, and Automated Logic. The Building Dynamics software system is accessed by our clients via a password protected website. The website is customized to the needs of each individual customer and can even provide customized reports for each different type of user.

### ENTERPRISE ENERGY MANAGEMENT

The Building Dynamics Enterprise Energy Management Software suite collects energy consumption information in a single cloud-hosted repository. It is positioned to help clients with a comprehensive and proactive energy management approach. Through the software, clients can access interactive dashboards, set alerts, and extract reports related to energy performance. Ameresco’s unique position is to provide this software solution alongside its broad energy services expertise to help clients with their strategic energy planning and to adopt a proactive energy management approach, delivering enhanced and sustained savings.

The Building Dynamics software can be tailored to meet the unique goals and needs of the City. A few examples of the interactive interface capabilities showing real-time data follows:



Figure 3.6. Enterprise Energy Management Suite

### PUBLIC ENERGY DASHBOARD

Employee and/or public facing occupant engagement dashboards are designed for viewing from displays and kiosks and through a website providing access to the desired audience. These dashboards provide an overview of buildings performance, real-time energy usage, sustainability metrics, and educational materials. Their goal is to increase awareness and drive occupant engagement towards behavior change and sustainability efforts. Additionally, dashboards can incorporate the City’s own content, such as html files, images, Facebook pages, Twitter, and other blog feeds into the dashboard.



- Description of project financing models, asset ownership offerings, public-private partnership opportunities, or service agreements available to the City.

The City of Beaumont has overcome significant hurdles in recent years that have led to drastic improvements in budgetary processes and fiscal accountability. Ameresco recognizes Beaumont's need to maintain financial responsibility and maximum transparency with the community about any financing obligations that the City assumes. Ameresco is committed to assisting the City in finding the right financing solution that meets the unique goals and needs of the City.

Ameresco's technology and vendor neutral approach flows through to our financing and allows for multiple options. Ameresco's finance professionals have years of experience assisting clients identify the most cost-effective financing mechanisms for implementing a wide array of energy projects including tax-exempt financing, power purchase agreements (PPAs), or some combination thereof.

Ameresco has sourced and raised more than \$3.0 billion of project financing over the past 19 years, from various lending sources including John Hancock, Bayerische Landesbank, Bank of America, Capital One, Chase Bank, Crews and Associates, Hannon Armstrong, Union Bank, and several other financial institutions. Using existing cash resources, cash flows from Ameresco's operating activities, and access to credit through multiple lending relationships, Ameresco has the resources necessary to develop, implement, and finance the many of our clients' projects.

Ameresco receives no remuneration for these services. Depending upon the needs of the City, the responsibilities of Ameresco's finance team may include:

- Assisting in the development of an RFP in conjunction with the City to select a financing institution who will be responsible for providing the financing
- Leveraging lender relationships to encourage responses from those experienced with financing energy projects
- Utilizing market knowledge and experience to review and analyze bidder responses
- Preparing a summary of bid results, highlighting distinguishing factors of the proposals for the City's review
- Reviewing RFP results with the City to assist in the selection process
- Introducing City staff to selected lender and interface with all parties involved in the financing process
- Determining timetable for closing of escrow and initiation of project construction
- Finalizing project financial model and contract to reflect final financing terms and conditions

Our financial agnosticism is unique in our industry in that we are happy to provide financing comparisons to our clients for the financing structure that meets each clients' goals. Any project should be approached with an open mind as to whether there are tax credits or speed to completion which may steer a project towards a project financed by the City's energy partner. However, anytime that is considered, we should also look at the cost-benefit of having the City provide financing through a capital lease or other means unique to each client.

Ameresco has a robust business in the federal energy market where all of the financing transactions are taxable service agreements. Further, we have extensive experience working under service agreement models and the risk reward tolerance of the City can drive the decisions throughout the process of developing in a structure that most suits the City.

Ameresco is dedicated to continually working with public utilities; local, state, and federal agencies; and other pertinent organizations to keep abreast of the latest rebate and incentive program offerings and guidelines to help maximize the amount of additional funding clients can receive in support of their energy projects. For Beaumont, Ameresco's project team would work closely with the City's Southern California Edison and Southern California Gas Company representatives to take advantage of the programs available to the City. The in-house structured finance

team will work closely with project developers to ensure the final solution meets all rebate and incentive requirements from local, state, and federal sources.

- Describe significant construction issues involving the following: 1) equipment non-performance, 2) design or development issues and 3) unexpected delay; and how they were resolved.

Construction issues are an inevitable part of our business, and our project delivery team is equipped with the power to make decisions in an expedient manner. Ameresco approaches all decisions made during construction from the perspective of creating a “win-win” situation for our clients and Ameresco. The strongest evidence for this is our percentage of repeat customers within the past 5 years; 54% of our clients in the Southwest region have selected Ameresco to implement multiple phases of work. The examples provided below do not specifically name the customers involved, however, Ameresco can provide references to the City if requested.

### EQUIPMENT NON-PERFORMANCE

Ameresco worked with a customer in Texas to install a new 1,000-ton chiller with dual compressors as part of a comprehensive energy project. One week after the equipment was initialized, it began to experience a series of component failures over a 90-day period. Similarly, a 1,500-ton chiller had been installed at the same site and was experiencing no issues. Ameresco worked with the equipment manufacturer and distributor to address the urgent repairs, provide a 10-year warranty for parts and labor at no additional cost to the customer, and to have the manufacturer remotely monitor the chiller 24/7. Finally, to guarantee that the client is covered in the event of another failure, Ameresco worked with the equipment manufacturer to secure an agreement to replace the equipment in the event of another major failure. With the root cause addressed and ongoing monitoring services in place, the equipment has been operating without a single failure since the initial challenges appeared. Ameresco leveraged our relationship with both the equipment manufacturer and the distributor to mitigate future risk of equipment non-performance and took the lead on negotiating the best long-term solution for the customer.

### DESIGN OR DEVELOPMENT ISSUES

During the development phase of a recent project with a municipality in California; Ameresco identified an opportunity to retrofit the exterior lighting of several of the City’s facilities to LED. However, in the time between the delivery of the investment grade audit and the approval of the construction contract; the lighting incentives previously identified as available through the local utility company were adjusted by the California Public Utilities Commission in a manner that did not produce a financial benefit to the City. Ameresco worked collaboratively with City staff to identify another site with a lighting retrofit opportunity which resulted in greater energy savings to the City than the original scope of work. The realization of additional energy savings over the term of the project produced a net financial benefit to the City that exceeded the amount that had been lost in discontinued utility incentives.

### UNEXPECTED DELAY

While working to close-out a project with a public agency in California; due to unforeseen circumstances, the entire Board of Trustees that originally approved the project had turned over between the start of the project and the project closeout period. The subsequent financial distress and confusion that the agency experienced delayed Ameresco’s ability to close out the project. Unlike other contractors that were under contract with the agency, Ameresco did not seek legal or financial recourse for the ongoing project delays. Instead, Ameresco worked to educate the new board members about the project while staying firm on our original price and eventually worked with the staff and new board members to close out the project successfully. Ameresco understood that being a good partner to the agency meant not piling on to an already difficult situation and would not result in a successful project or a satisfied customer.

## TAB FOUR: PROJECT REFERENCES

The intent of the project references section is to judge the breadth of expertise and successful outcomes of the responding firm. Provide (1) recent representative project reference for the following services. Project or service must have been provided in the last five years.

- Name and Location of project
- Project price and savings, if applicable
- Project approval and completion dates
- The energy conservation measures implemented or deliverable to the customer
- Customer name, title and contact information

### 1. ENERGY SERVICE PERFORMANCE CONTRACT

#### NATIONAL CITY CITYWIDE ENERGY AND WATER CONSERVATION PROJECT

National City, California

<https://www.sandiegouniontribune.com/communities/south-county/sd-se-national-city-energy-conservation-20190221-story.html>



#### PROJECT PRICE

\$5,403,308

#### PROJECT SAVINGS

National City expects to realize \$240,000 in annual energy savings. The project is expected to generate savings of \$5.6 million over the next 25 years.

#### PROJECT APPROVAL

June 2017

#### PROJECT COMPLETION

March 2019

#### PROJECT SCOPE

In 2014, Ameresco was awarded an IGA to develop an Energy Savings Performance Contract for the City of National City. Subsequently, in 2016, the City issued a Notice to Proceed to Ameresco to then move forward with the final development of an energy savings performance contract (ESPC). In 2017, the City of National City awarded Ameresco an ESPC designed to save the City more than 18 percent annually in utility costs. Energy improvements include comprehensive interior and exterior LED lighting retrofits, solar photovoltaic (PV) installations, HVAC mechanical and controls, duct cleaning, as well as domestic water and irrigation control retrofits. While this project included energy savings, it allowed the City to address underfunded critical deferred maintenance needs.

**"It transitions us into a more sustainable environment, providing new equipment to allow us to move into a much longer facility life(span) and keeps us operating at a more cost-efficient amount"**

Jose Lopez, Associate Civil Engineer  
to The San Diego Union-Tribune

Ameresco was able to assist National City in securing \$17,979 in energy and water rebates.

#### CLIENT REFERENCE INFORMATION

Stephen Manganiello  
Deputy City Manager  
National City  
P: 619.336.4380  
E: [smanganiello@nationalcityca.gov](mailto:smanganiello@nationalcityca.gov)

## GENERAL SERVICES ADMINISTRATION REGION 9 SAN DIEGO SERVICE CENTER

San Diego, California

<https://www.ameresco.com/ameresco-partners-u-s-general-services-administration-federal-espc-arizona-california-nevada/>

### PROJECT PRICE

In 2016, as part of the second round of the NDER Program, GSA awarded Ameresco an ESPC task order for solar PV with a battery storage system, water conservation measures, and energy efficiency upgrades to 12 Federal buildings across three Western states. The total contract, valued at \$26.4 million with the additional modifications, is designed to provide facility-wide energy conservation measures to federal buildings and courthouses located in Arizona, California, and Nevada.



### PROJECT SAVINGS

The total project is expected to achieve \$1.4 million in verified energy savings.

### PROJECT APPROVAL

April 2016

### PROJECT COMPLETION

February 2018

### PROJECT SCOPE

The project scope included energy and water conservation measures and advanced building envelope solutions (such as new double pane windows, revolving entry door, and architectural glass wall around a jury assembly room to reduce air changes and improve juror comfort). The project also featured the deployment of 644.5 kilowatts of solar on carports and rooftops across the facilities, integrated smart building controls at all buildings, high-efficiency transformers, optimized primary-variable chiller systems with temperature reset and part-load optimization controls at several of the buildings, and 30,000 new high efficiency light fixtures with dimmable controls. Ameresco implemented HVAC upgrades and HVAC controls optimization at several locations, including chilled water system improvements; chiller plant optimization; installation of a new, high-efficiency centrifugal water-cooled chiller, and boiler plant optimizations. Ameresco deployed a 750 kW / 1500 kWh Tesla Battery Storage System for Advanced Demand Response (ADR) to work together with the PV to reduce the facility's total demand and electricity costs.

Ameresco built the total project ahead of schedule and under budget to the satisfaction of the GSA customer. The variety of ECMs, the number of sites, and the need to mobilize in different states with slightly different work requirements presented a significant project management challenge. Ameresco addressed these challenges through frequent communication with the customer, and close coordination of all construction activities. For the battery and PV work at the San Diego site, Ameresco's in-house engineers led the interconnection process with the utility (SDE&G). This allowed us to successfully complete the commissioning and testing of the electrical interconnection on schedule.

### CLIENT REFERENCE INFORMATION

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## 2. POWER PURCHASE AGREEMENT

### DRUG ENFORCEMENT ADMINISTRATION, EL PASO INTELLIGENCE CENTER

El Paso, Texas

<https://www.ameresco.com/ameresco-and-u-s-drug-enforcement-administration-commemorate-completion-of-new-2-5-megawatt-solar-system/>

#### PROJECT PRICE

\$5.5 Million

#### PROJECT KWH GENERATED/SAVINGS

This unique finance schedule will allow the Government to save over \$1.6 Million over the 20 year performance period.

#### PROJECT APPROVAL

September 2017

#### PROJECT COMPLETION

August 2018

#### PROJECT SCOPE

Ameresco recently completed a 2.5 MW solar system comprised of two ground-mount solar PV arrays on the site of the El Paso Intelligence Center (EPIC). The PV system is designed to produce up to 85 percent of EPIC's electricity usage. Onsite clean energy generation via the PV system also supports energy security and resiliency, which is critical to the around-the-clock operations at EPIC that supports DEA's overall mission.



The solar facility will reduce electricity costs, provide long-term electric pricing stability, and will reduce carbon emissions of more than 3,400 metric tons annually. Ameresco will own and operate the solar system for a period of 20 years providing electricity to the DEA.

The DEA contracted with Ameresco in September 2017 under an Energy Savings Performance Contract (ESPC) through the U.S. Department of Energy's ESPC ENABLE program. The contract with Ameresco was uniquely structured to capture the financial benefits of the solar investment tax credit through an energy sales agreement within the traditional ESPC.

Overall, the ESPC is expected to achieve more than \$9.2 million in energy cost savings. As part of the energy project, Ameresco also converted more than 1,400 interior and exterior lighting fixtures to high-efficiency LEDs.

The solar system is the DEA's first renewable energy system and first ESPC that will advance agency expertise in renewable energy system installation and integration that can be used by other government facilities. The U.S. Department of Energy's Federal Energy Management Program (FEMP) provided technical support for project development, including grant funding through the Assisting Federal Facilities with Energy Conservation Technologies (AFFECT) program.

#### CLIENT REFERENCE INFORMATION

Mike Sandler

Energy Program Manager

U.S. Department of Justice

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## PROMINENT HEALTHCARE PROVIDER

### California and Hawaii

Ameresco has partnered with a leading healthcare provider to develop and install a solar portfolio throughout 105 sites totaling 72 MW in California and Hawaii. Projects include rooftop, ground mount, parking garage superstructure, and parking lot carport installations. As of March 2019, there are 45 facilities with solar completed by Ameresco totaling 20.8 MW. These projects include a beautiful 972 kW-DC solar superstructure in Pleasanton, CA and a 544 kW-DC carport in Livermore, CA. These projects have tapped into incentives offered by the Sacramento Municipal Utility District's and Los Angeles Department of Water and Power's Solar Incentive Programs.

To minimize parking disruption while facilitating uninterrupted services to their members, Ameresco's construction team utilized phasing strategies, off-site and valet parking, as well as off-hour work for specific construction tasks and utility shutdowns. Through disruption planning coordination with each Site Service Administrator and their respective team, Ameresco proactively mitigated any potential disruption to the daily operations during the installation phase.

**KWH GENERATED ANNUALLY:**  
33,660 MWh/Year

**PROJECT PRICE**  
\$67,865,218

### PROJECT KWH GENERATED

The PV systems produce approximately 34.3 million kilowatt hours (kWh) per year

**PROJECT APPROVAL**  
August 2013

**PROJECT COMPLETION**  
Various 2014 through May 2019

### PROJECT SCOPE

Ameresco has partnered with a leading healthcare provider to develop and install a solar portfolio throughout 105 sites totaling 72 MW in California and Hawaii. Projects include rooftop, ground mount, parking garage superstructure, and parking lot carport installations. As of May 2019, there are 45 facilities with solar completed by Ameresco totaling 20.8 MW. These projects include a beautiful 972 kW-DC solar superstructure in Pleasanton, CA and a 544 kW-DC carport in Livermore, CA. These projects have tapped into incentives offered by the Sacramento Municipal Utility District's and Los Angeles Department of Water and Power's Solar Incentive Programs.

To minimize parking disruption while facilitating uninterrupted services to their members, Ameresco's construction team utilized phasing strategies, off-site and valet parking, as well as off-hour work for specific construction tasks and utility shutdowns. Through disruption planning coordination with each Site Service Administrator and their respective team, Ameresco proactively mitigated any potential disruption to the daily operations during the installation phase.

### CLIENT REFERENCE INFORMATION

*Client has requested that specific references only be provided on a case-by-case basis. Should the City desire additional information, Ameresco will make the appropriate requests.*



### 3. ENERGY MASTER PLANNING OR ENERGY SUPPLY MANAGEMENT

#### SAN JOAQUIN COUNTY – FOOTHILL LANDFILL GAS TO ENERGY (LFGTE) AND SOLAR PHOTOVOLTAIC PROJECT

Linden, California

##### PROJECT PRICE

LFGTE Project: Confidential

Solar Project: Approximately \$10 Million

##### PROJECT REVENUE/ENERGY SAVINGS

LFGTE Project: The County is compensated via a royalty rate for the landfill gas. This rate is confidential.

Solar Project: Savings is projected to be over \$250,000 annually.

##### PROJECT APPROVAL

LFGTE Project: February 2012

Solar Project: Solar Amendment, August 2018; Final Planning Approvals Expected August 2019

##### PROJECT COMPLETION

LFTGE Project: April 2014

Solar Project: Construction is expected to begin in Q3 2019 and be completed Q1 2020

##### PROJECT SCOPE

Ameresco is one of the largest landfill gas to energy (LFGTE) developers in North America. In the past 10 years, Ameresco has developed more landfill gas (LFG) projects in California, than any other renewable energy developer. This portfolio of successful projects includes 10 projects throughout California. Some of the plants simply capture the landfill gas and sell it to various public and private entities. Some of the end uses include alternate-fuel electricity production to cities and towns, steam production for industrial processes and space heating, as well as domestic hot water and air conditioning.

Ameresco has been very successful in bringing projects on-line in a quick and cost-effective manner, in a way that promotes and enhances environmental protections and emissions reductions. Ameresco has rescued and resurrected several projects that were abandoned by other developers, developed challenging projects that required

**“The County needed to make some energy out of that trash. The County was just burning the methane – what a waste. Methane is now money to the County.”**

Desi Reno, Integrated Waste Manager

a little more innovation and thought, and we have taken on projects that were undesirable to other project developers because of size or location. As a result, our project portfolio is diverse; our projects are large and small, direct use and electric generation; and have different end users, and project configurations. The common thread among all of these projects is that the Ameresco team was able to find a way to overcome project development barriers to complete projects and realize significant emissions reductions.

In early 2014, Ameresco completed a 4.3 MWe LFGTE project at the Foothill Landfill in Linden, CA. The facility, combined with a second new facility located at San Joaquin County’s nearby landfill, are expected to generate 8.6 MWe of clean energy which will provide clean power for more than 5,100 local homes and businesses annually. In



order to bring these projects to fruition, Ameresco partnered with the City of Palo Alto, a very progressive utility determined to provide the residents and local business community with clean energy at affordable prices. We are fortunate to have the citizens of Palo Alto and San Joaquin County as clients and look forward to serving them with energy from this new renewable resource.

Ameresco is currently in the engineering and planning phase to implement a turnkey solar-supplied energy system for the County of San Joaquin. The project will utilize the RES-BCT program in which a single large array will be installed and meters throughout the county will be credited with a reduction in their energy bills.

The proposed solar system consists of approximately 13,554 solar modules designed to provide a solar output of approximately 5 MW-DC. Ameresco will own, operate, and maintain the system under a PPA.

### CLIENT REFERENCE INFORMATION

Desi Reno  
Integrated Waste Manager  
San Joaquin County  
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## CITY OF CHICAGO ENERGY SUPPLY MANAGEMENT

Chicago, Illinois

### PROJECT PRICE

\$120 Million in managed energy spend

### PROJECT SAVINGS

Over \$10 Million in documented savings to the City since the project initiated.

### PROJECT APPROVAL

2013

### PROJECT COMPLETION

Current Renewal through November 2021

### PROJECT SCOPE

Ameresco delivers a comprehensive energy supply management scope to the City of Chicago including energy procurement and price risk management, energy invoice validation, budgeting, and reporting. The City has an annual energy spend of over \$120 million on electricity, natural gas, diesel and gasoline. Ameresco assists the City for all of these energy forms. Ameresco drafts the City's annual energy budget and reconciles it monthly across 31 departments within a strict timeline. Additionally, Ameresco conducts conference calls with key City decision makers every other week during which market dynamics, performance reporting (budget vs actuals, hedge report, value report), and open action items are reviewed and discussed. Ameresco validates the City's utility and supplier bills using customized models, finding billing errors a typical utility bill management company would not find.

Ameresco also once performed oversight of the City's municipal aggregation program; however, that program is no longer extant. Ameresco leaves no stone unturned when it comes to finding savings and managing risk.

### CLIENT REFERENCE INFORMATION

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## 4. SMART CITIES PROJECT

### WICHITA FALLS MULTI-PHASED WATER METER AND STREETLIGHTING RETROFITS

Wichita Falls, Texas

#### PROJECT PRICE

Phase I, Water Meter Retrofit: \$15,884,487    Phase II, Streetlighting Retrofit: \$2,880,784

#### PROJECT REVENUE/SAVINGS

Phase I, Water Meter Retrofit: \$1,043,386    Phase II, Streetlighting Retrofit: \$235,664

#### PROJECT APPROVAL

Phase I: February 2016  
Phase II: August 2018

#### PROJECT COMPLETION

Phase I: June 2018  
Phase II: July 2019

#### PROJECT SCOPE

The scope of the **Phase I** project included a replacement of 33,249 water meters, rebuilding of 189 existing Sensus Omni T2 water meters, and the installation of a fixed-based Sensus FlexNet AMI (Advanced Metering Infrastructure) system.

Ameresco and the City of Wichita Falls evaluated four different AMI systems and water metering technologies. In June 2018, Ameresco deployed a turnkey fixed-based AMI system for the City. The new AMI system is the Sensus FlexNet system that uses its own licensed radio frequency for wireless communication. Installation of the

network infrastructure consisted of the installation of four Sensus M400 Base Transceiver Stations at the City's existing water towers. For the communication backhaul to the remote host, the system uses the cellular backhaul via AT&T wireless service. Ameresco installed four Sierra Wireless GX450 cellular modems for the backhaul. The Sensus FlexNet system was ultimately selected by the City based on its unique compatibility with the City's existing infrastructure and licensed frequency to mitigate the risk of potential RF interference.



SMART CITY USE CASES



Following the successful Phase I project, **Phase II** included the streetlighting replacement of approximately 5,500 existing fixtures with energy efficient LED fixtures with optional savings through energy savings guarantee and maintenance program. Due to the nature of the photocells installed, this project positions the City as "smart city ready" in the event that the City desires to incorporate smart city applications in the future by connecting to these new photocells. Further, with the 3000K and 4000K fixtures installed as part of this project, the City adheres to International Dark-Sky Association recommendations, as well as American Medical Association (AMA) recommendations for appropriate lighting levels in a municipality; thus, bringing additional value to Wichita Falls residents for years to come.

#### CLIENT REFERENCE INFORMATION

Phase I:  
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Phase II:  
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## TAB FIVE: ADDITIONAL BENEFITS AND VALUE-ADDED ELEMENTS

- Describe any additional benefits that may result from ECM implementation and the respondent's added value elements.

Ameresco is excited about the opportunity to partner with the City to deliver projects that will demonstrate innovation, creativity, leadership in environmental conscientiousness, and fiscal responsibility. Together, we will provide a comprehensive strategy that advances the City's unique goals while providing a positive cash flow and creating a safer and more comfortable environment. Throughout each phase of the performance contract, the City of Beaumont will benefit from the following qualifications and capabilities:

- We are a flat organization, which means our employees have access to key decision-makers and are empowered to make quick decisions. Our lack of overhead also allows us to employ effective cost structures for our clients.
- Ameresco fully guarantees the project savings, and savings that exceed our guarantee will be retained by the City. The U.S. Department of Energy identified Ameresco as the leading energy service company delivering the highest energy savings per dollar invested.
- Our design-build approach helps to mitigate risks by our guaranteed fixed project cost with no change orders.
- Our project teams are onsite, empowered, and encouraged to make all local site-specific decisions.
- Our agenda is your agenda, since we are not affiliated with any specific products or service; we provide our unbiased, objective recommendations based on the best solutions available to the City. Our projects are never influenced by the sale of equipment or systems or ties with installation subcontractors.
- Ameresco strives to employ local labor and subcontractors to maximize the project's economic impact in the local community.

The key differentiators that Ameresco brings to this effort include:

- **Flexibility-** We clearly understand that dynamic environment of our municipal clients, from unfunded State mandates to the localized political sensitivities that impact a project's success. **Ameresco has mastered the ability to provide maximum flexibility in our engineering and design approach while simultaneously providing guaranteed results to our customers.**
- **Innovation and Vendor-neutrality-** Ameresco has an impressive background implementing innovative, new-to-market technologies that can provide significant energy, process, and operational savings to our clients. **We bring value by taking on the risk and ongoing performance guarantee for these technologies, making it easier for our clients with an appetite for innovation to install new technology solutions.**
- **Customer-centered approach-** Ameresco prides itself on our long-term relationships with our customers. Specific to the Southwest Region, we are proud to report that **54% of our clients in the last five years are returning customers.** We have a reputation in the industry for making good on our guarantees, rather than litigating them.
- **Pricing transparency and Financing flexibility-** Ameresco is very accustomed to working under a transparent pricing approach: Ameresco is an awardee under several of the U.S. Department of Energy ESPC contracts, and as part of the selection process Ameresco agreed to a not to exceed mark-up on typical energy conservation measures. **Ameresco has replicated this approach in the non-Federal space and found that this process fosters the development of an open relationship that serves as the foundation for a long-term partnership.**
- **Signature Project for the City-** Ameresco is committed to building our business in California and is positioned to provide significant resources focused on promoting projects through public outreach, peer education workshops, publishing white papers and case studies in relevant trade publications, and sponsoring events that showcase successful projects. **We are committed to sharing the City's success and showcasing your**

**innovative leadership to both internal and external stakeholders using relevant metrics that speak to the specific benefits of a turnkey, budget-neutral energy efficiency project.**

- **Expertise** - Our organization is structured regionally with a broad bench of experts in the industry, in fact, 70% of our employees have technical energy backgrounds. **Not only have we attracted the best talent from other ESCOs, we have also incorporated the preeminent experts in solar and energy storage, streetlighting and smart cities, renewable natural gas (waste to energy), Public-Private Partnerships (P3), Power Purchase Agreements microgrids, decarbonization, CCA's and other areas of innovation.** This allows us to bring the best experts into the project in the most streamlined and cost-effective structure.
- **Comprehensive Energy Partner** - Ameresco is truly a comprehensive energy partner. **In California and throughout the country and parts of the world, Ameresco provides services and solutions that span the energy spectrum.** We serve Utilities, providing consulting on public utility programs and provide tracking and implementation services. We provide in-house Asset Management and facility condition assessment services to capture, plan, and evaluate needs. We provide commodity supply services for bulk purchases of most major commodities. We provide financial solutions, including Ameresco as an equity owner, P3 partner, and provide expertise in leveraging the combined lowest cost of capital through government and utility programs as well.
- **Campus Expertise, Complexity Across Many Moving Parts** - Ameresco has extensive experience with campus, multisite projects. This includes extensive experience working in facilities operated and occupied around the clock, as well as high-security areas, including data centers, correctional facilities, historic places and agency headquarter buildings. **Our experience allows us to adapt to unique scheduling constraints, security requirements and operational needs sensitive to public facility concerns.**
- **Ameresco Self-Performs All of the Key Expert Aspects of the Project** - Ameresco self-performs the project development, engineering, project management, construction management, commissioning, M&V, and some O&M services as well. Under some contract structures, Ameresco also can act as the owner and equity financier of projects. Ameresco also self-performs additional services with Utility program integration and management, asset management, facility condition assessments, and other engineering and construction services. **To get the best pricing for the best solutions, we incorporate local small businesses, M/W/DVBE, SBE, and other local contracting entities, in conjunction with bidding out the subcontract trades to minimize the cost to the City.** Our procurement team has master purchasing agreements where we direct purchase through manufacturers, eliminating any stacking of markups.

## POWERED BY OUR VALUES

Ameresco's values shape our culture and the way we conduct business. Our values are aligned with CARING about our stakeholders and are instrumental in guiding every aspect of our business.



### COMMITTED

Engaged, loyal and accountable to our stakeholders in achieving our shared goals

### ATTITUDE

Demonstrating a can-do attitude.

### RESOURCEFUL

Nothing is insurmountable. We do more with less

### INTEGRITY

Empowered to do the right thing with consistent and high ethical standards in everything we do, by embracing honesty, fairness, respect and safety

### NIMBLE

The flexibility to remain ahead of a changing environment by being entrepreneurial, passionate, open, innovative and smart.

### GREATNESS

Leading the industry by pursuing excellence and innovative solutions, demonstrating the highest standards, leveraging experience, and unlocking the hidden potential to create a more efficient, sustainable world.

## CONTACT OFFICE

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### Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Jeff Mohlenkamp, Finance Director  
**DATE:** February 18, 2020  
**SUBJECT:** Review of FY 2019 Audited Financial Statements

---

**Background and Analysis:**

On an annual basis the City is required to have an independent audit of our internal controls and financial statements. The audit for FY 2019 is complete and the financial statements are included as **Attachment A** for City Council review.

The audit provides for an unmodified (“clean”) opinion, which means that the financial statements present fairly, in all material respects, the financial position of the City. The audit process includes an interim period review of internal controls and testing of both transactions and year end balances. All of these processes are completed by the independent auditor.

The single audit for the fiscal year ending June 30, 2019, is in final draft form, it has an unmodified (“clean”) opinion, which means that the federal assistance received was appropriately spent. Included with this audit is the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and the Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and on Schedule of Expenditures of Federal Awards. Comparison of findings for June 30, 2017, and June 30, 2018, are as follows:

	June 30, 2018	June 30, 2019
Material Weakness	5	1
Significant Deficiencies	1	2
Other Matters	0	0
Compliance	0	0

Only 1 of the 5 material weaknesses identified during the FY 2018 audit remains for FY 2019. This concerns business license reconciliations. There are no new material weakness internal control findings in the report for fiscal year ending June 30, 2019. There is one new significant deficiency regarding controls over how to handle electronic funds transfers. These findings are detailed in Attachment B to this report.

**Fiscal Impact:**

The estimated cost for audit services is \$86,500. A considerable amount of staff time was spent both preparing the financial statements, responding to audit requests and reviewing the financial statements. These costs cannot be reasonably estimated.

**Recommended Action:**

It is recommended the City Council receive and file the FY 2019 Audited Financial Statements and the Single Audit Report for FY 2019.

**Attachments:**

- A. FY 2019 Annual Financial Report and Independent Auditor's Report (Final)
- B. FY 2019 Single Audit and Independent Auditor's Report (Final Draft)

# City of Beaumont

Beaumont, California

## **Annual Financial Report and Independent Auditors' Report**

*For the Year Ended June 30, 2019*



# City of Beaumont, California



## ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2019

Prepared by the Finance Department

Jeff Mohlenkamp, Director of Finance

Lisa Leach, Senior Accountant

Jennifer Ustation, Senior Accountant

Shay Norville, Payroll Clerk

Jacqueline Miranda, Accounting Technician

Karee Keyser, Accounting Technician

Justine Wickman, Accounting Technician

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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For the Year Ended June 30, 2019

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For the Year Ended June 30, 2019

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**City of Beaumont  
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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members  
of the City Council of the City of Beaumont  
Beaumont, California

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members  
of the City Council of the City of Beaumont  
Beaumont, California  
Page 2

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion, Analysis, the Budgetary Comparison Schedule, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Pension Contributions, as identified in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Non-Major Governmental and Fiduciary Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Non-Major Governmental and Fiduciary Fund Financial Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the The Combining and Individual Non-Major Governmental and Fiduciary Fund Financial Statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and other matters and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*The PwC Group, LLP*

Santa Ana, California  
February 13, 2020

**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**

---

This is management's discussion and analysis of the City of Beaumont's financial activities and performance for the fiscal year ended June 30, 2019 and comparison to June 30, 2018. Please read this in conjunction with the City's financial statements, which follow this discussion and analysis. All statements have been condensed for purposes of the MD&A. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations or change in net position.

**FINANCIAL HIGHLIGHTS**

- Revenues grew at a moderate pace, with some larger increases being driven by continued economic growth in both the residential and commercial areas.
- The City was managed in compliance with the adopted budget and has adopted or updated several financial policies.
- The City has contracted out the remaining elements of its solid waste program and has entered into a franchise fee agreement with Waste Management of the Inland Empire.
- The City completed a significant refinancing of CFD bonds that resulted in reduced costs for property owners.
- The City issued revenue bonds to finance the construction of a new wastewater treatment plant and brine line connection to the regional sewer treatment network.
- Significant progress was made on large capital projects, including the Potrero interchange and sewer plant project.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: (1) government-wide; (2) fund financial statements; and (3) notes to the financial statements. This report also contains supplementary information to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the overall financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and vested sick leave.

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, community services, and refuse. The business-type activities of the City include wastewater and transit operations.

The government-wide financial statements include the City itself (known as the primary government) in addition to four legally separate entities for which the City is financially accountable: (1) Beaumont Utility Authority (BUA), (2) Beaumont Financing Authority (BFA), (3) Beaumont Parking Authority (BPA), and (4) the Beaumont Public Improvement Authority (BPIA).

**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, capital projects, and debt service funds). Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Facilities District Funds, General Capital Project Fund, Development Impact Fees Capital Projects Fund, and Beaumont Financing Authority Debt Service Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements reported as supplementary information.

The City adopts an annual appropriated budget for its major funds except the General Capital Projects Fund, which is budgeted on a project basis. Budgetary comparison statements have been provided for these funds to demonstrate compliance with budgets.

Proprietary funds are generally used to account for services for which the City charges customers – either external customers or internal customers or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two proprietary funds.

*Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its waste water and transit operations, both of which are considered to be major funds of the City.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for private-purpose trust fiduciary funds is much like that used for proprietary funds.

**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

Notes to the Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes schedules required to be presented showing information related to the City's pension plan, and a budgetary comparison schedule for the general fund and the Community Facilities Capital Projects Fund.

Supplementary Information includes the Budgetary Comparison Schedules and the Combining statements and Schedules of the non-major governmental funds, internal service funds, and agency funds.

**GOVERNMENT WIDE FINANCIAL ANALYSIS**

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial statements – and Management's Discussion and Analysis – for State and Local Governments* for the fiscal year ending June 30, 2019.

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's overall financial position. For the City, net assets, including deferred outflows of resources exceeded liabilities, including deferred inflows of resources, by \$441.4 million at the end of the fiscal year.

The following is a condensed summary of the City's net position for governmental and business-type activities:

<b>Statement of Net Position</b>						
(Dollars in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 183,902	\$ 172,448	\$ 85,069	\$ 16,312	\$ 268,971	\$ 188,760
Capital Assets	271,275	254,780	157,833	124,510	429,108	379,290
Total Assets	<u>455,177</u>	<u>427,228</u>	<u>242,902</u>	<u>140,822</u>	<u>698,079</u>	<u>568,050</u>
<b>Deferred outflows:</b>						
Deferred outflows related to pension	5,709	6,112	512	561	6,221	6,673
<b>Liabilities:</b>						
Current and other liabilities	48,517	33,290	18,423	5,797	66,940	39,087
Noncurrent liabilities	104,443	108,737	90,919	1,766	195,362	110,503
Total liabilities	<u>152,960</u>	<u>142,027</u>	<u>109,342</u>	<u>7,563</u>	<u>262,302</u>	<u>149,590</u>
<b>Deferred inflows:</b>						
Deferred inflows related to pension	552	3,911	24	(24)	576	3,887
<b>Net position:</b>						
Net investment in capital assets	180,997	161,036	134,524	124,163	315,521	285,199
Restricted	125,919	133,928	-	-	125,919	133,928
Unrestricted	458	(7,562)	(476)	9,681	(18)	2,119
Total net position	<u>\$ 307,374</u>	<u>\$ 287,402</u>	<u>\$ 134,048</u>	<u>\$ 133,844</u>	<u>\$ 441,422</u>	<u>\$ 421,246</u>

**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

The largest asset classification is capital assets which are utilized to provide services to citizens and, therefore, these assets are not available for future spending. The City's net position reflects the investment in its capital assets, net of related debt of \$315.1 million. Outstanding debt increased due to the issuance of Wastewater Revenue bonds of \$90.9 million (\$9.7 million in premiums) related to sewer system improvements in business type activities.

The portion of the City's net position of \$125.9 million represents resources that are subject to external restrictions on how they may be used. The restrictions include CFD Projects, Capital Projects, Street Projects, Public Safety, Public-access Television and amounts held for future debt service.

The governmental activities had a net position of \$458,000. This is largely due to noncurrent liabilities that are comprised of balances related to staff compensated absence calculations, capital lease liability, the AB1484 Due Diligence Review payable to the State, claims payable for incurred but not reported claims as well as processed claims outstanding at year-end, and the net pension liability. The balance is significantly less than the governmental funds unrestricted fund balance as it is impacted by the net pension liability of \$15.6 million. The business type activities have an unrestricted deficit of \$476,000.

Analysis of Statement of Activities

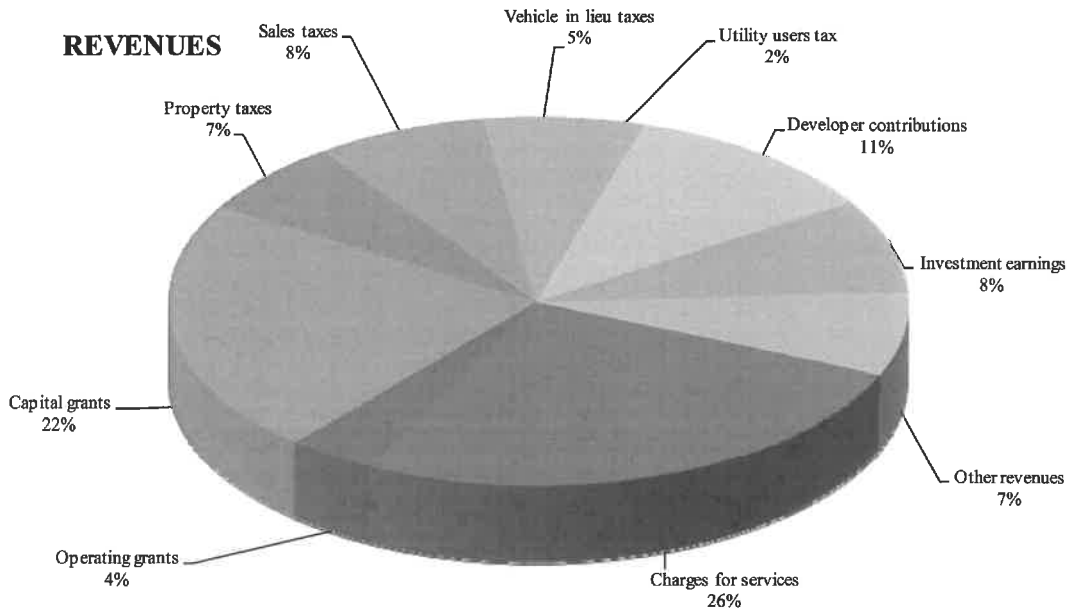
The following table indicates the changes in net position for governmental and business-type activities:

	Statement of Activities					
	(Dollars in Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 13,488	\$ 15,749	\$ 8,994	\$ 8,283	\$ 22,482	\$ 24,032
Operating grants	884	78	2,557	2,347	3,441	2,425
Capital grants	17,527	20,410	1,575	6,172	19,102	26,582
<b>General Revenues:</b>						
Property taxes	5,657	5,199	-	-	5,657	5,199
Sales taxes	6,597	5,631	-	-	6,597	5,631
Motor Vehicle in Lieu taxes	4,517	4,126	-	-	4,517	4,126
Utility users tax	1,584	1,524	-	-	1,584	1,524
Franchise taxes	3,909	3,286	-	-	3,909	3,286
Transient occupancy taxes	335	364	-	-	335	364
Other taxes	959	1,195	-	-	959	1,195
Business licenses	295	247	-	-	295	247
Developer contributions	9,055	11,344	731	778	9,786	12,122
Investment earnings	5,390	7,852	1,564	14	6,954	7,866
Miscellaneous	717	355	4	525	721	880
Gain on sale of assets	52	5	6	-	58	5
Total revenues	<u>70,966</u>	<u>77,365</u>	<u>15,431</u>	<u>18,119</u>	<u>86,397</u>	<u>95,484</u>
<b>Expenses:</b>						
General government	6,011	4,642	-	-	6,011	4,642
Public safety	15,641	17,744	-	-	15,641	17,744
Public works	8,537	7,504	-	-	8,537	7,504
Community development	2,395	2,431	-	-	2,395	2,431
Community services	3,841	3,479	-	-	3,841	3,479
Refuse	5,505	4,900	-	-	5,505	4,900
Interest on long term liabilities	4,416	7,182	-	-	4,416	7,182
Waste water	-	-	14,994	10,430	14,994	10,430
Transit	-	-	3,354	3,119	3,354	3,119
Total expenses	<u>46,346</u>	<u>47,882</u>	<u>18,348</u>	<u>13,549</u>	<u>64,694</u>	<u>61,431</u>
<b>Transfers</b>	(3,121)	322	3,121	(322)	-	-
<b>Special Items:</b>						
CFD 93-1 refunding/Settlement	-	(11,948)	-	-	-	(11,948)
<b>Change in net position</b>	<u>\$ 21,499</u>	<u>\$ 17,857</u>	<u>\$ 204</u>	<u>\$ 4,248</u>	<u>\$ 21,703</u>	<u>\$ 22,105</u>

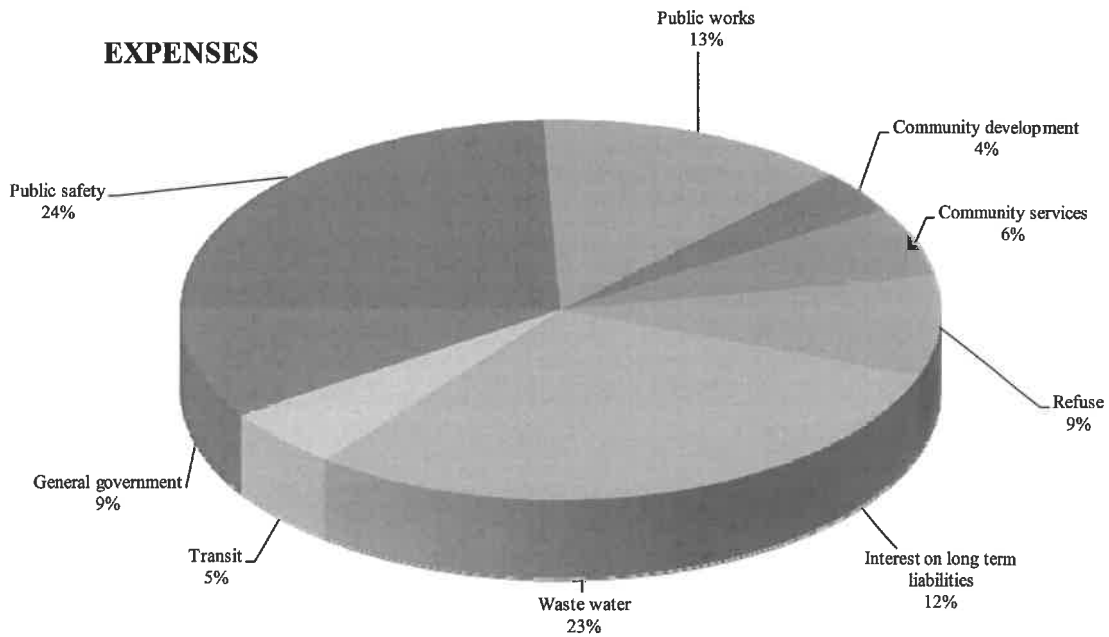
**City of Beaumont  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2019**

The City's overall net position increased by \$21.7 million during the current fiscal year. This increase is due to continued improvements in operating results and funding received on large capital projects.

Analysis of total revenues indicates that the largest revenue sources are charges for services performed (26%) followed by capital grants (22%) related to capital projects. Tax and other general revenues continue to experience moderate growth.



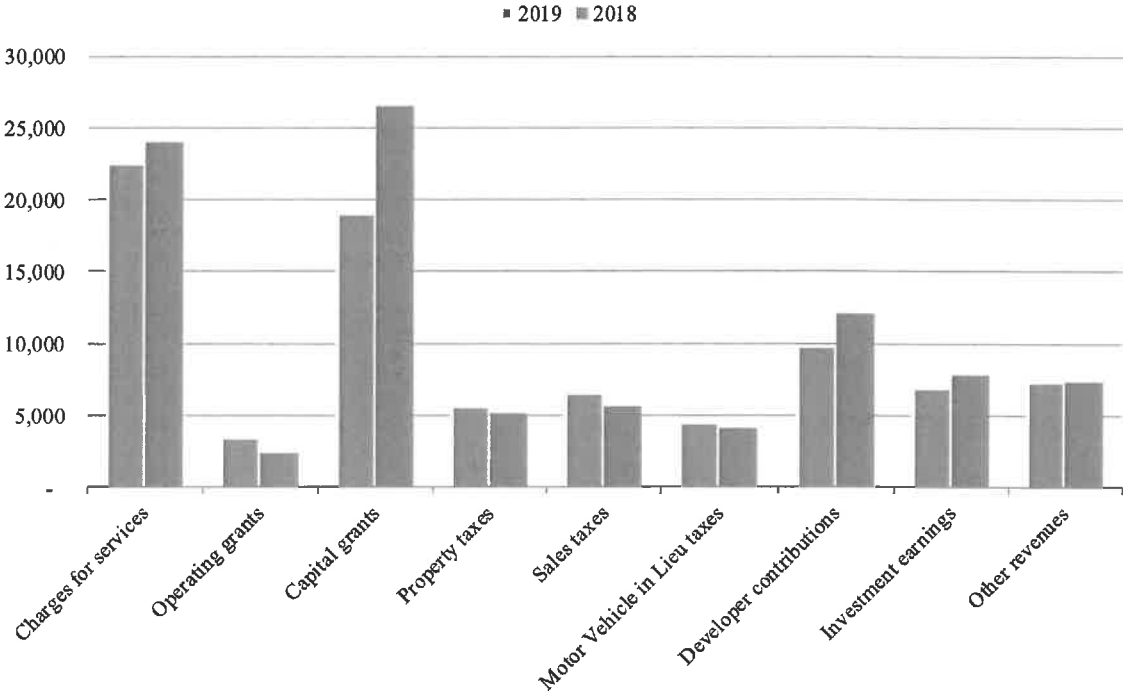
Analysis of total expense indicates that the largest functional costs are for the City's public safety (24%) and wastewater services (23%).



**City of Beaumont  
Management's Discussion and Analysis (Unaudited) (Continued)  
For the Year Ended June 30, 2019**

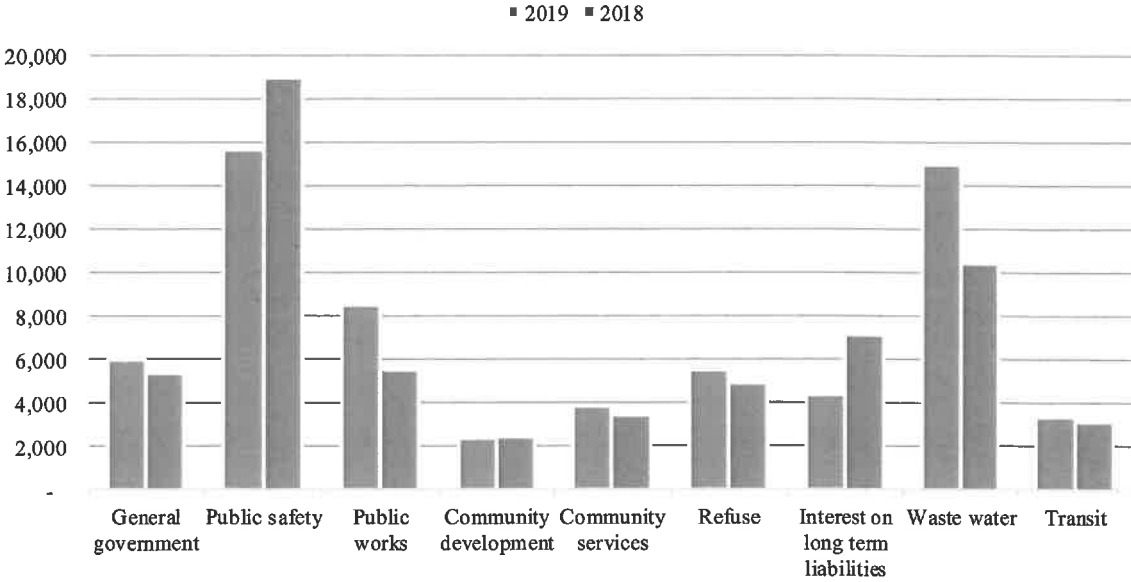
Comparison of revenue and expense groupings from fiscal year 2018 to 2019 has been charted below:

**REVENUES**



The decrease in public safety expense is due to changes in pension plan assumptions. Interest on long term liabilities reduced due to the refunding of bonds that occurred during FY 2018.

**EXPENSES**





**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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Governmental activities increased the City's net position by \$21.5 million. This is primarily driven by continued growth in general revenues, continued high levels of developer contributions and a small drop in expenses. The reduction in expenses is largely due to reduction in interest expense for long term liabilities.

Total revenues have decreased by \$6.4 million as funding sources from developer contributions dropped by \$2.7 million and funding from capital grants dropped by \$2.8 million. Total expenses dropped due to reduced long term interest expense and reduction in public safety related expenses due to changes in pension assumptions. Fiscal year 2018-19 provided for continued stabilization of general City revenues and expenses.

Business-type activities increased their net position by \$204,000.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project funds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The general fund budget was amended during fiscal year 2019. The budget was established as revenue neutral, and no extraordinary items were taken into consideration.

**City of Beaumont**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

As of June 30, 2019, the City had invested \$429.1 million in capital assets, net of accumulated depreciation; an increase of 1.3% from the prior year. Governmental activities capital assets increased \$16.5 million as the net result of ongoing projects. Business-type activities capital assets increased by \$33.3 million. A summary of the City’s capital assets net of depreciation at June 30, 2018 and 2019 is presented below. Additional information on Capital Assets can be found in Note 5.

	<b>Capital Assets</b>					
	(Dollars in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>GOVERNMENT</b>						
Land	\$ 28,085	\$ 23,285	\$ -	\$ -	\$ 28,085	\$ 23,285
Construction in Progress	23,710	12,437	-	-	23,710	12,437
Buildings	19,790	16,395	-	-	19,790	16,395
Machinery and equipment	6,997	6,461	-	-	6,997	6,461
Vehicles	3,137	3,253	-	-	3,137	3,253
Infrastructure	416,543	414,959	-	-	416,543	414,959
Less accumulated depreciation	(226,987)	(222,010)	-	-	(226,987)	(222,010)
	<u>271,275</u>	<u>254,780</u>	<u>-</u>	<u>-</u>	<u>271,275</u>	<u>254,780</u>
<b>WASTE WATER FUND</b>						
Land	-	-	2,003	503	2,003	503
Construction in Progress	-	-	37,933	4,403	37,933	4,403
Buildings and improvements	-	-	83	83	83	83
Machinery and equipment	-	-	88,379	87,838	88,379	87,838
Vehicles	-	-	669	680	669	680
Infrastructure	-	-	137,497	133,821	137,497	133,821
Less accumulated depreciation	-	-	(111,181)	(104,186)	(111,181)	(104,186)
	<u>-</u>	<u>-</u>	<u>155,383</u>	<u>123,142</u>	<u>155,383</u>	<u>123,142</u>
<b>TRANSIT FUND</b>						
Land	-	-	1,007	-	1,007	-
Construction in Progress	-	-	47	14	47	14
Buildings and improvements	-	-	538	538	538	538
Machinery and equipment	-	-	824	790	824	790
Vehicles	-	-	3,897	3,754	3,897	3,754
Less accumulated depreciation	-	-	(3,863)	(3,728)	(3,863)	(3,728)
	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>1,368</u>	<u>2,450</u>	<u>1,368</u>
<b>TOTAL</b>	<u>\$ 271,275</u>	<u>\$ 254,780</u>	<u>\$ 157,833</u>	<u>\$ 124,510</u>	<u>\$ 429,108</u>	<u>\$ 379,290</u>

**City of Beaumont**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

Debt Administration

As of June 30, 2019, the City had \$110.9 million of outstanding obligations related to governmental activities and \$92.3 million related to business-type activities, for a total of \$203.2 million. Debt outstanding as of June 30, 2019 with a comparison to prior year and the net change follows:

		<b>Debt Outstanding</b>		
		(Dollars in thousands)		
		2019	2018	Net Change
<b>Governmental Activities</b>				
Claims payable	\$	2,807	\$ 2,215	\$ 592
Net pension liability		15,558	15,751	(193)
Compensated absences		2,268	2,404	(136)
AB1484 Due Diligence Review		1,376	1,676	(300)
Capital lease		297	186	111
Beaumont Financing Authority		88,605	91,881	(3,276)
	\$	110,911	\$ 114,113	\$ (3,202)
<b>Business-type Activities</b>				
Net pension liability	\$	1,225	\$ 1,267	\$ (42)
Compensated absences		265	261	4
Wastewater Revenue Bonds		81,105	-	81,105
Bond Premium		9,470	-	9,470
Capital lease		268	346	(78)
	\$	92,333	\$ 1,874	\$ 90,459

The BFA Local Agency Revenue Bond debt totaled \$88.6 million and is directly related to CFD debts and is further discussed in Notes 6 and 7. Wastewater revenue bonds were issued for \$81.1 million at a premium during FY 2019. This represents the increase in business type activity long term debt. Net pension liability has remained fairly stable.

Additional information regarding the City’s long-term obligations is discussed in Note 6 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Riverside District Attorney’s office and the FBI’s joint investigation resulted in the arrest and indictment of seven former members of City management, including the former City Manager, former City Finance Director for embezzlement of public funds and conspiracy. The former City Attorney and several former City consultants were also arrested on related charges. The City learned of the criminal investigation on April 22, 2015, when the authorities executed a search warrant at City Hall and seized numerous computers and significant documentation. As of June 30, 2019, all criminal cases have been resolved and details are included in Note 13.

The City conducted an internal investigation, which includes numerous accounting reconciliation efforts, in order to ascertain the extent of the concealment and damage inflicted by the former City management. The City has also adopted enhanced internal controls, including policies and procedures to ensure that financial transactions are monitored and that duties are segregated.

**City of Beaumont**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**

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The following items summarize additional factors which are significant for the City:

- The City continues to prioritize management of its budget and financial controls.
- The settlement of numerous litigation matters against the City has provided relief and encouragement for the City's financial future. However, the City will continue to defend itself against those matters which it believes are unwarranted.
- The City evaluates all community facility bond debt on an annual basis for potential refunding savings without extending debt terms for the applicable property owners.
- A five-year capital improvements budget is prepared and monitored based on need and available funding.
- Significant subsequent events are disclosed in Note 14.
- The City's overall financial condition continues to improve as evidenced from the increases in net position.

The City of Beaumont has made significant strides to bring its financial reporting into full compliance with GASB standards. Accounting and reporting systems have been fully implemented to ensure accuracy and transparency.

**REQUEST FOR INFORMATION**

These financial statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance and Administrative Services Department, 550 E. 6<sup>th</sup> Street, Beaumont, California, 92223, or [finance@beaumontca.gov](mailto:finance@beaumontca.gov).

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

**Basic Financial Statements**

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Annual Financial Report  
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For the Year Ended June 30, 2019

**Government-Wide Financial Statements**

**City of Beaumont**  
**Statement of Net Position**  
**June 30, 2019**

Item No. 10.

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 73,004,507	\$ 14,752,256	\$ 87,756,763
Restricted cash and investments	-	147,616	147,616
Receivables:			
Accounts	8,375,074	1,501,947	9,877,021
Interest	247,225	242,544	489,769
Intergovernmental	3,981,465	878,049	4,859,514
Settlement	-	-	-
Prepaid items	83,141	12,039	95,180
Total current assets	<u>85,691,412</u>	<u>17,534,451</u>	<u>103,225,863</u>
Noncurrent assets:			
Restricted cash and investments with fiscal agent	9,491,390	67,534,578	77,025,968
Restricted investment in CFDs (Note 7)	88,499,034	-	88,499,034
Loans receivable	220,634	-	220,634
Capital assets:			
Nondepreciable	51,794,324	40,989,694	92,784,018
Depreciable, net	<u>219,480,580</u>	<u>116,843,383</u>	<u>336,323,963</u>
Total capital assets, net	<u>271,274,904</u>	<u>157,833,077</u>	<u>429,107,981</u>
Total noncurrent assets	<u>369,485,962</u>	<u>225,367,655</u>	<u>594,853,617</u>
<b>Total assets</b>	<u>455,177,374</u>	<u>242,902,106</u>	<u>698,079,480</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	<u>5,709,397</u>	<u>512,231</u>	<u>6,221,628</u>
<b>Total deferred outflows of resources</b>	<u>5,709,397</u>	<u>512,231</u>	<u>6,221,628</u>



**City of Beaumont**  
**Statement of Net Position (Continued)**  
**June 30, 2019**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	4,851,295	6,212,758	11,064,053
Salaries payable and related liabilities	835,005	9,424	844,429
Deposits payable	908,431	-	908,431
Unearned revenue	35,454,581	9,498,267	44,952,848
Compensated absences - due within one year	226,836	26,481	253,317
Claims payable - due within one year	2,277,967	-	2,277,967
Long-term debt - due within one year	3,963,520	1,388,396	5,351,916
Total current liabilities	48,517,635	18,422,853	66,940,488
Long-term liabilities:			
Compensated absences - due in more than one year	2,041,526	238,331	2,279,857
Claims payable - due in more than one year	529,408	-	529,408
Long-term debt - due in more than one year	86,314,634	89,454,828	175,769,462
Aggregate net pension liability	15,558,070	1,225,347	16,783,417
Total long-term liabilities	104,443,638	90,918,506	195,362,144
<b>Total liabilities</b>	152,961,273	109,341,359	262,302,632
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows	552,324	24,355	576,679
<b>Total deferred inflows of resources</b>	552,324	24,355	576,679
<b>NET POSITION</b>			
Net investment in capital assets	180,996,750	134,524,431	315,521,181
Restricted for:			
Special projects	13,617,438	-	13,617,438
Debt service	98,006,000	-	98,006,000
Capital projects	14,295,192	-	14,295,192
Total restricted	125,918,630	-	125,918,630
Unrestricted (deficit)	457,794	(475,808)	(18,014)
<b>Total net position</b>	\$ 307,373,174	\$ 134,048,623	\$ 441,421,797

**City of Beaumont**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 6,010,855	\$ 272,773	\$ -	\$ -	\$ 272,773
Public safety	15,641,308	1,191,759	843,003	1,996,115	4,030,877
Public works	8,536,946	2,362,465	-	15,530,910	17,893,375
Community development	2,396,300	4,371,671	41,192	-	4,412,863
Community services	3,840,603	198,200	-	-	198,200
Refuse	5,504,512	5,091,285	-	-	5,091,285
Interest and fiscal charges	4,415,612	-	-	-	-
<b>Total governmental activities</b>	46,346,136	13,488,153	884,195	17,527,025	31,899,373
<b>Business-Type activities:</b>					
Sewer	\$ 14,993,895	\$ 8,811,917	\$ -	\$ -	8,811,917
Transit	3,353,923	181,720	2,557,412	1,575,041	4,314,173
<b>Total business-type activities</b>	18,347,818	8,993,637	2,557,412	1,575,041	13,126,090
<b>Total primary government</b>	\$ 64,693,954	\$ 22,481,790	\$ 3,441,607	\$ 19,102,066	\$ 45,025,463

**City of Beaumont**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (5,738,082)	\$ -	\$ (5,738,082)
Public safety	(11,610,431)	-	(11,610,431)
Public works	9,356,429	-	9,356,429
Community development	2,016,563	-	2,016,563
Community services	(3,642,403)	-	(3,642,403)
Refuse	(413,227)	-	(413,227)
Interest and fiscal charges	(4,415,612)	-	(4,415,612)
<b>Total governmental activities</b>	<b>(14,446,763)</b>	<b>-</b>	<b>(14,446,763)</b>
<b>Business-Type activities:</b>			
Sewer	-	(6,181,978)	(6,181,978)
Transit	-	960,250	960,250
<b>Total business-type activities</b>	<b>-</b>	<b>(5,221,728)</b>	<b>(5,221,728)</b>
<b>Total primary government</b>	<b>(14,446,763)</b>	<b>(5,221,728)</b>	<b>(19,668,491)</b>
<b>General revenues:</b>			
<b>Taxes:</b>			
Property taxes	5,656,662	-	5,656,662
Sales taxes	6,596,935	-	6,596,935
Vehicle in lieu tax	4,517,090	-	4,517,090
Utility users tax	1,584,224	-	1,584,224
Franchise tax	3,908,531	-	3,908,531
Transient occupancy tax	335,304	-	335,304
Other taxes	958,614	-	958,614
<b>Total taxes</b>	<b>23,557,360</b>	<b>-</b>	<b>23,557,360</b>
Business licenses	294,968	-	294,968
Developers contributions	9,055,054	731,125	9,786,179
Investment earnings	5,390,216	1,564,220	6,954,436
Miscellaneous	716,944	3,393	720,337
Gain on sale of assets	52,377	5,939	58,316
<b>Transfers</b>	<b>(3,120,964)</b>	<b>3,120,964</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>35,945,955</b>	<b>5,425,641</b>	<b>41,371,596</b>
<b>Change in net position</b>	<b>21,499,192</b>	<b>203,913</b>	<b>21,703,105</b>
<b>Net position - beginning of year, as restated (Note 14)</b>	<b>285,873,982</b>	<b>133,844,710</b>	<b>419,718,692</b>
<b>Net position - end of year</b>	<b>\$ 307,373,174</b>	<b>\$ 134,048,623</b>	<b>\$ 441,421,797</b>

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For the Year Ended June 30, 2019

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**Fund Financial Statements**

Governmental Fund Financial Statements  
Proprietary Fund Financial Statements  
Fiduciary Fund Financial Statements

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**Governmental Fund Financial Statements**

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Funds of the City are outlined below:

**General Fund** - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Beaumont, these services include general government, public safety, public works, community development, community service, and refuse.

**Community Facilities Districts (CFD) Special Revenue Fund** - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.

**Community Facilities Districts (CFD) Capital Projects Fund** - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.

**General Capital Projects Fund** - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

**Development Impact Fees Capital Projects Fund** - This fund is used to account for the receipt and expenditure of mitigation fees on specified capital projects.

**Beaumont Financing Authority Debt Service Fund** - This fund is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

**City of Beaumont  
Balance Sheet  
Governmental Funds  
June 30, 2019**

	Major Funds			
	General Fund	Community Facilities District (CFD) Special Revenue Fund	Community Facilities District (CFD) Capital Projects Fund	General Capital Projects Fund
<b>ASSETS</b>				
Cash and investments	\$ 16,020,917	\$ 9,256,549	\$ 12,877,575	\$ 1,444,482
Cash and investments with fiscal agent	-	-	-	-
Investment in CFDs (Note 7)	-	-	-	-
Receivables:				
Accounts	1,949,632	-	-	-
Interest	231,649	-	-	-
Due from other governments	1,476,046	10,498	-	2,225,517
Loans	220,634	-	-	-
Due from other funds	268	-	-	-
Prepaid	83,141	-	-	-
<b>Total assets</b>	<b>\$ 19,982,287</b>	<b>\$ 9,267,047</b>	<b>\$ 12,877,575</b>	<b>\$ 3,669,999</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,445,653	\$ 136	\$ -	\$ 2,040,796
Accrued payroll and related liabilities	835,005	-	-	-
Due to other funds	-	-	-	-
Deposits payable	767,101	120,503	-	-
Unearned revenue	-	576	-	211,586
<b>Total liabilities</b>	<b>4,047,759</b>	<b>121,215</b>	<b>-</b>	<b>2,252,382</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	650,369	-	-	-
<b>Total deferred inflows of resources</b>	<b>650,369</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	303,775	-	-	-
Restricted	-	9,145,832	12,877,575	-
Committed	-	-	-	1,417,617
Unassigned	14,980,384	-	-	-
<b>Total fund balances</b>	<b>15,284,159</b>	<b>9,145,832</b>	<b>12,877,575</b>	<b>1,417,617</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 19,982,287</b>	<b>\$ 9,267,047</b>	<b>\$ 12,877,575</b>	<b>\$ 3,669,999</b>

**City of Beaumont  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2019**

	Major Fund			
	Development Impact Fees (DIF) Capital Projects Fund	Beaumont Financing Authority Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 29,131,184	\$ -	\$ 4,273,800	\$ 73,004,507
Cash and investments with fiscal agent	-	9,491,390	-	9,491,390
Investment in CFDs (Note 7)	-	88,499,034	-	88,499,034
Receivables:				
Accounts	6,416,006	-	9,436	8,375,074
Interest	-	15,576	-	247,225
Due from other governments	-	-	269,404	3,981,465
Loans	-	-	-	220,634
Due from other funds	-	-	-	268
Prepaid	-	-	-	83,141
<b>Total assets</b>	<b>\$ 35,547,190</b>	<b>\$ 98,006,000</b>	<b>\$ 4,552,640</b>	<b>\$ 183,902,738</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 354,730	\$ -	\$ 9,980	\$ 4,851,295
Accrued payroll and related liabilities	-	-	-	835,005
Due to other funds	-	-	268	268
Deposits payable	6,996	-	13,831	908,431
Unearned revenue	35,185,464	-	56,955	35,454,581
<b>Total liabilities</b>	<b>35,547,190</b>	<b>-</b>	<b>81,034</b>	<b>42,049,580</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	650,369
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650,369</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	303,775
Restricted	-	98,006,000	4,471,606	124,501,013
Committed	-	-	-	1,417,617
Unassigned	-	-	-	14,980,384
<b>Total fund balances</b>	<b>-</b>	<b>98,006,000</b>	<b>4,471,606</b>	<b>141,202,789</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 35,547,190</b>	<b>\$ 98,006,000</b>	<b>\$ 4,552,640</b>	<b>\$ 183,902,738</b>

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**City of Beaumont**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<u>141,202,789</u>
 Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.		
Capital assets, nondepreciable		51,794,324
Capital assets, depreciable		<u>219,480,580</u>
		<u>271,274,904</u>
 Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental funds.		
Compensated absences - due within one year		(226,836)
Compensated absences - due in more than one year		(2,041,526)
Claims payable - due within one year		(2,277,967)
Claims payable - due in more than one year		(529,408)
Long-term debt - due within one year		(3,963,520)
Long-term debt - due in more than one year		<u>(86,314,634)</u>
		<u>(95,353,891)</u>
 Aggregate net pension liability is not due and payable in the current period and therefore is not required to be reported in the governmental funds.		
		<u>(15,558,070)</u>
 Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.		
Pension-related deferred outflows of resources		5,709,397
Pension-related deferred inflows of resources		<u>(552,324)</u>
		<u>5,157,073</u>
 Unavailable revenues recorded in governmental fund financial statements resulting from activities in which revenues were earned but funds were not available were recognized as revenues in the Government-Wide Financial Statements.		
		<u>650,369</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<u><u>307,373,174</u></u>

**City of Beaumont**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Major Funds			
	General	Community Facilities	Community Facilities	General
	Fund	Districts (CFD) Special Revenue Fund	District (CFD) Capital Projects Fund	Capital Projects Fund
<b>REVENUES:</b>				
Taxes	\$ 12,532,209	\$ -	\$ -	\$ -
Franchise fees	3,908,531	-	-	-
Intergovernmental	4,587,270	-	-	4,963,592
License and permits	4,816,693	-	-	-
Fines and forfeitures	249,914	-	-	-
Assessment levied	602,649	5,061,023	1,122,981	-
Use of money and property	186,605	239,534	291,673	220,547
Charges for services	6,944,423	-	-	-
Other revenues	1,338,647	10,250	-	3,260,750
<b>Total revenues</b>	<b>35,166,941</b>	<b>5,310,807</b>	<b>1,414,654</b>	<b>8,444,889</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,940,387	-	-	-
Public safety	14,665,947	-	-	-
Public works	2,844,121	-	1,085,017	-
Community development	1,884,511	195,958	-	-
Community services	3,708,469	-	-	-
Refuse	5,504,512	-	-	-
Capital outlay	589,273	-	-	12,029,877
Debt service:				
Principal	300,000	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>35,437,220</b>	<b>195,958</b>	<b>1,085,017</b>	<b>12,029,877</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(270,279)</b>	<b>5,114,849</b>	<b>329,637</b>	<b>(3,584,988)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Obligations incurred on capital leases	167,456	-	-	-
Proceeds from sale of property	19,494	-	-	-
Transfers in	5,450,785	-	-	3,339,629
Transfers (out)	(614,693)	(4,431,245)	(3,136,047)	(108,479)
<b>Total other financing sources (uses)</b>	<b>5,023,042</b>	<b>(4,431,245)</b>	<b>(3,136,047)</b>	<b>3,231,150</b>
<b>Net changes in fund balances</b>	<b>4,752,763</b>	<b>683,604</b>	<b>(2,806,410)</b>	<b>(353,838)</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 14)	10,531,396	8,462,228	15,683,985	1,771,455
End of year	<b>\$ 15,284,159</b>	<b>\$ 9,145,832</b>	<b>\$ 12,877,575</b>	<b>\$ 1,417,617</b>

**City of Beaumont**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Major Funds			
	Development Impact Fees (DIF) Capital Projects Fund	Beaumont Financing Authority Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	Fund	Fund	Funds	Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,038,267	\$ 13,570,476
Franchise fees	-	-	-	3,908,531
Intergovernmental	-	-	2,030,969	11,581,831
License and permits	3,181,216	-	46,712	8,044,621
Fines and forfeitures	-	-	-	249,914
Assessment levied	-	-	-	6,786,653
Use of money and property	-	4,541,457	89,868	5,569,684
Charges for services	-	-	-	6,944,423
Other revenues	-	-	17,526	4,627,173
<b>Total revenues</b>	<u>3,181,216</u>	<u>4,541,457</u>	<u>3,223,342</u>	<u>61,283,306</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	5,940,387
Public safety	-	-	55,242	14,721,189
Public works	-	-	-	3,929,138
Community development	-	-	16,120	2,096,589
Community services	-	-	-	3,708,469
Refuse	-	-	-	5,504,512
Capital outlay	-	-	2,912	12,622,062
Debt service:				
Principal	-	3,300,000	-	3,600,000
Interest and fiscal charges	-	4,415,612	-	4,415,612
<b>Total expenditures</b>	<u>-</u>	<u>7,715,612</u>	<u>74,274</u>	<u>56,537,958</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,181,216</u>	<u>(3,174,155)</u>	<u>3,149,068</u>	<u>4,745,348</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Obligations incurred on capital leases	-	-	-	167,456
Proceeds from sale of property	-	-	-	19,494
Transfers in	-	-	891,703	9,682,117
Transfers (out)	(3,181,216)	-	(1,331,401)	(12,803,081)
<b>Total other financing sources (uses)</b>	<u>(3,181,216)</u>	<u>-</u>	<u>(439,698)</u>	<u>(2,934,014)</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>(3,174,155)</u>	<u>2,709,370</u>	<u>1,811,334</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 14)	-	101,180,155	1,762,236	139,391,455
End of year	<u>\$ -</u>	<u>\$ 98,006,000</u>	<u>\$ 4,471,606</u>	<u>\$ 141,202,789</u>

**City of Beaumont**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>1,811,334</b>
Governmental funds report capital outlay as expenditures. Capital outlay expenditures were included in the Statement of Revenue, Expenditures, and Changes in Fund Balances through out various departments. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		12,622,062
Increase in capital assets and net position from developer capital contributions for infrastructure assets.		9,055,054
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in governmental funds		(5,181,713)
The issuance of long-term liabilities provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of long-term liabilities was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Issuance of capital lease		(167,456)
The repayment of debt principal consumes the current financial resources of governmental funds; however, it has no effect on net position.		3,600,000
The net effect of various transactions involving pension plans (i.e. changes in the net pension liability, deferred inflow/outflow amortization, contributions after measurement date) does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		(349,005)
Certain long-term assets and liabilities were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, long-term assets and liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in long-term liabilities from prior year.		
Changes in compensated absences		135,818
Changes in claims payable		(592,557)
Changes in unavailable revenues were reported as deferred inflows of resources in the Governmental Funds but were reported as revenues in the Government-Wide Statement of Statement of Activities.		575,555
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>21,509,092</u></b>



City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

**Proprietary Fund Financial Statements**

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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## PROPRIETARY FUND FINANCIAL STATEMENTS

***Sewer Fund*** - This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

***Transit Fund*** - The Transit Fund is intended to show the financial position and the operation and maintenance of the City's fixed route and dial-a-ride transit systems.

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Business-type Activities - Enterprise Funds		Total
	Sewer Fund	Transit Fund	
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 14,733,583	\$ 18,673	\$ 14,752,256
Restricted cash and investments	-	147,616	147,616
Receivables:			
Accounts	1,499,539	2,408	1,501,947
Interest	242,544	-	242,544
Due from other governments	-	878,049	878,049
Prepays	6,041	5,998	12,039
<b>Total current assets</b>	<b>16,481,707</b>	<b>1,052,744</b>	<b>17,534,451</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments with fiscal agent	67,534,578	-	67,534,578
Capital assets:			
Non-depreciable	39,935,489	1,054,205	40,989,694
Depreciable	226,627,969	5,259,737	231,887,706
Less: accumulated depreciation	(111,180,691)	(3,863,632)	(115,044,323)
Total capital assets	155,382,767	2,450,310	157,833,077
<b>Total noncurrent assets</b>	<b>222,917,345</b>	<b>2,450,310</b>	<b>225,367,655</b>
<b>Total assets</b>	<b>239,399,052</b>	<b>3,503,054</b>	<b>242,902,106</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-related deferred outflows	9,808	502,423	512,231
<b>Total deferred outflows of resources</b>	<b>9,808</b>	<b>502,423</b>	<b>512,231</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	6,134,823	77,935	6,212,758
Salaries payable and related liabilities	3,979	5,445	9,424
Unearned revenue	9,350,651	147,616	9,498,267
Interest payable	1,287,527	-	1,287,527
Compensated absences - due within one year	4,942	21,539	26,481
Long-term debt - due within one year	1,388,396	-	1,388,396
<b>Total current liabilities</b>	<b>18,170,318</b>	<b>252,535</b>	<b>18,422,853</b>
<b>Noncurrent liabilities:</b>			
Compensated absences - due in more than one year	28,306	210,025	238,331
Long-term debt - due in more than one year	89,454,828	-	89,454,828
Aggregate net pension liability	31,227	1,194,120	1,225,347
<b>Total noncurrent liabilities</b>	<b>89,514,361</b>	<b>1,404,145</b>	<b>90,918,506</b>
<b>Total liabilities</b>	<b>107,684,679</b>	<b>1,656,680</b>	<b>109,341,359</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related deferred inflows	12,326	12,029	24,355
<b>Total deferred inflows of resources</b>	<b>12,326</b>	<b>12,029</b>	<b>24,355</b>
<b>NET POSITION</b>			
Net Investment in capital assets	132,074,121	2,450,310	134,524,431
Restricted	-	-	-
Unrestricted (Deficit)	(362,266)	(113,542)	(475,808)
<b>Total net position</b>	<b>\$ 131,711,855</b>	<b>\$ 2,336,768</b>	<b>\$ 134,048,623</b>

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds		Total
	Sewer Fund	Transit Fund	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 8,811,917	\$ 181,720	\$ 8,993,637
Other revenue	831	2,562	3,393
<b>Total operating revenues</b>	<u>8,812,748</u>	<u>184,282</u>	<u>8,997,030</u>
<b>OPERATING EXPENSES:</b>			
Salaries	702,453	1,438,417	2,140,870
Fringe benefits	255,397	699,757	955,154
Administration	1,641,813	153,065	1,794,878
Contract services	1,381,990	63,958	1,445,948
Fuels, lubricants, and maintenance	179,956	417,603	597,559
Supplies	296,832	33,083	329,915
Office	9,736	13,197	22,933
Utilities	776,115	26,923	803,038
Depreciation	7,005,273	507,920	7,513,193
<b>Total operating expenses</b>	<u>12,249,565</u>	<u>3,353,923</u>	<u>15,603,488</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(3,436,817)</u>	<u>(3,169,641)</u>	<u>(6,606,458)</u>
<b>NONOPERATING REVENUES:</b>			
Local transportation funds	-	2,379,982	2,379,982
Gain on sale of property	1,770	4,169	5,939
Intergovernmental	-	177,430	177,430
Investment earnings	1,561,436	2,784	1,564,220
Impact fees	-	-	-
Interest expense	(2,744,330)	-	(2,744,330)
<b>Total nonoperating revenues (expenses)</b>	<u>(1,181,124)</u>	<u>2,564,365</u>	<u>1,383,241</u>
<b>Loss before operating transfers and capital contributions</b>	<u>(4,617,941)</u>	<u>(605,276)</u>	<u>(5,223,217)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>			
Capital Contributions from Riverside Transit Agency	-	1,575,041	1,575,041
Developer capital contributions	731,125	-	731,125
Transfers in	3,580,537	322	3,580,859
Transfers (out)	(440,989)	(18,906)	(459,895)
<b>Total transfers and capital contributions</b>	<u>3,870,673</u>	<u>1,556,457</u>	<u>5,427,130</u>
<b>Changes in net position</b>	<u>(747,268)</u>	<u>951,181</u>	<u>203,913</u>
<b>NET POSITION:</b>			
Beginning of year	132,459,123	1,385,587	133,844,710
End of year	<u>\$ 131,711,855</u>	<u>\$ 2,336,768</u>	<u>\$ 134,048,623</u>

**City of Beaumont**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds		
	Sewer Fund	Transit Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and users	\$ 11,614,517	\$ 128,889	\$ 11,743,406
Payments to suppliers and employees for goods and services	577,455	(2,839,354)	(2,261,899)
Cash received from developers and others	831	2,562	3,393
<b>Net cash provided by (used in) operating activities</b>	<b>12,192,803</b>	<b>(2,707,903)</b>	<b>9,484,900</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Local transportation funds	-	2,379,982	2,379,982
Intergovernmental	706	(633,012)	(632,306)
Transfers in	3,580,537	322	3,580,859
Transfers (out)	(440,989)	(18,906)	(459,895)
<b>Net cash provided by noncapital financing activities</b>	<b>3,140,254</b>	<b>1,728,386</b>	<b>4,868,640</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	(39,246,166)	(15,269)	(39,261,435)
Issuance of capital-related debt	90,803,952	-	90,803,952
Payment of principal on long-term debt	(307,041)	-	(307,041)
Payment of interest on long-term debt	(1,456,803)	-	(1,456,803)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>50,525,067</b>	<b>(15,269)</b>	<b>50,509,798</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from disposition of capital assets	1,770	4,169	5,939
Investment income	1,318,892	2,784	1,321,676
<b>Net cash provided by investing activities</b>	<b>1,320,662</b>	<b>6,953</b>	<b>1,321,676</b>
<b>Net change in cash and cash equivalents</b>	<b>67,178,786</b>	<b>(987,833)</b>	<b>66,190,953</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	15,089,375	1,154,122	16,243,497
End of year	<u>\$ 82,268,161</u>	<u>\$ 166,289</u>	<u>\$ 82,434,450</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>			
Cash and investments	\$ 14,733,583	\$ 18,673	\$ 14,752,256
Restricted cash and investments	-	147,616	147,616
Restricted cash and investments with fiscal agent	67,534,578	-	\$ 67,534,578
<b>Total cash and cash equivalents</b>	<b>\$ 82,268,161</b>	<b>\$ 166,289</b>	<b>\$ 82,434,450</b>



**City of Beaumont**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities - Enterprise Funds		Total
	Sewer Fund	Transit Fund	
<b>RECONCILIATION OF OPERATING (LOSS)</b>			
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating (loss)	\$ (3,436,817)	\$ (3,169,641)	\$ (6,606,458)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	7,005,273	507,920	7,513,193
Changes in current assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable	(1,499,539)	(2,408)	(1,501,947)
Inventories	(6,041)	(5,998)	(12,039)
Pension-related deferred outflows of resources	15,757	33,090	48,847
Accounts payable and accrued liabilities	5,786,814	34,294	5,821,108
Salaries payable and related liabilities	(5,184)	(35,129)	(40,313)
Unearned revenue	4,302,139	(50,423)	4,251,716
Compensated absences	28,306	(24,007)	4,299
Aggregate net pension liability	(13,495)	(28,340)	(41,835)
Pension-related deferred inflows of resources	15,590	32,739	48,329
<b>Total adjustments</b>	<u>15,629,620</u>	<u>461,738</u>	<u>16,091,358</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 12,192,803</u>	<u>\$ (2,707,903)</u>	<u>\$ 9,484,900</u>

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Annual Financial Report  
For the Year Ended June 30, 2019

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City of Beaumont  
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For the Year Ended June 30, 2019

**Fiduciary Fund Financial Statements**

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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## FIDUCIARY FUND FINANCIAL STATEMENTS

*Agency Funds* - To account for collections received from special assessment districts and their disbursement to bondholders.

*Private Purpose Trust Funds* - To account for donations received and held by the City of Beaumont as an agent for individuals, developers, private organizations and other governmental agencies and to account for activities of the Successor Agency to the dissolved Beaumont Redevelopment Agency.

**City of Beaumont**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Agency	Successor Agency to the Beaumont Redevelopment Agency
<b>ASSETS</b>		
Cash and investments	\$ 19,116,749	\$ 175
Restricted cash and investments with fiscal agent	11,706,744	-
Capital assets, net	-	21,827
<b>Total assets</b>	<b>\$ 30,823,493</b>	<b>\$ 22,002</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Liabilities:</b>		
Deposits payable	\$ 40,757	-
Due to bondholders	30,782,736	-
<b>Total liabilities</b>	<b>\$ 30,823,493</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue		-
<b>Total deferred inflows of resources</b>		<b>-</b>
<b>Net Position Held in Trust for Successor Agency</b>		<b>\$ 22,002</b>

**City of Beaumont**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

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Successor Agency  
to the Beaumont  
Redevelopment  
Agency

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**DEDUCTIONS:**

Enforceable obligations	\$ 19,771
<b>Total deductions</b>	<u>19,771</u>
<b>Change in net position</b>	(19,771)

**NET POSITION:**

Beginning of year	<u>41,773</u>
End of year	<u>\$ 22,002</u>

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Annual Financial Report  
For the Year Ended June 30, 2019

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City of Beaumont  
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For the Year Ended June 30, 2019

**Notes to the Basic Financial Statements**

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Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont**  
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**City of Beaumont**  
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**City of Beaumont**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

The basic financial statements of the City of Beaumont, California (the “City”) have been prepared in conformity with accounting principles generally accepted of the United States of America (“US GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**A. Reporting Entity**

The City was incorporated November 18, 1912 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides basic local governmental services including public safety (police and fire), maintenance and construction of public improvements, cultural, recreation, planning, zoning, transportation, sewer and general administration.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

*Blended Component Units*

The financial reporting entity consists of the primary government, the City, and its component units. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government’s operation and so data from these units are combined with data of the primary government.

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The following specific criteria were used in determining the status of the component unit:

- Members of the City Council also act as the governing body of the component unit.
- The City and the component unit are financially interdependent.
- The component unit is managed by employees of the City. A portion of the City’s salary and overhead expenses is billed to the component unit each year.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**A. Reporting Entity (Continued)**

*Blended Component Units (Continued)*

**Beaumont Financing Authority**

The Beaumont Financing Authority (the “BFA”) was founded by the execution of a joint exercise of powers agreement dated April 1, 1993, by the City of Beaumont and the former Beaumont Redevelopment Agency. The BFA is authorized to issue revenue bonds to be repaid from the proceeds of public obligations and to provide financing and refinancing for public capital improvements of public entities, including the City, the former Redevelopment Agency, and the Community Facilities Districts. The City Council of the City of Beaumont serves as the governing board for the BFA and the City has fiduciary responsibility for the BFA. The BFA exclusively benefits the City. Transactions are reported in the Beaumont Financing Authority Debt Service fund. There are no separate financial statements available.

**Beaumont Utility Authority**

The Beaumont Utility Authority (the “BUA”) was established on May 15, 2001 by a joint powers agreement between the City of Beaumont and the former Beaumont Redevelopment Agency. The BUA was created to provide a binding framework for the relationship between the City’s utility enterprise fund and the City’s general fund, to address possible impacts of Proposition 218, and to provide greater fiscal strength for the City’s fund. The City Council serves as the governing board for the BUA and the City has operational responsibility for the BUA. Transactions are reported in an enterprise fund. There are no separate financial statements available.

**Beaumont Parking Authority**

The Beaumont Parking Authority (the “BPA”) was established on May 1, 2018 by the City of Beaumont City Council through resolution 2018-12 that declared a need for a parking authority in the city. The BPA was created to establish the Beaumont Public Improvement Authority through a joint powers agreement. The City Council serves as the governing board for the BPA and the City has operational responsibility for the BPA. There was no financial activity for the BPA during the fiscal year ending June 30, 2018.

**Beaumont Public Improvement Authority**

The Beaumont Public Improvement Authority (the “BPIA”) was established on May 15, 2018 by a joint powers agreement between the City of Beaumont and the Beaumont Parking Authority. The BPIA is authorized to issue revenue bonds to be repaid from the proceeds of wastewater services and to provide financing and refinancing for public capital improvements of the City’s wastewater system. The City Council serves as the governing board for the BPIA and the City has operational responsibility for the BPIA. There was no financial activity for the BPIA since inception through the fiscal year ending June 30, 2019.

**B. Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses as appropriate.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net position) that apply to future periods and therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and therefore, are not recognized as revenue until that time.

**Government–Wide Financial Statements**

The City’s government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in the government-wide financial statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues within three categories in the statement of activities:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from/to other funds
- Transfers in/out

**Governmental Fund Financial Statements**

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet the applicable criteria.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Governmental funds of the City are outlined below:

**General Fund** – This fund accounts for all revenues and expenditures to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In the City, these services include general government, public safety, public works, community development, community service, and refuse.

**Community Facilities Districts (CFD) Special Revenue Fund** - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.

**Community Facilities Districts (CFD) Capital Projects Fund** - This fund is used to account for bond and annual tax assessments proceeds to be used for the construction and implementation of off-site infrastructure improvements. In addition, the Fund accounts for services and administration assessments received annually.

**General Capital Projects Fund** - This fund is used to account for financial resources to be used for acquisition, construction and improvement of the city's major capital facilities.

**Development Impact Fees (DIF) Capital Projects Fund** - This fund is used to account for the receipt and expenditure of mitigation fees on specified capital projects.

**Beaumont Financing Authority Debt Service Fund** - This fund is authorized to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to the City and/or to refinance outstanding obligations of the City.

**Other Governmental Funds** – Other Governmental Funds is the aggregate of all the non-major governmental funds.



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Proprietary funds of the City are outlined below:

**Sewer Fund** – This fund was established to receive and disburse funds collected through sewer services charge fees and sewer facilities charges. These funds are used for the operation and maintenance of sewer disposal facilities and the financing of construction outlet sewers.

**Transit Fund** – The Transit Fund is intended to show the financial position and the operation and maintenance of the City’s fixed route and dial-a-ride transit systems.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has two types of fiduciary funds. They are the private purpose trust funds and agency funds.

The private purpose trust funds account for activities of the Successor Agency to the Beaumont Redevelopment Agency (the "Successor Agency").

The agency funds are purely custodial in nature (assets equal liabilities) and, thus, do not involve measurement of results of operations. Trust funds, such as the Successor Agency to the Redevelopment Agency, use the flow of economic resources measurement focus and the accrual basis of accounting.

**C. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**C. Cash, Cash Equivalents and Investments (Continued)**

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

**D. Restricted Cash and Investments**

Certain restricted cash and investments are held 1) held for transit related activities or 2) by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

**E. Capital Assets**

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Capital assets donated, or contributed by developers, are valued at their estimated fair value on the date donated or transferred to the City. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

	Years
Buildings	30
Infrastructure	35 - 120
Machinery and equipment	3 - 5
Furniture and fixtures	3 - 5
Vehicles	3
Computer equipment	3

The City defines infrastructure as the basic physical assets that allow the City to function. The infrastructure assets include streets (including bridges, streetlights, sidewalks, culverts and curbs), sewer system (including plant, collection systems, drains, lift stations), and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems. Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**F. Long-Term Debt**

**Government-Wide Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds.

Bond premiums and discounts, as well as insurance premiums paid to bond insurers, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the period when incurred.

**Fund Financial Statements**

The fund financial statements do not present long-term assets or liabilities. These amounts are shown in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

**G. Compensated Absences**

**Government-Wide Financial Statements**

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and related bargaining unit. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave balance accruals are capped at two the employee's annual accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness or at separation from employment at different levels depending on the length of employment and the bargaining unit. There is no cap on the amount of sick leave that can be accrued but there is a cap on the amount that can be cashed out upon termination. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

**Fund Financial Statements**

In governmental funds, compensated absences are recorded as expenditures in the years paid. It is the City's policy to liquidate unpaid compensated absences from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation and/or sick leave is recorded as a liability in the governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

**H. Pensions**

The City contracts with the California Public Employees' Retirement System (CalPERS) to provide a defined benefit pension plan for its employees and retirees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**H. Pensions (Continued)**

The following timeframes are used for pension plan reporting:

CalPERS:

Valuation Date	6/30/2017
Measurement Date	6/30/2018
Measurement Period:	July 1, 2017 to June 30, 2018

Gains and losses related to changes in CalPERS estimates and assumption for determining the total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources and are recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**I. Property Taxes**

Property taxes are levied on January 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Riverside, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received in cash except at year end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 60 days.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year. The City receives a share of this basic levy proportionate to what it received during the years 1976 to 1978.

**J. Net Position**

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, the City’s policy is to apply restricted net position first.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**K. Fund Balances**

For governmental fund financial statements, fund balances are categorized as follows:

*Nonspendable* – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government’s highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

*Assigned* – Assigned fund balances encompass the portion of net fund balance reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. On April 5, 2016, the City Council adopted the financial management policies that includes a fund balance policy authorizing the City Manager to make these determination.

*Unassigned* – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City’s policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

**L. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

**M. Fair Value Measurement**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**M. Fair Value Measurement (Continued)**

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**N. New Governmental Accounting Standards Implemented for the Year Ended June 30, 2019**

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2019. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

*GASB Statement No. 83*

In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. Application of this statement is effective for the City’s fiscal year ending June 30, 2019. This pronouncement did not have a material effect on the financial statements of the City.

*GASB Statement No. 88*

In April 2018, GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement also defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. In addition the statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This pronouncement did not have a material effect on the financial statements of the City.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**O. Upcoming Governmental Accounting Standards Implementation**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

*GASB Statement No. 84*

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City’s fiscal year ending June 30, 2020.

*GASB Statement No. 87*

In June 2017, GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. Application of this statement is effective for the City’s fiscal year ending June 30, 2021.

*GASB Statement No. 89*

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City’s fiscal year ending June 30, 2021.

*GASB Statement No. 90*

In August 2018, GASB issued Statement No. 90, Majority Equity Interests– An Amendment of GASB Statements No. 14 and No. 61. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the City’s fiscal year ending June 30, 2020.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**O. Upcoming Governmental Accounting Standards Implementation (Continued)**

*GASB Statement No. 91*

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the SEJPA’s fiscal year ending June 30, 2022.

**Note 2 – Cash and Investments**

**A. Cash Deposits**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2019:

	Primary Government			Fiduciary Funds	Total
	Governmental Activities	Business-type Activities	Total		
Cash and investments	\$ 73,004,507	\$ 14,752,256	\$ 87,756,763	\$ 19,116,924	\$ 106,873,687
Restricted cash and investments	-	147,616	147,616	-	147,616
Restricted cash and investments with fiscal agent	9,491,390	67,534,578	77,025,968	11,706,744	88,732,712
Restricted investments in CFDs	88,499,034	-	88,499,034	-	88,499,034
<b>Total</b>	\$ 170,994,931	\$ 82,434,450	\$ 253,429,381	\$ 30,823,668	\$ 284,253,049

Cash, cash equivalents, and investments, consisted of the following at June 30, 2019:

<b>Cash and cash equivalents:</b>	
Petty cash	\$ 4,752
Demand deposits	62,885,408
Cash with fiscal agent	68,254,346
<b>Subtotal</b>	131,144,506
<b>Investments:</b>	
Certificate of Deposit	200,378
Local Agency Investment Fund	36,251,338
Money market funds	27,377,793
Guaranteed investment contract	780,000
Restricted investments in CFDs	88,499,034
<b>Subtotal</b>	153,108,543
<b>Total</b>	\$ 284,253,049



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**A. Cash Deposits (Continued)**

At June 30, 2019, cash and investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019:

<u>Investment Type</u>	<u>Total as of June 30, 2019</u>	<u>Measurement Inputs</u>	<u>Valuation Technique</u>
<b>Investments:</b>			
Certificate of Deposit	\$ 200,378	Uncategorized	N/A
Local Agency Investment Fund	36,251,338	Uncategorized	N/A
Money market funds	27,377,793	Uncategorized	N/A
Guaranteed investment contract	780,000	Uncategorized	N/A
Restricted investments in CFDs	88,499,034	Uncategorized	N/A
<b>Total</b>	<b>\$ 153,108,543</b>		

The carrying amount of the City’s demand deposits are \$62,885,408 at June 30, 2019. Bank balances were \$63,200,266 at that date; the total amount is collateralized or insured with securities held by the pledging financial institutions in the City’s name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**B. Investments**

**Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of bond proceeds held by the City’s bond trustee (fiscal agent) which is described below.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	100%	\$50 million
Negotiable Certificates of Deposits	5 years	100%	None
Mutual Funds	N/A	100%	None
Money Market Funds	N/A	100%	None
Guaranteed Investment Contracts	N/A	100%	None
Government Securities Mutual Funds	N/A	20%	None
Local Obligation Bonds*	5 Years	None	None

\*Limited to 5 years, except permits investment in variable rate demand obligations that are City obligations up to 10 year maturity, as allowed under IRS and SEC rulings.

**Investments Authorized by Debt Agreements**

Investments of bond proceeds held by the City’s bond trustee are governed by provisions of the related debt agreement rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposits	None	None	None
Money Market Mutual Funds	N/A	None	None
Guaranteed Investment Contracts	None	None	None
Community Facilities District Bonds	None	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Obligations	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances, Prime Quality	360 days	None	None
Commercial Paper, Prime Quality	270 days	None	None

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 2 – Cash and Investments (Continued)**

**C. External Investment Pool**

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2019 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

*Structured Notes* are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2019, the City had \$36,251,338 invested in LAIF, which had invested 1.49% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The value of the City’s position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2019.

**D. Investment in CFD Bonds**

The Beaumont Financing Authority (BFA) issued Local Agency Revenue Bonds (“Authority Bonds”) for investment in the City of Beaumont Community Facilities District (CFD) 93-1 Special Tax Bonds (“District Bonds”). The District Bonds are local obligation bonds secured solely by special assessments on property owners within the CFD. The Authority Bonds issued by the BFA are repaid solely by debt service payments made on the District Bonds to the BFA. The repayment schedules of the District Bonds, and interest thereon, to the BFA; are concurrent and sufficient to satisfy the debt service requirements of the respective Authority Bonds.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures**

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy provides that final maturities of securities cannot exceed five years. Investments governed by the bond indentures may be longer. Maturities of investments vary and depend on liquidity needs of the City.

As of June 30, 2019, the City had the following investments and maturities:

	Amount	Maturities		
		1 year or less	1 - 5 years	More than 5 years
<b>Investments:</b>				
Certificate of Deposit	\$ 200,378	\$ 200,378	\$ -	\$ -
Local Agency Investment Fund	36,251,338	36,251,338	-	-
Money market funds	27,377,793	27,377,793	-	-
Guaranteed investment contract	780,000	-	-	780,000
Restricted investments in CFDs	88,499,034	3,565,000	15,360,000	69,574,034
<b>Total</b>	<b>\$ 153,108,543</b>	<b>\$ 67,394,509</b>	<b>\$ 15,360,000</b>	<b>\$ 70,354,034</b>

**Credit Risk**

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The City minimizes this risk by investing only in the type of investments allowed for municipalities by the Government Code as listed on the City’s investment policy and investing only in instruments that are most credit worthy.

	Amount	Credit Quality Ratings	
		Moody's	Standard & Poor's
<b>Investments:</b>			
Certificate of Deposit	\$ 200,378	Not Rated	Not Rated
Local Agency Investment Fund	36,251,338	Not Rated	Not Rated
Money market funds	27,377,793	AA - AAA	AA - AAA
Guaranteed investment contract	780,000	Not Rated	Not Rated
Restricted investments in CFDs	88,499,034	Not Rated	Not Rated
<b>Total</b>	<b>\$ 153,108,543</b>		

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City’s investments were subject to custodial credit risk.

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. City investments that are greater than 5 percent of the total investments are in either an external investment pool or mutual funds and are therefore exempt. The City’s investment in CFDs is restricted and is secured by special assessments from property owners and a tax lien on the underlying property.

Investment Type	Total as of June 30, 2019	Percentage of Investments
<b>Investments:</b>		
Certificate of Deposit	\$ 200,378	0.13%
Local Agency Investment Fund	36,251,338	23.68%
Money market funds	27,377,793	17.88%
Guaranteed investment contract	780,000	0.51%
Restricted investments in CFDs	88,499,034	57.80%
<b>Total</b>	<b>\$ 153,108,543</b>	

**Note 3 – Loans Receivable**

**A. Governmental Activities**

For the year ended June 30, 2019, changes in the loan receivable of the City’s loan program is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Loan receivable:				
Calimesa loan	\$ 215,904	\$ 4,730	\$ -	\$ 220,634
<b>Total</b>	<b>\$ 215,904</b>	<b>\$ 4,730</b>	<b>\$ -</b>	<b>\$ 220,634</b>

**Calimesa Loan**

The City entered into a loan agreement with City of Calimesa for the design and construction of portions of Cherry Valley Boulevard and Palmer Drive. The City of Calimesa will repay the loans within the next 20 years, plus simple interest annually at the rate paid by the Local Agency Investment Fund (LAIF) on January 1 of each year on the unpaid balance. The balance of the loan totaled \$220,634 at June 30, 2019. This balance includes interest of \$11,893 calculated at the LAIF rate of 1.20%.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 4 – Interfund Balances and Transactions**

**A. Transfers**

Transfers in and out for the year ended June 30, 2019, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Transit Fund	18,906	Miscellaneous and grants
General Fund	Other Federal Grant Fund	406	Miscellaneous and grants
General Fund	Capital Projects Fund	43,728	Transfer expenditures to project
General Fund	State Gas Tax Fund	900,000	Streets maintenance cost
General Fund	COPS Grant Fund	60,000	Labor cost allocation
General Fund	CFD Special Revenue Fund	4,427,745	CFD - City maintenance/admin
	<b>Subtotal</b>	<b>5,450,785</b>	
General Capital Projects Fund	State Gas Tax Fund	55	Transfer expenditures to project
General Capital Projects Fund	General Fund	50,788	Capital projects
General Capital Projects Fund	SB1	43,535	Transfer expenditures to project
General Capital Projects Fund	Sales Tax Measure A	64,035	Transfer expenditures to project
General Capital Projects Fund	DIF Capital Project Fund	3,181,216	Capital projects
	<b>Subtotal</b>	<b>3,339,629</b>	
Other Special Revenue Fund	General Fund	541,889	Measure A transfer to new fund
SB1 Fund	State Gas Tax Fund	263,368	SB1 transfer to new fund
COPS Grant Fund	General Fund	21,695	Cadet True-Up
State Gas Tax Fund	Capital Projects	64,751	Transfer expenditures to project
	<b>Subtotal</b>	<b>891,703</b>	
Wastewater Fund	CFD Special Revenue Fund	3,500	Trustee fees
Wastewater Fund	Wastewater Capital Projects	219,942	Capital projects
Wastewater Fund	CFD Capital Projects Fund	3,357,095	Capital projects
	<b>Subtotal</b>	<b>3,580,537</b>	
Transit Fund	General Fund	322	Transfer of expenses
	<b>Subtotal</b>	<b>322</b>	
	<b>Total</b>	<b>\$ 13,262,976</b>	

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Nondepreciable assets:</b>				
Land	\$ 23,284,760	\$ 4,800,000	\$ -	\$ 28,084,760
Construction in progress	12,437,213	12,451,337	(1,178,986)	23,709,564
<b>Total nondepreciable assets</b>	<b>35,721,973</b>	<b>17,251,337</b>	<b>(1,178,986)</b>	<b>51,794,324</b>
<b>Depreciable assets</b>				
Building and improvements	16,394,771	3,395,270	-	19,790,041
Machinery and equipment	6,460,573	536,427	-	6,997,000
Vehicles	3,252,975	89,268	(205,000)	3,137,243
Infrastructure	414,959,273	1,583,800	-	416,543,073
<b>Subtotal</b>	<b>441,067,592</b>	<b>5,604,765</b>	<b>(205,000)</b>	<b>446,467,357</b>
<b>Less accumulated depreciation</b>				
Building and improvements	(9,334,759)	(332,346)	-	(9,667,105)
Machinery and equipment	(3,704,720)	(240,628)	-	(3,945,348)
Vehicles	(2,477,711)	(225,982)	205,000	(2,498,693)
Infrastructure	(206,492,874)	(4,382,757)	-	(210,875,631)
<b>Subtotal</b>	<b>(222,010,064)</b>	<b>(5,181,713)</b>	<b>205,000</b>	<b>(226,986,777)</b>
<b>Total depreciable assets, net</b>	<b>219,057,528</b>	<b>423,052</b>	<b>-</b>	<b>219,480,580</b>
<b>Total</b>	<b>\$ 254,779,501</b>	<b>\$ 17,674,389</b>	<b>\$ (1,178,986)</b>	<b>\$ 271,274,904</b>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2019 are as follows:

<b><u>Depreciation by function-GOVT</u></b>	
General government	15,050
Public safety	204,073
Public works	4,590,535
Community development	90,080
Community services	281,975
<b>Total depreciation expense</b>	<b>\$ 5,181,713</b>

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital Assets (Continued)**

**B. Business-Type Activities**

Summary of changes in capital assets for business-type activities for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Nondepreciable assets:</b>				
Land	\$ 502,560	\$ 2,507,300	\$ -	\$ 3,009,860
Construction in progress	4,417,523	33,567,601	(5,290)	37,979,834
<b>Total nondepreciable assets</b>	<b>4,920,083</b>	<b>36,074,901</b>	<b>(5,290)</b>	<b>40,989,694</b>
<b>Depreciable assets</b>				
Building and improvements	621,548	-	-	621,548
Machinery and equipment	88,628,637	574,553	-	89,203,190
Vehicles	4,433,552	516,265	(383,409)	4,566,408
Infrastructure	133,820,513	3,676,047	-	137,496,560
<b>Subtotal</b>	<b>227,504,250</b>	<b>4,766,865</b>	<b>(383,409)</b>	<b>231,887,706</b>
<b>Less accumulated depreciation</b>				
Building and improvements	(430,627)	(48,295)	-	(478,922)
Machinery and equipment	(38,037,508)	(3,097,642)	-	(41,135,150)
Vehicles	(3,000,290)	(522,366)	383,409	(3,139,247)
Infrastructure	(66,446,114)	(3,844,890)	-	(70,291,004)
<b>Subtotal</b>	<b>(107,914,539)</b>	<b>(7,513,193)</b>	<b>383,409</b>	<b>(115,044,323)</b>
<b>Total depreciable assets, net</b>	<b>119,589,711</b>	<b>(2,746,328)</b>	<b>-</b>	<b>116,843,383</b>
<b>Total</b>	<b>\$ 124,509,794</b>	<b>\$ 33,328,573</b>	<b>\$ (5,290)</b>	<b>\$ 157,833,077</b>

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2019 are as follows:

Sewer	\$ 7,005,273
Transit	507,920
<b>Total depreciation expense</b>	<b>\$ 7,513,193</b>

**C. Fiduciary Fund Financial Statements**

Summary of changes in capital assets for the City's Successor Agency for the year ended June 30, 2019 is as follows:

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Nondepreciable assets:</b>				
Land	\$ 21,827	\$ -	\$ -	\$ 21,827
<b>Total nondepreciable assets</b>	<b>21,827</b>	<b>-</b>	<b>-</b>	<b>21,827</b>
<b>Total</b>	<b>\$ 21,827</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,827</b>



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations**

**A. Governmental Activities**

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2019 is as follows:

	Balance			Balance	Classification		
	July 1, 2018	Additions	Deletions		June 30, 2019	Due within One Year	Due in more than One Year
<b>Governmental Activities:</b>							
<b>City</b>							
AB 1484 Due Diligence Review	\$ 1,675,912	\$ -	\$ (300,000)	\$ 1,375,912	\$ 300,000	\$ 1,075,912	
Capital Leases	186,483	167,456	(56,697)	297,242	98,520	198,722	
<b>Beaumont Public Financing Authority</b>							
1994 Revenue Bonds, Series A	3,356,186	-	(326,186)	3,030,000	\$ 500,000	\$ 2,530,000	
2007 Revenue Bonds, Series A	3,985,000	-	(205,000)	3,780,000	220,000	3,560,000	
2007 Revenue Bonds, Series C & D	3,410,000	-	(140,000)	3,270,000	155,000	3,115,000	
2011 Revenue Bonds, Series A & B	12,070,000	-	(60,000)	12,010,000	100,000	11,910,000	
2012 Revenue Bonds, Series A	5,640,000	-	(20,000)	5,620,000	30,000	5,590,000	
2012 Revenue Bonds, Series B	3,100,000	-	(70,000)	3,030,000	85,000	2,945,000	
2012 Revenue Bonds, Series C	3,470,000	-	(70,000)	3,400,000	65,000	3,335,000	
2013 Revenue Bonds, Series A	6,830,000	-	(355,000)	6,475,000	440,000	6,035,000	
2013 Refunding Revenue Bonds, Series B	9,505,000	-	(460,000)	9,045,000	390,000	8,655,000	
2015 Refunding Revenue Bonds, Series A	10,445,000	-	(220,000)	10,225,000	230,000	9,995,000	
2015 Refunding Revenue Bonds, Series B	18,365,000	-	(780,000)	17,585,000	790,000	16,795,000	
2015 Refunding Revenue Bonds, Series C	4,735,000	-	(250,000)	4,485,000	225,000	4,260,000	
2015 Refunding Revenue Bonds, Series D	6,970,000	-	(320,000)	6,650,000	335,000	6,315,000	
Total Revenue Bonds	91,881,186	-	(3,276,186)	88,605,000	3,565,000	85,040,000	
<b>Total governmental activities</b>	<b>\$ 93,743,581</b>	<b>\$ 167,456</b>	<b>\$ (3,632,883)</b>	<b>\$ 90,278,154</b>	<b>\$ 3,963,520</b>	<b>\$ 86,314,634</b>	

**AB 1484 Due Diligence Review**

The City has entered into an agreement with the State of California, Department of Finance (State) to pay an outstanding amount due from the State’s Due Diligence Review. The original amount due was \$2,875,912, and the outstanding balance at June 30, 2019 is \$1,375,912. The agreement calls for annual payments of \$300,000 through July 15, 2022, with a final payment of \$175,912 due on July 15, 2023. The City will utilize “residual” pass-through payments received by the City’s General Fund to pay this debt of the former Redevelopment Agency. There is no interest charged by the State.

The annual debt service requirements are as follows:

Year Ending	Total
June 30,	
2020	\$ 300,000
2021	300,000
2022	300,000
2023	300,000
2024	175,912
<b>Total</b>	<b>\$ 1,375,912</b>

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Capital Lease**

The City has entered into several lease agreements for the financing of public works vehicles, police vehicles, and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2019 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 98,520	\$ 52,686	\$ 151,206
2021	83,130	49,000	132,130
2022	78,584	46,094	124,678
2023	37,008	37,270	74,278
<b>Total</b>	<b>\$ 297,242</b>	<b>\$ 185,050</b>	<b>\$ 482,292</b>

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

	<b>Amount</b>
Vehicles	\$ 266,672
Less: accumulated depreciation	(85,676)
<b>Total</b>	<b>\$ 180,996</b>

**Revenue Bonds**

**Local Revenue Bonds – 1994**

On January 15, 1994, the BFA issued \$7,535,000 of 1994 Local Agency Revenue Bonds – Series A and \$2,755,000 of 1994 Local Agency Revenue Bonds – Series B (the “Authority Bonds”) for the purpose of acquiring the concurrently issued City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds, 1994 Series A (the “District Bonds”) in the amount of \$9,260,000. Proceeds from the Authority Bonds were used to purchase the District bonds. The bonds were issued to provide the District with funds to design or acquire certain public improvements relating to the District, including water treatment plant facilities and infrastructure.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest was payable on September 1, 1994, and semiannually thereafter on March 1 and September 1 of each year until maturity. Series A Authority Bonds are 7.0% term bonds due September 1, 2023, with sinking payments to be made beginning September 1, 2004. Series B Authority Bonds consist of \$365,000 serial bonds maturing annually in amounts between \$65,000 and \$80,000 from September 1, 1999 through September 1, 2003. Thereafter, \$2,390,000 of 7.5% term bonds are due September 1, 2023, with sinking payments to be made beginning September 1, 2004.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Revenue Bonds – 1994 (Continued)**

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019, on the Series A Bonds was \$3,030,000.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Revenue Bonds – 2007 Series A**

On January 18, 2007, the BFA issued \$21,175,000 of 2007 Local Agency Revenue Bonds, Series A (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2000 Local Agency Revenue Bonds, Series A, the Beaumont Financing Authority 1994 Local Agency Revenue Bonds, Series A and B, and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$4,910,884.

These bonds were issued to provide the District with funds to finance public infrastructure relating to respective improvements areas, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2007 until maturity or earlier redemption. The Bonds consist of \$8,860,000 serial bonds maturing annually in amounts between \$250,000 and \$780,000 from September 1, 2007 through September 1, 2021 with interest rates between 3.500% and 4.250%. Thereafter, \$4,425,000 of 4.500% term bonds are due September 1, 2026, with sinking payments to be made beginning September 1, 2022, \$6,785,000 of 4.500% term bonds are due September 1, 2032, with sinking payments to be made beginning September 1, 2027 and \$1,105,000 of 4.625% term bonds are due September 1, 2037, with sinking payments to be made beginning September 1, 2033.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$3,780,000. The 2007 Series A Authority Bonds were partially called and defeased by the District’s issuance of 2017 Series A District Bonds (Note 7).

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Revenue Bonds – 2007 Series C and D**

On April 26, 2007, the BFA issued \$22,490,000 of 2007 Local Agency Revenue Bonds, Series C (the “Authority Bonds”) and \$1,105,000 Local Agency Revenue Bonds, Series D (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2003 Local Agency Revenue Bonds, Series A and Beaumont Financing Authority 1994 Local Agency Revenue Bonds, Series A, and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$217,000. These bonds were issued to provide the District with funds to finance public infrastructure relating to respective improvements areas, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2007 until maturity or earlier redemption. The 2007 Series C Bonds consist of \$6,440,000 serial bonds maturing annually in amounts between \$350,000 and \$765,000 from September 1, 2007 through September 1, 2019 with interest rates between 4.000% and 4.500%. Thereafter, \$2,555,000 of 5.000% term bonds are due September 1, 2022, with sinking payments to be made beginning September 1, 2020, \$4,060,000 of 5.000% term bonds are due September 1, 2026, with sinking payments to be made beginning September 1, 2023. \$2,370,000 of 4.750% term bonds are due September 1, 2028, with sinking payments to be made beginning September 1, 2027, and \$7,065,000 of 4.750% term bonds are due September 1, 2033, with sinking payments to be made beginning September 1, 2029. The 2007 Series D Bonds consist of \$1,105,000 of 5.200% term bonds are due September 1, 2012, with sinking payments to be made beginning September 1, 2011.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$3,270,000. The 2007 Series C and D Authority Bonds were partially called and defeased by the District’s issuance of 2017 Series A District Bonds (Note 7). The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Revenue Bonds – 2011 Series A and B**

On December 15, 2011, the BFA issued \$12,145,000 of 2011 Local Agency Revenue Bonds, Series A (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2009 Local Agency Revenue Bonds, Series A and B, the Beaumont Financing Authority 2009 Local Agency Revenue Bonds, Series A and B, and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$11,039,529. These bonds were issued to provide the District with funds to finance public infrastructure relating to respective improvements areas, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2012 until maturity or earlier redemption. The Bonds consist of \$1,405,000 serial bonds maturing annually in amounts between \$10,000 and \$250,000 from September 1, 2015 through September 1, 2026 with interest rates between 3.500% and 5.500%. Thereafter, \$1,820,000 of 6.125% term bonds are due September 1, 2031, with sinking payments to be made

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Revenue Bonds – 2011 Series A and B (Continued)**

beginning September 1, 2027, and \$8,920,000 of 6.375% term bonds are due September 1, 2042, with sinking payments to be made beginning September 1, 2032.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$12,010,000 for the Authority Bonds is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Revenue Bonds – 2012 Series A**

On March 14, 2012, the BFA issued \$5,650,000 of 2012 Local Agency Revenue Bonds, Series A (the “Authority Bonds”) for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$4,936,658. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 8C, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2017 until maturity or earlier redemption. The Bonds consist of \$155,000 serial bonds maturing annually in amounts between \$10,000 and \$120,000 from September 1, 2017 through September 1, 2029 with interest rates between 3.500% and 5.250%. Thereafter, \$400,000 of 5.625% term bonds are due September 1, 2032, with sinking payments to be made beginning September 1, 2030, and \$4,475,000 of 5.875% term bonds are due September 1, 2042, with sinking payments to be made beginning September 1, 2033.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$5,620,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Revenue Bonds – 2012 Series B**

On April 10, 2012, the BFA issued \$3,265,000 of 2012 Local Agency Revenue Bonds, Series B (the “Authority Bonds”) for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$2,690,661. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 20, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account. public infrastructure relating to Improvements Area No. 20, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Revenue Bonds – 2012 Series B (Continued)**

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. The Bonds consist of \$1,120,000 serial bonds maturing annually in amounts between \$50,000 and \$150,000 from September 1, 2015 through September 1, 2026 with interest rates between 3.500% and 5.500%.

Thereafter, \$2,145,000 of 5.950% term bonds are due September 1, 2035, with sinking payments to be made beginning September 1, 2027.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$3,030,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City. The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Revenue Bonds – 2012 Series C**

On May 23, 2012, the BFA issued \$3,655,000 of 2012 Local Agency Revenue Bonds, Series C (the “Authority Bonds”) for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$3,122,785. These bonds were issued to provide the District with funds to finance public infrastructure relating to Improvements Area No. 7B and No. 7C, fund interest on the bonds, pay expenses relating to the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2013 until maturity or earlier redemption. The Bonds consist of \$760,000 serial bonds maturing annually in amounts between \$20,000 and \$105,000 from September 1, 2013 through September 1, 2025 with interest rates between 1.500% and 4.250%. Thereafter, \$2,895,000 of 5.250% term bonds are due September 1, 2039, with sinking payments to be made beginning September 1, 2026.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$3,400,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Revenue Bonds – 2013 Series A**

On January 17, 2013, the BFA issued \$8,810,000 of 2013 Local Agency Revenue Bonds, Series A (the “Authority Bonds”) for the purpose of acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$7,865,887. The District Bonds were issued to provide the District with funds to finance public infrastructure related to Improvements Area No. 19C, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2013 until maturity or earlier redemption. The Bonds consist of \$4,180,000 serial bonds maturing annually in amounts between \$55,000 and \$420,000 from September 1, 2013 through September 1, 2022 with interest rates between 1.500% and 4.250%.

Thereafter, \$1,965,000 of 5% term bonds are due September 1, 2027, with sinking payments to be made beginning September 1, 2023, and \$2,665,000 of 5% term bonds are due September 1, 2036, with sinking payments to be made beginning September 1, 2028.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$6,475,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City. The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Refunding Revenue Bonds – 2013 Series B**

On April 2, 2013, the BFA issued \$10,875,000 of 2013 Local Agency Refunding Revenue Bonds, Series B (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2003 Local Agency Revenue Bonds Series B and acquiring the City of Beaumont Community Facilities District No. 93-1 Special Tax Bonds (“District Bonds”) in the amount of \$130,500.

These bonds were issued to provide the District with funds to finance public infrastructure related to Improvements area No. 17A, fund interest on the bonds, pay expenses relating to the issuance of the bonds and fund a reserve account.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. The Bonds consist of \$3,810,000 serial bonds maturing annually in amounts between \$245,000 and \$475,000 from September 1, 2013 through September 1, 2023 with interest rates between 2.000% and 5.000%. Thereafter, \$2,740,000 of 5% term bonds are due September 1, 2028, with sinking payments to be made beginning September 1, 2024, and \$4,325,000 of 5% term bonds are due September 1, 2034, with sinking payments to be made beginning September 1, 2029.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$9,045,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Refunding Revenue Bonds – 2013 Series B (Continued)**

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Refunding Revenue Bonds - 2015 Series A**

On March 17, 2015, the BFA issued \$11,110,000 of 2015 Local Agency Revenue Bonds, Series A (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2005 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 5.00%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$10,225,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Refunding Revenue Bonds - 2015 Series B**

On April 23, 2015, the BFA issued \$20,095,000 of 2015 Local Agency Refunding Revenue Bonds, Series B (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series D.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 5.00%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$17,585,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Local Agency Refunding Revenue Bonds – 2015 Series C**

On May 15, 2015, the BFA issued \$5,335,000 of 2015 Local Agency Refunding Revenue Bonds, Series C (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series A.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 4.125%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$4,485,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**Local Agency Refunding Revenue Bonds – 2015 Series D**

On May 15, 2015, the BFA issued \$7,820,000 of 2015 Local Agency Refunding Revenue Bonds, Series D (the “Authority Bonds”) for the purpose of refunding the Beaumont Financing Authority 2004 Local Agency Revenue Bonds Series B.

The Authority Bonds are payable from and secured by repayment of the District Bonds. Interest is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015 until maturity or earlier redemption. Interest on the bonds ranges from 2.00% to 4.250%.

Neither the Authority Bonds nor the District Bonds are general obligations of the City nor any other political subdivision and the full faith and credit of the City is not pledged for repayment thereof. The outstanding indebtedness at June 30, 2019 was \$6,650,000 for the Authority Bonds and is reported in the City’s financial statements as the BFA is a component unit of the City.

The District Bonds do not constitute an obligation of the City and the City is not obligated to make payment beyond the special taxes and available bond reserves, therefore these bonds have not been reflected as long-term liabilities in the accompanying financial statements.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**Annual Debt Service Requirements to Maturity**

The annual debt service requirements to maturity schedule are the annual scheduled debt service under the BFA’s Authority Bond indentures as follows:

<b>Revenue Bonds</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 3,565,000	\$ 2,140,821	\$ 5,705,821
2021	3,574,525	2,079,318	5,653,843
2022	3,739,758	2,010,309	5,750,067
2023	3,925,402	1,934,189	5,859,591
2024	4,120,315	1,847,020	5,967,335
2025-2029	19,695,000	13,991,831	33,686,831
2030-2034	24,455,000	9,481,359	33,936,359
2035-2039	13,740,000	4,527,706	18,267,706
2040-2044	10,565,000	1,600,081	12,165,081
2045-2049	1,225,000	61,375	1,286,375
<b>Total</b>	<b>\$ 88,605,000</b>	<b>\$ 39,674,009</b>	<b>\$ 128,279,009</b>

**B. Business-Type Activities**

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2019 is as follows:

	<b>Balance</b>			<b>Balance June 30, 2019</b>	<b>Classification</b>	
	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>		<b>Due within One Year</b>	<b>Due in more than One Year</b>
<b>Business-Type Activities:</b>						
Wastewater Revenue Bonds	\$ -	\$ 81,105,000	\$ -	\$ 81,105,000	\$ 1,000,000	\$ 80,105,000
Bond Premium	-	9,698,952	(229,187)	9,469,765	303,092	9,166,673
Capital Leases	346,313	-	(77,854)	268,459	85,304	183,155
<b>Total business-type activities</b>	<b>\$ 346,313</b>	<b>\$ 90,803,952</b>	<b>\$ (307,041)</b>	<b>\$ 90,843,224</b>	<b>\$ 1,388,396</b>	<b>\$ 89,454,828</b>

**Capital Lease**

The City has entered into several lease agreements for the financing of sewer vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Obligations (Continued)**

**B. Business-Type Activities (Continued)**

**Capital Lease (Continued)**

The annual debt service requirements for the capital leases payable outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 85,304	\$ 18,274	\$ 103,578
2021	92,344	11,257	103,601
2022	90,811	3,661	94,472
<b>TOTAL</b>	<b>\$ 268,459</b>	<b>\$ 33,192</b>	<b>\$ 301,651</b>

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

	<u>Amount</u>
Vehicles	\$ 455,505
Less: accumulated depreciation	(136,651)
Total	<u>\$ 318,854</u>

**Revenue Bonds**

**Wastewater Revenue Bonds, Series 2018A**

On September 27, 2018, the Beaumont Public Improvement Authority issued \$81,105,000 of revenue bonds, to finance the acquisition and construction of certain improvements to the City’s Wastewater System and to purchase a debt service reserve surety policy. The bonds were issued at a premium of \$9,698,952 which is amortized over the life of the bonds. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2049. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning on September 1, 2019. The bonds are a special limited obligation of the Authority payable solely from Authority Revenues. The outstanding balance of the Wastewater Revenue Bonds Series 2018A at June 30, 2019 was \$81,105,000.

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,000,000	\$ 3,868,688	\$ 4,868,688
2021	1,245,000	3,828,788	5,073,788
2022	1,295,000	3,777,988	5,072,988
2023	1,355,000	3,718,213	5,073,213
2024	1,425,000	3,648,713	5,073,713
2025-2029	8,285,000	17,071,313	25,356,313
2030-2034	10,525,000	14,829,813	25,354,813
2035-2039	13,060,000	12,291,669	25,351,669
2040-2044	16,620,000	8,734,250	25,354,250
2045-2049	21,345,000	4,011,875	25,356,875
2050	4,950,000	123,750	5,073,750
<b>Total</b>	<b>\$ 81,105,000</b>	<b>\$ 75,905,060</b>	<b>\$ 157,010,060</b>

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 7 - Debt Without City Commitment**

The City authorized the formation of the City of Beaumont Community Facilities District No. 93-1 (the "CFD's") for purpose of the issuance of bonds under improvement acts of the State of California to finance eligible public facilities to serve developing commercial, industrial, residential, and/or mixed use developments. Bonds issued by the CFD are secured by annual special tax levies or liens placed on properties within the CFD. The City, and the BFA, are not liable for repayment and the City, acting as an agent on behalf of the CFD, is only responsible for levying and collecting the special tax assessments, forwarding the collections to the bond trustee on behalf of bondholders, and initiating foreclosure proceedings on faulted special tax payments when necessary.

The bonds issued by the CFD are limited obligations and are payable solely from special tax assessments, specific bond reserves, and the proceeds from property foreclosures. Since these debts do not constitute an obligation of the City or the BFA and the City or BFA is not obligated to make payments on the bonds, the District Bonds (whose terms are disclosed in Note 6) are not reported as long-term liabilities in the accompanying City financial statements. The activities related to the District Bond reserves, special assessment tax collection, remittance to the bond trustee, repayment of District Bonds and use of new bond proceeds for developer capital projects for infrastructure, are reported in the Fiduciary Funds as an agency fund.

District Bonds issued during the year ended June 30, 2019 were as follows:

**2018 Special Tax Bonds, IA 7B**

On November 8, 2018, the CFD issued \$2,370,000 of special tax bonds, to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the City per a settlement agreement with developers. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039. The bonds bear interest ranging from 3% to 4%. Principal payments are due annually beginning on September 1, 2019. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the 2018 Special Tax Bonds, Series A at June 30, 2019 was \$2,365,000.

**2018 Special Tax Bonds, IA 7D**

On November 8, 2018, the CFD issued \$3,725,000 of special tax bonds, to finance a portion of the cost of acquiring and constructing certain public infrastructure improvements necessary for development of property within the City per a settlement agreement with developers. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2048. The bonds bear interest ranging from 3% to 4.125%. Principal payments are due annually beginning on September 1, 2019. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the 2018 Special Tax Bonds IA 7D at June 30, 2019 was \$3,725,000.

**2018 Special Tax Bonds, IA 8E**

On December 7, 2018, the CFD issued \$12,680,000 of special tax bonds, to finance a portion of the cost of acquiring and constructing certain public infrastructure improvements necessary for the development of property within the City per a settlement agreement with developers. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2048. The bonds bear interest ranging from 2% to 5%. Principal payments are due annually beginning September 1, 2019. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the 2018 Special Tax Bonds IA 8E at June 30, 2019 was \$12,680,000.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 7 - Debt Without City Commitment (Continued)**

**2019 Special Tax Bonds, IA 2016-1 (Fairway Canyon)**

On March 12, 2019, the CFD issued \$9,045,000 of special tax bonds, to finance a portion of the of acquiring and constructing certain public infrastructure improvements necessary for the development of property within the City per a settlement agreement with developers. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2048. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning September 1, 2019. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The outstanding balance of the 2019 Special Tax Bonds IA 2016-1 at June 30, 2019 was \$9,045,000.

As of June 30, 2019, debt without city or BFA commitment is as follows:

	<b>Balance June 30, 2019</b>
1994 Special Tax Bonds, Series A	\$ 2,924,034
2007 Special Tax Bonds, Series A	3,780,000
2007 Special Tax Bonds, Series C & D	3,270,000
2011 Special Tax Bonds, Series A & B	12,010,000
2012 Special Tax Bonds, Series A	5,620,000
2012 Special Tax Bonds, Series B	3,030,000
2012 Special Tax Bonds, Series C	3,400,000
2013 Special Tax Bonds, Series A	6,370,000
2013 Special Tax Bonds, Series B	9,150,000
2015 Special Tax Bonds, Series A	10,200,000
2015 Special Tax Bonds, Series B	17,575,000
2015 Special Tax Bonds, Series C	4,520,000
2015 Special Tax Bonds, Series D	6,650,000
<b>Subtotal</b>	<b>88,499,034</b>
2017 Special Tax Refunding Bonds, Series A	90,669,002
2018 Special Tax Bonds, Series A	33,320,000
2018 Special Tax Bonds, IA 7B	2,365,000
2018 Special Tax Bonds, IA 7D	3,725,000
2018 Special Tax Bonds, IA 8E	12,680,000
2019 Special Tax Bonds, IA 2016-1	9,045,000
<b>Total Limited Obligation Bond Debt</b>	<b>\$ 240,303,036</b>

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Compensated Absences**

The City’s liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$2,533,174 at June 30, 2019.

**A. Governmental Activities**

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Summary of changes in compensated absences for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Classification	
					Due Within One Year	Due in More Than One Year
<b>Governmental Activities:</b>						
Compensated absences	\$ 2,404,180	\$ 37,351	\$ (173,169)	\$ 2,268,362	\$ 226,836	\$ 2,041,526
<b>Total governmental activities</b>	<u>\$ 2,404,180</u>	<u>\$ 37,351</u>	<u>\$ (173,169)</u>	<u>\$ 2,268,362</u>	<u>\$ 226,836</u>	<u>\$ 2,041,526</u>

**B. Business-Type Activities**

Summary of changes in compensated absences for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Classification	
					Due Within One Year	Due in More Than One Year
<b>Business-Type Activities:</b>						
Compensated absences	\$ 260,513	\$ 45,404	\$ (41,105)	\$ 264,812	\$ 26,481	\$ 238,331
<b>Total business-type activities</b>	<u>\$ 260,513</u>	<u>\$ 45,404</u>	<u>\$ (41,105)</u>	<u>\$ 264,812</u>	<u>\$ 26,481</u>	<u>\$ 238,331</u>

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 9 – Risk Management**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City, including its component units, uses the General Fund to account for and finance risks for general liability, workers’ compensation, and property damage. There were no settlements in excess of insurance coverage in any of the three prior fiscal years. There were no reductions in the City’s limits of coverage during the fiscal year ended June 30, 2019.

**General Liability and Property Damage Insurance**

The City is self-insured to some extent for general liability claims. The City maintains a self-insured retention level of \$250,000 for general liability with excess coverage up to \$50,000,000, as a participant in the Exclusive Risk Management Authority of California (ERMAC), a Joint Powers Authority. The City is self-insured for \$1,000,000 for employment practices liability with excess coverage up to \$50,000,000. Property damage is also insured through participation in ERMAC.

The City has entered into contracts with claims administrators to process claims against the City for general liability claims.

**Workers’ Compensation**

The City of Beaumont maintains a self-insured workers’ compensation plan, whereby the City covers the cost of medical claims its employees incur. The City has stop loss coverage for this plan to cover claims in excess of \$300,000 per participant per year. The City utilizes a third-party administrator to manage claims in accordance with state law.

**Government Crime Policy**

The City carries government crime insurance, including faithful performance/employee dishonesty, forgery or alteration, computer fraud, etc., in the amount of \$15 million, with a \$2,500 deductible. Changes in the claims liability amounts were as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year End</b>
2016-2017	\$ 1,522,989	\$ 2,375,686	\$ (1,567,484)	\$ 2,331,191
2017-2018	2,331,191	1,383,627	(1,500,000)	2,214,818
2018-2019	2,214,818	2,870,524	(2,277,967)	2,807,375

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans**

**A. Summary**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 939,082	\$ 217,501	\$ 1,156,583
CalPERS Safety	1,645,661	-	1,645,661
Total pension contribution made after measurement date	2,584,743	217,501	2,802,244
Change in assumption:			
CalPERS Miscellaneous	620,674	143,755	764,429
CalPERS Safety	988,835	-	988,835
Total change in assumption	1,609,509	143,755	1,753,264
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	26,916	6,233	33,149
CalPERS Safety	68,233	-	68,233
Total projected earnings on pension plan investments in excess of actual earnings	95,149	6,233	101,382
Adjustment due to difference in proportions:			
CalPERS Miscellaneous	395,127	91,515	486,642
CalPERS Safety	319,679	-	319,679
Total adjustment due to difference in proportions	714,806	91,515	806,321
Difference between expected and actual experience:			
CalPERS Miscellaneous	208,891	48,381	257,272
CalPERS Safety	216,544	-	216,544
Total difference between expected and actual experience	425,435	48,381	473,816
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	20,924	4,846	25,770
CalPERS Safety	258,831	-	258,831
Total employer contributions in excess of proportionate share of contribution	279,755	4,846	284,601
Total deferred outflows of resources:			
CalPERS Miscellaneous	2,211,614	512,231	2,723,845
CalPERS Safety	3,497,783	-	3,497,783
Total deferred outflows of resources	\$ 5,709,397	\$ 512,231	\$ 6,221,628
<b>Net pension liabilities:</b>			
CalPERS Miscellaneous	\$ 5,479,992	\$ 1,225,347	\$ 6,705,339
CalPERS Safety	10,078,078	-	10,078,078
Total net pension liabilities	\$ 15,558,070	\$ 1,225,347	\$ 16,783,417



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**A. Summary (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred inflows of Resources:</b>			
Change in assumption			
CalPERS Miscellaneous	\$ 172,702	\$ 14,645	\$ 187,347
CalPERS Safety	133,412	-	133,412
Total change in assumption	306,114	14,645	320,759
Adjustment due to difference in proportions:			
CalPERS Safety	130,864	-	130,864
Total adjustment due to difference in proportions	130,864	-	130,864
Employer contributions in excess of proportionate share of contribution:			
CalPERS Miscellaneous	33,820	2,867	36,687
Total employer contributions in excess of proportionate share of contribution	33,820	2,867	36,687
Difference between expected and actual experience:			
CalPERS Miscellaneous	80,705	6,843	87,548
CalPERS Safety	821	-	821
Total difference between expected and actual experience	81,526	6,843	88,369
Total deferred inflows of resources:			
CalPERS Miscellaneous	287,227	24,355	311,582
CalPERS Safety	265,097	-	265,097
Total deferred inflows of resources	\$ 552,324	\$ 24,355	\$ 576,679
<b>Pension expenses:</b>			
CalPERS Miscellaneous	\$ 1,362,339	\$ 612,072	\$ 1,974,411
CalPERS Safety	2,268,192	-	2,268,192
Total net pension expenses	\$ 3,630,531	\$ 612,072	\$ 4,242,603

**B. General Information about the Pension Plans**

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**B. General Information about the Pension Plans (Continued)**

Employees Covered by Benefit Terms

At June 30, 2018, measurement date, the following employees were covered by the benefit terms:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA
Active employees	69	31	35	6
Transferred and terminated employees	55	6	36	1
Retired employees and beneficiaries	68	-	54	-
Total	192	37	125	7

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Miscellaneous	Miscellaneous PEPRA	Safety	Safety PEPRA
Benefit formula	3.0% @ 60	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	50-57
Monthly benefits, as a % of eligible compensation	2.7%	2.0%	3.0%	2.7%
Required employee contribution rate	8.000%	6.750%	9.000%	12.000%
Required employer contribution rate	14.398%	6.985%	21.927%	13.034%

Contributions

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

Miscellaneous	\$ 956,792
Safety	1,402,549
	\$ 2,359,341

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	<b>Plan Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Miscellaneous</b>			
Balance at: 6/30/17 (Valuation date)	\$ 29,651,434	\$ 22,811,145	\$ 6,840,289
Balance at: 6/30/18 (Measurement date)	30,905,743	24,200,404	6,705,339
Net changes during 2017-2018	1,254,309	1,389,259	(134,950)
<b>Safety</b>			
Balance at: 6/30/17 (Valuation date)	\$ 39,039,646	\$ 28,861,673	\$ 10,177,973
Balance at: 6/30/18 (Measurement date)	40,927,260	30,849,182	10,078,078
Net changes during 2017-2018	1,887,614	1,987,509	(99,895)

Proportionate Share of Net Pension Liability and Pension Expense

The City’s net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2018, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City’s proportion of the net pension liability/(asset) was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2017 and 2018 was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
Proportion - June 30, 2017	0.17352%	0.17034%	0.34386%
Proportion - June 30, 2018	0.17792%	0.17176%	0.34968%
Change - Increase/(Decrease)	0.00440%	0.00142%	0.00582%

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2019, the City recognized pension expense of \$1,974,411 and \$1,273,200, for the Miscellaneous and Safety plans, respectively. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous Plans</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	\$ 1,156,583	\$ -
Difference between projected and actual earning on pension plan investments	33,149	-
Adjustment due to differences in proportions	486,642	
Changes in assumptions	764,429	187,347
Difference between actual and expected experience	257,272	87,548
Difference between employer's actual contributions and proportionate share of contributions	25,770	36,687
Total	\$ 2,723,845	\$ 311,582
<b>Safety Plans</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Pension contributions made subsequent to measurement date	1,645,661	\$ -
Difference between projected and actual earning on pension plan investments	68,233	-
Adjustment due to differences in proportions	319,679	130,864
Changes in assumptions	988,835	133,412
Difference between actual and expected experience	216,544	821
Difference between employer's actual contributions and proportionate share of contributions	258,831	-
Total	\$ 3,497,783	\$ 265,097

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the Miscellaneous Plan and Safety Plan, \$1,156,583 and \$1,645,661, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the next measurement period (June 30, 2019). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Miscellaneous Plans	Safety Plans	Total
2020	\$ 936,397	\$ 1,077,627	\$ 2,014,024
2021	520,100	759,011	1,279,111
2022	(140,506)	(179,808)	(320,314)
2023	(60,311)	(69,806)	(130,116)
2024	-	-	-
	\$ 1,255,680	\$ 1,587,024	\$ 2,842,705

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	7.15%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study. Further details of the Experience Study can be found on the CalPERS website.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. Asset<sup>1</sup>

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class <sup>1</sup>	New Strategic Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11 + <sup>3</sup>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

<sup>1</sup> In CalPERS's CAFR, Fixed Income is included in Global Debt Security; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Security and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% was used for this period.

<sup>3</sup> An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate (Continued)

The long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous	\$ 10,885,995	\$ 6,705,339	\$ 3,254,276
Safety	\$ 15,720,163	\$ 10,078,078	\$ 5,455,400
<b>Total</b>	<b>\$ 26,606,158</b>	<b>\$ 16,783,417</b>	<b>\$ 8,709,676</b>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Payable to the Pension Plan**

The City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2019.

**Note 11 – Other Required Disclosures**

**A. Deficit Net Position/Fund Balances**

At June 30, 2019, the Business-Type Activities in the Statement of Net Position had unrestricted net position deficit of \$(475,808) respectively.

At June 30, 2019, the following funds had a unrestricted net position (deficit), which will be eliminated through the reduction in future expenses and/or the use of new funding sources:

Fund	Fund Type	Deficit
Sewer Fund	Enterprise	\$ (362,266)
Transit Fund	Enterprise	\$ (113,542)

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Other Required Disclosures (Continued)**

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2019, expenditures exceeded appropriations in the following functions of the General Fund:

Fund	Function	Excess Expenditures
General Fund	General Government	\$ (752,678)
General Fund	Refuse	\$ (504,512)
General Fund	Debt Service	\$ (300,000)

The budget was established in a manner different than the reporting, and though certain line items were over the departments were within total budget appropriation. Future budgets will consider all reporting elements for proper alignment.

**Note 12 – Classification of Fund Balances**

	Major Funds						Total
	General Fund	Community Facilities District (CFD) Special Revenue Fund	Community Facilities District (CFD) Capital Projects Fund	General Capital Projects Fund	Beaumont Financing Authority Debt Service Fund	Other Governmental Funds	
<b>Nonspendable:</b>							
Loans receivable	\$ 220,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,634
Prepaid expenditures	83,141	-	-	-	-	-	83,141
<b>Total nonspendable</b>	<b>303,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,775</b>
<b>Restricted:</b>							
State Gas Tax	-	-	-	-	-	103,421	103,421
AB 2766	-	-	-	-	-	1,102,061	1,102,061
PEG Fees	-	-	-	-	-	1,542,017	1,542,017
COPS Grant	-	-	-	-	-	444,083	444,083
State Asset Forfeiture	-	-	-	-	-	297,171	297,171
Federal Asset Forfeiture	-	-	-	-	-	368,890	368,890
Other Special Projects	-	-	-	-	-	305,975	305,975
Capital projects	-	-	12,877,575	-	-	-	12,877,575
Debt service	-	-	-	-	98,006,000	-	98,006,000
Community Facilities Districts	-	9,145,832	-	-	-	-	9,145,832
<b>Total restricted</b>	<b>-</b>	<b>9,145,832</b>	<b>12,877,575</b>	<b>-</b>	<b>98,006,000</b>	<b>4,471,606</b>	<b>124,501,013</b>
<b>Committed:</b>							
Capital Projects	-	-	-	1,417,617	-	-	1,417,617
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417,617</b>	<b>-</b>	<b>-</b>	<b>1,417,617</b>
<b>Unassigned</b>	<b>14,980,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,980,384</b>
<b>Total Fund Balances</b>	<b>\$ 15,284,159</b>	<b>\$ 9,145,832</b>	<b>\$ 12,877,575</b>	<b>\$ 1,417,617</b>	<b>\$ 98,006,000</b>	<b>\$ 4,471,606</b>	<b>\$ 141,202,789</b>



**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 13 – Commitments and Contingencies**

**A. Litigation**

The City is a defendant in a number of lawsuits and a recipient of a number of claims that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

**B. Grants**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

**C. Construction Commitments**

Various construction projects in all fund types were in progress at June 30, 2019 with a planned cost to complete of approximately \$100,299,251.

**D. WRCOG Restated Settlement Agreement**

In May 2017, the City and Western Riverside Council of Governments (“WRCOG”) entered into an Amended and Restated Settlement Agreement and Release (the “WRCOG Settlement”), which resolved the approximately \$62 million judgment WRCOG had obtained against the City. Under the terms of the WRCOG Settlement, the City and WRCOG agreed that the City would rejoin WRCOG and adopt the WRCOG TUMF ordinance. Since the settlement, the City rejoined WRCOG and the TUMF program and as a result, and pursuant to the WRCOG Settlement, the City is now eligible to receive Measure A revenues from the Riverside County Transportation Commission (RCTC) based on the following schedule:

Period	WRCOG*	City
Approval Date thru 5th Anniversary of Approval	0%	100%
Second five year period	25%	75%
Third five year period	40%	60%
Fourth five year period	60%	40%
End of fourth five year period through June 2039	75%	25%

\* WRCOG’s share of Measure A revenues shall not exceed a total of \$9,400,000

In October 2017, the City segregated \$3,000,000, designated for funding Pennsylvania Avenue improvements in accordance with the agreement. The City agreed to complete needed transportation improvements as follows:

Improvement	Estimated Cost	Completion Deadline
Oak Valley Parkway, Segments 3, 4, and 15	\$1,200,000	By January 1, 2022
Pennsylvania Avenue	\$3,800,000	None

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 13 – Commitments and Contingencies (Continued)**

**D. WRCOG Restated Settlement Agreement (Continued)**

The City also agreed to assign Third Party Claims to WRCOG to diligently pursue civil lawsuits and through requests/applications for restitution in the criminal actions pending against Third Parties. Recovery related to Third Party Claims would be shared on the following schedule:

Recovery Amount	WRCOG	City**
First \$9,000,000	100%	0%
\$9,000,001 - \$12,000,000	85%	15%
\$12,000,001 - \$18,000,000	65%	35%
\$18,000,001 and above	50%	50%

\*\*City guarantees \$7,000,000 recovery to WRCOG and will pay 50% of the legal fees not to exceed \$1,000,000

The settlement agreement stipulates that if Third Party Claims have not produced recoveries of at least \$8,000,000 by July 2, 2022, the City will begin making payments to WRCOG in 20 equal annual installments beginning August 1, 2022. Any subsequent recoveries would adjust the annual installments as necessary. As of June 30, 2019, recoveries are approximately \$14 million. The City continues to share in recoveries at the 35% rate until recoveries total \$18 million at which time the City will begin collecting 50% of any recoveries. The City now shares in recoveries based on the settlement agreement; therefore, a liability has not been accrued.

Additionally, in October 2017, two of the seven criminal cases were resolved with guilty pleas with a restitution payment due to the City of \$3,000,000. In December 2017, four more of the seven criminal cases were resolved with guilty pleas and restitution payments due of another \$8,000,000. The last case was settled in September 2018 with a guilty plea.

WRCOG has released and discharged the City from the WRCOG judgment and Attorneys' Fee Award and interest, which collectively exceeded \$62 million. WRCOG and the City also agreed that the litigation, judgment and pending appeals would be dismissed thereby ending the litigation between WRCOG and the City.

**Note 14 – Prior Period Adjustment**

The following corrections were posted to reclassify development impact fee funds that were transferred when obligated as opposed to when spent in the general capital projects fund. These fees should be recognized and transferred when the expenditure is incurred. An adjustment was recorded to the deferred inflow for the change in proportionate share for the public safety pension plan to reconcile to the June 30, 2016 Actuarial Valuation and related assumptions.

	Governmental Activities	Total
Net position, as previously reported, at July 1, 2018	\$ 287,400,410	\$ 287,400,410
To reclassify development impact fee funds out of capital projects until spent	(5,067,820)	(5,067,820)
To adjust the change in proportionate share for the public safety plan to the June 30, 2016 Actuarial Valuation	3,541,392	3,541,392
Net position at July 1, 2018, as restated	\$ 285,873,982	\$ 285,873,982

**City of Beaumont**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 14 – Prior Period Adjustment (Continued)**

	<b>General Capital Projects Fund</b>	<b>Governmental Funds Total</b>
Net position, as previously reported, at July 1, 2018	\$ 6,839,275	\$ 144,459,275
To reclassify development impact fee funds out of capital projects until spent	(5,067,820)	(5,067,820)
Net position at July 1, 2018, as restated	\$ 1,771,455	\$ 139,391,455

**Note 15 - Subsequent Events**

**A. Bonds Issuance**

**2019 CFD Special Tax Bonds, IA 2016-2 (Sundance)**

On June 18, 2019, the City authorized the issuance of CFD special tax bonds (IA No. 2016-2) in the amount of \$10,285,000 to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the specific improvement area. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 2049, beginning on March 1, 2020. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning on September 1, 2020. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The City is not liable for repayment of the special tax bonds and these debts do not constitute an obligation of the City. The City closed this transaction on August 8, 2019.

**2019 CFD Special Tax Bonds, IA 2016-4**

On October 15, 2019, the City authorized the issuance of CFD special tax bonds (IA No. 2016-4) in the amount of \$4,285,000 to finance a portion of the costs of acquiring and constructing certain public infrastructure improvements necessary for development of property within the specific improvement area. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 2049, beginning on March 1, 2020. The bonds bear interest ranging from 3% to 5%. Principal payments are due annually beginning on September 1, 2020. The notes are secured by a first pledge of the special tax revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. The City is not liable for repayment of the special tax bonds and these debts do not constitute an obligation of the City. The City closed this transaction on November 7, 2019.

**B. Refunding**

On July 2, 2019, the BFA completed five (5) refunding transactions through the Beaumont Public Improvement Authority for the following community facility district bond issues:

<b>Bond Issue</b>	<b>City Cash Pledge</b>	<b>Original Issue</b>	<b>Refunded Bonds</b>
Special Tax Bonds, 2007 Series A, Improvement Area 3	467,051	11,900,000	2,025,000
Special Tax Bonds, 2007 Series A, Improvement Area 11	181,275	3,185,000	820,000
Special Tax Bonds, 2007 Series C, Improvement Area 9	75,178	1,225,000	375,000
Special Tax Bonds, 2007 Series C, Improvement Area 10A	257,509	2,660,000	1,330,000
Special Tax Bonds, 2007 Series C, Improvement Area 12A	165,191	4,010,000	825,000

These transactions were completed with no extension of defeasement dates, no cash out options, and restructured repayment schedules to remove annual escalators where savings could be realized.

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Annual Financial Report  
For the Year Ended June 30, 2019

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City of Beaumont  
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For the Year Ended June 30, 2019

**Required Supplementary Information (Unaudited)**

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont  
Budgetary Information  
For the Year Ended June 30, 2019**

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**Note 1 – Budgetary Information**

The City Council approves each year’s budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. All supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level within the general fund and at the fund level for other major special revenue funds. At fiscal year-end, all operating budget appropriations lapse.

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**City of Beaumont  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 12,533,286	\$ 11,264,458	\$ 12,532,209	\$ 1,267,751
Franchise fees	3,325,000	3,325,000	3,908,531	583,531
Intergovernmental	4,132,288	4,563,377	4,587,270	23,893
License and permits	1,782,600	4,340,670	4,816,693	476,023
Fines and forfeitures	110,000	110,000	249,914	139,914
Assessment levied	500,000	354,320	602,649	248,329
Use of money and property	140,000	126,000	186,605	60,605
Charges for services	6,744,750	6,341,400	6,944,423	603,023
Other revenues	21,500	21,500	1,338,647	1,317,147
<b>Total revenues</b>	<b>29,289,424</b>	<b>30,446,725</b>	<b>35,166,941</b>	<b>4,720,216</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,109,760	5,187,709	5,940,387	(752,678)
Public safety	14,936,793	15,495,040	14,665,947	829,093
Public works	2,735,893	3,459,632	2,844,121	615,511
Community development	1,439,478	1,924,448	1,884,511	39,937
Community services	4,776,606	3,803,702	3,708,469	95,233
Refuse	5,000,000	5,000,000	5,504,512	(504,512)
Capital outlay	523,638	808,938	589,273	219,665
Debt service:				
Principal	-	-	300,000	(300,000)
Interest	-	-	-	-
<b>Total expenditures</b>	<b>34,522,168</b>	<b>35,679,469</b>	<b>35,437,220</b>	<b>242,249</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,232,744)</b>	<b>(5,232,744)</b>	<b>(270,279)</b>	<b>4,962,465</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Obligations incurred on capital leases	-	-	167,456	167,456
Proceeds from sale of property	-	-	19,494	19,494
Transfers in	-	-	5,450,785	5,450,785
Transfers (out)	-	-	(614,693)	(614,693)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>5,023,042</b>	<b>5,023,042</b>
<b>Net change in fund balance</b>	<b>\$ (5,232,744)</b>	<b>\$ (5,232,744)</b>	<b>4,752,763</b>	<b>\$ 9,985,507</b>
<b>FUND BALANCE:</b>				
Beginning of year			10,531,396	
End of year			<u>\$ 15,284,159</u>	



**City of Beaumont**  
**Budgetary Comparison Schedule**  
**Community Facilities Districts (CFD) Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Assessment levied	\$ 4,699,760	\$ 4,699,760	\$ 5,061,023	\$ 361,263
Use of money and property	-	-	239,534	239,534
<b>Total revenues</b>	<u>4,699,760</u>	<u>4,699,760</u>	<u>5,310,807</u>	<u>590,547</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	331,628	331,628	195,958	135,670
<b>Total expenditures</b>	<u>331,628</u>	<u>331,628</u>	<u>195,958</u>	<u>135,670</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,368,132</u>	<u>4,368,132</u>	<u>5,114,849</u>	<u>726,217</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	100,000	100,000	-	(100,000)
Transfers (out)	4,427,745	4,427,745	(4,431,245)	(8,858,990)
<b>Total other financing sources (uses)</b>	<u>4,527,745</u>	<u>4,527,745</u>	<u>(4,431,245)</u>	<u>(8,958,990)</u>
<b>SPECIAL ITEM:</b>				
CFD 93-1 refunding (Note 15)	-	-	-	-
<b>Total special item</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 8,895,877</u>	<u>\$ 8,895,877</u>	683,604	<u>\$ (8,232,773)</u>
<b>FUND BALANCE:</b>				
Beginning of year			8,462,228	
End of year			<u>\$ 9,145,832</u>	

**City of Beaumont**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last Ten Years**  
**For the Year Ended June 30, 2019**

Measurement period, year ended	<b>Miscellaneous Plan</b>				
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> <sup>1</sup>
Plan's proportion of the net pension liability	0.1779212%	0.1735210%	0.1674950%	0.1606700%	0.065770%
Plan's proportionate share of the net pension liability	\$ 6,705,339	\$ 6,840,289	\$ 5,818,570	\$ 4,407,926	\$ 4,092,766
Plan's covered-employee payroll	\$ 5,052,100	\$ 4,864,133	\$ 4,722,459	\$ 5,411,229	\$ 5,932,314
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	132.72%	140.63%	123.21%	81.46%	68.99%
Plan's fiduciary net position	\$ 22,811,145	\$ 21,727,887	\$ 21,727,887	\$ 21,400,469	\$ 19,648,764
Plan's fiduciary net position as a percentage of the total pension liability	77.28%	76.06%	78.88%	82.92%	82.76%
Plan's proportionate share of aggregate employer contributions	\$ 956,792	\$ 816,082	\$ 732,914	\$ 962,897	\$ 996,243

**Notes to Schedule:**

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

**City of Beaumont**  
**Schedule of Proportionate Share of the Net Pension Liability (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2019**

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	<b>Safety Plan</b>				
Measurement period, year ended	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> <sup>1</sup>
Plan's proportion of the net pension liability	0.171759%	0.170337%	0.173814%	0.178617%	0.111260%
Plan's proportionate share of the net pension liability	\$ 10,078,078	\$ 10,177,973	\$ 9,002,206	\$ 7,359,819	\$ 6,923,153
Plan's covered-employee payroll	\$ 3,862,606	\$ 3,722,313	\$ 3,613,896	\$ 4,134,515	\$ 4,232,207
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	260.91%	273.43%	249.10%	178.01%	163.58%
Plan's fiduciary net position	\$ 30,849,182	\$ 28,861,673	\$ 26,699,977	\$ 26,024,112	\$ 23,147,043
Plan's fiduciary net position as a percentage of the total pension liability	75.38%	73.93%	74.79%	77.95%	76.98%
Plan's proportionate share of aggregate employer contributions	\$ 1,402,549	\$ 1,281,860	\$ 1,181,118	\$ 1,356,940	\$ 1,421,157

**Notes to Schedule:**

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

**City of Beaumont  
Schedule of Contributions  
Last Ten Years  
For the Year Ended June 30, 2019**

Fiscal year	Miscellaneous Plan					
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Contractually determined contribution (actuarially determined)	\$ 1,156,583	\$ 956,792	\$ 816,082	\$ 732,914	\$ 962,897	\$ 996,243
Contributions in relation to the actuarially determined contributions <sup>2</sup>	(1,156,583)	(956,792)	(816,082)	(732,914)	(962,897)	(996,243)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 5,203,663	\$ 5,052,100	\$ 4,864,133	\$ 4,722,459	\$ 5,411,229	\$ 5,932,314
Contributions as a percentage of covered-employee payroll	22.23%	18.94%	16.78%	15.52%	17.79%	16.79%

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule**

Valuation date: 6/30/2017

Measurement date: 6/30/2018

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-17 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2014 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.15%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**City of Beaumont**  
**Schedule of Contributions (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2019**

**Safety Plan**

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Contractually determined contribution (actuarially determined)	\$ 1,645,661	\$ 1,402,549	\$ 1,281,860	\$ 1,181,118	\$ 1,356,940	\$ 1,421,157
Contributions in relation to the actuarially determined contributions	(1,645,661)	(1,402,549)	(1,281,860)	(1,181,118)	(1,356,940)	(1,421,157)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 3,978,484	\$ 3,862,606	\$ 3,722,313	\$ 3,613,896	\$ 4,134,515	\$ 4,232,207
Contributions as a percentage of covered-employee payroll <sup>3</sup>	41.36%	36.31%	34.44%	32.68%	32.82%	33.58%

<sup>1</sup> Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

**Notes to Schedule**

Valuation date: 6/30/2017

Measurement date: 6/30/2018

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2017 public agency valuations.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2014 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.15%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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For the Year Ended June 30, 2019

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**Supplementary Information**

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City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

**Non-Major Governmental Funds**

**City of Beaumont  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2019**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>ASSETS</b>				
Cash and investments	\$ 103,422	\$ 1,019,132	\$ 1,372,030	\$ 427,863
Receivables:				
Accounts	-	-	-	-
Due from other governments	-	82,929	169,987	16,220
<b>Total assets</b>	<b>\$ 103,422</b>	<b>\$ 1,102,061</b>	<b>\$ 1,542,017</b>	<b>\$ 444,083</b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b>Fund Balances:</b>				
Restricted	103,422	1,102,061	1,542,017	444,083
<b>Total fund balances</b>	<b>103,422</b>	<b>1,102,061</b>	<b>1,542,017</b>	<b>444,083</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 103,422</b>	<b>\$ 1,102,061</b>	<b>\$ 1,542,017</b>	<b>\$ 444,083</b>

(Continued)

**City of Beaumont**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds			
	PEG Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>ASSETS</b>				
Cash and investments	\$ 287,735	\$ -	\$ 377,193	\$ 321,483
Receivables:				
Accounts	9,436	-	-	-
Due from other governments	-	268	-	-
<b>Total assets</b>	<b>\$ 297,171</b>	<b>\$ 268</b>	<b>\$ 377,193</b>	<b>\$ 321,483</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 8,303	\$ 1,677
Due to other funds	-	268	-	-
Deposits payable	-	-	-	13,831
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>268</b>	<b>8,303</b>	<b>15,508</b>
<b>Fund Balances:</b>				
Restricted	297,171	-	368,890	305,975
<b>Total fund balances</b>	<b>297,171</b>	<b>-</b>	<b>368,890</b>	<b>305,975</b>
<b>Total liabilities and fund balances</b>	<b>\$ 297,171</b>	<b>\$ 268</b>	<b>\$ 377,193</b>	<b>\$ 321,483</b>

(Continued)

**City of Beaumont**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds		
	Federal Asset Seizure Fund	Other Special Revenue Fund	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 205,995	\$ 158,947	\$ 4,273,800
Receivables:			
Accounts	-	-	9,436
Due from other governments	-	-	269,404
<b>Total assets</b>	<b>\$ 205,995</b>	<b>\$ 158,947</b>	<b>\$ 4,552,640</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 9,980
Due to other funds	-	-	268
Deposits payable	-	-	13,831
Unearned revenue	-	56,955	56,955
<b>Total liabilities</b>	<b>-</b>	<b>56,955</b>	<b>81,034</b>
 <b>Fund Balances:</b>			
Restricted	205,995	101,992	4,471,606
<b>Total fund balances</b>	<b>205,995</b>	<b>101,992</b>	<b>4,471,606</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 205,995</b>	<b>\$ 158,947</b>	<b>\$ 4,552,640</b>

(Concluded)

**City of Beaumont**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds			
	State Gas Tax Fund	Road Maintenance and Rehabilitation Act Fund	Measure A Fund	AB 2766 Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 1,038,267	\$ -
Intergovernmental	935,460	864,035	-	62,566
License and permits	-	-	-	-
Use of money and property	3,265	18,193	25,896	11,138
Other revenues	-	-	-	-
<b>Total revenues</b>	938,725	882,228	1,064,163	73,704
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	938,725	882,228	1,064,163	73,704
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	64,751	263,368	541,889	-
Transfers (out)	(1,163,423)	(43,535)	(64,035)	-
<b>Total other financing sources (uses)</b>	(1,098,672)	219,833	477,854	-
<b>Net changes in fund balances</b>	(159,947)	1,102,061	1,542,017	73,704
<b>FUND BALANCES:</b>				
Beginning of year	263,369	-	-	370,379
End of year	\$ 103,422	\$ 1,102,061	\$ 1,542,017	\$ 444,083

(Continued)

**City of Beaumont**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds			
	PEG Fees Fund	Other Federal Grants Fund	COPS Grant Fund	State Asset Seizure Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,601	158,751	3,481
License and permits	39,652	-	-	-
Use of money and property	7,505	-	8,816	9,503
Other revenues	-	-	-	-
<b>Total revenues</b>	47,157	3,601	167,567	12,984
<b>EXPENDITURES:</b>				
Current:				
Public Safety	-	-	55,188	54
Community development	-	3,193	-	-
Capital outlay	-	-	-	2,912
<b>Total expenditures</b>	-	3,193	55,188	2,966
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	47,157	408	112,379	10,018
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	21,695	-
Transfers (out)	-	(408)	(60,000)	-
<b>Total other financing sources (uses)</b>	-	(408)	(38,305)	-
<b>Net changes in fund balances</b>	47,157	-	74,074	10,018
<b>FUND BALANCES:</b>				
Beginning of year	250,014	-	294,816	295,957
End of year	\$ 297,171	\$ -	\$ 368,890	\$ 305,975

(Continued)

**City of Beaumont**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue Funds		
	Federal Asset Seizure Fund	Other Special Revenue Fund	Total Other Governmental Funds
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 1,038,267
Intergovernmental	3,075	-	2,030,969
License and permits	-	7,060	46,712
Use of money and property	5,552	-	89,868
Other revenues	-	17,526	17,526
<b>Total revenues</b>	8,627	24,586	3,223,342
<b>EXPENDITURES:</b>			
Current:			
Public Safety	-	-	55,242
Community development	-	12,927	16,120
Capital outlay	-	-	2,912
<b>Total expenditures</b>	-	12,927	74,274
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	8,627	11,659	3,149,068
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	891,703
Transfers (out)	-	-	(1,331,401)
<b>Total other financing sources (uses)</b>	-	-	(439,698)
<b>Net changes in fund balances</b>	8,627	11,659	2,709,370
<b>FUND BALANCES:</b>			
Beginning of year	197,368	90,333	1,762,236
End of year	\$ 205,995	\$ 101,992	\$ 4,471,606

(Concluded)

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

**Non-Major Fiduciary Funds**

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Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont**  
**Combining Statement of Fiduciary Net Position**  
**All Agency Funds**  
**June 30, 2019**

	Community Facilities District Collection	Evidence Fund	Beaumont Charitable Foundation	Total
<b>ASSETS</b>				
Cash and investments	\$ 19,075,992	\$ 40,757	\$ -	\$ 19,116,749
Cash and investments with fiscal agent	11,706,744	-	-	11,706,744
<b>Total assets</b>	<b>\$ 30,782,736</b>	<b>\$ 40,757</b>	<b>\$ -</b>	<b>\$ 30,823,493</b>
<b>LIABILITIES</b>				
<b>Liabilities:</b>				
Deposits payable	\$ -	\$ 40,757	\$ -	\$ 40,757
Due to bondholders	30,782,736	-	-	30,782,736
<b>Total liabilities</b>	<b>\$ 30,782,736</b>	<b>\$ 40,757</b>	<b>\$ -</b>	<b>\$ 30,823,493</b>

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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**City of Beaumont**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b><u>Community Facilities District Collection Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 13,863,150	\$ 5,212,842	\$ -	\$ 19,075,992
Cash and investments with fiscal agent	12,703,801	-	(997,057)	11,706,744
<b>Total assets</b>	<b>\$ 26,566,951</b>	<b>\$ 5,212,842</b>	<b>\$ (997,057)</b>	<b>\$ 30,782,736</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 26,566,951	\$ 4,215,785	\$ -	\$ 30,782,736
<b>Total liabilities</b>	<b>\$ 26,566,951</b>	<b>\$ 4,215,785</b>	<b>\$ -</b>	<b>\$ 30,782,736</b>
	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2019
<b><u>Evidence Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 33,732	\$ 7,025	\$ -	\$ 40,757
<b>Total assets</b>	<b>\$ 33,732</b>	<b>\$ 7,025</b>	<b>\$ -</b>	<b>\$ 40,757</b>
<b>Liabilities:</b>				
Deposits payable	\$ 33,732	\$ 7,025	\$ -	\$ 40,757
<b>Total liabilities</b>	<b>\$ 33,732</b>	<b>\$ 7,025</b>	<b>\$ -</b>	<b>\$ 40,757</b>
	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2019
<b><u>Beaumont Charitable Foundation</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 22,908	\$ -	\$ (22,908)	\$ -
<b>Total assets</b>	<b>\$ 22,908</b>	<b>\$ -</b>	<b>\$ (22,908)</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Deposits payable	\$ 22,908	\$ -	\$ (22,908)	\$ -
<b>Total liabilities</b>	<b>\$ 22,908</b>	<b>\$ -</b>	<b>\$ (22,908)</b>	<b>\$ -</b>
	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2019
<b><u>ALL AGENCY FUNDS</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 13,919,790	\$ 5,219,867	\$ (22,908)	\$ 19,116,749
Cash and investments with fiscal agent	12,703,801	-	(997,057)	11,706,744
<b>Total assets</b>	<b>\$ 26,623,591</b>	<b>\$ 5,219,867</b>	<b>\$ (1,019,965)</b>	<b>\$ 30,823,493</b>
<b>Liabilities:</b>				
Deposits payable	\$ 56,640	\$ 7,025	\$ (22,908)	\$ 40,757
Due to bondholders	26,566,951	4,215,785	-	30,782,736
<b>Total liabilities</b>	<b>\$ 26,623,591</b>	<b>\$ 4,222,810</b>	<b>\$ (22,908)</b>	<b>\$ 30,823,493</b>

City of Beaumont  
Annual Financial Report  
For the Year Ended June 30, 2019

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# City of Beaumont

Beaumont, California

## Single Audit and Independent Auditors' Reports

*For the Year Ended June 30, 2019*

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**City of Beaumont  
Single Audit Reports  
For the Year Ended June 30, 2019**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditors' Report**

To the Honorable Mayor and Members of the City Council  
of the City of Beaumont  
Beaumont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaumont, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated February 13, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements of the of the City, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did identify deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-002 and 2019-003 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Santa Ana, California  
February 13, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,  
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Independent Auditors' Report**

To the Honorable Mayor and Members of City Council  
of the City of Beaumont  
Beaumont, California

**Report on Compliance for Each Major Federal Program**

We have audited the City of Beaumont, California's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and have issued our report thereon dated February 13, 2020 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinion on the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Santa Ana, California  
February 13, 2020

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**City of Beaumont**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

Item No. 10.

Federal Grantor/Passed through Grantor Program Title	CFDA Number	Grant Award Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development:</b>			
<b>Community Development Block Grant - Entitlement Cluster:</b>			
<i>Passed through Riverside County Economic Development Agency:</i>			
Community Development Block Grant	14.218	B-17-UC-06-0506	\$ 2,925
Community Development Block Grant	14.218	5.BEA.36-18	676
<b>Total Community Development Block Grant - Entitlement Cluster</b>			3,601
<b>Total U.S. Department of Housing and Urban Development</b>			3,601
<b>U.S. Department of Transportation:</b>			
<b>Highway Planning and Construction Cluster:</b>			
<i>Passed Through State of California Department of Transportation:</i>			
Potrero Interchange Project	20.205	DEM10L-5209(008)	4,947,592
<b>Total Highway Planning and Construction Cluster</b>			4,947,592
<b>Total U.S. Department of Transportation</b>			4,947,592
 <b>Total Expenditures of Federal Awards</b>			\$ 4,951,193

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**City of Beaumont**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Note 1 – Reporting Entity**

The financial reporting entity consists of the primary government, City of Beaumont (the “City”), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

**Note 2 – Basis of Accounting**

The various grant programs have been recorded within the general fund and special revenue funds of the City. The City utilizes the modified accrual method of accounting for the general fund and special revenue funds. The accompanying Schedule of Expenditures of Federal Awards (“Schedule”) is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the City’s basic financial statements.

**Note 3 – Schedule of Expenditures of Federal Awards**

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California and Riverside County are included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position, change in fund balance, or results of operations of the City.

**Note 4 – Indirect Cost Rate**

The City has not elected to use the 10-percent de minimis indirect rate as allowed under the Uniform Guidance.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

Item No. 10.

**Section I – Summary of Auditors’ Result**

**Financial Statements**

Types of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	2019-001
• Significant deficiency(ies) identified?	2019-002, 2019-003
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	None reported

Identification of major programs:

Major Program	Federal CFDA #	Federal Expenditures
Highway Planning and Construction Cluster	20.205	\$ 4,947,592
<b>Total major program expenditures</b>		<b>\$ 4,947,592</b>
<b>Total expenditures of federal awards</b>		<b>\$ 4,951,193</b>
<b>Percent of total federal award expenditures</b>		<b>99.93%</b>

Dollar threshold used to distinguish between type A and type B program:	\$750,000
Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520?	No

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings**

**A. Current Year Findings and Questioned Costs – Financial Statement Findings**

**Finding 2019-001 Segregation of Duties for Business Licenses Process**

**Condition:**

During our audit, lack of segregation of duties was noted in the City's Business Licenses process. The permit technician, who accepts payments for business licenses, has the ability to issue and distribute business licenses. There is no independent reconciliation of the business licenses issued from the HdL system with the amounts collected and posted in the Incode cash receipts system.

**Criteria:**

The same individual should not have access to the payments from customers and the ability to issue business licenses unless an appropriate mitigating control has been implemented.

**Cause:**

The City does not perform an independent reconciliation for business licenses between the HdL system and the Incode cash receipts system due to system limitation that were not evident prior to purchasing the system.

**Effect:**

Business licenses could be issued without a corresponding cash receipt being recorded in the City's general ledger and ultimately deposited into the City's bank account.

**Recommendation:**

We recommend the City implement a procedure to generate reports from the HdL business license program, periodically (i.e. daily, weekly, monthly), and have someone independent of the business license issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

**Management's Response:**

Reports of transactional activity will be generated from the HdL business license system that details business license collection activity. An Accounting Technician in the Finance Division will compare these reports to the deposits submitted to the Finance Department and entered into the City's general ledger. This reconciliation will be completed weekly. Any discrepancies will be brought to the attention of the Administrative Services Manager for resolution. These processes will be effective beginning February 2020.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2019-002 Overhead Cost Allocation**

**Condition:**

The City allocates certain General Fund costs (administration, maintenance, etc.) to the Sewer Enterprise, Gas Tax, Transit Enterprise, and the Community Facilities District (CFD) Fund. The amounts are based on calculations included in schedules maintained by the Finance Department. Currently the City is not allocating and recovering any of its indirect costs to federal (or state) grants.

**Criteria:**

Cost allocation plan methodologies should be thoroughly documented for transparency purposes, and updates to the plans should be done periodically in accordance with best practices.

**Cause:**

The City does have a formal cost allocation plan to allocate internal costs, and the plan developed internally is not sufficient to claim indirect costs against federal (and state) grant programs.

**Effect:**

The City could potentially be utilizing allocation methods which result in either less administrative costs or excessive administrative costs being allocated than would be allowable if detailed cost allocation studies were performed on a periodic basis, and in accordance with federal grant requirements. Costs that could be reimbursable from other than local sources may be able to be claimed if adequately supported.

**Recommendation:**

We recommend the City perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstances, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the Uniform Guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs. Due to the complexity involved in developing a well-supported and reasonable indirect cost plan, the City should evaluate the cost of outsourcing this study as opposed to the use of internal staff time.

**Management's Response:**

While the City completed a cost allocation study in April 2016 and has implemented cost allocation of administrative costs to the various funds within the City, further works is necessary to fully comply with this recommendation. The City has not yet completed cost allocation for indirect costs to federal and state grant programs. Management intends to re-evaluate its cost allocation strategy and hire an external professional to assist the City in completing the cost allocation process. This will be undertaken during FY 2020 and should be fully implemented by December 2020.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2019-003 Unauthorized Wire Transfers**

**Condition:**

During the year, the City was subject to a fraudulent payment scheme by a fictitious vendor posing as an authorized vendor of the City. The fictitious vendor altered and presented invoices, which are publicly available on the City's Transparency portal in the amount of \$525,038. The invoice for payment was altered by using a bank account and routing number of the perpetrator. These invoices were processed through the normal cash disbursements cycles and wire payments were made. The bank account and routing number in the vendor master file were updated by the Accounting Technician without a second level of review in order to make the payment. Before the wire transfers were processed and cleared, the bank notified the City and the City was able to recover most of these funds.

Criminals today are using a variety of techniques, such as phishing e-mails and malware, to take control of business accounts to initiate payments to an accomplice or a foreign account. According to the 2015 survey of the Association for Financial Professionals, 2015 *AFP Payments Fraud and Control Survey: Report of Survey Results, 2015*. Bethesda, MD, 27 percent of respondent organizations were affected by wire transfer fraud (a nearly 100 percent increase from the 2014 survey), and 10 percent were affected by automated clearing house (ACH) credit fraud (fraud involving an ACH payment order initiated by the person sending the payment).

**Criteria:**

A significant internal control includes having appropriate segregation of duties in place within the cash disbursement transaction cycle. Maintenance of the Vendor Master File (VMF) is a foundational element of the Accounts Payable and Procurement processes. The VMF contains vital information about the City's vendors and facilitates their engagement in transactions with the City for the procurement of goods and services. It is essential to effectively maintain this file in order to avoid unauthorized or inappropriate activity, duplicate payments, and inefficiencies.

**Cause:**

There was a breakdown in internal controls over the modifications made to the vendor master file. The same person that can make payments was also able to alter the vendor file without a second level of review. This exposes the City due to the lack of segregation of duties.

**Effect:**

The City was exposed to significant loss due to the lack of controls in place. However, mitigating controls were in place at the bank in their notification process to avoid any ultimate loss to the City. The detective controls in essence functioned but better preventive controls should be in place in order to identify and prevent fraud from occurring.

**Recommendation:**

The City should develop an authorization process that includes a review and approval of any modification to the vendor master file within the system separate from the person making the change. This added segregation of duty will help to prevent unauthorized changes from being made and reduce the risk of fraud within the organization. Often in larger organizations, the vendor master file is established and managed by procurement separate from the accounts payable function.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

**Section II – Financial Statement Findings (Continued)**

**A. Current Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2019-003 Unauthorized Wire Transfers (Continued)**

**Management’s Response:**

The City has developed a policy regarding electronic funds transfer (EFT) that clearly requires approval of the senior accountant prior to any change in vendor payment instructions. Further, staff are required to complete a secondary verification with the vendor via a phone call to a known and established contact prior to executing any change in payment instructions. Pursuant to the new policy, if fraud is suspected, the Finance Director and City Manager are to be immediately notified and steps initiated with the bank to mitigate the fraud.

**B. Prior Year Findings and Questioned Costs – Financial Statement Findings**

**Finding 2018-001 Policies and Procedures**

**Condition:**

Our audit involved obtaining and evaluating various policies and procedures of the City. During the audit period, the City lacked having formal policies, procedures and guidelines in place for certain areas, including the following:

- Accounting Policies and Procedures
- Debt Management Policy

The City has been working towards establishing a comprehensive policy which was adopted after our audit period. During our audit the City had informal policies in these areas. We reiterate that the City could benefit from a more formal and comprehensive policies and procedures manual, approved by the City Council, which would provide detailed guidance to employees and management. This will help to ensure consistency in these areas, and continuity in periods of staff turnover.

**Recommendation:**

We recommend the City develop and establish formal policies and procedures as discussed above. The policies and procedures should be developed by appropriate personnel and approved by the City Council. The City should consider GFOA’s recommended practices and other resources during the process. The documentation of accounting policies and procedures should be evaluated annually and updated periodically, as necessary. It should be readily accessible to all applicable employees.

A debt policy should be formally adopted by the legislative body, and the debt program should be continuously monitored to ensure compliance with the debt policy. We recommend the City consider establishing a formal debt policy, taking into consideration the recommendations of GFOA.

**Status:**

Finding was implemented during the year ended June 30, 2019.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2018-002 Establish a Comprehensive Fraud Program and Policy**

**Condition:**

The City currently lacks a formal comprehensive fraud program required to help prevent, detect and identify fraud and in order to appropriately safeguard assets. According to management, training has been provided with respect to the “tone at the top” to the City employees, however when interviewing employees during our audit they were unaware of a fraud policy. The City has taken steps to address the risk of fraud in certain areas, such as segregation of duties and other internal controls, but continued to lack the policies and a formalized process and program to institutionalize a comprehensive fraud program is needed.

The City’s current policies do not provide a thorough description of fraud. They also do not provide direction as to what employees should do if they suspect fraud is occurring.

**Recommendation:**

The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. The City should consider developing a formal fraud policies and institute a formal comprehensive fraud program.

The City should consider establishing a more formal training program for all employees regarding fraud. New employees should be trained at the time of hiring about the entity’s code of conduct (and fraud policies). This training should explicitly cover expectations of all employees regarding (1) their duty to communicate certain matters; (2) a list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and (3) information on how to communicate those matters. In addition to the training at the time of hiring, employees should receive refresher training periodically thereafter.

The policy needs to provide information to employees on how to communicate fraud related matters. It is important for the City to establish and communicate to employees a reporting system that is appropriate for the City. The City should consider establishing a confidential reporting mechanism, not only for employees, but also for vendors and customers of the City.

The City should also establish a formal fraud risk assessment program, to ensure that the risk of fraud is being periodically evaluated, monitored, and that appropriate action is taken to address the identified risks.

**Status:**

Finding was implemented during the year ended June 30, 2019.



**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2018-003 Segregation of Duties for Cash Receipts – City Hall**

**Condition:**

Currently, Customer Service Coordinators (cashiers) at City Hall can edit and void transactions in Incode (the City's cash receipts system) subsequent to the receipt being issued. The same cashier should not be able to edit or void a transaction after a receipt has been issued unless an appropriate audit trail and approval process is created by individuals outside of the cash collection process.

**Recommendation:**

Though the City had implemented a secondary sign off and online viewing of the voids and adjusting entries during the audit period ending June 30, 2017, we recommend the City further expand these procedures to include developing a daily edit report or monitoring function review of the report and reconcile it to the cash drawer before closing out the cash drawers. This should be signed off by a supervisor or personnel not involved in the cash collection process. Amounts in excess of a large dollar threshold should be considered for sign off at a higher supervisory level.

**Status:**

Finding was implemented during the year ended June 30, 2019.

**Finding 2018-004 Segregation of Duties for Building Permits**

**Condition:**

The permit technician in the Community Development Department issues building permits and plan checks and collects the payments from customers. There is no reconciliation of the building permits and plan checks issued with the amounts collected and receipted in the City's general ledger.

**Recommendation:**

We recommend the City implement a procedure to generate reports from the Salesforce permit system, periodically (i.e. daily, weekly, monthly), and have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenue posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

**Status:**

Finding was implemented during the year ended June 30, 2019.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**B. Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2018-005 Segregation of Duties for Business Licenses**

**Condition:**

The permit technician accepts payments for business licenses and has the ability to issue and distribute business licenses. There is no independent reconciliation of the business licenses issued from the HdL system with the amounts collected and posted in the Incode cash receipts system.

**Recommendation:**

We recommend the City implement a procedure to generate reports from the HdL business license program, periodically (i.e. daily, weekly, monthly), and have someone independent of the business license issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

**Status:**

Finding has not been resolved. See repeat finding at 2019-001.

**Finding 2018-006 Transient Occupancy Tax (TOT)**

**Condition:**

Although Finance staff are maintaining a spreadsheet for tracking TOT payments each fiscal year, there does not appear to be anyone checking the TOT returns for accuracy, or keeping track of delinquencies. It also does not appear that the City is requiring the hotels to submit supporting documentation for exemptions. In addition, there have been no recent audits of the hotels.

**Recommendation:**

We recommend the City establish stronger controls and oversight for these revenues and possibly schedule "audits" of the hotels.

**Status:**

Finding was implemented during the year ended June 30, 2019.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

Item No. 10.

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**Section II – Financial Statement Findings (Continued)**

**Prior Year Findings and Questioned Costs – Financial Statement Findings (Continued)**

**Finding 2018-007 Overhead Cost Allocation**

**Condition:**

The City allocates certain General Fund costs (administration, maintenance, etc.) to the Sewer Enterprise, Gas Tax, Transit Enterprise, and the Community Facilities District (CFD) Fund. The amounts are based on calculations included in schedules maintained by the Finance Department. Currently the City is not allocating and recovering any of its indirect costs to federal (or state) grants.

**Recommendation:**

We recommend the City perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstances, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the Uniform Guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs. Due to the complexity involved in developing a well-supported and reasonable indirect cost plan, the City should evaluate the cost of outsourcing this study as opposed to the use of internal staff time.

**Status:**

Finding has not been resolved. See repeat finding at 2019-002.

**City of Beaumont**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2019**

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Item No. 10.

**Section III – Federal Awards Finding and Questioned Costs**

**A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit**

No current year findings and questioned costs noted.

**B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit**

No prior year findings and questioned costs noted.

DRAFT 02.13.2020

DRAFT 02.13.2020

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## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Ashley Starr, Public Information Officer  
**DATE:** February 18, 2020  
**SUBJECT:** Request for Direction on Custom Questions for National Community Survey

---

### Background and Analysis:

The National Community Survey (NCS) approved on January 7, 2020, is a scientific survey which provides a comprehensive and accurate picture of livability and resident perspectives. The survey comes standard with the ability to add 3-4 custom questions. In addition to standard and custom questions, the City has chosen to include one open-ended question.

Staff has received feedback from various departments and offers the following questions to include in the custom question field:

1. Please indicate how much of a source, if at all, you consider each of the following to be for obtaining information about the City government and its activities, events and services:
  - a. Local newspaper
  - b. City website
  - c. City Managers Monthly Report
  - d. Word-of-mouth
  - e. City Council meetings
  - f. Talking with City officials
  - g. City managed social media accounts (Facebook, Nextdoor, Instagram, Twitter, YouTube)
  - h. Visiting City Hall or the CRC
  - i. Community social media outlets
  
2. Please indicate how likely, if at all, you or your family would be interested in attending the following events in Beaumont:
  - a. Youth/family festival

- b. Sport/athletic events (5k/10k, professional golf tournaments, cycling, etc.)
  - c. Musical performances
  - d. Art festival
  - e. Downtown market nights
  - f. Food/drink festival
3. Please rate how important, if at all, you think it is for the City to invest resources in each of the following capital projects of the next five years:
- a. Enhancements to the municipal pool (splash pad, slides, locker room renovations, etc.)
  - b. Downtown revitalization and City Hall Plaza/Event Center
  - c. Hiking and biking trails system
  - d. Expansion of public safety facilities
  - e. Freeway interchange improvements
  - f. Park & community center improvements (shade structures, inclusive playground, fitness equipment, etc.)
  - g. Upgrade and expansion of athletic/sport facilities
  - h. Local street & traffic flow improvements

Additionally, the following question is recommended for the open-ended question:

1. What do you see as the top three needs/priorities for the City of Beaumont?

The above questions are not final and will be reviewed by the NRC to ensure they are well-balanced and neutral in nature.

**Fiscal Impact:**

The cost to prepare the staff report is approximately \$1,350.

**Recommended Action:**

Provide staff direction on custom questions for National Community Survey.



## Staff Report

**TO:** Mayor, and City Council Members  
**FROM:** Sean Thuilliez, Chief of Police  
**DATE:** February 18, 2020  
**SUBJECT:** Approval of Purchase Order for CYRUN Maintenance/Support

---

### Background and Analysis:

The Police Department currently contracts with CYRUN, which is the company that manufactures Alliance, the Police Department's software for computer aided dispatch (CAD) and records management system (RMS). All calls to the dispatch center are created and produced in the Alliance software system. Additionally, all written police reports, evidence, citations, follow-up, and statistical data reports are generated within this software as well.

The Police Department has utilized this software since 2004 and this system requires an annual maintenance and support contract (see Exhibit A). Under the 2019/2020 Fiscal Year budget City Council approved \$90,000 for support and maintenance of CAD/RMS. In June of 2019, a new contract was approved by City Council for a new CAD/RMS system, to convert to a new system, Mark43, Inc. The Police Department has begun implementation of Mark43, Inc., but until the system is integrated and ready to go live, the department must maintain the functionality of CYRUN.

The amount requested for the purchase order is a not to exceed the amount of \$44,477.22, these funds are available under the I.T. Department's software account and will be paid to CYRUN to continue maintenance and support until the Police Department fully integrates the new CAD/RMS system with Mark43, Inc.

### Fiscal Impact:

The fiscal impact is \$44,447.22. This expenditure was budgeted in the FY 19/20 I.T. Department's Software Account 100-1230-7071-6040.



**Recommended Action:**

Approve the Purchase Order for CYRUN Maintenance/Support in the amount of \$44, 447.22.

**Attachments:**

- A. CYRUN Invoice



2125 Delaware Avenue, Suite C  
 Santa Cruz, CA 95060  
 831.458.0949

Item No. 12.

<b>CUSTOMER NAME</b>
Beaumont PD 550 East 6Th Street Beaumont, CA 92223 AttN: Kari Mendoza

<b>DATE</b>	<b>INVOICE #</b>
12/15/2019	BPD-2001

<b>DUE DATE</b>	<b>REFERENCE P.O. #</b>	<b>TERMS</b>	<b>PROJECT</b>
1/14/2020		Net 30	

QTY	ITEM DESCRIPTION	UNIT PRICE	TOTAL
1	ALLIANCE Maintenance & Support Contract February 1, 2020 - January 31, 2021	34,650.00	34,650.00
	ALLIANCE Mobile Data Computers Support	3,445.22	3,445.22
	ALLIANCE EOC Maintenance Contract	0.00	0.00
	ALLIANCE Mobile 7 Computers Support	5,382.00	5,382.00
	Cyrun interface for CopLogic citizen reporting Maintenance & Support	1,000.00	1,000.00
	Non Taxable	0.00%	0.00
<div data-bbox="350 1150 831 1320" data-label="Text"> <p><b>** Please note our new address! **</b>  <b>2125 Delaware Avenue, Suite C</b></p> </div>			
<div data-bbox="337 1545 891 1633" data-label="Text"> <p><i>Please use Cyrun's FedEx account for overnight delivery: 1950-0335-1</i></p> </div>			
		<b>Total</b>	<b>\$44,477.22</b>



Item No. 13.

ROXANN M. VOTAW  
votaw@sbemp.com  
FIRM ADMINISTRATOR

REPLY TO:  
Palm Springs, California

FEBRUARY 3, 2020

CITY OF BEAUMONT PROFESSIONAL SERVICES THRU: 1/31/2020

TOTAL DUE: \$87,324.89

Sincerely,  
SBEMP, LLP

By: Roxann M Votaw

---

**SLOVAK BARON EMPEY MURPHY & PINKNEY LLP**

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Indian Wells, CA  
T (760) 322- 9240

Costa Mesa, CA San Diego, CA  
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Princeton, NJ  
T (609) 955-3393

New York, NY  
T (212) 829-4399

# S-BEMP

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1800 E Tahquitz Canyon Way  
Palm Springs, CA 92262  
Fed. ID #33-0833010  
Telephone 760-322-2275  
Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*Kritzberger

Professional services through: 1/31/2020:

Invoice # 56410

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$577.50

---

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2240 Fifth Avenue.  
San Diego, California 92101  
Tel. (619) 501-4540

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*McFarlinAnder

Professional services through: 1/31/2020:

Invoice # 56411

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$11,782.80

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*MV

Professional services through: 1/31/2020:

Invoice # 56412

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$110.00

---

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FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*Norton Rose

Professional services through: 1/31/2020:

Invoice # 56413

Amount

BALANCE DUE -- PLEASE SUBMIT PAYMENT:

\$30,003.00

---

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*Peters

Professional services through: 1/31/2020:

Invoice # 56414

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$1,716.50

**SLOVAK BARON EMPHEY MURPHY & PINKNEY LLP**

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*TalleyAguirre

Professional services through: 1/31/2020:

Invoice # 56415

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$605.00

---

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*ULC Defense

Professional services through: 1/31/2020:

Invoice # 56416

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$940.50

---

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Telephone 760-322-2275  
Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont\*Urban Logic

Professional services through: 1/31/2020:

Invoice # 56417

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$110.00

---

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Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont-Gen Lit

Professional services through: 1/31/2020:

Invoice # 56419

Amount

**BALANCE DUE – PLEASE SUBMIT PAYMENT:**

**\$2,834.50**

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## SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

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Tel. (619) 501-4540

# S-BEMP

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Fed. ID #33-0833010  
Telephone 760-322-2275  
Facsimile 760-322-2107

FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont-OverRetainer

Professional services through: 1/31/2020:

Invoice # 56421

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$21,653.40

---

## SLOVAK BARON EMPY MURPHY & PINKNEY LLP

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FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont-Retainer

Professional services through: 1/31/2020:

Invoice # 56422

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$7,925.65

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1800 E. Tahquitz Canyon Way  
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# SBEEMP

A T T O R N E Y S

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FEBRUARY 3, 2020

City of Beaumont  
E-MAIL INVOICES

Our file no:  
City of Beaumont-Serrato

Professional services through: 1/31/2020:

Invoice # 56423

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$9,066.04

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MEMORANDUM

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**To:** City of Beaumont  
**From:** Townsend Public Affairs  
**Date:** February 13, 2020  
**Subject:** Legislative Report for the City of Beaumont

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**State Legislative Update**

As members seek to finalize their legislative package for the upcoming legislative session a few bills currently stand out and are outlined below. TPA will be reviewing the bills after the introduction deadline next week and provide a more comprehensive list in the upcoming weeks.

Below is a list of upcoming legislative deadlines:

**February 19:** State of the State presented by Governor Newsom

**February 21:** Last day for bills to be introduced

**April 2:** Spring Recess begins

**Energy and IOU's:** Senator Wiener has introduced a number of bills targeting IOU's based on their actions during wildfire season the last few years.

**SB 917 (Wiener)** California Consumer Energy and Conservation Financing Authority: eminent domain: Northern California Energy Utility District: Northern California Energy Utility Services. This bill is also known as the "PG&E State takeover bill". The structure would be modeled after the Long Island Power Authority in New York. According to the Senator, the change would shift the utility's focus away from profit and instead to providing more reliable, safer and affordable power to customers.

**SB 804 (Wiener)** Public capital facilities: electric utilities: rate reduction bonds.

Currently, the Mark-Roos Local Bond Pooling Act of 1985 allows only certain Publicly Owned Utilities (POUs) to receive rate bonds issued by joint powers authorities. This bill would expand the definition of POUs in the Act to include Utilities that provide "power", so that electric POUs could then receive rate bonds. These rate bonds could provide POUs with the tools needed to successfully acquire Investor Owned Utility (IOU) assets, and with money to finance solar projects/storage, microgrids, grid hardening, and other projects beneficial to electricity consumers.



**SB 378 (Wiener)** Electrical corporations: de-energization events: procedures: allocation of costs: reports.

This bill imposes stricter standards on IOU's decision to shut off power during times associated with higher fire risk. IOUs must submit an annual report to the CPUC's "Wildfire Safety Division" on age, useful life, condition, records, etc. of its infrastructure. The CPUC and Public Advocates Office must establish a reimbursement procedure for customers and local governments effected by imprudent power shutoffs, by 6/1/21. Furthermore, this bill will establish civil penalties of at least \$250,000 for every 50,000 customers affected per hour.

**Impact fees:** As you know, Assembly Member Grayson introduced a highly contested piece of legislation last year, AB 1484 regarding the reduction of local impact fees, and pushback from different stakeholders prompted their office the host a few roundtable discussions across the state at the end of last year. TPA has been keeping an eye on impact fee issues and has been in frequent contact with Assembly Member Grayson and his Chief of Staff. We followed up with him on February 12 and below is a rundown on their office's direction with regards to impact fee legislation:

- As for AB 1484, they are going to keep pushing it- but do not plan on hosting a stakeholder meeting in Sacramento despite previous discussions of one. They plan to move the bill prior to June, though it may be difficult to push through policy committees such as Senate Governance and Finance.
- In addition to the newest impact fee legislation- AB 1924 (which would make impact fees proportionate to square footage of a housing development)- the Assembly Member is planning to introduce another bill regarding impact fees sometime next week. TPA continues to closely monitor these efforts.

## Federal Legislative Update

### President's Budget Proposal

The Trump Administration released its Fiscal Year (FY) 2021 budget proposal, outlining the President's tax and spending priorities over the next decade. The Administration estimates that the budget would balance within 15 years and put debt on a downward path relative to the economy after 2022.

### Background

Overall, domestic discretionary spending as a percentage of the U.S. economy would be cut in half over the course of a decade under President Donald Trump's fiscal 2021 budget proposal, with the Department of Commerce, Environmental Protection Agency and State Department seeing some of the steepest cuts.

Here's a quick in-depth overview of spending by Department:

- **Agriculture:** Trump seeks an 8.2% cut, or \$1.9 billion, from the Department of Agriculture's base discretionary funds, requesting \$21.8 billion for fiscal 2021.
- **Commerce:** The Department of Commerce would receive \$7.9 billion under the proposal, a 48% decrease from the fiscal 2020 enacted level.
- **Defense:** The Pentagon's \$705.4 billion budget proposal for the next fiscal year would provide funding for nuclear weapons systems including intercontinental ballistic missiles, submarines and F-35 jets, as well as providing more money for emerging technology research and the Space Force.
- **Education:** The President's budget incorporates 7.8% in proposed cuts to the Department of Education over enacted funding from fiscal 2020.
- **Energy:** The White House is proposing to slash the Energy Department's budget by \$3.1 billion to \$35.4 billion. This is an 8% decrease from the \$38.5 billion offered in fiscal 2020.
  - The department's proposed cut is deeper than the number suggests because it consists of a \$6.3 billion cut to the department's energy programs. However, the proposal boosts National Nuclear Security Administration funding by \$3.2 billion.
- **EPA:** The budget seeks \$6.7 billion for the Environmental Protection Agency, which equates to \$2.4 billion, or 26.5% below the \$9.1 billion Congress approved for the EPA in December.
  - The White House is also seeking \$6 billion for the U.S. Army Corps of Engineers, which is \$1.7 billion or 22% below the enacted levels for the current year.
- **Health:** The budget is seeking to implement \$9.4 billion in funding cuts to the Department of Health and Human Services, which is a 9% reduction from last year.

- **Homeland Security:** The budget calls for the Department of Homeland Security to receive a 3.4% increase in federal spending, which equates to \$49.7 billion in spending requests.
- **Housing:** President Donald Trump's fiscal 2021 budget proposed an \$8.6 billion cut to Housing and Urban Development Department programs, largely in line with previous years' proposals.
- **Interior:** The President's budget calls for the Department of the Interior to receive a \$2 billion budget cut in the next fiscal year compared to the enacted fiscal 2020 budget. Trump is calling for the Department's funding to be cut 13.6%, from \$14.7 billion to \$12.7 billion.
- **Department of Justice:** The Department of Justice would receive a \$730 million cut to current funding under the Administration's fiscal 2021 budget proposal. The \$31.7 billion request reflects a 2.3% drop from DOJ's \$32.4 billion in funding for the current fiscal year.
- **Labor:** The Labor Department would see an 11% decrease in federal spending. The budget proposes \$11 billion to be spent on the department next year, which is down from the \$12.4 billion that Congress enacted for the Department in the current fiscal year.
- **Transportation:** The President's budget calls for \$810 billion over 10 years for the nation's highways, rail, and transit systems, and another \$190 billion for other infrastructure issues, such as coordinating megaprojects and delivering broadband to rural communities.
- **Veterans Affairs:** The Veterans Affairs Department would receive a \$12.3 billion discretionary budget increase under President Trump's budget request. The budget asks for \$105 billion in discretionary funds for the VA, most of which would be provided in advance for health-care programs in fiscal 2022.

### Moving Forward

As a reminder: this is the president's budget **request**, meaning it is not a piece of legislation and is not typically considered as-is in Congress. As such, it acts as sort of a wish-list for the Administration. Thus, Congress will not adopt the recommended cuts wholesale and will be debating this for months to come. We will have a full breakdown, including the triumphant return of the stoplight chart, which we'll include with appropriations letters. This should help illuminate things in even greater detail. If you have any questions, please don't hesitate to reach out for clarification.