



City of Port Hueneme

PORT HUENEME CITY COUNCIL REGULAR MEETING

JANUARY 19, 2016

**PORT HUENEME CITY HALL: 250 NORTH VENTURA ROAD
PORT HUENEME, CA 93041**

6:15 PM Pre-Agenda Session - Council Conference Room
(Agenda Item and Time Estimates Review - OPEN TO THE PUBLIC)

6:30 PM Open Session - City Council Chamber

A G E N D A

Public Communications: Each member of the public may speak on any item appearing on the Agenda or that is within the subject matter jurisdiction of the City Council. Speakers will be allowed three minutes per Agenda item to address the Council. Members of the public who want to address the Council should fill out a speaker card located on the back table in the City Council Chamber and provide the speaker card to the City Clerk. If a speaker wishes to address an item on the Agenda please note the Agenda item number or topic on the speaker card to ensure that you are called to speak before the Council takes action on the Agenda item. All speakers wishing to address the Council on items not on the Agenda will be called on to speak during the Open Forum portion of the Agenda.

- 1. CALL TO ORDER (6:30 PM), FLAG SALUTE**
- 2. INSPIRATION:** Council Member Sylvia Muñoz Schnopp
- 3. ROLL CALL**
- 4. AGENDA:** (*Amend / Approve*)
- 5. OPEN FORUM (30 Minutes)**

The Council will hear public comments for a maximum of 30 minutes. A person may address the Council only on matters NOT appearing on the agenda and within the Council's subject matter jurisdiction. Anyone not able to address the Council before the 30 minutes expires may do so during the "Continuation of Open Forum" period just prior to adjournment of the meeting. The Council cannot enter into a detailed discussion or take any action on comments, but may refer them to the City Manager for follow up or scheduling on a subsequent agenda for discussion. Each speaker shall limit comments to three minutes.

6. PRESENTATIONS:

- A. PROCLAMATION HONORING KAYLA McCORMICK “JUNIOR LIFEGUARD OF THE YEAR – VENTURA COUNTY” FROM THE CALIFORNIA SURF LIFE SAVING ASSOCIATION

Action: Present proclamation to Ms. McCormick following a brief presentation from Casey Graham, Junior Lifeguard Program Coordinator.

7. CONSENT AGENDA:

- A. APPROVAL OF MINUTES

Action: It is recommended the City Council approve the Minutes of the January 11, 2016 Special Meeting.

- B. CASH DISBURSEMENTS RATIFICATION

Action: It is recommended the City Council ratify the cash disbursements listing for the period December 26, 2015 through January 8, 2016.

- C. APPOINTMENT TO HISTORICAL MUSEUM ADVISORY COMMISSION

Action: It is recommended the City Council approve Mayor Breeze’s appointment of Purna Pai to the Historical Museum Commission.

- D. MAYORAL APPOINTMENT TO THE SUCCESSOR AGENCY OVERSIGHT BOARD

Action: It is recommended the Mayor to appoint the Deputy City Manager to serve as the “employee organization” representative on the Successor Agency Oversight Board, and the City Council provide input, if desired.

- E. POLICE DEPARTMENT NETWORK SERVERS BACKUP APPLIANCE REPLACEMENT

Action: It is recommended the City Council authorize the City Manager to execute an agreement with Starnet Data Designs for replacement of the Police Department Network Servers Backup Appliance, per Municipal Code Section 2564(b).

- F. ADOPTION OF LABOR CONTRACT WITH SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 721

Action: It is recommended the City Council:

1. Approve the attached two-year Comprehensive Memorandum of Agreement (MOA) between the City of

Port Hueneme and General Unit Employees represented by SEIU Local 721 (contract period July 1, 2015 – June 30, 2017) and authorize the negotiating team to execute the Agreement; and

2. Direct staff to prepare the necessary amendments, if any, to City ordinances, resolutions, or policies for Council consideration to implement the provisions of the attached MOA.

G. ADOPTION OF LABOR CONTRACT WITH PORT HUENEME POLICE OFFICERS ASSOCIATION (PHPOA)

Action: It is recommended the City Council:

1. Approve the attached FY 2015-2016 Memorandum of Agreement (MOA) with the Port Hueneme Police Officers Association (PHPOA) and authorize the negotiating team to execute the Agreement; and
2. Direct staff to prepare the necessary amendments, if any, to City ordinances, resolutions, or policies for Council consideration to implement the provisions of the attached MOA.

H. ADOPT ORDINANCE NO. 721 ADJUSTING THE VERY LOW INCOME RESIDENTS UTILITY RATE REDUCTION PROGRAM

Action: It is recommended the City Council adopt Ordinance No. 721 (previously read by title only, with further reading waived) that amends Port Hueneme Municipal Code Article VII, Chapter 1, Section 7113(a); Article VII, Chapter 2, Section 7160G(a); and Article VII, Chapter 3, Section 7221.40(a), pertaining to the Very Low Income Rate Reduction Program.

ORDINANCE NO. 721

AMENDING SECTION 7113(a) OF ARTICLE VII, CHAPTER 1; SECTION 7160G(a) OF ARTICLE VII, CHAPTER 2; AND SECTION 7221.40(a) OF ARTICLE VII, CHAPTER 3 OF THE PORT HUENEME MUNICIPAL CODE REGARDING THE VERY LOW INCOME RESIDENTS RATE REDUCTION

I. ADOPT ORDINANCE NO. 722 TO EXPRESSLY PROHIBIT MEDICAL MARIJUANA-RELATED USES IN THE CITY

Action: It is recommended the City Council adopt Ordinance No. 722 (previously read by title only, with further reading waived) that adds a new Chapter 12 to Article III and a new Part F to Article X, Chapter 2 of the Port Hueneme Municipal Code, to clarify that commercial cannabis

activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City.

ORDINANCE NO. 722

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, ADDING A NEW CHAPTER 12 TO ARTICLE III AND A NEW PART F TO CHAPTER 2 OF ARTICLE X OF THE PORT HUENEME MUNICIPAL CODE TO CLARIFY THAT COMMERCIAL CANNABIS ACTIVITIES, CULTIVATION OF MEDICAL CANNABIS, DELIVERY OF MEDICAL CANNABIS, MEDICAL MARIJUANA DISPENSARIES, AND MEDICAL MARIJUANA COLLECTIVES ARE PROHIBITED IN ALL ZONES AND SPECIFIC PLAN AREAS OF THE CITY

8. INTERIM CITY MANAGER:

A. INTRODUCTION OF ORDINANCE AMENDING CITY PURCHASING PROCEDURES

Action: It is recommended the City Council introduce for first reading an Ordinance (to be read by title only, and further reading waived) amending various sections of Port Hueneme Municipal Code Article II, Chapter 6, Parts F and G, to update the City's Purchasing Procedures (last updated in 1999), to better conform with current practices.

ORDINANCE TITLE FOR INTRODUCTION:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, AMENDING VARIOUS SECTIONS OF ARTICLE II, CHAPTER 6, PARTS F AND G OF THE PORT HUENEME MUNICIPAL CODE, PERTAINING TO PURCHASING

B. ORGANIZATION PRIORITIES FOR FISCAL YEAR 2016

Action: It is recommended the City Council:

1. Receive a report from the City Manager regarding activity priorities for the remainder of Fiscal Year 2016, and
2. Consider alternatives for developing operational efficiencies in the delivery of city services.

C. HUENEME BEACH FESTIVAL

Action: It is recommended the City Council choose among the options for funding the Hueneme Beach Festival and other recreational programs for Fiscal Year 2015-16.

9. CITY MANAGER REPORTS/COMMENTS

10. COUNCIL MEMBERS' REPORTS, COMMENTS, AND REQUESTS FOR FUTURE AGENDA ITEMS

11. CONTINUATION OF OPEN FORUM

The Council will allow a continuation of public comments, if necessary, due to exceeding the total time allotted in the earlier Open Forum section.

12. CLOSED SESSION: (None)

ADJOURNMENT: Adjourn to the next Regular Meeting to be held Monday, February 1, 2016 at 6:30 p.m. in the City Council Chamber, preceded by a Pre-Agenda Session at 6:15 p.m. in the Council Conference Room.

Copies of staff reports or other written documentation relating to each item of business referred to in this Agenda are available for public inspection in the Office of the City Clerk and on the City's website at www.cityofporthueneme.org. Materials received after agenda packet distributions are made available to the public on the City's website and in the City Clerk's office at the same time they are provided to the Council. **IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE OFFICE OF THE CITY CLERK AT 986-6503 OR THE CALIFORNIA RELAY SERVICE. NOTICE 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ALLOW PARTICIPATION IN THIS MEETING.**

**CITY OF PORT HUENEME
SPECIAL MEETING OF THE CITY COUNCIL
PRE-AGENDA SESSION**

JANUARY 11, 2016

MINUTES

A Pre-Agenda Session of the City Council of the City of Port Hueneme was held at 6:18 p.m. in the Council Conference Room at City Hall, 250 North Ventura Road, Port Hueneme, California.

PRESENT: Council Members Tom Figg, Jim Hensley, Jonathan Sharkey; Mayor Pro Tem Douglas A. Breeze; Mayor Sylvia Muñoz Schnopp.

ABSENT: None.

Staff members present were: John Baker, Interim City Manager; Mark D. Hensley, City Attorney; Carmen Nichols, Deputy City Manager; Robert Albertson, Interim Chief of Police; Alvin Burrell, Interim Finance Director; Chris Theisen, Public Works Director; Michelle Ascencion, City Clerk.

Agenda items and time estimates were reviewed. No action was taken.

Respectfully submitted,

Michelle Ascencion, CMC
City Clerk

APPROVED:

MAYOR BREEZE

**CITY OF PORT HUENEME
SPECIAL MEETING OF THE CITY COUNCIL**

JANUARY 11, 2016

MINUTES

The Special Meeting of the Port Hueneme City Council was called to order by Mayor Breeze at 6:30 p.m. in the City Council Chamber at City Hall, 250 North Ventura Road, Port Hueneme, California. After the flag salute, Council Member Hensley gave the Inspiration. The City Clerk called the roll:

PRESENT: Council Members Tom Figg, Jim Hensley, Sylvia Muñoz Schnopp; Mayor Pro Tem Jonathan Sharkey; Mayor Douglas A. Breeze.

ABSENT: None.

Staff members present were: John Baker, Interim City Manager; Mark D. Hensley, City Attorney; Carmen Nichols, Deputy City Manager; Robert Albertson, Interim Chief of Police; Alvin Burrell, Interim Finance Director; Chris Theisen, Public Works Director; Michelle Ascencion, City Clerk.

AGENDA:

The Council Members had previously received copies of the Agenda.

Mayor Pro Tem Sharkey, seconded by Council Member Schnopp, moved to approve the Agenda as presented. Motion carried unanimously.

OPEN FORUM:

Mayor Breeze asked if anyone present wished to speak on any matter not on the Agenda. No one requested to speak.

PUBLIC HEARING:

A. INTRODUCTION OF AN ORDINANCE TO EXPRESSLY PROHIBIT MEDICAL MARIJUANA-RELATED USES IN THE CITY

Action: It is recommended the City Council:

1. Conduct a public hearing to consider and introduce for first reading an Ordinance adding a new Chapter 12 to Article III and a new Part F to Article X, Chapter 2 of the Port Hueneme Municipal Code, to clarify that commercial cannabis activities, cultivation of medical

cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City (to be read by title only, and further reading waived); and

2. If the Ordinance is introduced, schedule it for a second reading and potential adoption at the City Council's January 19, 2016 Regular Meeting.

The Deputy City Manager and Interim Chief of Police gave a report. Discussion ensued among Council and staff.

Mayor Breeze opened the public hearing and invited anyone who wished to speak on the item to come forward. The following persons requested to speak:

1. Mari Scott, Port Hueneme
Representing the Ventura County Cannabis Alliance, spoke in opposition to the Ordinance.
2. Maria Lucy Ruiz, Ventura
Spoke in opposition to the Ordinance.
3. Ellis Green, Port Hueneme
Urged the Council to tailor the Ordinance to the City of Port Hueneme's needs.
4. Charles Barton, Port Hueneme
Commented on a problem with marijuana distribution in his neighborhood and spoke in support of the Ordinance.
5. Jerrienne Guerra, Newbury Park
Commented on how medical marijuana has helped her with her illness and spoke in opposition to the Ordinance.
6. Perry Churchill, Ventura
Small business owner, spoke in opposition to the Ordinance.
7. Jose Ruiz, Oxnard
Spoke in opposition to the Ordinance.
8. Elisabeth Gonzalez, Oxnard
Spoke in opposition to the Ordinance.
9. Deborah Findley, Port Hueneme
Spoke in support of the Ordinance.

10. Jim Ally
Spoke in opposition to the Ordinance.
11. Jerrienne Guerra, Newbury Park
Made further comments on the benefits of medicinal marijuana.
12. Arzeya Solis, Newbury Park
Spoke in opposition to the Ordinance.
13. Lynn Compton, Port Hueneme
Spoke in opposition to the Ordinance.

Mayor Breeze closed the public hearing.

Council Member Figg, seconded by Council Member Schnopp, moved to approve staff's recommendation as presented. Further discussion ensued. The motion carried 4-0-1 by the following roll call vote:

AYES: Council Members Figg, Schnopp; Mayor Pro Tem Sharkey; Mayor Breeze.

NOES: None.

ABSTAINING: Council Member Hensley.

ABSENT: None.

The City Attorney read the following announcement:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, ADDING A NEW CHAPTER 12 TO ARTICLE III AND A NEW PART F TO CHAPTER 2 OF ARTICLE X OF THE PORT HUENEME MUNICIPAL CODE TO CLARIFY THAT COMMERCIAL CANNABIS ACTIVITIES, CULTIVATION OF MEDICAL CANNABIS, DELIVERY OF MEDICAL CANNABIS, MEDICAL MARIJUANA DISPENSARIES, AND MEDICAL MARIJUANA COLLECTIVES ARE PROHIBITED IN ALL ZONES AND SPECIFIC PLAN AREAS OF THE CITY

CONSENT AGENDA:

- A. APPROVAL OF MINUTES
Action: It is recommended the City Council approve the Minutes of the December 7, 2015 Regular Meeting.
- B. CASH DISBURSEMENTS RATIFICATION
Action: It is recommended the City Council ratify the cash

disbursements listing for the period November 28, 2015 through December 25, 2015.

Council Member Hensley commented that the December 7, 2015 Minutes should specifically reflect that the clarification requested on the cash disbursements report pertained to the City's payments made for its water use. Discussion ensued among Council and staff. Council Member Figg requested a future agenda item on the City's payments for its water use. Staff was requested to review the audio recording and amend the Minutes appropriately.

Council Member Schnopp, seconded by Mayor Pro Tem Sharkey, moved to approve the Consent Agenda as amended. Motion carried 4-0-1 (Hensley abstained).

DEPUTY CITY MANAGER:

- A. PRESENTATION OF HUENEME BEACH FESTIVAL STATISTICS
Action: Presentation of information on the 2015 Toni Young Hueneme Beach Festival.

The Deputy City Manager gave a report. Discussion ensued among Council and staff.

INTERIM CITY MANAGER:

- A. CITY COUNCIL NORMS
Action: It is recommended the City Council adopt a revision of the "Policy for Establishing City Council Norms of Operation" that were adopted in 2001.

The Interim City Manager gave a report. Discussion ensued among Council and staff.

The Council directed the City Manager to remove Section 3.E. from the proposed norms, and revise Section 2.B. to read, "Mutual respect shall be shown from both Council Members and staff regarding their respective roles and responsibilities."

The following person requested to speak:

- 1. Jim Estomo, Channel Islands Beach Community Services District Member
Asked for clarification on the norms pertaining to outside committee appointments. Mayor Breeze responded to Mr. Estomo.

Mayor Pro Tem Sharkey, seconded by Council Member Schnopp, moved to approve staff's recommendation with the stated amendments. The motion carried 5-0 by the following roll call vote:

AYES: Council Member Figg, Hensley, Schnopp; Mayor Pro Tem Sharkey; Mayor Breeze.

NOES: None.

ABSTAINING: None.

ABSENT: None.

B. CITY MANAGER RECRUITMENT

Action: It is recommended the City Council receive a verbal update from the Interim City Manager on the selection of an Executive Recruiter for a permanent City Manager.

The Interim City Manager gave a report. Discussion ensued among Council and staff. The Council expressed its desire to have the community involved in the City Manager selection process.

COUNCIL MEMBERS' REPORTS, COMMENTS, AND REQUESTS FOR FUTURE AGENDA ITEMS:

Council Member Figg requested a future item on Management Partners' recent review of the Finance Department and the City's procurement procedures.

Mayor Breeze reported on Gold Coast Transit District's upcoming ribbon cutting ceremony for its new customer service center.

CONTINUATION OF OPEN FORUM:

The following person requested to speak:

1. Kurt Oberst, Port Hueneme
Commented on the City of Oxnard's proposed utility rate increases.
Mayor Breeze responded to Mr. Oberst.

CLOSED SESSION:

The following person requested to speak:

1. Danny Carrillo, SEIU Interim Regional Director Local 721
Commented on the City Manager recruitment process and on the bargaining unit's vote to approve concessions to help with the City's budgetary challenges.

The City Attorney made the following announcement:

With respect to every item of business to be discussed in Closed Session, pursuant to the California Government Code:

- A. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Government Code Section 54957.6)

AGENCY DESIGNATED REPRESENTATIVES: John Baker, Interim City Manager; Carmen Nichols, Deputy City Manager; Steven M. Berliner, Special Counsel.

EMPLOYEE ORGANIZATIONS: Service Employees International Union (SEIU); Port Hueneme Police Officers Association (PHPOA).

- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Pursuant to Government Code Section 54957)

Position: Interim City Manager.

- C. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 case.

The City Council recessed to Closed Session at 8:29 p.m. following the Housing Authority meeting. The City Council reconvened following the Closed Session. There were no further announcements.

ADJOURNMENT:

Mayor Breeze, without objection, adjourned the Special Meeting at 9:27 p.m. to the next Regular Meeting to be held January 19, 2016 at 6:30 p.m. in the City Council Chamber, preceded by a Pre-Agenda Session at 6:15 p.m. in the Council Conference Room.

Respectfully submitted,

Michelle Ascencion, CMC
City Clerk

APPROVED:

MAYOR BREEZE

CITY OF PORT HUENEME
CASH DISBURSEMENTS
For the period December 26, 2015 through January 8, 2016

January 19, 2016

Presented are the cash

Date	Type of Payment	Attachment	Amount
December 30, 2015	EFT Transactions 4630-4643 A/P Checks 105904-105970	A	\$740,801.90
January 8, 2016	EFT Transaction 4644 A/P Checks 105971-105986	B	\$56,317.63
January 8, 2016	Payroll Distribution	C	\$259,737.78
Total			<u><u>\$1,056,857.31</u></u>

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
BURNS RETIREE MEDICAL	DEC'15 REIMBURSEMENT	12/30/2015	4630	795.48
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	381.49
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,945.19
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	3,097.35
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	5,287.80
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	2,609.55
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,192.15
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	972.99
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	22,570.00
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	5,116.20
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,654.17
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,974.55
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	649.89
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,044.97
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	3,843.26
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	2,348.10
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	257.01
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	781.85
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,007.83
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	424.59
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	4,404.35
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	2,092.34
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	4,810.76
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	4,725.41
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	1,599.27
CALPERS CONTRIBUTIONS	NOV'15 COUNCIL PERS	12/30/2015	4631	480.91
CALPERS CONTRIBUTIONS	11/27/15 PERS	12/30/2015	4631	34,330.89
CALPERS CONTRIBUTIONS	11/27/15 PERS	12/30/2015	4631	27,424.82
CALPERS CONTRIBUTIONS	11/27/15 PERS	12/30/2015	4631	178.49
CALPERS CONTRIBUTIONS	11/27/15 PERS	12/30/2015	4631	2,106.01
CALPERS CONTRIBUTIONS	DEC'15 UNFUNDED LIABILITY	12/30/2015	4631	424.59
CALPERS HEALTH INSURANCE	DEC'15 HEALTH PREMIUMS	12/30/2015	4632	2,928.00
CALPERS HEALTH INSURANCE	DEC'15 HEALTH PREMIUMS	12/30/2015	4632	287.36
CALPERS HEALTH INSURANCE	DEC'15 HEALTH PREMIUMS	12/30/2015	4632	73,492.09
CALPERS 457	11/27/15 PERS 457	12/30/2015	4633	4,681.72
CALPERS 457	12/25/15 PERS 457	12/30/2015	4633	4,612.70
CALPERS 457	12/11/15 PERS 457	12/30/2015	4633	4,754.72
EDD EFT	12/11/15 STATE PR TAX	12/30/2015	4634	26,150.92
EDD EFT	12/17/15 STATE PR TAX	12/30/2015	4634	1,500.00
EDD EFT	12/17/15 STATE PR TAX	12/30/2015	4634	365.15
EDD EFT	12/25/15 STATE PR TAX	12/30/2015	4634	10,658.35
EFTPS	12/11/15 SS MC PR TAX	12/30/2015	4635	65,066.34
EFTPS	12/17/15 SSMCT PR TAX	12/30/2015	4635	4,156.46
EFTPS	12/17/15 SS MC PR TAX	12/30/2015	4635	194.90
EFTPS	12/25/15 SS MC PR TAX	12/30/2015	4635	33,783.68
EFTPS	12/11/15 FEDERAL PR TAX	12/30/2015	4635	76,129.65
EFTPS	12/17/15 FEDERAL PR TAX	12/30/2015	4635	5,500.00

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
EFTPS	12/17/15 FEDERAL PR TAX	12/30/2015	4635	1,039.60
EFTPS	12/25/15 FEDERAL PR TAX	12/30/2015	4635	31,950.64
GAGER RETIREE MEDICAL	DEC'15 REIMBURSEMENT	12/30/2015	4636	546.00
HART RETIREE MEDICAL	DEC'15 REIMBURSEMENT	12/30/2015	4637	546.00
WELLS ONE	SALES TAX	12/30/2015	4638	-7.21
WELLS ONE	SALES TAX	12/30/2015	4638	-30.29
WELLS ONE	SALES TAX	12/30/2015	4638	-15.99
WELLS ONE	SALES TAX	12/30/2015	4638	-16.28
WELLS ONE	SALES TAX	12/30/2015	4638	-18.38
WELLS ONE	SALES TAX	12/30/2015	4638	-5.59
WELLS ONE	HOLIDAY INN	12/30/2015	4638	150.00
WELLS ONE	TRESIERRAS	12/30/2015	4638	5.39
WELLS ONE	BOARS BREATH DELI	12/30/2015	4638	202.64
WELLS ONE	VONS	12/30/2015	4638	61.18
WELLS ONE	BOYS & GIRLS CLUB	12/30/2015	4638	160.00
WELLS ONE	BOYS & GIRLS CLUB	12/30/2015	4638	160.00
WELLS ONE	STARBUCKS	12/30/2015	4638	5.90
WELLS ONE	OFFICE DEPOT	12/30/2015	4638	34.55
WELLS ONE	TOOLFETCH	12/30/2015	4638	245.75
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	18.38
WELLS ONE	FRY'S	12/30/2015	4638	47.48
WELLS ONE	UPS STORE	12/30/2015	4638	9.75
WELLS ONE	FRY'S	12/30/2015	4638	597.64
WELLS ONE	ADAMS HOTEL	12/30/2015	4638	523.76
WELLS ONE	VERIZON	12/30/2015	4638	24.29
WELLS ONE	BIOSYSTEMS	12/30/2015	4638	86.99
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	5.59
WELLS ONE	CI DO IT BEST	12/30/2015	4638	43.19
WELLS ONE	ORIENTAL TRADING CO	12/30/2015	4638	104.20
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	7.21
WELLS ONE	B&H PHOTO	12/30/2015	4638	199.99
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	15.99
WELLS ONE	PARTYANDPAPER CREDIT	12/30/2015	4638	-125.87
WELLS ONE	TCT M&N PARTY STORE	12/30/2015	4638	238.11
WELLS ONE	PARTYANDPAPER	12/30/2015	4638	125.87
WELLS ONE	#1 PARTY SUPPLIES CREDIT	12/30/2015	4638	-122.66
WELLS ONE	#1 PARTY SUPPLIES	12/30/2015	4638	122.66
WELLS ONE	WEBSTAIRANT	12/30/2015	4638	425.00
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	30.29
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	16.28
WELLS ONE	#1 PARTY SUPPLIES	12/30/2015	4638	100.91
WELLS ONE	PAYPAL THEISEN	12/30/2015	4638	30.00
WELLS ONE	SALES TAX	12/30/2015	4638	-64.00
WELLS ONE	BEINER SALES	12/30/2015	4638	800.00
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	64.00
WELLS ONE	SALES TAX	12/30/2015	4638	-0.70
WELLS ONE	SALES TAX	12/30/2015	4638	-14.78

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
WELLS ONE	SHANKSLAWN 61201	12/30/2015	4638	14.83
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	0.70
WELLS ONE	SHANKSLAWN 61201	12/30/2015	4638	196.86
WELLS ONE	ACCRUE SALES TAX	12/30/2015	4638	14.78
AFLAC	NOV'15 AFLAC PREMIUMS	12/30/2015	4642	1,749.89
AFLAC	DEC'15 AFLAC PREMIUMS	12/30/2015	4642	1,749.89
CALPERS CONTRIBUTIONS	12/30/15 PERS	12/30/2015	4643	53,897.48
CALPERS CONTRIBUTIONS	12/30/15 PERS	12/30/2015	4643	57,314.70
CALPERS CONTRIBUTIONS	12/30/15 PERS	12/30/2015	4643	390.44
CALPERS CONTRIBUTIONS	12/30/15 PERS	12/30/2015	4643	2,056.85
ALL-PHASE ELECTRIC	FM SUPPLIES	12/30/2015	105904	127.17
ALMANZA, ANTONIO	BOOT ALLOWANCE	12/30/2015	105905	200.00
APPLIED INDUSTRIAL TECHNOLOGIES	REPLACE MOTOR	12/30/2015	105906	5,999.08
AQUA-FLO SUPPLY	LANDSCAPE SUPPLIES	12/30/2015	105907	18.48
AQUA-FLO SUPPLY	LANDSCAPE SUPPLIES	12/30/2015	105907	66.65
AQUA-FLO SUPPLY	CONDUIT/WIRE/WRENCH/PVC	12/30/2015	105907	178.96
AQUA-FLO SUPPLY	WIRE/CONDUIT	12/30/2015	105907	149.64
ASSOCIATED CONCRETE INC	912 EVERGREEN	12/30/2015	105908	450.90
BAY ALARM	1/1/16-4/1/16 SERVICE	12/30/2015	105909	148.05
BERGIN'S AUTOMOTIVE INC	AUTOMOTIVE REPAIR	12/30/2015	105910	440.83
BERGIN'S AUTOMOTIVE INC	AUTOMOTIVE REPAIR	12/30/2015	105910	15.00
BERGIN'S AUTOMOTIVE INC	AUTOMOTIVE REPAIRS	12/30/2015	105910	903.63
BLACK AND WHITE EMERGENCY VEHICLES	AUTOMOTIVE PARTS	12/30/2015	105911	215.19
BLACK AND WHITE EMERGENCY VEHICLES	AUTOMOTIVE PARTS	12/30/2015	105911	207.19
CALIFORNIA WOOD RECYCLING	NOVEMBER 16-30, 2015	12/30/2015	105912	1,570.84
CALIFORNIA WOOD RECYCLING	SEPTEMBER 16-30, 2015	12/30/2015	105912	1,156.02
CAPCO ANALYTICAL SERVICES, INC	WATER ANALYSIS	12/30/2015	105913	900.00
CAPCO ANALYTICAL SERVICES, INC	WATER ANALYSIS	12/30/2015	105913	740.00
CAPCO ANALYTICAL SERVICES, INC	WATER ANALYSIS	12/30/2015	105913	3,038.00
CHANNEL ISLANDS DO IT BEST	FM SUPPLIES	12/30/2015	105914	5.83
CHANNEL ISLANDS DO IT BEST	FM SUPPLIES	12/30/2015	105914	8.14
CHANNEL ISLANDS DO IT BEST	HOLLY TREE LIGHTING	12/30/2015	105914	19.43
CHANNEL ISLANDS DO IT BEST	LANDSCAPE SUPPLIES	12/30/2015	105914	6.79
CITY OF OXNARD	234633-252984 UTIL BILL	12/30/2015	105915	109.32
CITY OF OXNARD	145/880 UTIL BILL	12/30/2015	105915	507.00
COASTAL PIPCO INC	STREETS SUPPLIES	12/30/2015	105916	731.66
COASTLINE EQUIPMENT	AUTOMOTIVE REPAIR	12/30/2015	105917	1,217.39
COASTLINE EQUIPMENT	AUTOMOTIVE PART	12/30/2015	105917	39.44
CONSOLIDATED ELECTRICAL DIST INC	SOFTWARE PRODUCT SUPPORT	12/30/2015	105918	720.90
CONSOLIDATED ELECTRICAL DIST INC	SOFTWARE PRODUCT SUPPORT	12/30/2015	105918	2,883.60
CONSOLIDATED ELECTRICAL DIST INC	SOFTWARE PRODUCT SUPPORT	12/30/2015	105918	1,201.50
CUSTOM PRINTING	BUSINESS CARDS	12/30/2015	105919	81.00
DATAPROSE, INC	NOV'15 SERVICE	12/30/2015	105920	1,834.23
EMPIRE CLEANING SUPPLY	ACCRUE SALES TAX	12/30/2015	105921	-11.95
EMPIRE CLEANING SUPPLY	JANITORIAL SUPPLIES	12/30/2015	105921	2,581.10
FORD OF VENTURA - MAIN STREET	AUTOMOTIVE REPAIRS	12/30/2015	105922	235.42
GRAINGER INC	DUST MASKS	12/30/2015	105923	13.61

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
GRANITE CONSTRUCTION COMPANY	STREETS SUPPLIES	12/30/2015	105924	122.02
GRANITE CONSTRUCTION COMPANY	DUMP FEES	12/30/2015	105924	84.22
GREEN TREE NURSERY	LANDSCAPE SUPPLIES	12/30/2015	105925	163.40
HARBOR PLUMBING SUPPLY COMPANY, INC	FM SUPPLIES	12/30/2015	105926	13.81
HARBOR PLUMBING SUPPLY COMPANY, INC	FM SUPPLIES	12/30/2015	105926	34.74
HD SUPPLY FACILITIES MAINTENANCE	FM SUPPLIES	12/30/2015	105927	207.14
HD SUPPLY FACILITIES MAINTENANCE	CD SUPPLIES	12/30/2015	105927	87.85
HOUSE SANITARY SUPPLY INC	JANITORIAL SUPPLIES	12/30/2015	105928	649.11
LIEBERT CASSIDY WHITMORE	SERVICES THRU 11/30/15	12/30/2015	105929	963.00
LIEBERT CASSIDY WHITMORE	SERVICES THRU 11/30/15	12/30/2015	105929	416.50
LIEBERT CASSIDY WHITMORE	SERVICES THRU 11/30/15	12/30/2015	105929	552.50
LIEBERT CASSIDY WHITMORE	SERVICES THRU 11/30/15	12/30/2015	105929	2,892.50
LTM INDUSTRIES, INC	AUTOMOTIVE REPAIRS	12/30/2015	105930	1,200.00
LTM INDUSTRIES, INC	AUTOMOTIVE REPAIRS	12/30/2015	105930	300.00
LUNERS PRODUCTION SERVICES	HOLLY TREE LIGHTING EVENT	12/30/2015	105931	192.43
MCCARTY & SONS TOWING	PARADISE CHEVROLET	12/30/2015	105932	71.00
MCCARTY & SONS TOWING	BERGINS AUTOMOTIVE	12/30/2015	105932	165.00
MCCARTY & SONS TOWING	VELOCITY TRUCK CENTER	12/30/2015	105932	250.00
OFFICE DEPOT	OFFICE SUPPLIES	12/30/2015	105933	64.79
ORKIN SERVICES OF CALIFORNIA, INC	303 HARBOR BREEZE DR	12/30/2015	105934	150.00
OXNARD AUTO SUPPLY	AUTOMOTIVE PARTS	12/30/2015	105935	107.45
OXNARD AUTO SUPPLY	AUTOMOTIVE PARTS	12/30/2015	105935	28.55
OXNARD AUTO SUPPLY	AUTOMOTIVE PARTS	12/30/2015	105935	34.64
PARADISE CHEVROLET	AUTOMOTIVE REPAIRS	12/30/2015	105936	710.63
PEREZ, JOSE	12/13/15 - PDPAT CAR WASH	12/30/2015	105937	102.00
PEREZ, JOSE	12/14/15 - ADMIN CAR WASH	12/30/2015	105937	12.00
PEREZ, JOSE	12/14/15 - CDBLD CAR WASH	12/30/2015	105937	15.00
PEREZ, JOSE	12/14/15 - CDPK CAR WASH	12/30/2015	105937	27.00
PEREZ, JOSE	12/14/15 - PDADM CAR WASH	12/30/2015	105937	90.00
PEREZ, JOSE	12/18/15 - PDPAT CAR WASH	12/30/2015	105937	102.00
PEREZ, JOSE	12/21/15 - PWADM CAR WASH	12/30/2015	105937	12.00
PEREZ, JOSE	12/21/15 - PWSW CAR WASH	12/30/2015	105937	15.00
PEREZ, JOSE	12/21/15 - PW W CAR WASH	12/30/2015	105937	30.00
PITNEY BOWES INC	POSTAGE MACHINE RENTAL	12/30/2015	105938	220.88
PLUM LIFT-A-DOOR COMPANY,	DOOR REPAIR	12/30/2015	105939	1,020.00
PORT HUENEME MARINE SUPPLY	FM SUPPLIES	12/30/2015	105940	20.65
PORT HUENEME MARINE SUPPLY	FM SUPPLIES	12/30/2015	105940	22.63
PORT HUENEME MARINE SUPPLY	TRAFFIC ACCIDENT REPAIR	12/30/2015	105940	9.27
PORT HUENEME MARINE SUPPLY	WATER SUPPLIES	12/30/2015	105940	161.87
PORT HUENEME MARINE SUPPLY	WATER SUPPLIES	12/30/2015	105940	13.82
PORT HUENEME MARINE SUPPLY	WATER SUPPLIES	12/30/2015	105940	26.27
PORT HUENEME MARINE SUPPLY	WATER SUPPLIES	12/30/2015	105940	50.06
PORT HUENEME MARINE SUPPLY	GLOVES	12/30/2015	105940	2.97
PORT HUENEME MARINE SUPPLY	REFUSE SUPPLIES	12/30/2015	105940	4.09
PORT HUENEME MARINE SUPPLY	REFUSE SUPPLIES	12/30/2015	105940	46.98
PORT HUENEME MARINE SUPPLY	REFUSE SUPPLIES	12/30/2015	105940	10.85
PRIME BUILDING MATERIALS INC	FM SUPPLIES	12/30/2015	105941	140.67

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
PRIME BUILDING MATERIALS INC	FM SUPPLIES	12/30/2015	105941	28.35
PSR ENVIRONMENTAL SERVICES, INC	MONTHLY INSPECTION	12/30/2015	105942	210.00
QUILL CORPORATION	OFFICE SUPPLIES	12/30/2015	105943	39.94
RED-WING SHOE STORE	BOOT ALLOWANCE	12/30/2015	105944	198.32
RUBIO'S WELDING SERVICE	CONTAINER REPAIRS	12/30/2015	105945	508.12
SAFELITE AUTOGLASS	AUTOMOTIVE PARTS	12/30/2015	105946	212.01
SAFETY-KLEEN CORP	FLEET SUPPLIES	12/30/2015	105947	216.55
SANTA MARIA TIRE INC	AUTOMOTIVE PARTS	12/30/2015	105948	32.70
SANTA MARIA TIRE INC	DISPOSAL FEE	12/30/2015	105948	24.00
SANTA MARIA TIRE INC	DISPOSAL FEE	12/30/2015	105948	16.00
SANTA MARIA TIRE INC	TIRES	12/30/2015	105948	573.11
SIEMENS INDUSTRY INC	NOV'15 SIGNAL MAINTENANCE	12/30/2015	105949	802.72
SINTRA GROUP LLC	10/28/15 ADMIN HEARING	12/30/2015	105950	516.00
SINTRA GROUP LLC	11/10/15 12/1/15 HEARINGS	12/30/2015	105950	120.00
SOUTHERN CALIFORNIA EDISON	2-02-419-2262 UTIL BILL	12/30/2015	105951	45.41
SOUTHERN CALIFORNIA EDISON	2-33-605-8318 UTIL BILL	12/30/2015	105951	48.03
SOUTHERN CALIFORNIA EDISON	2-02-425-5572 UTIL BILL	12/30/2015	105951	318.33
SOUTHERN CALIFORNIA EDISON	2-11-005-6629 UTIL BILL	12/30/2015	105951	7,766.75
SOUTHERN CALIFORNIA EDISON	2-02-425-5572 UTIL BILL	12/30/2015	105951	318.34
SOUTHERN CALIFORNIA EDISON	2-02-419-2502 UTIL BILL	12/30/2015	105951	654.19
SOUTHERN CALIFORNIA EDISON	2-02-425-5572 UTIL BILL	12/30/2015	105951	318.33
SOUTHERN CALIFORNIA EDISON	2-30-094-7496 UTIL BILL	12/30/2015	105951	246.09
SOUTHERN CALIFORNIA EDISON	2-28-337-2373 UTIL BILL	12/30/2015	105951	38.69
SOUTHERN CALIFORNIA EDISON	2-31-594-0650 UTIL BILL	12/30/2015	105952	297.67
SOUTHERN CALIFORNIA GAS CO	160 614 2000 2 UTIL BILL	12/30/2015	105953	18.54
SOUTHERN CALIFORNIA GAS CO	158 514 2000 8 UTIL BILL	12/30/2015	105953	10.02
SOUTHERN CALIFORNIA GAS CO	158 514 2000 8 UTIL BILL	12/30/2015	105953	10.02
SOUTHERN CALIFORNIA GAS CO	158 514 2000 8 UTIL BILL	12/30/2015	105953	10.02
SOUTHERN CALIFORNIA GAS CO	087 144 1927 8 UTIL BILL	12/30/2015	105953	157.32
SOUTHERN CALIFORNIA GAS CO	158 414 8348 8 UTIL BILL	12/30/2015	105953	72.92
SOUTHERN COUNTIES FUELS	660 GALS DIESEL/500 GAS	12/30/2015	105954	2,468.65
SOUTHERN COUNTIES FUELS	800 GALS DIESEL/530 GAS	12/30/2015	105954	2,791.46
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	25.88
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	23.75
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	21.58
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	98.27
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	6.87
STAPLES CREDIT PLAN	OFFICE SUPPLIES	12/30/2015	105955	23.92
STATE INDUSTRIAL PRODUCTS	AUTOMOTIVE SUPPLIES	12/30/2015	105956	126.36
SUNGARD PUBLIC SECTOR INC	WEB CONFERENCE	12/30/2015	105957	40.00
THE HIDEAWAY AT BEACH HOUSE	303 HARBOR BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	304 HARBOR BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	322 HARBOR BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	323 HARBOR BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	332 HARBOR BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	775 OCEAN BREEZE DR	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	776 OCEAN BREEZE DR	12/30/2015	105958	289.00

Transactions for 12/30/2015

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
THE HIDEAWAY AT BEACH HOUSE	802 MORNING MIST LN	12/30/2015	105958	289.00
THE HIDEAWAY AT BEACH HOUSE	803 MORNING MIST LN	12/30/2015	105958	289.00
TIME WARNER CABLE	8448200250320222 CABLE	12/30/2015	105959	143.49
TIME WARNER CABLE	8448200250052429 CABLE	12/30/2015	105959	122.23
TRAFFIC TECHNOLOGIES LLC	TRAFFIC ACCIDENT REPAIR	12/30/2015	105960	682.34
TRAFFIC TECHNOLOGIES LLC	SAFETY VESTS	12/30/2015	105960	161.68
VELOCITY TRUCK CENTER	AUTOMOTIVE REPAIRS	12/30/2015	105961	2,177.29
VENCO POWER SWEEPING, INC	DEC'15 SERVICES	12/30/2015	105962	8,870.23
VENTURA COUNTY LIBRARY	FY 15/16 CONTRIBUTION	12/30/2015	105963	32,500.00
VENTURA COUNTY PROBATION AGENCY	NOV'15 SERVICES	12/30/2015	105964	5,500.00
VENTURA COUNTY PROBATION AGENCY	OCT'15 SERVICES	12/30/2015	105964	1,650.00
VENTURA COUNTY PROBATION AGENCY	JAN'15 SERVICES	12/30/2015	105964	2,200.00
VENTURA COUNTY PROBATION AGENCY	MAR'15 SERVICES	12/30/2015	105964	3,850.00
VENTURA COUNTY PROBATION AGENCY	NOV'15 SERVICES	12/30/2015	105964	2,750.00
VENTURA COUNTY PROBATION AGENCY	OCT'15 SERVICES	12/30/2015	105964	2,200.00
VENTURA COUNTY PROBATION AGENCY	JAN'15 SERVICES	12/30/2015	105964	220.00
VENTURA COUNTY PROBATION AGENCY	MAR'15 SERVICES	12/30/2015	105964	2,200.00
VENTURA RENTAL PARTY CENTER	SENIOR HOLIDAY PARTY	12/30/2015	105965	259.88
VERIZON CALIFORNIA	805 198-9514 UTIL BILL	12/30/2015	105966	115.48
VERIZON CALIFORNIA	805 181-0126 UTIL BILL	12/30/2015	105966	46.58
VERIZON CALIFORNIA	805 181-0127 UTIL BILL	12/30/2015	105966	46.58
VERIZON CALIFORNIA	805 167-9235 UTIL BILL	12/30/2015	105966	93.58
VERIZON CALIFORNIA	805 181-0124 UTIL BILL	12/30/2015	105966	46.17
VORTEX INDUSTRIES INC	DOOR REPAIRS	12/30/2015	105967	1,352.00
WARREN DISTRIBUTING INC	AUTOMOTIVE PARTS	12/30/2015	105968	497.88
WARREN DISTRIBUTING INC	AUTOMOTIVE PART	12/30/2015	105968	3.93
WARREN DISTRIBUTING INC	CREDIT MEMO	12/30/2015	105968	-143.58
WARREN DISTRIBUTING INC	AUTOMOTIVE PART	12/30/2015	105968	5.30
WARREN DISTRIBUTING INC	AUTOMOTIVE PARTS	12/30/2015	105968	47.04
WARREN DISTRIBUTING INC	CREDIT MEMO	12/30/2015	105968	-21.46
WARREN DISTRIBUTING INC	CREDIT MEMO	12/30/2015	105968	-16.20
WARREN DISTRIBUTING INC	CREDIT MEMO	12/30/2015	105968	-12.96
WEST COAST ELECTRIC MOTORS	MOTOR REPAIR	12/30/2015	105969	319.16
YOUNG, DEBBIE	PURCHASE REIMBURSEMENT	12/30/2015	105970	14.04
YOUNG, DEBBIE	PURCHASE REIMBURSEMENT	12/30/2015	105970	33.46
				<u>\$740,801.90</u>

Transactions for 1/8/2016

Date: 1/14/2016

Vendor Name	Description	Check Date	Number	Amount
PORT HUENEME POLICE OFCR ASSN	PAYROLL SUMMARY	1/8/2016	4644	1,578.84
MISC AP VENDOR	MANUAL CHECK	1/8/2016	105971	419.33
AMERICAN FIDELITY ASSURANCE	PAYROLL SUMMARY	1/8/2016	105972	1,985.94
AMERICAN FIDELITY ASSURANCE COMPANY	PAYROLL SUMMARY	1/8/2016	105973	1,445.25
AMERICAN FUNDS SERVICE COMPANY	PAYROLL SUMMARY	1/8/2016	105974	300.83
MISC AP VENDOR	FINAL BILL REFUND	1/8/2016	105975	43.46
MISC AP VENDOR	FINAL BILL REFUND	1/8/2016	105976	125.00
DST SYSTEMS INC	PAYROLL SUMMARY	1/8/2016	105977	3,508.52
MISC AP VENDOR	MANUAL CHECK	1/8/2016	105978	59.21
MISC AP VENDOR	FINAL BILL REFUND	1/8/2016	105979	51.14
MISC AP VENDOR	FINAL BILL REFUND	1/8/2016	105980	44.91
NRS	PAYROLL SUMMARY	1/8/2016	105981	520.33
MISC AP VENDOR	FINAL BILL REFUND	1/8/2016	105982	54.32
SEIU, LOCAL 721	PAYROLL SUMMARY	1/8/2016	105983	3.50
SEIU, LOCAL 721	PAYROLL SUMMARY	1/8/2016	105983	809.00
UNITED WAY OF VENTURA COUNTY	PAYROLL SUMMARY	1/8/2016	105984	97.00
VANTAGE TRSFER-800897	PAYROLL SUMMARY	1/8/2016	105985	43,224.14
VANTAGEPOINT TRSF-301495	PAYROLL SUMMARY	1/8/2016	105986	2,046.91
				<u>\$56,317.63</u>

**CITY OF PORT HUENEME
PAYROLL CASH DISBURSEMENT FOR**

ATTACHMENT C

JANUARY 8, 2016

SALARY DISTRIBUTIONS

Post Date: 1/8/2016

PAYROLL DIRECT DEPOSIT TOTALS:	235,409.36	
PAYROLL CHECK REGISTER:	<u>24,328.42</u>	259,737.78
TOTAL DISBURSEMENT:	<u>259,737.78</u>	



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: Carmen Nichols, Deputy City Manager

SUBJECT: APPOINTMENT TO HISTORICAL MUSEUM ADVISORY COMMISSION

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council approve Mayor Breeze's appointment of Purna Pai to the Historical Museum Commission.

BACKGROUND/ANALYSIS:

City Council Resolution No. 3341, adopted March 19, 2003, states that Council Members may appoint one representative to either of the Council's two advisory commissions. The four-year commission appointment coincides with the Council Member's term in office, expiring on January 31 following the end of the Council Member's term.

Upon re-election in 2012, then-Council Member Breeze recommended the reappointment of Helen Brant to the Historical Museum Commission. Ms. Brant had served on the commission since 1990. Ms. Brant resigned last year and Mayor Breeze now wishes to appoint Mr. Purna Pai to serve on the Historical Museum Commission. Mr. Pai has lived in Port Hueneme for one year and has been volunteering at the Museum for the last several months. He is a retired Chemical Engineer and holds a PhD in Chemical Engineering. He is also a member of the Downtown Ventura Lions Club. Mr. Pai submitted a Citizen's Interest to Serve form last month, expressing his desire to serve on the Historical Museum Commission.

If approved by the Council, the term of Mr. Pai's appointment will be through January 31, 2017.

FISCAL IMPACT:

None.

7C



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: MAYORAL APPOINTMENT TO THE SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the Mayor to appoint the Deputy City Manager to serve as the "employee organization" representative on the Successor Agency Oversight Board, and the City Council provide input, if desired.

BACKGROUND/ANALYSIS:

AB 1X 26, the 2012 legislation that dissolved redevelopment agencies in California, allows for the Mayor to make two appointments to the Oversight Board. The Oversight Board is comprised of seven members: (1) a County Board of Supervisors appointee; (2) a City Council Member, appointed by the Mayor; (3) an appointee of the largest special district with territory within the jurisdiction of the agency; (4) an appointee of the County Superintendent of Education; (5) an appointee of the Chancellor of the California Community Colleges; (6) one member of the public appointed by the County Board of Supervisors, and (7) one member of the employee organization representing the largest number of former agency employees, appointed by the Mayor.

The former Redevelopment Agency paid for portions of the salaries of seven existing staff members, four of whom are represented by the Executive Management / Management and Professional group, and three of whom are represented by the Service Employees International Union (SEIU).

In January 2012, Council Member Sharkey and Community Development Director Greg Brown were appointed to serve on the Oversight Board. Mr. Brown's retired in December 2015, and Deputy City Manager Carmen Nichols

MAYORAL APPOINTMENT TO OVERSIGHT BOARD

January 19, 2016

Page 2

assumed his Community Development duties on an interim basis. Therefore, staff recommends that Ms. Nichols be appointed to the Oversight Board.

In accordance with the legislation, the Mayor may make the appointments independent of any Council action, and is under no obligation to the Council to make appointments in accordance with Council preferences. However, in accordance with the past practice of Council to inform the voting preferences of delegates to the League of California Cities' Annual Business Meeting, this item has been brought to Council to inform the Mayor's choice of appointments to the Oversight Board.

FISCAL IMPACT:

None.



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: Carmen Nichols, Deputy City Manager

SUBJECT: POLICE DEPARTMENT NETWORK SERVERS BACKUP
APPLIANCE REPLACEMENT

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council authorize the City Manager to execute an agreement with Starnet Data Designs for replacement of the Police Department Network Servers Backup Appliance, per Municipal Code Section 2564(b).

BACKGROUND/ANALYSIS:

The Council-approved Fiscal Year 2015-16 Annual Budget included a new budget appropriation for the replacement on the Police Department Network Servers Backup Appliance, due to failure to provide backups of newer technology present in the Police Department.

When the City's network infrastructure equipment was replaced in early 2015, staff had conducted extensive research on the availability of companies to potentially bid the project. After reaching out to other public entities for their recommendations and assessing potential vendors, research revealed that purchases from sources other than a Value-Added Reseller ("VAR") would lead to a potential lack of warranty support by the manufacturer. During the process it was discovered that as part of reseller requirements, Starnet Data Designs registered the City as a client with the manufacturers when building the budgetary quote, a process in which network component manufacturers try to encourage VARs to remain consistent to their equipment by not allowing an initial VAR to do all the preliminary design work, then have a competitor VAR undercut prices by a small margin and win bids where another had already done the design groundwork.

Pursuant to Municipal Code Section 2561, the purchase of equipment exceeding \$25,000 normally requires formal bidding procedures; however, per Section 2564(b),



POLICE DEPARTMENT NETWORK SERVERS BACKUP APPLIANCE REPLACEMENT

January 19, 2016

Page 2

the City Council may authorize purchase of equipment without these procedures when in the opinion of City Council, compliance with the procedure is not in the best interest of the City.

Due to the anticipated level of discount of Starnet's pricing, and the declined offers to bid from other Value Added Resellers (VARs) due to VARs protocol, staff believes following the formal bidding procedures for this purchase would not be in the best interest of the City.

Staff worked with Starnet Data Designs to generate a budgetary quote for the network replacement. Starnet is an Authorized Partner with Unitrends, demonstrating that the vendor (Unitrends) considers Starnet to be fully capable of installing and servicing the Unitrends product line. Staff continues to utilize the services of Starnet for networking issues because the company has consistently demonstrated competence and understanding of the computer/network environment within which the City operates, and Starnet's continued involvement in the changes help eliminate the need for another vendor to "learn the ropes" of the network infrastructure in place at the City. As part of the quote process, Starnet "registered" the City as a client with the manufacturer. The manufacturer tries to encourage Partners to remain consistent to their equipment by not allowing an initial Partner to do all the preliminary design work, then have a competitor Partner undercut prices by a small margin and win bids where another had already done the design groundwork. Unitrends has provided a letter stating "by way of approved registration #U-1910132, no other partner will receive authorized pricing for this project."

With 91% of the total budget estimate being material costs, staff is convinced the City will already receive the best price for the project by selecting Starnet as a sole-source vendor.

FISCAL IMPACT:

The most recent estimate from Starnet is for \$33,067.77 encompassing materials and labor. Staff requests a total of \$36,000 to cover contingencies during installation. This quote is down from the \$40,400 estimated in the original budget appropriation that was approved with the annual budget. Ongoing annual maintenance is expected to be approximately \$7,700 and will be included in future annual budgets.

Attachments:

- February 19, 2015 Request For New Or Enhanced Level Of Service Appropriation
- December 8, 2015 Unitrends letter Re: Unitrends Sole Source
- December 10, 2015 Starnet Quote: Unitrends RC823S for Port Hueneme PD



City of Port Hueneme

FY 2015-16 BUDGET

REQUEST FOR NEW OR ENHANCED LEVEL OF SERVICE APPROPRIATION

DEPARTMENT: Administration

DIVISION: Information Technology

ITEM:

BUDGET A/C#

DESCRIPTION OF NEW APPROPRIATION:

POLICE DEPARTMENT NETWORK SERVERS BACKUP APPLIANCE

FISCAL IMPACT:

Option 1: \$40,400 initial purchase, \$7700 annual maintenance

Option 2: \$24,000 initial purchase, \$4500 annual maintenance

JUSTIFICATION:

The existing backup server, software and tape drive were purchased in 2005. The software is not able to connect to and back up the Network Attached Storage (NAS) hard drive array, newly installed Windows 2008 server, nor any of the Hyper-V virtual servers within the physical server. The updated software from the same company will not run on the existing Windows 2000 server that has the integrated tape drive. Even if it did, new software and agents would need to be purchased. The estimated price for new software, not including a new version of Windows Server 2008, is over \$8400. Purchase of a server and new tape backup drive estimated at \$9000. These numbers reflect a fixed number of backup agents with costly client additions if additional servers need backup.

The proposed backup appliance is a single-purpose, integrated solution for backing up existing servers, but also provides growth potential to add additional servers in the future. The appliance disk space is all that will limit expansion in the future. The appliance comes with unlimited client software packages to allow backup of an extensive range of servers and

POLICE DEPARTMENT NETWORK SERVERS BACKUP APPLIANCE

February 19, 2015

Page 2

applications. Maintenance fees include updates to both the appliance, and newly available client software. UniTrends also offers a trade-up option in the event that data usage grows faster than anticipated. Existing appliance can be returned for one with a larger storage space.

The device provides many improvements over the existing tape system. The speed of backup and recovery are greatly increased. The backup data can be encrypted by the appliance, to protect from unintended disclosure. In the event of catastrophic server failure, the device can function in a limited fashion as a replacement for any physical server until the server can be repaired or replaced. This provides a level of business continuity that is simply unavailable with tape/software solutions.

Option 1 is the UniTrends Recovery-823S appliance. It comes with 19TB total disk space, 13TB usable for backup. The internal drives are configured in a RAID-6 array, which provides data protection. Any single of the internal hard drives can fail with no loss of data. Maintenance fees include replacement of failed drives. This model includes 32GB RAM and 8 processor threads, to better simulate any failed server that may have to be run in the virtual mode.

Option 2 is the UniTrends Recovery-814S. This appliance has a total of 12TB disk space, 8TB available for backup. This unit only contains 16GB RAM, so would be less robust in simulation of failed servers. The reduced storage space further reduces that amount of back-up data that can be stored.

Both options include additional removable hard drives of 1TB. This device can be used to make periodic encrypted backup to be stored off-site. In the event the main device fails, UniTrends will send a replacement device and the removable drive can be used to restore the backup device.

Enclosures:

- (1) UniTrends Appliance Data Sheet**
- (2) Starnet Quote: Recovery-823S Appliance**
- (3) Starnet Quote: Recovery-814S Appliance**

UNITRENDS

12/8/15

City of Port Hueneme
250 Ventura Road
Port Hueneme, CA 93041

RE: Unitrends Sole Source

Dear Customer,

This letter serves as acknowledgment that Starnet Data Design is the sole authorized resale partner of Unitrends products for the City of Port Hueneme. Through the Unitrends Partner Program, and by way of approved registration #U-1910132, no other partner will receive authorized pricing for this project.

Please feel free to contact the Unitrends Sales Team with any questions.

Regards,

Tom Paone

Tom Paone
Director of Channel Sales

UNITRENDS
200 Wheeler Road
Burlington, MA 01803
Office: 407-323-7058

Sales Quote

PREPARED FOR:	
City of Port Hueneme Aaron Wedemeyer 250 North Ventura Rd. Port Hueneme, CA 93041	
805-986-6517 awedemeyer@cityofporthueneme.org	
PROJECT	TERMS
Unitrends RC823S For Port Hueneme PD	Quote Expires 01/11/2016

DATE	NUMBER
12/10/2015	5064 v3

PREPARED BY:
Kimberly Sitton Phone: 805-277-0114 Email: ksitton@starnetdata.com

Hardware

ITEM	DESCRIPTION	QTY	COST	TOTAL
RS-823BPL-UNT12	Recovery-823S Backup Appliance & Support: - 19TB Raw - Suggested Max Backup 11.4TB - 32G RAM The Recovery-Series 823S is ideal for businesses with a mid-size data footprint, or for homogeneous or heterogeneous replicated branches of larger organizations that have a mid-size amount of data to protect. It is a 2U rackmount unit that supports byte-level deduplication with an unformatted usable physical storage capacity of 19 TB (metadata and data) and is built with high performance solid state drives.	1	\$26,920.00	\$26,920.00
RXDA	Empty 1U form factor 4-bay rotational archiving device for rack-mounted units	1	\$799.00	\$799.00

Installation Services

ITEM	DESCRIPTION	QTY	COST	TOTAL
SDDI-Daily Rate	Onsite Support for Installation	2	\$1,500.00	\$3,000.00

Shipping

ITEM	DESCRIPTION	QTY	COST	TOTAL
	Shipping And Handling	1	\$131.25	\$131.25

Quote Totals

SECTION	TOTAL
Hardware	\$27,719.00
Installation Services	\$3,000.00
Shipping	\$131.25

Terms: Due on Receipt, unless other payment terms are in place., 1% monthly late payment fee, 50% prepayment on quotes over \$10,000. Quote valid for 30 days. We reserve the right to cancel orders arising from pricing or other errors. if you have any questions, please contact us. All quote prices include a 5% Cash (check, money order) discount.

Shipping	\$131.25
Tax	\$2,217.52
Total	\$33,067.77

Follow Us on Twitter:
www.twitter.com/Starnet_Data
 Starnet Data Help Desk - 805-277-0103
 email: support@starnetdata.com



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: ADOPTION OF LABOR CONTRACT WITH SERVICE EMPLOYEES
INTERNATIONAL UNION (SEIU) LOCAL 721

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council:

1. Approve the attached two-year Comprehensive Memorandum of Agreement (MOA) between the City of Port Hueneme and General Unit Employees represented by SEIU Local 721 (contract period July 1, 2015 – June 30, 2017) and authorize the negotiating team to execute the Agreement; and
2. Direct staff to prepare the necessary amendments, if any, to City ordinances, resolutions, or policies for Council consideration to implement the provisions of the attached MOA.

BACKGROUND/ANALYSIS:

At the City Council meeting of November 9, 2015, the Interim Finance Director reported that at the end of FY 2015-16, the City is suffering a deficit of \$1,373,668 and discussed options to balance the deficit including increasing revenues, reducing operational costs, and/or using reserves to fill the deficit gap. The City is "built-out" from a development standpoint and staff will continue to look at new revenue opportunities and economic strategies, but opportunities are very limited. Staff will also continue to identify operational efficiencies, prioritize city programs and projects and staffing in an effort to reduce costs. The use of reserves as a "one time" adjustment is a reasonable short-term strategy when unexpected expenditures occur, but ongoing, this practice is not sustainable and will jeopardize the long-term viability of the City. Without new revenues, replenishing the reserve funds will be extremely challenging.

ADOPTION OF LABOR CONTRACT WITH SEIU LOCAL 721

January 19, 2016

Page 2

With this in mind, the City's negotiating team met in good faith with employee representatives and SEIU Local 721 staff in accordance with the Meyer-Milias-Brown Act regarding salaries, benefits, and other terms and conditions of employment. A tentative agreement and ratification by the members was reached on January 11, 2016 for two years – FY 2015-16 and FY 2016-17.

Past concessions made by the General Unit have yielded substantial savings. This contract is no different, and provisions within the MOA were agreed upon to address the City's fiscal condition and to control the future growth of ongoing personnel cost increases. It was agreed that individual salary and salary ranges for all employees of the General Unit will remain the same during this contract period and there will be no cost of living increases (Article 4).

Additionally, beginning the first full pay period after ratification of the Memorandum of Agreement, employees will begin paying the employee's Social Security and Medicare taxes, 50% in the next full pay period after ratification, and the full amount of the employee's portion of Social Security and Medicare taxes shall be paid by the employee beginning with the last full pay period in June 2016 (Article 4. Section 2).

In consideration of these concessions and of the impacts to members, SEIU requested a "re-opener" language, specifically stated, "SEIU Local 721 reserves the right to re-open negotiations during the second year of the MOA (July 1, 2016 to June 30, 2017) for wages and health benefits only. This re-opener will be triggered by additional savings from represented SEIU Local 721 Unit during the term of this MOA."

FISCAL IMPACT:

The action, if taken as recommended, will result in an annual cost savings of approximately \$140,480 to the General Fund and \$35,120 from Enterprise Funds for an annual total of \$175,600.

For the remaining fiscal year, General Fund savings are anticipated at \$29,300.

Attachment:

- Memorandum of Agreement between the City of Port Hueneme and Service Employees International Union, Local 721

COMPREHENSIVE MEMORANDUM OF AGREEMENT

BETWEEN

THE CITY OF PORT HUENEME

AND

THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721

ARTICLE 1. IMPLEMENTATION

This Memorandum of Agreement constitutes a mutual recommendation by the authorized representatives of the City of Port Hueneme (City) and the authorized representatives of the General Employee Unit (Employees), Service Employees International Union, Local 721, to be submitted to the City Council of the City of Port Hueneme. All references herein to "Union" refer to Service Employees International Union, Local 721, the exclusive representative of the General Unit. The recommendations contained herein shall be binding on the City and the Employees only if said City Council approves this Memorandum of Agreement. Approval by said City Council shall consist of the following: (a) a motion or resolution of said City Council approving this Memorandum of Agreement which receives at least three (3) "yes" votes; (b) enactment of necessary amendments to City ordinances, resolutions, or policies to implement the full provisions of this Memorandum of Agreement; and (c) action by said City Council to appropriate the necessary funds required to implement fully the provisions of this Memorandum of Agreement which require funding.

SEIU Local 721 reserves the right to reopen negotiations during the second year of this Memorandum of Agreement (July 1, 2015-June 30, 2017) for wages and health benefits only. This reopener will be triggered by additional savings from represented SEIU Local 721 unit during the term of this MOA.

ARTICLE 2. COMPOSITION OF BARGAINING UNIT

The General Employee Unit includes the following positions:

- Administrative Specialist I
- Administrative Specialist II
- Administrative Specialist III
- Clerical Aide
- Code Compliance Officer
- Community Development Assistant
- Community Development Specialist
- Community Development Technician
- Construction Inspector I/II
- Electrical Instrumentation Technician

Electrical Mechanical Technician
Engineering Aide
Engineering Assistant
Engineering Associate
Facilities Maintenance Technician
Facilities Maintenance Worker I
Facilities Maintenance Worker II
Facilities Maintenance Worker, Lead
Fiscal Aide
Fiscal Assistant
Housing Customer Service Assistant-HCV
Housing and Facilities Assistant
Housing Specialist-HCV
Laborer
Landscape Maintenance Worker I
Landscape Maintenance Worker II
Landscape Maintenance Worker, Lead
Maintenance Worker I
Mechanic I
Mechanic II
Property Manager-Public Housing, Lead
Recreation and Community Services Specialist
Solid Waste Equipment Operator I
Solid Waste Equipment Operator II
Solid Waste Equipment Operator, Lead
Solid Waste Operations Coordinator
Streets Maintenance Worker I
Streets Maintenance Worker II
Streets Maintenance Worker, Lead
Wastewater Maintenance Worker I
Wastewater Maintenance Worker II
Wastewater Maintenance Worker, Lead
Water Resource Inspector I/II
Water Utility Operator I
Water Utility Operator II
Water Utility Operator, Lead

ARTICLE 3. TERM

This Memorandum of Agreement shall be binding from July 1, 2015, until 12:00 midnight, June 30, 2017, at which time it shall expire and be fully terminated. However, the personnel policies, procedures and practices shall continue beyond the term of this agreement unless modified in accordance with California or Federal law. During the term of this Memorandum of Agreement, there shall be no strikes, work slowdowns, or other Employee disturbances.

ARTICLE 4. SALARIES

Individual salary and salary ranges for all employees of the General Unit shall remain the same. It is agreed that for the period of July 1, 2015 through June 30, 2017 employees will not receive any cost of living increase. Section 1.

Merit increases shall be continued to be processed per Article 10 of the personnel regulations.

Section 2.

As of October 1, 2009 only new hires were paying the “employee’s” Social Security and Medicare.

Beginning with the first full pay period after ratification of this Memorandum of Agreement by the City Council, all employees of the General Unit, shall be required to pay 50% of the employee’s portion of Social Security and Medicare taxes. All employees of the General Unit shall be required to pay 100% of the employee’s portion of Social Security and Medicare taxes beginning with the last full pay period in June 2016.

Section 3.

Market Based Adjustments

The City has conducted a total compensation market-based average (MBA) study, which included all cities in the County of Ventura (when applicable). The results of that survey shall be used to determine market-based salary adjustments as follows:

- a. If the total compensation study results revealed that a classification is two percent (2%) or higher than the market average, then that classification shall not be eligible for any market based adjustment.
- b. Effective January 1, 2015, if the total compensation study results revealed that a classification is less than two percent (2%) above the market average, then that classification shall be eligible to receive a salary adjustment to bring the classification to a level equivalent to two percent (2%) above the market average.

ARTICLE 5. HEALTH BENEFITS

SEIU employees will participate in a flexible benefits program which includes medical insurance, dental insurance, vision insurance and flexible spending accounts (FSAs). Each of these components is outlined below.

Medical Insurance

SEIU employees will be covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) and will be eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. The City will pay on behalf of all SEIU employees and their eligible dependents the minimum amount per month required under Government Code Section 22892 of the PEMHCA for medical insurance through the California Public Employees' Retirement System (CalPERS). If electing to enroll for medical benefits, the employee must select one medical plan from the variety of medical plans offered.

Effective January 1, 2015, the City will contribute the following monthly amounts (called "Benefits Credits") on behalf of each active SEIU employee and eligible dependents toward the payment of 1) medical premiums under the CalPERS Health Program and dental and/or vision coverage, or 2) contributions in the name of the employee to the City's flexible spending account(s) or for "employee only" coverage in subsection (a), any unused amount may be received as taxable compensation.

(a) For current employees with "employee only" medical coverage, the City shall contribute eight hundred twenty-seven dollars (\$827) per month that shall include the mandatory payments to CalPERS. For employees hired after October 1, 2014 with "employee only" medical coverage, the City shall contribute five hundred dollars (\$500) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City's total contributions, the employee will pay the difference.

(b) For current employees with "employee plus one dependent" medical coverage, the City shall contribute one thousand nine dollars (\$1,009) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City's total contributions, the employee will pay the difference. For employees hired after October 1, 2014 with "employee plus one dependent" medical coverage, the City shall contribute seven hundred sixty-five dollars (\$765) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City's total contributions, the employee will pay the difference.

(c) For current employees with "employee plus two or more dependents" medical coverage, the City shall contribute one thousand three hundred eighteen dollars (\$1,318) per month that shall include the mandatory payments to CalPERS. For employees hired after October 1, 2014 with "employee plus two or more dependents" medical coverage, the City shall contribute one thousand dollars (\$1,000) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the City's total contributions, the employee will pay the difference.

Dental Insurance

SEIU employees will be eligible to enroll in a City-sponsored dental insurance plan. Employees may elect to purchase dental insurance or to opt out of the dental insurance program. If the decision is made to purchase dental insurance, an SEIU employee may purchase dental insurance at any level of coverage (employee only, employee plus one dependent, employee plus two or more dependents).

Vision Insurance

SEIU employees will be eligible to enroll in a City-sponsored vision insurance plan. Employees may elect to purchase vision insurance or to opt out of the vision insurance program. If the decision is made to purchase vision insurance, an SEIU employee may purchase vision insurance at any level of coverage (employee only, employee plus one dependent, employee plus two or more dependents).

Opt Out Provision

SEIU employees who do not wish to participate in the CalPERS Health Program will have the choice of opting out of the City's medical insurance program, provided they can show coverage under another insurance program. An identification card with the employee's name and a Summary of Health Benefits is an example of how an employee can show this qualification. Employees may still elect to participate in the dental or vision option under the "Cafeteria Allowance" option.

Any outside plan must meet the Essential Health benefits package described in Section 1302 of the Affordable Care Act which includes: (A) Ambulatory patient services; (B) Emergency services; (C) Hospitalization; (D) Maternity and newborn care; (E) Mental health and substance use disorder services, including behavioral health treatment; (F) Prescription drugs; (G) Rehabilitative and habilitative services and devices; (H) Laboratory services; (I) Preventative and wellness services and chronic disease management; (J) Pediatric services, including oral and vision care. A policy determined to be used as a "Catastrophic" policy, does not meet this criteria.

Effective January 1, 2015, employees who opt out of the CalPERS Health Program will be given a City contribution amount (Cafeteria Allowance) of seven hundred eight dollars (\$708) per month and five hundred dollars (\$500) for employees hired after July 1, 2014. These amounts may be applied toward the cost of any dental and/or vision coverage and or Flexible Spending Account (FSA). Any unused amount will be paid to the employee as taxable compensation.

Employee Insurance Trust

The City agrees to contribute one thousand dollars (\$1,000) per year to that employee insurance trust fund established December 23, 2002. The trust, on a first-needed, first-served basis can be used to pay up to one hundred sixteen dollars (\$116) of the monthly health insurance premium requirements for any General Unit employee who is receiving short and/or long term disability payments.

ARTICLE 6. OVERTIME AND COMPENSATORY TIME

Purpose: To provide the basis for both calculation and payment of overtime in a manner that meets the requirements of the Fair Labor Standards Act (FLSA). No provision of this Article should be construed as guaranteed hours of work per day/week/bi-week or days of work per week/bi-week.

Section 1.

Overtime work may sometimes be necessary to meet emergency situations, seasonal, or peak workload requirements. No employee shall work overtime unless authorized by his/her department head.

Definitions:

- A. "Overtime" is defined as time worked by an employee in excess of forty (40) hours in a seven (7) day (one hundred sixty-eight (168) hours) Designated Work Period. Management reserves the right under FLSA to designate the Work Period for each employee.
- B. An alternate work schedule is identified in Article 11.2 of the Personnel Handbook.
- C. "Overtime" is defined as time worked by an employee in excess of normal scheduled hours in a work week.

Time worked shall not include paid compensatory time off and annual leave.

Regular full-time employees who are not considered "exempt" employees under the provision of the FLSA shall be paid in cash at a rate of one and one-half (1.5) times their regular rate of pay as approved on the Classification List for all hours worked in excess of forty (40) hours during their Designated Work Period.

The regular rate of pay for "FLSA Overtime" shall include wages, standby pay, retroactive regular pay, bilingual pay, longevity pay, out of classification pay, special assignment pay, and other compensation as determined by the FLSA.

Section 2.

An employee eligible for paid overtime under the provisions of this Section may request, subject to management approval, the accumulation of compensatory time off in lieu of paid overtime, at the rate of one and one half (1.5) hours of compensatory time off for each hour worked in excess of forty (40) hours during the Designated Work Period. The maximum number of accumulated hours of compensatory time shall not exceed 80 hours (Approximately 53.50 regular hours x 1.5 = 80.25) per fiscal year.

- A. A Unit employee's use of accumulated compensatory time off shall be subject to approval and scheduling by the employee's direct supervisor.

A Unit employee's request off for the use of three (3) consecutive or more days of accumulated compensatory time shall be subject to at least fourteen (14) days notice. This notice may be waived by the employee's direct supervisor.

- B. Any remaining balances will be paid out in cash to the employee during the last payday of June. Any employee who terminates or is terminated shall be paid his/her hourly rate of pay/salary for each hour of accrued compensatory time off at the time of separation.

ARTICLE 7. INSURANCE

The City agrees to pay the PERS mandated amount of the premium for employee health coverage, as well as the entire premium for long-term disability and life insurance currently covering each employee through the term of this Agreement. It is further agreed that the definition of gross wages for long term disability includes base salary plus the employee's portion of City paid PERS, Social Security, and City paid Cafeteria Plan.

The City currently calculates and makes deductions for medical insurance coverage during each of the twenty-four (24) yearly pay periods. The City may, at any time, modify that practice and begin calculating and making deductions for medical insurance coverage based on twenty-six (26) pay periods per year after noticing and discussion with the Union.

ARTICLE 8. SAFETY SHOES

The City and the Employees agree that safety shoes are mandatory for all General Unit Public Works field employees. Failure to wear safety shoes in accordance with this mandate shall be grounds for discipline. The City agrees to allow each General Unit field employee, who obtains prior approval from the City, to charge on account or submit a receipt for reimbursement not to exceed Two Hundred Dollars (\$200) in any one-year for the purposes of purchasing new safety shoes and/or having safety shoes resoled. This benefit will be available each July, commencing July 1, 2008.

Should an employee require an additional pair of safety shoes and/or resoles due to excessive wear and tear, the employee may make an additional request that must be approved by the supervisor. The wear and tear must be due to work related duties above what is normally expected. For replacement of safety shoes, the old pair must be turned-in to the City.

ARTICLE 9. STANDBY PAY

Employees assigned to standby duty by their Director shall be compensated and governed by the following:

- A. Standby duty requires that employees so assigned:

1. Be ready and respond within a 45-minute response time from the individual's residence to their primary worksite and remain within this specified distance or time from their workstations.
 2. Be readily reachable by a City provided cell-phone, paging device, or by home phone.
 3. Refrain from activities, which might impair their ability to perform their assigned duties.
- B. It is agreed that standby pay will be twenty-two dollars and eight cents (\$22.08).

The City also agrees that standby pay is adjusted upward automatically by the percentage of any future negotiated salary increase. The calculated dollar amount of automatic increases will be treated as part of the affected year's negotiated total package.

ARTICLE 10. CONTRACT BASE, YEAR BEGINNING JULY 1, 2015

It is agreed that the dollar base on which the package is to be computed for the contract year beginning July 1, 2015, will be the sum of the total estimated dollar cost for each item listed below as budgeted to be paid to unit:

- a. Annualized base salaries for the unit at July 1, 2015.
- b. Annualized dollar cost for standby pay.
- c. Actual dollar cost for Experience Differential pay.
- d. Annualized dollar cost for Cafeteria Plan.
- e. Cost for "employee" PERS contribution paid by City based on salaries computed in Article 10(a).
- f. Cost of additional PERS contribution associated with 2.7% @ 55 option, based on salaries computed in Article 10(a).
- willg. Cost of Short/Long Term Disability and Life Insurance premiums based on salaries computed in Article 10(a).
- h. \$1,000 payment into Employee Trust.

ARTICLE 11. PROVISION OF LAW

This Memorandum of Agreement is subject to all current and future applicable federal and state laws and regulations. If any plan or provision of this Memorandum of Agreement is in conflict or inconsistent with such applicable laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such part or provision shall be suspended by such applicable law or regulation and the remainder of the Memorandum of Agreement shall not be affected thereby.

ARTICLE 12. WORK OUTSIDE OF CLASSIFICATION

An employee who is working out of classification shall be paid in conformance with the higher salary range for all hours he was actually employed in the higher paying category. Working out of classification is defined to be those periods in excess of three days (27 hours) when one employee completely and totally assumes all duties and responsibilities of some other employee whose job falls within a higher salary range and whose job is significantly different in nature, scope and responsibility.

ARTICLE 13. PROBATIONARY WORK TEST PERIOD

All appointments to permanent positions shall be subject to a probationary work test period of twelve months.

An employee shall be retained beyond the end of the probationary work test period unless the department director affirms in writing to the employee, prior to the end of the probationary period, that the services of the employee have not been satisfactory.

Employees will not be subject to any extensions beyond the twelve month period, unless approved by the City Manager, and in cases only due to approved absences of 10 consecutive days or more. In such case, the probationary work period will be extended by the aggregate of the absence(s). The City Manager maintains the right to terminate a newly-hired probationary employee's status at any time during the initial probationary period with or without cause.

ARTICLE 14. EXPERIENCE DIFFERENTIAL/LONGEVITY

The City agrees to maintain its current policy as set forth in Article 26.13 of the Personnel Handbook.

The City shall provide experience/longevity differential payments for eligible regular full-time employees hired prior to November 1, 2014. Employees who have been employed with the City for ten (10) years of service are eligible for a 2% (percent) of the annual base wage paid to the employee. Employees who have been employed with the City

for fifteen (15) years or more on December 1 of each year are eligible for a 3.5% (percent) of the annual base wage paid to the employee.

Employees who have not received at least a satisfactory or better performance evaluation within the last year (December to December) shall not be eligible for the experience differential.

Payment to eligible employees will be made in a one payment between December 1 and December 15 each year or at the employee's option, commencing January 1, 2015, the City will make payments for all eligible employees in 2015 on a biweekly basis (such designation must be made prior to December 15 of the previous year).

ARTICLE 15. HOLIDAYS

Section 1.

The holidays for regular full-time employees of the City shall be those days as set forth herein:

New Year's Day	January 1
Martin Luther King Day	3 rd Monday in January
President's Day	3 rd Monday in February
Cesar Chavez Birthday	March 31 st
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1 st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4 th Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Afternoon of Christmas Eve	December 24th (four hours)
Christmas Day	December 25

Floating Holiday: Each regular and probationary general unit employee shall accrue sixteen (16) hours as Floating Holidays on July 1 of each year, which must be used during the fiscal year in which it is accrued or it shall be forfeited. Floating Holidays cannot be converted to payment.

Section 2.

Should a holiday fall on Sunday, the following Monday will be observed as the holiday. Should a holiday fall on a Saturday, the Friday preceding will be observed as the holiday. For those employees whose days off are not on Saturday or Sunday, should the holiday fall on a day off, either the day after or the preceding day shall be taken as a holiday.

Section 3.

Effective July 1, 2008, for each holiday, with the exception of the Afternoon of Christmas Eve and the Floating Holiday, regular and probationary employees will be paid up to the normal hours worked up to the maximum of nine (9) hours at the regular rate of pay.

(a) The City agrees that holidays for Solid Waste Equipment Operators working the 4/10 work schedule will be counted as 10-hour days. For these employees, if his/her flex day falls on a holiday, the employee will be granted 10 hours of annual leave into his/her leave bank in lieu of the flex day.

(b) To be eligible for this pay, an employee must either be at work or on a paid leave of absence on the regularly scheduled workdays immediately preceding and following the observed holiday.

Section 4.

Any regular and probationary employee who is required to work on any holiday recognized by the City shall be paid for the holiday pursuant to Section 3(a) in addition to one and one-half times the regular rate of pay for the hours worked on the holiday.

ARTICLE 16. RETIREMENT BENEFIT OPTION

The Union and the City agree to meet during the contract period to evaluate the removal of the first two paragraphs of this Article. The City of Port Hueneme has been audited and noticed by PERS that the program described in these paragraphs is contrary to California Public Employees' Retirement Law.

Upon the City resolving the current issue regarding enhanced salaries with PERS, the City agrees to consider amending the City's PERS contract to take advantage of Government Code Section 20615.5 whereby the City would discontinue paying the employee's contributions to PERS during the final compensation period. The eligible member's pay rate would be increased by that same amount, and the PERS contribution would be withheld from the employee's adjusted gross pay during that period.

It is agreed that Section 22.4.1 of the City Administrative Policy Manual will be eliminated effective July 22, 1992. The City agrees to allow each employee a one-time option on July 22, 1992 to have the dollar amount of the "Cafeteria Plan" and the employee's share of City-paid Social Security added permanently to gross wages. It is understood that the City would then withhold from the employee's adjusted gross pay his/her share of Social Security taxes and any health insurance premiums for the employee and the employee's dependents.

The City agrees to continue the contract with the California Public Employees' Retirement System (PERS) to provide the 2.7% @ 55 Modified formula option for general unit employees that became effective July 20, 2006.

For "classic" employees hired prior to July 1, 2014, the City agrees to pay the Employee's portion of the contribution to PERS, which is eight percent (8%) of all base pay above \$133.33 per month, in accordance with Section 20691 and Section 20053 of the Government Code.

AB 340 (as modified by AB 197) the California Public Employees' Pension Reform Act of 2013 (PEPRA). AB 340, as it may from time to time exist, shall in its entirety be given full force and effect during and after the term of the 2014-2015 MOU. Any provision in the 2013-2015 MOU which contradicts any provision of AB 340, shall be deemed null and void, with the contrary AB 340 provision(s) being given full force and effect. Therefore, no provision of AB 340 shall be deemed to impair any provision of the 2014-2015 MOU or any MOU, Agreement, Rule or Regulation predating the 2014-2015 MOU.

Unit members hired on and after January 1, 2013, deemed to be a "new member" as defined in Government Code § 7522.04, shall individually pay an initial Member CALPERS contribution rate of 50% of the normal cost rate for the Defined Benefit Plan in which said "new member" is enrolled, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees, whichever is greater. (AB 340 – Government Code section 7522.30) In addition, "new members" shall also pay the Government Code § 20516 "cost sharing" described in Article 13 A(4) and 13(B)(5) above.

Unit members who are "new members" and miscellaneous employees on and after January 1, 2013, shall be enrolled in the AB 340 provided for 2% @ 62 retirement formula (Govt. Code § 7522.20), and such "new members" who are safety employees shall be enrolled in the AB 340 provided for 2.7% @ 57 retirement formula (Section 7522.25.)

Unit members who are "new members" on and after January 1, 2013, shall have "final compensation" measured by the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months (Section 7522.32.)

ARTICLE 17. LAY-OFF, REDUCTION IN FORCE

The City agrees not to reduce the current Solid Waste employee work force during the term of this contract unless the City determines it is in the City's best interest to contract for all Solid Waste services during the term, or any part thereof, of this contract. If the determination is made to contract for all Solid Waste services, the City agrees to meet with the authorized representatives of the Union to discuss that decision.

Any employee that is scheduled to be laid off because of the City's contracting for all Solid Waste services will first be given an opportunity to apply for any open position in the City for which he/she is qualified. If there are no positions available with the City, the City will negotiate with the refuse contractor to employ the City refuse employee at the Contractor's equivalent salary and benefit level.

It is understood and mutually agreed that the City retains the sole and exclusive right to determine the merits, necessity, and level of any activity or service. When exercise of the City's rights results in a reduction in force, the following procedures shall be observed:

Section 1. Layoff/Bumping

Insofar as reasonably possible, a reduction in force shall be accomplished by attrition within each position classification affected. When attrition will not produce the necessary reduction in force, the following procedures shall be followed:

- a) Temporary, seasonal, part-time and probationary employees shall be separated from services within each classification affected;
- b) For regular employees, the order of layoff within each classification shall be based on seniority, defined as the employee's total continuous City service as a regular employee, except for the last five (5) least senior employees within each classification. Layoff of those five (5) employees within each classification shall be determined after considering factors such as individual employee performance (including disciplinary actions) and class specific qualifications; and
- c) A regular employee who is subject to layoff pursuant to the procedures outlined in b above may displace another employee in a lower classification previously held by him/her if the employee has greater seniority than the displaced employee and if the employee (as outlined in the criteria listed in b above) is equal to or greater than the displaced employee. In the same manner, the displaced employee may likewise displace another employee and so on.

Because individual employee performance is a component of the factors to be considered in determining order of layoff, an employee may file a grievance

related to his/her performance evaluation report in compliance with the Grievance Procedure as outlined in the City's Personnel Handbook.

Section 2. Recall/Reinstatement

As vacancies occur in each job classification, each employee displaced or laid off in that classification shall for a period of one year from the date originally displaced or laid off be offered, in the reverse order displaced or laid off, a one-time opportunity to return to work in his/her former classification. If a reinstatement offer is refused, the City is not obligated to make a second offer to that individual. A non-response within 14 business days shall be deemed a refusal.

Each employee who is reinstated to his/her former position shall regain the same step as occupied prior to lay off.

Each laid off employee who is reinstated within one year shall have his/her salary anniversary date reestablished as if the time off the job were an authorized leave of absence without pay. The same procedure shall be used to reestablish the employee's continuous service date. No probation period shall be required for laid off regular employees who are reinstated, except for probationary employees who did not complete the probationary period prior to the lay off. In this case, the probationary period will be extended taking into account the prior completed service.

The City will provide former employees notice of all recruitments within the City (via U.S. mail to the last known address) for a period of one year after lay off.

ARTICLE 18. BEREAVEMENT LEAVE

The City agrees to maintain its current policy on bereavement leave as set forth in Article 29, Section 29.0 of the Personnel Handbook.

ARTICLE 19. MATERNITY LEAVE

The City agrees to maintain its current policy on maternity leave as set forth in Article 32, Section 32.4 of the Personnel Handbook.

ARTICLE 20. INDUSTRIAL ACCIDENT LEAVE

For the purpose of Industrial Accident Leave this article supersedes all prior language including Article 30 of the Personnel Handbook.

Section 1.

Any employee who suffers an industrial accident or illness shall report it immediately to his/her supervisor. The employee shall then report to the Personnel Officer to obtain a medical service certificate and provide the necessary information to be filed with the Worker's Compensation insurance carrier. If the injury requires immediate attention, and the employee is unable to report the injury him/herself, the employee's supervisor shall contact the Personnel Officer to provide the required information. If the injury occurs other than the normal working hours, the incident must be reported the morning of the next working day.

Section 2.

In the event that a regular or probationary employee sustains a work-related injury or illness on-the-job and such injury or illness is recognized as qualifying for coverage by the self-insurance administrators, the employee shall be eligible to receive full base salary continuation for the initial period up to one hundred eighty (180) calendar days or until the employee returns to work, whichever is earlier. In addition, the City will maintain its contribution to benefits as provided for herein (retirement, health, dental life and LTD insurances). This provision shall apply only up through the one hundred eighty (180) calendar days of absence from work for each separate injury or illness, including aggravations thereof.

During this initial one hundred eighty (180) day period, annual leave and earned compensatory time off and other leaves shall not be deducted from the absent employee's accruals. Annual leave accruals shall continue to accrue during this time. In order for the employee to receive the above pay and benefit continuation, he or she must remit all Workers' Compensation temporary disability checks to the City of Port Hueneme. The employee's performance evaluation date will be rescheduled the amount of days that the employee was absent. There shall be no merit salary increases during this period of absence.

At the end of the aforementioned one hundred eighty (180) day period, and provided that it is available, annual leave and compensatory time off shall be used to augment Workers' Compensation benefits so that the employee may receive up to full base salary during the disability. Accrued leave designated by the employee on a regular timesheet shall be charged at a rate proportionate to the percentage of said employee's base salary not covered by Workers' Compensation. As long as an employee is utilizing annual leave to ensure full base salary, his/her City paid benefit contributions (as provided for herein) shall be continued. At no time shall an employee receive in excess of his or her regular salary and benefits. Furthermore, employees shall not receive merit salary increases nor accrue additional annual leave, floating holidays, or any other leaves after the initial one hundred eighty (180) calendar day period until he or she returns to regular duty.

Upon depletion of accumulated annual leave, the City shall discontinue all non-health City paid benefits and supplement to Workers' Compensation payments. At this time,

the employee is subject to Long Term Disability insurance benefits (claims shall be submitted to the carrier in accordance with said policy).

With regards to the payment of health insurance benefits after depletion of annual leave, the City and employee will continue to contribute the amounts enumerated by MOU towards the available plans. Said contribution shall continue until the earlier of: 1) the date that the employee returns to regular work; 2) the date that the employee is declared permanent and stationary; 3) the date that employee retires; 4) 365 calendar days from the date of the original injury (intermittent periods of disability from work relating to aggravations of the same injury or illness shall be cumulative for the purposes of calculating this 365 day period).

Subject employees may maintain dental and vision insurance at their own cost in accordance with Federal or State Law (COBRA continuation coverage). The subject employee is responsible for coordinating said coverage with the Human Resources Department.

Section 3.

In the event that an employee who has returned to work from industrial accident leave is subsequently absent from work as a result of the same injury or disease, the absence shall be considered to be a part of the original industrial accident leave as determined by the medical provider.

Section 4.

The employee shall be responsible for payment of payroll deductions previously authorized, including deductions related to insurance costs.

ARTICLE 21. LEAVE WITH PAY FOR ELECTED REPRESENTATIVES

If the employees' elected representative is elected to the SEIU Executive Board, the City agrees to allow up to two (2) hours per month of leave with pay to attend the SEIU Executive Board meetings.

ARTICLE 22. ANNUAL LEAVE

Regular, full-time General Unit employees shall accrue annual leave with pay to be used as leave for vacation, illnesses, and other personal purposes. General Unit employees may accrue such paid leave as provided by this Article to be used in the future or may convert annual leave to salary compensation under the conditions contained in this Article.

Section 1. Accumulation Rates

- a) General Unit employees with less than five (5) years of service shall earn annual leave at the rate of 172 hours per year;
- b) General Unit employees with five (5) years of service shall earn annual leave at the rate of 204 hours per year;
- c) General Unit employees with six (6) years of service shall earn annual leave at the rate of 212 hours per year;
- d) General Unit employees with seven (7) years of service shall earn annual leave at the rate of 220 hours per year;
- e) General Unit employees with eight (8) years of service shall earn annual leave at the rate of 228 hours per year;
- f) General Unit employees with nine (9) years of service shall earn annual leave at the rate of 236 hours per year; and
- g) General Unit employees with ten (10) years of service shall earn annual leave at the rate of 244 hours per year.
- h) General Unit employees with eleven (11) years of service shall earn annual leave at the rate of 252 hours per year.

Section 2. Maximum Accumulation

The maximum accumulation of annual leave shall be 600 hours. If an employee has accumulated the maximum number of hours, accumulation of annual leave will be discontinued. Accumulation shall resume on the first day of the pay period following a reduction in accumulations below the maximum allowed.

Section 3. Conversion to Salary

General Unit employees may convert a maximum of 120 hours, of annual leave to salary compensation per year. Such conversions shall be allowed at the first pay period in July and at the first pay period in December of each year. In order to be eligible to convert annual leave to salary, the employee must: (a) convert a minimum of sixteen (16) hours to pay, and (b) upon making the conversion to pay, the employee must be left with a minimum of 160 hours of annual leave.

Section 4. Notification and Approval

Annual leave shall be scheduled in advance by the employee whenever possible, subject to the approval of the department director. It is the responsibility of the employee to provide the supervisor or department director with reasonable notice of an absence. The department director shall have the authority to approve or deny the use of annual leave for any period of absence. The scheduling of the use of annual leave shall be by the department director with due regard to the wishes of the employee and particular regard for the needs of the City. Employees who are off for extended periods due to illness or injury may be required to provide a physician's statement authorizing their return to work.

Section 5. Separation from Employment

General Unit employees who separate their employment from the City shall have all annual leave accumulations converted to salary compensation at the employee's current rate. Compensation shall be paid in one lump sum. Annual leave shall not be used to extend an employee's actual date of separation. When notice is given by an employee that he/she is terminating, the use of annual leave shall be suspended. The only exception to this provision is that with the approval of the employee's supervisor, the employee may be granted short-term leaves (one to three days) to attend to personal business. However, such short-term leaves may not be conducted consecutively and with a frequency to create in effect, a long-term leave.

ARTICLE 23. CAREER DEVELOPMENT

The City acknowledges the importance of continuing education for employees and agrees to maintain its career development guidance by meeting with interested employees regarding advancing their education through the Tuition Reimbursement Benefit.

ARTICLE 24. AUTOMOBILE POLICY

All standby vehicles will be available at one of the City facilities for the use of the employee designated as primary standby by the department director. City vehicles will not be provided for employees to take home. It is the responsibility of the employee on standby to ensure that the vehicle is properly equipped and secured after each regular shift for use during a callout. Any employee, who is required to use their personal vehicle for City business and to report to the City facility to pick up the standby vehicle, shall be reimbursed at a rate equivalent to the standard mileage rate established by the Internal Revenue Service (IRS) which may be subject to federal and state taxes. A mileage report must be submitted with the timesheet for which the standby was worked, otherwise the mileage reimbursement will not be paid.

ARTICLE 25. EYEGLASSES

The City agrees to amend its replacement policy for eyeglasses as follows: The City will pay a maximum of \$150 toward replacement of like style eyeglasses broken or damaged while performing job duties. If replacement is eligible for insurance reimbursement then employee will only be reimbursed by the City for his actual out of pocket expenses up to the \$150 maximum. Eyeglasses lost while not being worn are not covered by this policy.

ARTICLE 26. CLOTHING/PERSONAL ITEMS REPLACEMENT POLICY

The City agrees to maintain the following policy:

CLOTHING/PERSONAL ITEMS REPLACEMENT POLICY

ISSUE ITEMS

Each field employee shall be issued the following gear:

- Uniforms (11)
- Rain Gear
- Boots
- Pants
- Coats
- Hats
- Gloves

Uniforms are replaced when torn or damaged beyond repair. They are replaced as needed due to ordinary use, normally about every 24 months.

All items must be turned in at the warehouse when replacement is necessary. If items cannot be turned in for replacement due to extenuating circumstances, approval of the supervisor will be required prior to replacement without charge.

PERSONAL ITEMS

Employees should refrain from wearing or using personal items of significant value insofar as possible. If personal clothing or items are damaged on the job, the employee should report the matter to his or her supervisor immediately. Those items most frequently worn on the job and most subject to damage are:

JEWELRY - The only jewelry authorized for replacement will be watches and wedding rings with a \$50 maximum reimbursement.

JACKETS - Maximum replacement value \$30.

SHOES - Maximum replacement value \$25.

These and all other items will be evaluated according to value, age, and condition. The City may require that the employee turn in the damaged articles.

ARTICLE 27. PROMOTION POLICY

The City agrees to maintain its policy as set forth in Article 7, Section 7.4, of the Personnel Handbook. To encourage this policy the City will adjust upward by 5% any written test score obtained by any current employee who meets the minimum job requirements for the open position.

ARTICLE 28. CALLED-OUT PAY

That paragraph in the Administrative Policy Manual describing the City policy for call-outs (currently section 7.3 of the manual) shall be amended to read as follows:

Subject to the minimum set forth in this paragraph, any unit employee called-out for emergency work shall be paid overtime only for that period of time the unit employee works in excess of the employee's regular working hours.

Any unit employee who is called-out for emergency work that requires less than 2 hours of the employee's time shall receive compensation for no less than 2 hours at the overtime rate. However, if any unit employee is called-out more than once within a 2-hour period, the unit employee will only receive credit for the minimum 2 hours at the overtime rate unless the second call extends beyond the 2-hour minimum of the first call.

Any unit employee who is called out between the hours of 12:00 midnight and 6:00 a.m. will receive 3 hours pay at the overtime rate. A unit employee shall be deemed to have been called-out if the employee has physically left the premises at the end of the employee's shift and is called back to authorized duty.

ARTICLE 29. EDUCATION REIMBURSEMENT

The City agrees to maintain its current policy on Education Reimbursement as set forth in Article 26.12 of the Personnel Handbook.

The City agrees to reimburse Two Thousand dollars (\$2,000) per fiscal year per employee.

ARTICLE 30. CONTRACTING OUT

The City shall notify the Union at least thirty (30) days prior to contracting out of bargaining unit work, which has been or could be traditionally or customarily performed by unit members except for major projects and/or emergencies.

Prior to implementation, the City shall meet and confer with the Union in an expedited manner over the impact such contracting out of services may have on said employees, and the Union may propose and the City will consider reasonable alternatives to contracting of City services.

ARTICLE 31. DIRECT DEPOSIT

It is in the mutual interest of the City and its employees to use the available direct deposit system. Thus, all employees who are using the direct deposit system on July 31, 2001, shall continue to use it thereafter. Any employee who begins using the direct deposit system after July 31, 2001, shall continue to use it thereafter. Employees hired after July 31, 2001 shall be required to utilize the direct deposit system. Requests for exemption from this direct deposit policy may be submitted to the City Manager.

ARTICLE 32. PERFORMANCE PROBLEMS

Section 1. Counseling

In the event an employee's performance is unsatisfactory or needs improvement, informal counseling shall be provided by the employee's first-level supervisor. Documentation of such counseling shall be given to the employee as it is developed. Such documentation shall not be placed in an employee's evaluation file.

Section 2. Unfavorable Reports on Performance.

If upon such counseling an employee's performance does not improve and disciplinary action should result, a written report shall be prepared by the supervisor, including specific suggestions for corrective action, if appropriate. A copy of the report and any response from the employee shall be given to the employee and a copy filed in his/her personnel file for a period of one year.

If such report is for acts that create a hostile work environment (i.e. harassment, discrimination, violence in the workplace) then, that written report shall remain in the personnel file for three (3) years.

Section 3. Immediate Discipline

This Article shall not operate as a bar to immediate suspension, demotion, reduction in pay or dismissal where an employee's conduct or performance warrants such action and where such action is permissible under law.

ARTICLE 33. SEPARATION FROM EMPLOYMENT

Section 1. Employee Initiated Separation

An employee wishing to leave in good standing shall submit a written resignation to his/her supervisor at least two weeks prior to the effective date of such resignation. The supervisor shall submit the written notice to the appropriate department director, who shall initiate a Personnel Action Form to the Human Resources Director.

Absence without leave for five (5) consecutive workdays may be construed as a basis for termination from employment, effective as of the last date the employee worked.

An exiting employee will receive final compensation within three (3) days of resignation.

An exiting employee is expected to return all City property in his/her possession or control on his/her final day of employment. This includes City furnished uniforms, tools, equipment, etc.

A Report of Exit Interview completed by the Human Resources Director after interviewing a terminating employee will be filed in the employee personnel file.

Section 2. City Initiated Separation

The City Manager may terminate the employment of any regular employee for cause, lack of funds or lack of work, or by reason of termination of the program to which the position is assigned.

Prior to a regular employee being terminated for cause and as a component of due process, the City Manager or his/her designee will review all circumstances involved in the termination.

The City Manager may terminate the employment of any employee other than regular employees with or without cause, with or without notice.

Exiting employees are expected to return all City property in their possession or control on their final day of employment. This includes City furnished uniforms, tools, equipment, etc.

ARTICLE 34. GRIEVANCE PROCEDURE

Section 1.

Any alleged violation or misapplication of this Memorandum of Agreement, City rules, policies and regulations, and any alleged violation of safety practices and procedures, shall be considered to be a matter subject to review through the

grievance procedure. Issues subject to review under Article 25 of the Personnel Handbook are not subject to review by the grievance procedure.

Section 2. First Step

An attempt shall be made to adjust all grievances on an informal basis between the employee and/or his/her designated representative and a supervisor in the employee's chain of command, up to and including his/her department director.

Section 3. Second Step

If the grievance is not satisfactorily resolved through the informal process, the grievance shall be submitted in writing to the employee's department director within thirty (30) days from the date the incident occurred. The department director shall meet with the employee and/or his/her designated representative within fifteen (15) days. The department director shall deliver his/her answer to the employee or his/her representative within five (5) days after he/she has met with the employee or his/her representative. If the department director does not respond within the time limits, the employee may proceed to Step 3.

Section 4. Third Step

If the grievance is not satisfactorily adjusted in the second step, it shall be submitted in writing to the City Manager within fifteen (15) days after the department director submits his/her answer to the employee or the employee's representative. The City Manager shall within fifteen (15) days after receiving the grievance in writing either meet with the employee or his/her representative or deliver his/her answer in writing to the employee or his/her representative. Following the meeting with the employee or his/her representative, the City manager shall deliver his/her answer to the employee or his/her representative within fifteen (15) days. The decision of the City Manager shall be final.

Section 5.

The procedure for handling a review of a written reprimand, demotion, dismissal, suspension, movements of employee's salary within a range, withholding of a merit increase, or transfer for purposes of discipline is covered in Articles 16 and 25 of the Personnel Handbook.

ARTICLE 35. UNION BUSINESS

Section 1. Agency Shop Defined

It is mutually agreed by the parties that the term "agency shop" means that every employee represented by this Unit shall, as a condition of continued employment, to either join the recognized organization, or pay the Agency Shop Fee for representation; or pay a sum equal to the Agency Shop Fee to a non-religious

and non-labor charitable fund, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (Government Code Section 3502.5).

Section 2. Agency Shop

It is mutually agreed by the parties that this Unit is an Agency Shop Unit. It is the intent of the parties that the agency shop provisions in the Memorandum of Agreement comply with applicable state law (Government Code 3502.5).

Section 3. Rescission

It is mutually agreed by the parties that the agency shop provisions of this Memorandum of Agreement may be rescinded by a majority vote of all employees represented by this Unit, under procedures established by the Employer-Employee Relations Resolution No. 3501. There can be only one election during the term of this Memorandum of Agreement.

Section 4. Maintenance of Membership

Unit employees who are members of the Union on the effective date of this Memorandum of Agreement (MOA) and those who voluntarily join thereafter during the term of this MOA are required to maintain their membership during the term of this MOA subject to the following exception. Employees may elect to cancel their membership during the first five working days of January each year. Notice of any termination of membership shall be made to SEIU Local 721 within five (5) business days of the end of this period.

Section 5. Payroll Deductions

The City shall, without charge to the Union, deduct dues and payments for other Union benefit programs from the paychecks of Union members each pay period when Union members authorize such deductions in writing and provide this authorization to the City. Subject to the provisions of Section 4, Union members may withdraw their authorization for any payroll deductions.

Section 6. Religious Objections

Per California Government Code Section 3502.5, "any employee who is a member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support an public employee organization as condition of employment." Such employee shall be required, in lieu of fees paid to the Union, pay sums equal to the Agency Shop Fee to a non-religious, and non-labor charitable fund exempt of the employee's choice from taxation under Section 501(c)(3) of the Internal Revenue Service Code.

The employee will be required to fill out the appropriate form provided by the City and designate the charitable fund(s) including Name, Address, and Phone

Number for which he/she intends to submit the charitable contribution in lieu of the agency fee.

A proof of payment of such sums will be required to be submitted at the end of each calendar month to Human Resources for verification. A copy of proof and the initial form will be forwarded to the Union.

Section 7. Implementation

Any employee hired by the City subject to this MOA on or after the date of implementation of this Article, shall be provided with a notice advising that the City has entered into an Agency Shop agreement with the Union and that all employees subject to the Memorandum of Agreement must either join the Union or pay an Agency Shop Fee for representation to the Union, or execute a written declaration claiming a religious exemption from this requirement. Said employee shall have thirty (30) working days following the initial date of employment to fully execute the authorization from his/her choice and return said form to the Union or the City's payroll office. If the form is not completed within thirty (30) working days, the City shall commence and continue a payroll deduction of an Agency Shop fee from the regular paychecks of such employee.

Section 8. List of New Employees/Separation

The City will furnish the Union with a biweekly remittance report of all deductions payable to the union. This report will indicate any new employees, employees separated from employment, and new transfers into the bargaining unit.

Other employee information may be provided to the Union upon written request.

Section 9. Access to Work Location

Paid Union staff shall be given reasonable access to work locations during work hours, provided that they obtain approval from the appropriate supervisor or Department Director and such visits do not unduly interfere with the City's operations.

Section 10. Bulletin Boards

Subject to the provision of the City's Employer-Employee Relations Resolution No. 3501, General Unit Employees may use designated City Bulletin Boards for the purpose of communicating normal and regular Union business to the membership. Any additional costs will be the responsibility of the Union.

Section 11. Release Time for Union Business

The City shall provide release time for specific purposes for General Unit Employees designated by the Union as "Union Stewards." General Unit Employees designated, as Union Stewards shall be granted aggregate release time of 96 hours per calendar year. Release time may be used for the purposes

of meeting with representatives of the City to discuss Labor-Relations Issues, to meet with represented Union members to discuss personnel matters, or to attend Union meetings. Release time will not be permitted without prior approval of the Union Steward's supervisor or Department Director.

Section 12. COPE Deductions

The City agrees to deduct from the bi-weekly wages of those employees who are members of the Union SEIU Local 721 and who voluntarily authorized such deductions on payroll deduction forms provided by the Union, the amount specified as the employee's contribution to the Committee on Political Education Fund (COPE).

Section 13. Joint Labor Management Committee

The parties agree to form a Joint Labor Management Committee for the purposes of discussing labor management issues. Both parties agree to schedule and attend these meetings as needed and will make a best effort to attend these meetings.

ARTICLE 36. REVOCATION OF PRIOR AGREEMENTS

Any and all prior or existing Memorandums of Agreement, Letters of Agreement, Addendums, Side Letters, and other such documents between the parties are hereby superseded and terminated in their entirety, whether or not the specific subject matter of any such document is addressed herein.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Agreement on the day, month, and year indicated below:

**GENERAL UNIT EMPLOYEES UNIT
NEGOTIATION TEAM**

**CITY OF PORT HUENEME
NEGOTIATION TEAM**

DATED: _____

DATED: _____

Aram Agdaian, Chief Negotiator, SEIU Local 721

Steve M. Berliner, Chief Negotiator; Finance Director

Lupe Montaña, Representative, SEIU Local 721

Carmen Nichols, Deputy City Manager

Gary Berg, SEIU Bargaining Member

Roger Rangel, SEIU Bargaining Member

Theo Provencio, SEIU Bargaining Member

Terry Padilla, SEIU Bargaining Member



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: ADOPTION OF LABOR CONTRACT WITH PORT HUENEME POLICE OFFICERS ASSOCIATION (PHPOA)

DATE: January 19, 2015

RECOMMENDATION:

It is recommended the City Council:

1. Approve the attached FY 2015-2016 Memorandum of Agreement (MOA) with the Port Hueneme Police Officers Association (PHPOA) and authorize the negotiating team to execute the Agreement; and
2. Direct staff to prepare the necessary amendments, if any, to City ordinances, resolutions, or policies for Council consideration to implement the provisions of the attached MOA.

BACKGROUND/ANALYSIS:

The City is required by the Meyers-Milias-Brown Act to meet and confer in good faith with represented employees regarding salaries, benefits, and other terms and conditions of employment. The current contract with the POA expired June 30, 2015. As a result, the City and the POA re-entered labor negotiations and reached a tentative agreement on January 12, 2016 for an MOA for the period of July 1, 2015 – June 30, 2016, presented for City Council approval.

Changes from the previous contract include:

Article 5. HOLIDAYS: Two holidays (Washington's Birthday and California Admissions Day) will be eliminated from the Holiday Schedule for employees in the POA group. In return, employees will be granted a Flex Day leave bank of 24 hours per fiscal year. These hours have no cash value and are not compensable during employment nor upon separation. Management retains the right to

ADOPTION OF LABOR CONTRACT WITH PHPOA

January 19, 2015

Page 2

determine when these hours can be used as to not incur overtime.

The terms of this article are agreed to become effective July 1, 2015 and until such time as the City has a balanced general fund budget without the utilization of reserves or the savings derived from the changes in this benefit.

Article 14. COMPENSATORY TIME BANK: Eligible employees will be permitted a maximum of two hundred (200) hours of accrued compensatory time off per year. Previously the maximum accrual balance was set at one hundred (100) hours.

Article 39. SOCIAL SECURITY/MEDICARE TAX: All employees shall be required to pay 50% of the employee's portion of Social Security and Medicare taxes, beginning the first full pay period after ratification. The full amount of the employee's portion of Social Security and Medicare taxes shall be paid by the employee beginning with the first pay period in June 2016.

Employees shall pay the employee Social Security and Medicare taxes until such time as the City has a balanced general fund budget without utilization of reserves or the savings derived from City employees paying the employee Social Security and Medicare taxes.

It was agreed that implementation of this Article may be delayed until all City employees also begin to pay Social Security and Medicare taxes, if such date is later than the beginning of the first full pay period after ratification of this Memorandum of Agreement by the City Council.

FISCAL IMPACT:

The current year's General Fund deficit is projected to be \$1,373,668. Through a variety of strategic planning and organization, including labor contract changes, staff hopes to continue to find ways to address the City's structural deficit. If this action is approved, it is anticipated that changes in benefits will result in \$31,700 for the remainder of the fiscal year, with annual savings to the General Fund in salary and benefits of \$189,900.

Attachment:

- Memorandum of Agreement Between the City of Port Hueneme and Port Hueneme Police Officers Association

**COMPREHENSIVE MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF PORT HUENEME
AND
THE PORT HUENEME POLICE OFFICERS' ASSOCIATION
JULY 1, 2015 TO JUNE 30, 2016**

COMPREHENSIVE MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF PORT HUENEME
AND
THE PORT HUENEME POLICE OFFICERS' ASSOCIATION
JULY 1, 2015 TO JUNE 30, 2016

ARTICLE 1. IMPLEMENTATION

This Memorandum of Agreement constitutes a mutual recommendation by the authorized representatives of the City of Port Hueneme (City) and the authorized representatives of the Police Unit (Employees) to be submitted to the City Council of the City of Port Hueneme. The recommendations contained herein shall be binding on the City and the Employees only if said City Council approves this Memorandum of Agreement. Approval by said City Council shall consist of the following: (a) a motion or resolution of said City Council approving this Memorandum of Agreement which receives at least three "yes" votes; and (b) enactment of necessary amendments to City ordinances, resolutions, or policies to implement fully the provisions of this Memorandum of Agreement; and (c) action by said City Council to appropriate the necessary funds required to implement fully the provisions of this Memorandum of Agreement which require funding.

ARTICLE 2. TERM

This Memorandum of Agreement shall be binding from 12:01 a.m. on July 1, 2015, until 12:00 midnight on June 30, 2016, at which time it shall expire and be fully terminated. However, the personnel policies, procedures and practices shall continue beyond the termination of this Memorandum of Agreement unless modified in accordance with California law or expressly limited within the terms contained herein. During the term of the Memorandum of Agreement, there shall be no strikes, work slowdowns, or other employee conduct designed to interfere with or adversely affect public safety.

During the term of this Memorandum of Agreement, the Police Officers' Association may request to reopen negotiations concerning issues related to dispatcher workload and safety.

ARTICLE 3. DEFINITION OF SWORN AND NON-SWORN EMPLOYEES

The designation Police Unit "Sworn Employees" shall refer to all full-time employees in the following classifications:

- | | | |
|-----------------|---|-----------|
| Police Officer | - | Patrol |
| Police Officer | - | Detective |
| Police Officer | - | Senior |
| Police Sergeant | - | Patrol |
| Police Sergeant | - | Detective |
| Canine Officer | - | Patrol |

The designation Police Unit "Non-Sworn Employees" shall refer to all employees in the following classifications:

Police Support Services Officer
Police Communications Officer - Senior
Police Communications Officer II
Police Communications Officer I
Police Records Technician Senior
Property and Evidence Supervisor

ARTICLE 4. CAFETERIA PLAN

The City shall continue to pay the PERS minimum mandated amount of the premium for employee's health insurance. The City will contribute towards employees' Cafeteria Plan in the amount of \$700 per month. In the event the cost for health insurance incurred by an employee for himself/herself and any dependents exceeds \$700 per month, the City will pay any additional amount for medical, dental and vision, but in a cumulative amount not to exceed a total of \$1,141.70 per month.

ARTICLE 5. HOLIDAYS

Employees of the Police Department shall be paid ten (10) or twelve (12) hours of straight time pay dependent upon the assignment to a 4/10 or 3/12 work schedule, or receive ten (10) or twelve (12) hours paid time off for each of the following holidays:

New Years Day	January 1
Martin Luther King Day	Third Monday in January
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	
Afternoon of Christmas Eve	December 24
Christmas Day	December 25

Any employee who is required to work on any legal holiday recognized by the City shall be paid on the basis of time and one-half the employees' regular rate of pay for all hours he or she actually works plus ten (10) or twelve (12) hours of straight time pay for the holiday dependent upon working the 4/12 or 3/12.

Effective July 1, 2015 and until such time as the City has a balanced general fund budget without the utilization of reserves or the savings derived from the changes in this benefit described herein, the holiday schedule will be revised by eliminating Washington's Birthday (Third Monday in February) and California Admission's Day (September 9). In return, employees will be granted a Flex Day leave bank of 24 hours per fiscal year. Request for use of this bank of hours must be requested as per Article 36. Management retains the right to determine when these hours can be used so as not to incur overtime. Any hours not used by the last pay period of the fiscal year cannot be carried into the new fiscal year (use or lose). These hours have no cash-value and are not compensable during employment nor upon separation.

ARTICLE 6. WORK SCHEDULE

The work schedule for the Unit shall be as follows:

Patrol officers, sergeants, senior officers, and communication officers will be on a 3/12, 4/12 Plan, which shall consist of alternate workweeks of:

- (1) Three (3) consecutive workdays of twelve (12) consecutive work-hours followed by four (4) consecutive days off; and
- (2) Four (4) consecutive workdays of twelve (12) consecutive hours followed by three (3) consecutive days off.

The weekly work schedule of the following assignments shall be a 4/10 work schedule, which consists of four (4) consecutive work days of ten (10) consecutive working hours each, followed by three (3) consecutive days off:

- (3) Motor Officer;
- (4) Crime Suppression Unit;
- (5) Clerical Employees;
- (6) Detectives;

Subject to determinations made solely by the Chief of Police based upon her assessment of promoting Department efficiency, shift rotations shall generally occur at six (6) month intervals. All schedules may be changed by mutual agreement between the POA and the Chief of Police. However, all schedules for all Unit employees are subject to change in cases of emergency at the sole discretion of the Chief of Police.

ARTICLE 7. EXPERIENCE DIFFERENTIAL

Applicable only to employees hired prior to Council adoption of a 2013-2015 MOU, the City shall provide a four percent (4 %) experience differential payment for eligible regular full-time employees of the Police Unit who have been employed by the City and/or another police agency for a period of five completed (5) - nine completed (9) years. As regards to employees hired prior to Council adoption of a 2013-2015 MOU, the City shall provide a six percent (6%) experience differential payment for eligible regular full-time employees of the Police Unit who have been employed by the City and/or another police agency for a period of ten completed (10) years or longer. The amounts described herein shall not be cumulative.

Employees hired on or after City Council adoption of a 2013-2015 MOU shall not be eligible to receive any experience differential pay.

Employees who have been denied a merit increase within the calendar year (December to December) shall not be eligible for the experience differential payment. Payment to eligible employees will be made in a lump sum between December 1 and December 15 of each year.

ARTICLE 8. POLICE OFFICERS' ASSOCIATION LEAVE BANK

The City agrees that beginning July 1, 1998, and effective January 1 of each year thereafter, one hundred twenty (120) hours will be placed into an Association leave bank to be used by employees for Association related business. The leave bank will be administered by members of the Association with review and final approval for use of those hours to be given by the Chief of Police. It is agreed that up to forty (40) hours of unused leave from the leave bank may be carried over to the following year. It is further agreed that the leave bank may not exceed one hundred sixty (160) hours.

ARTICLE 9. RANK SEPARATION

The City agrees to maintain a five percent (5%) minimum separation in base salary between the top step patrol officer's salary and the bottom step sergeant's salary.

ARTICLE 10. SALARY RANGE INCREASES

An individual employee's salary within the range is governed by the provisions of the Personnel Handbook and increases will be granted only for continued meritorious and efficient service by the employee in the effective performance of the employee's duties

ARTICLE 11. UNIFORM ALLOWANCE

City employees shall receive Forty-five Dollars (\$45.00) per month for uniform cleaning. In addition to the above uniform allowance amount, a full-time officer assigned as a Canine Handler and a full-time employee assigned as a Motor Officer shall receive Fifty Dollars (\$50.00) per month for Canine Handler and Motorcycle Uniform Allowance. All uniform allowances shall be paid bi-weekly.

The City agrees to issue each non-sworn employee in the classifications of Police Communications Officer I and Policy Communications Officer II uniforms to be worn while performing their police communications duties. The uniform items of clothing to be provided will be determined by the Chief of Police or his/her designee.

The City agrees to replace any uniform item damaged while on duty or otherwise deemed unfit for continued use by the Chief of Police or his/her designee. Items lost by the employee will be replaced by the employee at his/her own expense.

The City agrees to issue to each newly hired sworn officer the following uniform items:

- 1) One winter jacket
- 2) One lightweight windbreaker
- 3) One dress jacket
- 4) Three pairs uniform pants
- 5) Three short sleeve uniform shirts
- 6) Two long sleeve uniform shirts
- 7) One cap
- 8) One tie

The City agrees to replace any uniform item damaged on duty or deemed to be unfit for continued use by the Chief of Police or his/her designee. Items lost by the officer will be replaced by the officer at his/her own expense.

Officers agree to maintain the uniforms in a manner designated by the Chief of Police. The City and the Employees agree that all policies existing prior to December 31, 1986, relating to uniform replacement and maintenance are null and void.

ARTICLE 12. ASSOCIATION DUES - PART-TIME EMPLOYEES

The City agrees to extend the current payroll deduction process for Association dues to part-time Police Department employees represented by the Association in the manner set forth in the City Administrative Policy Manual.

ARTICLE 13. PERS RETIREMENT SYSTEM AMENDMENT

A. All unit safety employees defined by the Public Employees Pension Reform Act of 2013 as "classic" employees will have the following retirement benefits through CalPERS:

- (1) 3% @ 55, as set forth in California Government Code § 21363.1.
- (2) Employer payment of the member contribution pursuant to California Government Code § 20691.
- (3) EPMC Conversion, as set forth in California Government Code § 20692.
- (4) Effective as soon after July 1, 2011 as is reasonably possible, the City shall amend its contract with PERS to provide for a Government Code § 20516(a) authorized sharing by sworn (safety) Association unit members of the cost of optional retirement benefits. In conjunction with the contract amendment, sworn Association unit members shall participate in cost sharing by contributing five percent (5%) of member compensation toward the current service cost of benefits. This five percent (5%) member contribution shall be normal contributions over and above normal contributions otherwise required by statute and shall be treated as normal contributions to the extent mandated by statute. On July 1, 2012, this amount shall be increased by one (1%) percent for a total of a six (6%) member contribution.

Attached to this Memorandum of Understanding as Exhibit 1 is a June 2, 2011 letter from PERS Senior Pension Actuary, Kerry Worgan. Based upon the representations made in Exhibit 1, it is the agreement of the parties that unless and/or until modified pursuant to the meet and confer process or as mandated by law, these designated sworn cost sharing member contributions shall continue until the June 24, 2022 "expiration date" designated in Exhibit 1 and shall concurrently revert to the amount of 3.232% on June 24, 2022, unless and/or until said amount is modified pursuant to the meet and confer process and/or requirements of law. In no case shall Government Code § 20516 cost sharing exceed 9.370% of safety member compensation.

(5) One Year Final Compensation Period, as set forth in California Government Code § 20042.

(6) Pre Retirement Optional Settlement 2 Death Benefit pursuant to California Government Code § 21548.

B. All unit miscellaneous employees defined by the Public Employees Pension Reform Act of 2013 as "classic" employees will have the following retirement benefits through CalPERS:

(1) One Year Final Compensation Period, as set forth in California Government Code § 20042.

(2) 2.7% @ 55 Retirement Formula pursuant to California Government Code § 21354.5.

(3) Employer payment of the member contribution pursuant to California Government Code § 20691, subject to the 0.201% and the 1.201% reductions in employer paid member contributions, as set forth below.

(4) EPMC Conversion, as set forth in California Government Code § 20692.

(5) Effective as soon after July 1, 2011 as is reasonably possible, the City shall amend its contract with PERS to provide for a Government Code § 20516(a) authorized sharing by miscellaneous (non-sworn) association unit members of the cost of optional retirement benefits. In conjunction with the July 1, 2011 contract amendment, miscellaneous association unit members shall participate in cost sharing by contributing 4.799% of member compensation toward the current service cost of benefits. This 4.799% member contribution shall be normal contributions over and above normal contributions otherwise required by statute and shall be treated as normal contributions to the extent mandated by statute.

In addition to and prior to implementing the above 4.799% Government Code § 20516(a) member contribution, effective concurrent with City Council adoption of the 2011-13 MOU, each miscellaneous (non-sworn) unit member shall contribute and fund member contributions in the amount of 0.201% of compensation. Effective July 1, 2012, said contribution amount shall increase to 1.201% of compensation.

Attached to this Memorandum of Understanding as Exhibit 1 is a June 2, 2011 letter from PERS Senior Pension Actuary, Kerry Worgan. Based upon the representations made in Exhibit 1, it is the agreement of the parties that unless and/or until modified pursuant to the meet and confer process or as mandated by law, these designated non-sworn (miscellaneous) cost sharing member contributions shall continue until the July 17, 2026 "expiration date" designated in Exhibit 1 and shall concurrently revert to the amount of 1.922% on July 17, 2026, unless and/or until said amount is modified pursuant to the meet and confer process and/or requirements of law. In no case, shall Government Code § 20516 cost sharing exceed 4.799% of miscellaneous member compensation.

- C. The parties further agree and acknowledge that if during the term of the MOU, State statutory or other requirements of law change to mandate modifications to substantive retirement benefits and/or the manner of funding such benefits, the parties shall promptly reconvene the meet and confer process in order to address any such mandatory statutory or other changes in the law. MOU changes which are required in order to bring the Agreement into conformance with mandatory statutory or other requirements, shall be implemented concurrent with the effective date of said statutory/other changes of law, regardless of the meet and confer process having been convened or completed.

Moreover, if during the term of the MOU, State statutory or other requirements of law change to mandate "classic" employee payment of some or all the required employee contribution to CalPERS, the parties shall immediately take whatever action is required to decrease the Government Code § 20516(f) or §20516(a) method of cost sharing, whichever is then in effect, by the amount of the "classic" employee's required payment of the employee contribution to CalPERS. For example, if a law is passed that requires that "classic" employees pay 4% of their retirement costs, and at such time sworn and non-sworn employees are paying 6% and 4.799%, respectively, through the Government Code § 20516(f) method of cost sharing, the parties shall immediately take all action necessary to reduce the employee's payment of the 20516(f) cost sharing by 4%, to 2% for sworn employees and 0.799% for non-sworn employees.

- D. AB 340 (as modified by AB 197) the California Public Employees' Pension Reform Act of 2013 (PEPRA.)

AB 340, as it may from time to time exist, shall in its entirety be given full force and effect during and after the term of the 2013-2015 MOU. Any provision in the 2013-2015 MOU which contradicts any provision of AB 340, shall be deemed null and void, with the contrary AB 340 provision(s) being given full force and effect. Therefore, no provision of AB 340 shall be deemed to impair any provision of the 2013-2015 MOU or any MOU, Agreement, Rule or Regulation predating the 2013-2015 MOU.

Unit members hired on and after January 1, 2013, deemed to be a "new member" as defined in Government Code § 7522.04, shall individually pay an initial Member CALPERS contribution rate of 50% of the normal cost rate for the Defined Benefit Plan in which said "new member" is enrolled, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees, whichever is greater. (AB 340 – Government Code section 7522.30) In addition, "new members" shall also pay the Government Code § 20516 "cost sharing" described in Article 13 A(4) and 13(B)(5) above.

Unit members who are "new members" and miscellaneous employees on and after January 1, 2013, shall be enrolled in the AB 340 provided for 2% @ 62 retirement formula (Govt. Code § 7522.20), and such "new members" who are safety employees shall be enrolled in the AB 340 provided for 2.7% @ 57 retirement formula (Section 7522.25.)

Unit members who are "new members" on and after January 1, 2013, shall have "final compensation" measured by the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months (Section 7522.32.)

- E. Except as provided for herein, the City agrees to maintain all other CalPERS benefits currently in effect for safety and miscellaneous employees.

ARTICLE 14. COMPENSATORY TIME BANK

Employees may not elect compensatory time-off in lieu of overtime pay for time spent in briefing or for time worked on a City holiday.

Once each year either on the first pay day in December or the first pay day in January (at the employee's option), all balances will be reduced to at least eighty (80) hours and all excess accumulated hours will be paid off based on the Memorandum of Agreement salaries in effect the first pay day in December.

Effective upon ratification, full-time employees will be permitted a maximum of two hundred (200) hours of accrued compensatory time off per year. If an employee's compensatory time bank exceeds the two hundred (200)-hour cap, any excess will be paid to the employee at the employee's regular rate of pay in effect at the time of the payment.

ARTICLE 15. DEPENDENT CARE ASSISTANCE PROGRAM

It is agreed that the City will continue the Dependent Care Assistance Program (DECAP) for Employees to voluntarily reduce their gross wages (within guidelines established by the Internal Revenue Service) to pay for job related child care expenses.

ARTICLE 16. DETECTIVE UNIT PREMIUM PAY

An officer assigned to Detective shall be paid 11.0% percent above his/her current base salary. Provision of the 11.0% Detective compensation is in consideration for elimination of the Special Problems Unit.

ARTICLE 17. CALL-OUT PAY: DETECTIVES

For call-outs on off-duty hours during the hours of 11:00 p.m. and 6:00 a.m., the City agrees to pay detectives a minimum of four (4) hours at time plus one-half; for call-outs during other off-duty hours, the minimum will be two (2) hours at time plus one-half.

ARTICLE 18. DETECTIVE STAND-BY PAY

The City shall compensate a detective at the rate of Twenty Dollars (\$20.00) per day for each day that the detective is assigned to detective stand-by duty.

ARTICLE 19. MINIMUM CALL-BACK PAY

The City agrees to pay any employee who is called back for work which requires less than one (1) hour of the employee's time a minimum of one (1) hour's regular pay if the call back is not due to the employee's error or omission. An employee shall be deemed to have been called back if he/she has physically left the premises at the end of his/her shift and is called back to authorized duty.

ARTICLE 20. CALL-OUT PAY POLICY CLARIFICATION: PATROL OFFICERS

For call-outs on off-duty hours, the City agrees to pay patrol officers from the time leaving a residence or other location, to the time the officer returns home. This means travel from the area of the assignment directly to the employee's residence without any non-work related stops in between.

ARTICLE 21. CANINE CARE COMPENSATION

Article 21 of the MOU is hereby rewritten in its entirety, as follows:

The City and the canine handler(s), by and through the Association, have agreed that a reasonable estimate of the amount of time spent during off-duty hours caring for the canine(s) is one-half hour for each and every day for the week. Accordingly, the canine handler(s) shall be paid for 1 hour every day of their normal work schedule not to exceed 7 hours in a two week pay period, and such time shall be regarded as "hours worked" for purposes of calculating entitlement to overtime compensation. (Note: Each 14-day pay period the canine handler(s) shall be paid for, and credited with, 7 "hours worked" associated with the off duty care of the canine(s).) In lieu of being paid for the off-duty care of the canine(s), the canine handler(s) may be dismissed one hour earlier than their normal work shift if the opportunity allows. This is subject to the determination and approval of the supervisor.

It is expressly understood by the parties that the canine handler(s) is entitled to receive compensation for the off-duty care of the canine even when the employee is off work due to the use of annual leave and caring for the canine. When an employee is off of work, whether partially or in full, the first hour will be compensated as regular pay as Canine Care Compensation, the remaining unworked hours will be compensated through the use of the officer's personal accruals (e.g. annual leave, compensatory time off)."

ARTICLE 22. COURT STANDBY PAY

The City agrees to compensate all sworn personnel and police communications officers who are placed on "standby" status for a court or administrative proceeding that is scheduled to occur while the employee is off duty. For each morning session for which the employee is in a standby status, the employee shall receive an amount equal to three hours at that employee's regular rate of pay and for each afternoon session for which the employee is in a standby status, the employee shall receive an amount equal to three hours at that employee's regular rate of pay. If an employee is on standby for a morning session and later is required to appear in the afternoon session, the employee shall receive standby pay for the morning session and appearance pay for the afternoon session. An employee cannot receive standby pay and appearance pay for the same court session.

Court standby pay will not be paid for court or administrative proceedings that are trailing. Employees are required to contact the appropriate witness coordination office to determine if the case is trailing or has a scheduled starting date.

ARTICLE 23. INCENTIVE PAY

Applicable to unit members hired prior to City Council adoption of a 2013-2015 MOU, upon qualification, employees of the Police Department shall be eligible for one of the following incentive pay plans:

Upon receipt of an Associate Degree a full-time employee of the Police Department shall receive premium pay of five percent (5%) of the employee's monthly base salary. Remuneration for the Basic POST certificate shall terminate on December 31, 2011 at 2359 hours.

Upon receipt of a Bachelor of Arts or Science Degree or an Intermediate P.O.S.T. Certificate, a full-time employee of the Police Department shall receive premium pay of ten percent (10%) of the employee's monthly base salary.

Upon receipt of a Bachelor of Arts or Science Degree and an Intermediate P.O.S.T. Certificate, a full-time employee of the Police Department shall receive premium pay of twelve percent (12%) of the employee's monthly base salary.

Upon receipt of an Advanced P.O.S.T Certificate, a full-time employee of the Police Department shall receive monthly an additional fifteen percent (15%) of the employee's monthly base salary.

Upon receipt of a Masters in Art or Science Degree and an Advanced P.O.S.T Certificate, a full-time employee of the Police Department shall receive premium pay of fifteen percent (15%) of the employee's monthly base salary, except for those employees already possessing these degrees and Advanced P.O.S.T. Certificate at the time the Council adopts this 2013-2015 MOU. These employees, who already receive a premium pay of seventeen percent (17%) of the employee's monthly base salary, shall continue to receive premium pay of seventeen percent (17%) of monthly base salary.

The amounts in this article shall not be pyramided and the employee shall receive only the highest level premium pay for which he/she qualifies. All incentive pay will be paid on a bi-weekly basis.

A "degree" shall be awarded by an institution accredited by the State of California, by the United States Department of Education, the Council for Higher Education, and/or or the Distance Education Training Council.

Employees hired on or after City Council adoption of a 2013-2015 MOU shall not be eligible to receive any incentive pay.

ARTICLE 24. DENTAL, VISION, HEALTH & LONG-TERM DISABILITY GROUP INSURANCE PLAN

Each full-time employee shall be enrolled in the dental, vision, health, and long-term disability insurance plan.

ARTICLE 25. VEHICLE USE BY CANINE HANDLER, MOTOR OFFICER, AND DETECTIVES

A full-time officer, assigned as a Canine Handler, shall be permitted to use a police vehicle for transporting the police canine provided the Canine Handler resides within the County of Ventura. A police vehicle cannot be used by the Canine Handler to transport the canine to the Canine Handler's residence, if that residence is outside the boundaries of Ventura County. The Canine Handler's use of the police vehicle will also be subject to all City rules and regulations pertaining to the use of City vehicles.

Motor Officers may use their City-issued motorbikes as transportation to and from work. As such, Motor Officers are authorized to leave their motorbikes at their place of residence. Use of the police motorbike will also be subject to all City rules and regulations pertaining to the use of City vehicles.

Detectives may use their City-issued vehicles as transportation to and from work. As such Detectives are authorized to leave their City-issued vehicles at their place of residence. Use of the police vehicle will also be subject to all City rules and regulations pertaining to the use of City vehicles

ARTICLE 26. PROBATIONARY PERIOD

The probationary period for all employees of the Police Department hired or promoted shall be one year from date of hiring on a permanent basis or one year from date of promotion. The probationary period shall be extended in an amount equal to the number of scheduled work hours not performed by the probationer during the probationary testing period, provided, however, that the City shall notify each affected probationary employee in writing prior to the date on which the employee's probation was to have expired, of the term of the extension and the new date on which the probationary period shall terminate.

ARTICLE 27. TUITION REIMBURSEMENT

Tuition reimbursement will be made in accordance with the on-campus fees or the extension fees of the California State University System, whichever is appropriate, not to exceed \$1,500.00 per fiscal year. Section 26.12 of the Personnel Rules is further amended as to this unit only, to provide:

If an employee separates or is separated from City employment less than three (3) years after receiving tuition reimbursement, the employee shall reimburse the City in a pro-rated amount for each month or part thereof which constitutes less than three (3) years post-reimbursement service. For example, if an employee receives \$1,000.00 in tuition reimbursement and separates from the City 30 months thereafter, the employee owes the City \$170.00. The employee receiving tuition reimbursement shall sign an agreement as a condition precedent to distribution of tuition reimbursement, authorizing the City to deduct owed monies from a closing check without the City obtaining a judgment, and evidencing agreement to the content of this provision.

Tuition reimbursement shall not be provided for courses offered by diploma mills and/or any educational institution not accredited as described in ARTICLE 23 above.

ARTICLE 28. DISCIPLINARY HEARINGS

In those situations in which an employee is entitled to, and has procedurally qualified for, an evidentiary hearing as part of his or her appeal of a disciplinary action consisting of a termination of the employee's employment, the evidentiary hearing shall be conducted by a hearing officer mutually selected by the parties or from a list of seven (7) candidates provided by the State Mediation and Conciliation Service. The hearing officer shall provide recommendations to the City Manager with regard to the charges and the discipline. The City Manager, in his or her discretion, may consider the hearing officer's advisory opinion, but shall not be bound by the advisory opinion in making his/her final decision on the charges and discipline.

ARTICLE 29. PROVISIONS OF LAW

This Memorandum of Agreement is subject to all current and future applicable federal and state laws and federal and state regulations. If any part of the provisions of the Memorandum of Agreement is in conflict or inconsistent with such applicable laws or regulations or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such part or provision shall be suspended by such applicable law or regulation and the remainder of the Memorandum of Agreement shall not be affected thereby.

ARTICLE 30. DIRECT DEPOSIT

It is in the mutual interest of the City and its employees to use the available direct deposit system. Thus, all employees who are using the direct deposit system on January 1, 2002 shall continue to use it or its successor program. Any employee who begins using the direct deposit system after January 1, 2002 shall continue to use it or its successor program. Employees hired after January 1, 2002 shall be required to utilize the direct deposit system or its successor program. Requests for exemption from this direct deposit policy may be submitted to the City Manager for hardship consideration.

ARTICLE 31. PAYROLL

For efficiency and ease of accounting, the City will calculate and make payroll deductions based upon twenty-four (24) pay periods per year.

ARTICLE 32. OUT OF COUNTY TRAINING

If training occurs out of Ventura County, then all training classes that are 8 hours or longer shall be considered to satisfy the employee's work shift. If training occurs in Ventura County, then the employee must return to work or, with the approval of the employee's supervisor, use accrued leave for the portion of the day not spent in training and/or travel connected therewith.

ARTICLE 33. PERSONNEL HANDBOOK

The parties agree that they have met and conferred in good faith concerning the rules set forth in the City's Personnel Handbook and that Personnel Handbook is incorporated herein by reference. In the event a provision of the Personnel Handbook is inconsistent with any provision in the MOA, the MOA provision will take precedent over the conflicting provision in the Personnel Handbook.

ARTICLE 34. LAYOFFS

Layoffs will occur pursuant to the City's Personnel Rules, except that Rule 17.0.1(b) is specifically modified to provide that regular sworn employees will be laid off in inverse order of seniority (i.e., most senior employee laid off last). With regard to the five (5) least senior sworn employees in the bargaining unit, layoffs may occur based upon consideration of work records, including disciplinary records, in addition to seniority.

ARTICLE 35. PRIOR AGREEMENTS

In the event that any provision of any prior existing Memorandums of Agreement, Letters of Agreement, Addendums, Side Letters, and other such documents between the parties are

inconsistent with any provision in the MOA, the MOA provision will take precedent over the conflicting provision in any such documents.

ARTICLE 36. ANNUAL LEAVE

Regular, full-time Police Unit employees shall accrue annual leave with pay to be used as leave for vacation, illnesses, and other personal purposes. Police Unit employees may accrue such paid leave as provided by this provision to be used in the future or may convert annual leave to salary compensation under the conditions contained in these regulations.

Accumulation Rates:

- a) Police Unit employees with less than five (5) complete years of City service shall earn annual leave at the rate of one hundred forty-eight (148) hours per year;
- b) Police Unit employees with five (5) complete years of City service shall earn annual leave at the rate of one hundred eighty (180) hours per year;
- c) Police Unit employees with six (6) complete years of City service shall earn annual leave at the rate of one hundred eighty-eight (188) hours per year;
- d) Police Unit employees with seven (7) complete years of City service shall earn annual leave at the rate of one hundred ninety-six (196) hours per year;
- e) Police Unit employees with eight (8) complete years of City service shall earn annual leave at the rate of two hundred and four (204) hours per year;
- f) Police Unit employees with nine (9) complete years of City service shall earn annual leave at the rate of two hundred and twelve (212) hours per year; and
- g) Police Unit employees with ten (10) complete years of City service shall earn annual leave at the rate of two hundred and twenty (220) hours per year.
- h) Police Unit employees with eleven (11) complete years of City service shall earn annual leave at the rate of two hundred and twenty-eight (228) hours per year.
- i) Police Unit employees with twelve (12) complete years of City service shall earn annual leave at the rate of two hundred and thirty-six (236) hours per year.
- j) Police Unit employees with thirteen (13) complete years of City service shall earn annual leave at the rate of two hundred and forty-four (244) hours per year.
- k) Police Unit employees with fourteen (14) complete years of City service shall earn annual leave at the rate of two hundred and fifty-two (252) hours per year.

- l) Police Unit employees with fifteen (15) complete years of City service shall earn annual leave at the rate of two hundred and sixty (260) hours per year.
- m) Police Unit employees with sixteen (16) complete years of City service shall earn annual leave at the rate of two hundred and sixty-eight (268) hours per year.
- n) Police Unit employees with seventeen (17) complete years of City service shall earn annual leave at the rate of two hundred and seventy-six (276) hours per year.
- o) Police Unit employees with eighteen (18) complete years of City service shall earn annual leave at the rate of two hundred and eighty-four (284) hours per year.
- p) Police Unit employees with nineteen (19) or more complete years of City service, shall earn annual leave at the rate of two hundred and ninety-two (292) hours per year.

Maximum Accumulation:

The maximum accumulation of annual leave shall be five hundred (500) hours. If an employee has accumulated five hundred (500) hours, the employee's accumulation of annual leave will be discontinued and shall only resume on the first day of the pay period following a reduction in accumulations below five hundred (500) hours.

If upon initial conversion the maximum accumulation exceeds five hundred (500) hours the employee shall have the option to buy down to four hundred and fifty (450) hours by being paid at his/her regular rate of pay for all hours in excess of four hundred and fifty (450) hours. If an employee's accumulation exceeds five hundred (500) at the time of initial conversion and elects not to buy down to four hundred and fifty (450) hours, that employee's accumulation of annual leave will be discontinued until such time that the employee's accumulation falls below the five hundred (500) hour maximum.

Conversion to Salary:

Police Unit employees may convert a maximum of one hundred and twenty (120) hours of annual leave to salary compensation per year. Such conversions shall be allowed at the first pay period in July and at the first pay period in December of each year. In order to be eligible to convert annual leave to salary, the employee must: (a) convert a minimum of sixteen (16) hours to pay, and (b) upon making the conversion to pay, the employee must be left with a minimum of one hundred and sixty (160) hours of annual leave.

Notification and Approval:

Annual leave shall be scheduled in advance by the employee whenever possible, subject to the approval of the Chief of Police. It is the responsibility of the employee to provide the supervisor or Chief of Police with reasonable notice of an absence. The Chief of Police shall have the authority to approve or deny the

use of annual leave for any period of absence. The scheduling of the use of annual leave shall be by the Chief of Police with due regard to the wishes of the employee and for the needs of the City. Employees who are off for extended periods due to illness or injury may be required to provide a physician's statement authorizing their return to work.

Separation from Employment:

Police Unit employees who separate their employment from the City shall have all annual leave accumulations converted to salary compensation at the employee's current regular rate of pay. Compensation shall be paid in one lump sum. Annual leave shall not be used to extend an employee's actual date of separation. When notice is given by an employee that he/she is terminating, the use of annual leave shall be suspended. The only exception to this provision is that with the approval of the employee's supervisor, the employee may be granted short term leaves (one to three days) to attend to personal business or illness. However, such short term leaves may not be conducted consecutively and with a frequency to create in effect, a long term leave.

Service Credit Conversion:

- a) Upon retirement an employee may have unused Annual Leave converted to Service Credit with the Public Employees Retirement System (PERS).
- b) Annual Leave will be converted to Sick Leave for PERS at the rate of one (1) hour of Annual Leave equals one (1) hour of sick leave.
- c) When unused Annual Leave is converted to sick leave, for a service credit conversion, an employee may not receive additional cash compensation for the unused leave.

ARTICLE 37. BILINGUAL PAY

Upon qualification, employees of the Police Department shall be eligible to receive forty-five dollars (\$45.00) in bilingual pay per pay period.

ARTICLE 38. RETIREE MEDICAL INSURANCE

Employees who retire on or before July 1, 2011 and who had 15 or more years of full time City service, shall continue to receive lifetime medical annuity for the purchase of medical insurance in an amount equal to the dollar value of the two party HMO plan.

Employees who retire after July 1, 2011 with fifteen (15) years or more of full time City service with the Port Hueneme Police Department at the time of retirement, shall receive a lifetime payment for the purchase of retiree and eligible dependents medical insurance, but in an amount, not to exceed \$668.00 per month including the mandated PEMCHA minimum contribution by the City.

Any employee who has at least twelve and a half (12.5) years of full time City service with the Port Hueneme Police Department, and who retires due to an industrial disability will receive a lifetime payment for the purchase of medical insurance, in an amount not less than the

PEMHCA mandated minimum employer contribution to retiree medical insurance, but not to exceed Three Hundred Twenty-five dollars (\$325.00) per month.

The above benefits shall only apply to employees who retire from the City and who, within One Hundred Twenty (120) days of their retirement, receive a pension from CalPERS.

These premium payments in excess of the minimum mandated PEMHCA amount shall be inapplicable to employees hired on or after July 1, 2011.

ARTICLE 39. SOCIAL SECURITY/MEDICARE TAX

Beginning the first full pay period after ratification of this Memorandum of Agreement by the City Council, all employees shall be required to pay 50% of the employee's portion of Social Security and Medicare taxes. The full amount of the employee's portion of Social Security and Medicare taxes shall be paid by the employee beginning with the last full pay period in June 2016. Implementation of the employees paying 50% of the employee's portion of Social Security and Medicare taxes may be delayed until all City employees also begin to pay Social Security and Medicare taxes, if such date is later than the beginning of the first full pay period after ratification of this Memorandum of Agreement by the City Council. Employees shall pay the employee Social Security and Medicare taxes until such time as the City has a balanced general fund budget without utilization of reserves or the savings derived from City employees paying the employee Social Security and Medicare taxes.

ARTICLE 40. OVERTIME

The City has adopted/implemented an FLSA 7k exemption, consisting of 86 hours in a 14 day work period. As regards any and all unit members, paid leave time shall not be considered hours worked for overtime computation purposes, whether pursuant to the FLSA or pursuant to "contract" overtime.

Concurrent with adoption/implementation of the above FLSA 7k exemption consisting of 86 hours in a 14 day work period, the City shall provide "contract overtime" as an offset against FLSA-mandated overtime. Therefore:

- (1) Employees subject to the FLSA 7k exemption shall also be eligible for overtime for hours actually worked in excess of the number of hours scheduled for work during each designated week (a seven (7) day, 168 hour period.) For example, if such an employee was scheduled to work 48 hours in a week, and actually worked 50, the employee would be entitled to two (2) hours of contract overtime.
- (2) As further examples, if because of use of annual leave, compensatory time or any other paid leave time only 36 hours were worked, no contract overtime would be earned. If in one week where 48 hours of work are scheduled, an employee worked 16 hours in one day, and was on annual leave, compensatory time or any other paid leave time, the remainder of the week, no contract overtime would be earned because of paid leave time not being considered hours worked for overtime computation purposes.

City practices being utilized prior to the adoption date of the 2011-2013 MOU, shall continue in force and effect and shall be utilized to determine the starting and ending dates and times of all

work periods and work weeks described herein. The City shall promptly notify each unit employee in writing of the start and end of the designated 14-day FLSA work period and the seven-day work period used to calculate that employee's "contract overtime."

Additionally, for all non-safety employees working a 9/80 or 3/12 work schedule, their work week shall begin exactly four (4) hours into their eight (8) hour shift on the day of the week which constitutes their alternating regular day off.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Agreement on the day, month and year indicated below:

**PORT HUENEME POLICE OFFICERS
ASSOCIATION NEGOTIATION TEAM**

**CITY OF PORT HUENEME NEGOTIATION
TEAM**

DATED: 01-14-16

DATED: _____



TABLE OF CONTENTS

Page No.

ARTICLE 1. IMPLEMENTATION.....	1
ARTICLE 2. TERM	1
ARTICLE 3. DEFINITION OF SWORN AND NON-SWORN EMPLOYEES.....	1
ARTICLE 4. CAFETERIA PLAN	2
ARTICLE 5. HOLIDAYS	2
ARTICLE 6. WORK SCHEDULE	3
ARTICLE 7. EXPERIENCE DIFFERENTIAL	3
ARTICLE 8. POLICE OFFICERS' ASSOCIATION LEAVE BANK	4
ARTICLE 9. RANK SEPARATION	4
ARTICLE 10. SALARY RANGE INCREASES	4
ARTICLE 11. UNIFORM ALLOWANCE	4
ARTICLE 12. ASSOCIATION DUES - PART-TIME EMPLOYEES	5
ARTICLE 13. PERS RETIREMENT SYSTEM AMENDMENT	5
ARTICLE 14. COMPENSATORY TIME BANK	8
ARTICLE 15. DEPENDENT CARE ASSISTANCE PROGRAM.....	8
ARTICLE 16. DETECTIVE UNIT PREMIUM PAY.....	8
ARTICLE 17. CALL-OUT PAY: DETECTIVES	8
ARTICLE 18. DETECTIVE STAND-BY PAY	8
ARTICLE 19. MINIMUM CALL-BACK PAY	8
ARTICLE 20. CALL-OUT PAY POLICY CLARIFICATION: PATROL OFFICERS.....	9
ARTICLE 21. CANINE CARE COMPENSATION	9
ARTICLE 22. COURT STANDBY PAY	9
ARTICLE 23. INCENTIVE PAY	9

**ARTICLE 24. DENTAL, VISION, HEALTH & LONG-TERM DISABILITY
GROUP INSURANCE PLAN10**

**ARTICLE 25. VEHICLE USE BY CANINE HANDLER, MOTOR OFFICER, AND
DETECTIVES.....10**

ARTICLE 26. PROBATIONARY PERIOD11

ARTICLE 27. TUITION REIMBURSEMENT11

ARTICLE 28. DISCIPLINARY HEARINGS11

ARTICLE 29. PROVISIONS OF LAW12

ARTICLE 30. DIRECT DEPOSIT12

ARTICLE 31. PAYROLL.....12

ARTICLE 32. OUT OF COUNTY TRAINING12

ARTICLE 33. PERSONNEL HANDBOOK12

ARTICLE 34. LAYOFFS12

ARTICLE 35. PRIOR AGREEMENTS.....12

ARTICLE 36. ANNUAL LEAVE13

ARTICLE 37. BILINGUAL PAY.....15

ARTICLE 38. RETIREE MEDICAL INSURANCE15

ARTICLE 39. SOCIAL SECURITY/MEDICARE TAX.....16

ARTICLE 40. OVERTIME.....16



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: Alvin Burrell, Interim Finance Director

SUBJECT: ADOPT ORDINANCE NO. 721 ADJUSTING THE VERY LOW INCOME RESIDENTS UTILITY RATE REDUCTION PROGRAM

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council adopt Ordinance No. 721 (previously read by title only, with further reading waived) that amends Port Hueneme Municipal Code Article VII, Chapter 1, Section 7113(a); Article VII, Chapter 2, Section 7160G(a); and Article VII, Chapter 3, Section 7221.40(a), pertaining to the Very Low Income Rate Reduction Program.

BACKGROUND/ANALYSIS:

The City Council introduced Ordinance No. 721 at its December 7, 2015 meeting. The Ordinance reflects the Council's direction to staff to amend the Very Low Income Rate Reduction Program percentage discount from 15% to 7.5%. Eligibility is determined by providing evidence that the customer is approved for Southern California Edison's CARE Program (income being the primary eligibility criterion). The City currently has 799 participants in this program, resulting in approximately \$67,000 in lost revenue to the Utility funds and approximately \$62,500 of expenditures to the General Fund. If this reduction in the discount exemption is implemented, annual revenues to the Utility funds would increase by \$67,000 and expenditures to the General Fund would decrease by \$62,500.

To date, staff has received no public comments regarding the Ordinance and staff recommends its adoption.

ADOPT ORDINANCE NO. 721: UTILITY RATE REDUCTION PROGRAM

January 19, 2016

Page 2

FISCAL IMPACT:

The potential fiscal effect of the implemented recommendation will be an approximate increase in annual revenues of \$67,000 to the Utility funds and a decrease in expenditures of \$62,500 to the General Fund.

If these changes become effective on March 1, 2016, only one quarter of these increases in revenues and decrease in expenditures will be realized in FY 2015-16 (approximately \$16,750 for the Utility funds and \$15,625 for the General Fund).

ORDINANCE NO. 721

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA AMENDING SECTION 7113(a) OF ARTICLE VII, CHAPTER 1; SECTION 7160G(a) OF ARTICLE VII, CHAPTER 2; AND SECTION 7221.40(a) OF ARTICLE VII, CHAPTER 3 OF THE PORT HUENEME MUNICIPAL CODE REGARDING THE VERY LOW INCOME RESIDENTS RATE REDUCTION

The City Council of the City of Port Hueneme does hereby ordain as follows:

SECTION 1. Port Hueneme Municipal Code Article VII, Chapter 1, Section 7113(a) (“Very low-income residents rate reduction”) is hereby amended to read as follows:

“7113 Very low-income residents rate reduction.

(a) Any customer in the very low-income category who receives water services at his or her personal residence may apply for a seven and one-half percent (7.5%) reduction in water consumption and service charges. Applications for reduced rates must be on forms supplied by the City. The applicant under penalty of perjury must supply all information required to be given on such forms.”

SECTION 2. Port Hueneme Municipal Code Article VII, Chapter 2, Section 7160G(a) (“Very low-income residents rate reduction”) is hereby amended to read as follows:

“7160G Very low-income residents rate reduction.

(a) Any customer in the very low-income category who receives wastewater services at his or her personal residence may apply for a seven and one-half percent (7.5%) reduction in wastewater fees and service charges. Applications for reduced rates must be on forms supplied by the City. The applicant under penalty of perjury must supply all information required to be given on such forms.”

SECTION 3. Port Hueneme Municipal Code Article VII, Chapter 3, Section 7221.40(a) (“Very low-income residents rate reduction”) is hereby amended to read as follows:

“7221.40 Very low-income residents rate reduction.

(a) Any customer in the very low-income category who receives solid waste collection services at his or her personal residence may apply for a seven and one-half percent (7.5%) reduction in fees. Applications for reduced rates must be on forms supplied by the City. The applicant under penalty of perjury must supply all information required to be given on such forms.”

SECTION 4. This Ordinance is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000, *et seq.*; “CEQA”) and CEQA regulations (Cal.

Code Regs. tit. 14, §§ 15000, et seq.) because it establishes, modifies, structures, restructures, and approves rates and charges for meeting operating expenses; purchasing supplies, equipment, and materials; meeting financial requirements; and obtaining funds for capital projects needed to maintain service within existing service areas. This Ordinance, therefore, is categorically exempt from further CEQA review under Cal. Code Regs. tit. 14, §15273.

SECTION 5. Repeal of any provision of the Port Hueneme Municipal Code, or any other City resolution or ordinance herein will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 6. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Port Hueneme's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 8. This Ordinance will become effective at 12:01 a.m., March 1, 2016.

PASSED, APPROVED AND ADOPTED this 19th day of January, 2016.

DOUGLAS A. BREEZE
MAYOR

ATTEST:

MICHELLE ASCENCION
CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

MARK D. HENSLEY
CITY ATTORNEY

JOHN BAKER
INTERIM CITY MANAGER



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: Carmen Nichols, Deputy City Manager

SUBJECT: ADOPT ORDINANCE NO. 722 TO EXPRESSLY PROHIBIT MEDICAL MARIJUANA-RELATED USES IN THE CITY

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council adopt Ordinance No. 722 (previously read by title only, with further reading waived) that adds a new Chapter 12 to Article III and a new Part F to Article X, Chapter 2 of the Port Hueneme Municipal Code, to clarify that commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries, and medical marijuana collectives are prohibited in all zones and specific plan areas of the City.

BACKGROUND/ANALYSIS

The City Council introduced Ordinance No. 722 at its January 11, 2016 meeting, in response to the Medical Marijuana Regulation and Safety Act ("MMRSA") of 2015. MMRSA, among other actions, allows a City to prohibit commercial medical marijuana activities and contains language that requires the City to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority.

Although all medical marijuana-related uses and activities are technically prohibited in the City pursuant to principles of permissive zoning, staff nevertheless recommends adoption of an ordinance expressly stating that all such medical marijuana-related uses and activities are prohibited in all zones throughout the City. The ordinance is intended to clarify the City's longstanding prohibition on medical marijuana uses and does not state a new or different rule of law.

ADOPT ORDINANCE NO. 722 PROHIBITING MEDICAL MARIJUANA

January 19, 2016

Page 2

The proposed ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the Municipal Code to make clear that commercial cannabis activities, medical cannabis deliveries, and medical marijuana dispensaries and collectives are not permitted in the City.

To date, staff has received no public comments regarding the Ordinance and staff recommends its adoption.

FISCAL IMPACT

None.

ORDINANCE NO. 722

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, ADDING A NEW CHAPTER 12 TO ARTICLE III AND A NEW PART F TO CHAPTER 2 OF ARTICLE X OF THE PORT HUENEME MUNICIPAL CODE TO CLARIFY THAT COMMERCIAL CANNABIS ACTIVITIES, CULTIVATION OF MEDICAL CANNABIS, DELIVERY OF MEDICAL CANNABIS, MEDICAL MARIJUANA DISPENSARIES, AND MEDICAL MARIJUANA COLLECTIVES ARE PROHIBITED IN ALL ZONES AND SPECIFIC PLAN AREAS OF THE CITY

The City Council of the City of Port Hueneme does ordain as follows:

SECTION 1: The City Council finds and determines as follows:

A. On November 5, 1996, the voters of the State of California approved Proposition 215, codified as Health and Safety Code Section 11362.5 et seq., and entitled the Compassionate Use Act of 1996 (“CUA”). The CUA exempts qualified patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for personal medical use.

B. The intent of the CUA was to enable persons in the State of California who are in need of marijuana for medicinal purposes to obtain it and use it under limited, specified circumstances.

C. The State enacted Senate Bill 420 in October 2003, codified a Health and Safety Section 11362.7, *et seq.*, (“Medical Marijuana Program Act,” or “MMPA”) to clarify the scope of the Compassionate Use Act of 1996 and to allow cities and other governing bodies to adopt and enforce rules and regulations consistent with SB 420. The MMPA created a state-approved voluntary medical marijuana identification card program and provided for certain additional immunities from state marijuana laws. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the Medical Marijuana Program to expressly recognize the authority of counties and cities to “[a]dopt local ordinances that regulate the location, operation, or establishment of a medical marijuana cooperative or collective” and to civilly and criminally enforce such ordinances.

D. The CUA and MMPA do not “legalize” marijuana, but provide limited defenses to certain categories of individuals with respect to certain conduct and certain state criminal offenses.

E. In *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal.4th 729, the California Supreme Court held that “[n]othing in the CUA or the MMP expressly or impliedly limits the inherent authority of a local jurisdiction, by its

own ordinances, to regulate the use of its land...” Additionally, in *Maral v. City of Live Oak* (2013) 221 Cal.App.4th 975, the Court of Appeal held that “there is no right – and certainly no constitutional right – to cultivate medical marijuana...” The Court in *Maral* affirmed the ability of a local governmental entity to prohibit the cultivation of marijuana under its land use authority.

F. The Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., classifies marijuana as a Schedule 1 Drug, which is defined as a drug or other substance that has a high potential for abuse, that has no currently accepted medical use in treatment in the United State, and that has not been accepted as safe for use under medical supervision. The Federal Controlled Substances Act makes it unlawful under federal law for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense, marijuana. The Federal Controlled Substances Act contains no exemption for medical purposes.

G. On October 9, 2015 Governor Brown signed three bills into law (AB 266, AB 243, and SB 643) which collectively are known as the Medical Marijuana Regulation and Safety Act (“MMRSA”). MMRSA established a State licensing scheme for commercial medical marijuana uses while protecting local control by requiring that all such businesses must have a local license or permit to operate in addition to a State license. MMRSA allows a City to completely prohibit commercial medical marijuana activities.

H. The City Council finds that commercial medical marijuana activities, as well as cultivation for personal medical use as allowed by the CUA and MMP can adversely affect the health, safety, and well-being of City residents. Citywide prohibition is proper and necessary to avoid the risks of criminal activity, degradation of the natural environment, malodorous smells and indoor electrical fire hazards that may result from such activities. Further, as recognized by the Attorney General’s August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity such as loitering or crime.

I. The limited immunity from specified state marijuana laws provided by the Compassionate Use Act and Medical Marijuana Program does not confer a land use right or the right to create or maintain a public nuisance.

J. MMRSA contains language that requires the city to prohibit cultivation uses by March 1, 2016 either expressly or otherwise under the principles of permissive zoning, or the State will become the sole licensing authority. The MMRSA also contains language that requires delivery services to be expressly prohibited by local ordinance, if the City wishes to do so. MMRSA is silent as to how the City must prohibit other type of commercial medical marijuana activities.

K. While the City Council believes that cultivation and all commercial medical marijuana uses are already prohibited pursuant to the City's permissive zoning regulations, it desires to enact this ordinance to expressly make clear that all such uses are prohibited in all zones throughout the City. This ordinance is intended to clarify the City's longstanding position on medical marijuana cultivation and distribution and does not state a new or different rule of law.

L. The proposed amendments to the Zoning Ordinance are consistent with the General Plan. The General Plan's goals, objectives, and policies do not permit or contemplate the establishment or operation of medical marijuana dispensaries or collectives, nor do they contemplate the cultivation or delivery of medical marijuana. Accordingly, this ordinance does not create new law; rather, it clarifies the City's existing prohibitions on the distribution and cultivation of medical marijuana.

SECTION 2: Authority. This ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the California Constitution, the Compassionate use Act, the Medical Marijuana Program Act, and the Medical Marijuana Regulation and Safety Act.

SECTION 3: A new Chapter 12 entitled "Medical Marijuana" is added to Article III of the Port Hueneme Municipal Code to read as follows:

"Chapter 12

MEDICAL MARIJUANA

3980 – Medical marijuana regulations.

For regulations regarding medical marijuana and medical cannabis cultivation and distribution, see Article X, Chapter 2, Part F."

SECTION 4: A new Part F entitled "Medical Cannabis Cultivation and Distribution" is added to Article X, Chapter 2 of the Port Hueneme Municipal Code to read as follows:

"Part F

MEDICAL CANNABIS CULTIVATION AND DISTRIBUTION

10290 – Definitions.

10291 – Prohibition.

10290 – Definitions.

“Cannabis” has the same meaning as set forth in Business & Professions Code § 19300.5(f), as the same may be amended from time to time.

“Commercial cannabis activity” has the same meaning as that set forth in Business & Professions Code § 19300.5(k), as the same may be amended from time to time.

“Cultivation” has the same meaning as that set forth in Business & Professions Code § 19300.5(l), as the same may be amended from time to time.

“Delivery” has the same meaning as that set forth in Business & Professions Code § 19300.5(m), as the same may be amended from time to time.

“Dispensary” and “medical marijuana dispensary” have the same meaning as that set forth in Business & Professions Code § 19300.5(n), as the same may be amended from time to time.

“Medical marijuana collective” means a collective, cooperative, association, dispensary or similar entity that cultivates, distributes, dispenses, stores, exchanges, processes, delivers, makes available or gives away cannabis in the city for medical purposes to qualified patients, or primary caregivers of qualified patients pursuant to Health and Safety Code Section 11362.5 (adopted as Proposition 215, the “Compassionate Use Act of 1996”) or any State regulations adopted in furtherance thereof, including Health and Safety Code Section 11362.7 et seq., (adopted as the “Medical Marijuana Program Act”). Medical Marijuana Collective does not include the following uses, so long as such uses comply with this Code, the Health and Safety Code Section 11362.5, et seq., and other applicable law:

1. A clinic licensed pursuant to Chapter 1 (Section 1200 et seq.) of Division 2 of the Health and Safety Code.
2. A health care facility licensed pursuant to Chapter 2 (Section 1250 et seq.) of Division 2 of the Health and Safety Code.
3. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (Section 1568.01 et seq.) of Division 2 of the Health and Safety Code.
4. A residential care facility for the elderly licensed pursuant to Chapter 3.2 (Section 1569 et seq.) of Division 2 of the Health and Safety Code.
5. A hospice or a home health agency, licensed pursuant to Chapter 8 (Section 1725 et seq.) of Division 2 of the Health and Safety Code.

“Medical cannabis,” medical cannabis product,” or “cannabis product” has the same meaning as set forth in Business & Professions Code § 19300.5(ag), as the same may be amended from time to time.

10291 – Prohibition.

Commercial cannabis activities, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensaries (whether fixed or mobile in nature), and medical marijuana collectives are prohibited in all zones and all specific plan areas in the City of Port Hueneme. No use permit, variance, building permit, or any other entitlement, license, or permit, whether ministerial or discretionary, can be issued or approved for any commercial cannabis activity, cultivation of medical cannabis, delivery of medical cannabis, medical marijuana dispensary (whether fixed or mobile in nature), or medical marijuana collective in the City, and it is unlawful for any person to establish or conduct such activities in the City.”

SECTION 5: *Environmental Review.* The City Council finds that this ordinance does not have the potential to cause significant effects on the environment and, therefore, the project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. § 15061(b)(3). The ordinance amends the Port Hueneme Municipal Code to make clear that commercial cannabis activities, medical cannabis deliveries, and medical marijuana dispensaries and collectives are not permitted in the City. The ordinance does not portend any development or changes to the physical environment. Following an evaluation of possible adverse impacts, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. In addition to the foregoing general exemption, the following categorical exemptions apply: 14 Cal. Code Regs. § 15307 (actions taken for protection of natural resources) and § 15308 (actions taken for protection of the environment).

SECTION 6: *Construction.* This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7: *Enforceability.* Repeal of any provision of the Port Hueneme Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8: *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 9: The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the city of Port Hueneme’s book of original ordinances, make a note of the passage and adoption in the records of this meeting, and, within fifteen days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 10: This Ordinance will take effect on the 31st day following its final passage and adoption.

PASSED, APPROVED, AND ADOPTED this 19th day of January, 2016.

DOUGLAS A. BREEZE
MAYOR

ATTEST:

MICHELLE ASCENCION
CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

MARK D. HENSLEY
CITY ATTORNEY

JOHN BAKER
INTERIM CITY MANAGER



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: INTRODUCTION OF ORDINANCE AMENDING CITY PURCHASING PROCEDURES

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council introduce for first reading an Ordinance (to be read by title only, and further reading waived) amending various sections of Port Hueneme Municipal Code Article II, Chapter 6, Parts F and G, to update the City's Purchasing Procedures (last updated in 1999), to better conform with current practices.

BACKGROUND/ANALYSIS:

In November 2015, Management Partners completed a review of the City's purchasing procedures. The project included a review of existing purchasing guidelines and the Municipal Code (MC) sections related to purchasing. The intent of the new Purchasing Guide is to enable staff to easily understand the City's purchasing requirements as contained in the Municipal Code and follow them. It can be changed from time to time by the Purchasing Officer to match with current conditions. If changes require modifications of the Purchasing Ordinance, they will be brought back to the City Council.

Included as Attachment "A" are the notes from Management Partners relating to the suggested changes in the guidelines to be utilized by staff in all purchasing activities. Attachment "B" is the reorganized Purchasing Guide that is the responsibility of the City Manager acting as the Purchasing Officer for use in directing purchasing activities. This guide, provided by Management Partners, conforms with the recommended Ordinance, and will be subject to updating in the future as conditions warrant. Any updates must conform to the codified purchasing ordinance.

ORDINANCE INTRODUCTION: CITY PURCHASING PROCEDURES

January 19, 2016

Page 2

Management Partners provided a “marked up” modification of the Municipal Code as it applies to the purchasing practices. Those changes are relatively minor and are described in Attachment “C.” The city should consider any changes to the MC first and then make sure the Guide is updated consistent with the MC. Attachment “D” is a red-line version of the proposed MC changes.

In addition, Management Partners provided the following for consideration by the City Council to reflect current conditions in purchasing activities in local government:

Possible Changes to Levels of Authority: Management Partners has used the City’s existing levels of authority in all cases, except as noted below. The consultant does, however, suggest the City consider changing some levels of authority. Those are also listed below with a notation if a MC change is required. None of these changes have been put in the Guide as it is drafted. If the Council agrees with the suggested modifications, we will have to return with an ordinance at a future meeting to modify the MC.

- i. Petty cash: It is now \$25.00 and should be \$50.00.
- ii. Professional services: The authority of the City Manager is now \$20,000. It could be to \$30,000, due to increased costs since the \$20,000 limit was set many years ago. (MC change required).
- iii. General purchases: If professional services authorization is raised to \$30,000, it may be appropriate to raise authorization from \$25,000 to \$30,000. (MC change required).
- iv. All professional services require a full RFP. The city should consider an informal request for proposals process for lower cost contracts. i.e. less than \$10,000.
- v. Force account: It is currently permitted up to \$25,000 with approval by the City Manager/Purchasing Officer. State law allows for \$45,000 before an informal bid process is required for the public projects. The old guidelines (p. 12) provided that public projects up to \$25,000 may be performed by force account, negotiated contracts or purchase orders. The city may want to consider the use of negotiated contracts and purchase orders separately from the use of force accounts since these are not stated in the MC. MC change is required if the limit is increased to \$45,000.
- vi. Change orders: The current municipal code (Sec. 2563) contains a threshold above which the City Manager must go to the Council for authorization. It is unclear as to whether anything over 20% (as stated in the municipal code) must go to Council even if it is on a contract below \$20,000. The City may wish to clarify this or eliminate the % section of the MC.

ORDINANCE INTRODUCTION: CITY PURCHASING PROCEDURES

January 19, 2016

Page 3

Management Partners has written language in the draft Purchasing Guide that indicates the guide should apply to all City bodies, including the Housing Authority. If the Municipal Code revisions are approved by the City Council, the City Manager/Purchasing Officer will apply the Purchasing Guide to Housing Authority activities.

FISCAL IMPACT:

The recommended action will have no fiscal impact on the General Fund.

Attachments:

- A – Suggested Administrative Changes to Purchasing Guide
- B – Purchasing Guide
- C – Summary of Changes to the Municipal Code
- D – Mark up of Changes to the Municipal Code

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME, CALIFORNIA, AMENDING VARIOUS SECTIONS OF ARTICLE II, CHAPTER 6, PARTS F AND G OF THE PORT HUENEME MUNICIPAL CODE, PERTAINING TO PURCHASING

The City Council of the City of Port Hueneme does hereby ordain as follows:

SECTION 1. Port Hueneme Municipal Code Article II, Chapter 6, Section 2550.1 (“Adoption of purchasing system”) is hereby amended to read as follows:

“2550.1 Adoption of purchasing system.

In order to establish efficient procedures for the purchase of all supplies, services, and equipment, to secure for the City supplies, services and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases, a purchasing system is adopted.”

SECTION 2. Subsection (a) of Port Hueneme Municipal Code Article II, Chapter 6, Section 2551 (“Purchasing Officer–Office created”) is hereby amended to read as follows:

“(a) Purchase or contract for all supplies, services, and equipment required by any using agency or department in accordance with purchasing procedures prescribed by this Chapter, such administrative regulations as the Purchasing Officer shall adopt for the internal management and operation of the Purchasing Department and such other rules and regulations as shall be prescribed by the City Council or City Manager;”

SECTION 3. Subsection (b) of Port Hueneme Municipal Code Article II, Chapter 6, Section 2551 (“Purchasing Officer–Office created”) is hereby amended to read as follows:

“(b) Negotiate and recommend execution of contracts for the purchase of all supplies, services, and equipment;”

SECTION 4. Subsection (h) of Port Hueneme Municipal Code Article II, Chapter 6, Section 2551 (“Purchasing Officer–Office created”) is hereby amended to read as follows:

“(h) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of any supplies and equipment which cannot be used by any department or which becomes unsuitable for City use;”

SECTION 5. Port Hueneme Municipal Code Article II, Chapter 6, Section 2554 (“Bidding”) is hereby amended to read as follows:

“2554 Bidding.

Purchases of supplies, non-professional services, equipment, the sale of personal property, and public work projects shall be by bid procedures set forth herein.”

SECTION 6. Port Hueneme Municipal Code Article II, Chapter 6, Section 2555 (“Purchase orders”) is hereby amended to read as follows:

“2555 Purchase orders.

Purchases of supplies, non-professional services, and equipment shall be made by procedures established by the Purchasing Officer.”

SECTION 7. Port Hueneme Municipal Code Article II, Chapter 6, Section 2556 (“Encumbrance of funds”) is hereby amended to read as follows:

“2556 Encumbrance of funds.

Except in cases of emergency, the Purchasing Officer shall not issue any purchase order unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.”

SECTION 8. Port Hueneme Municipal Code Article II, Chapter 6, Section 2559 (“Purchases of equipment, supplies, and contractual services of under ten thousand dollars”) is hereby amended to read as follows:

“2559 Purchases of equipment, supplies, and non-professional services of under ten thousand dollars.

Purchases of equipment, supplies and non-professional services of estimated value of ten thousand dollars (\$10,000.00) or less may be made by the Purchasing Officer in the open market. Requests for purchases shall be made on forms prescribed and provided by the Purchasing Officer (requisition forms and purchase orders).”

SECTION 9. Port Hueneme Municipal Code Article II, Chapter 6, Section 2560 (“Informal bid procedures–Supplies, equipment, and non-professional contractual services”) is hereby amended to read as follows:

“2560 Informal bid procedures–Supplies, equipment, and non-professional services.

Purchases of supplies, equipment, non-professional services, and sales of surplus property, of an estimated value of more than ten thousand dollars (\$10,000.00) and less than twenty-five thousand dollars (\$25,000.00) shall be made by informal procedures as described herein.

- (a) Purchasing Officer shall solicit proposals by telephone or written request to prospective vendors.
- (b) Informal purchases shall be based on at least three (3) proposals unless the product or service is proprietary. The order shall be awarded to the lowest responsible proposer, consistent with quality and delivery requirements.
- (c) The Purchasing Officer is authorized to award contracts and orders set forth herein.
- (d) Bids shall be submitted to the Purchasing Officer who shall keep a record of all informal orders and bids for a period of twelve (12) months after placement of the order. This record, while so kept, shall be open to public inspection.”

SECTION 10. Port Hueneme Municipal Code Article II, Chapter 6, Section 2561 (“Formal bid procedures–Supplies, equipment, and contractual services”) is hereby amended to read as follows:

“2561 Formal bid procedures–Supplies, equipment, and non-professional services.

Purchases and contracts for supplies, non-professional services, and equipment and the sale of surplus property of estimated value greater than twenty-five thousand dollars (\$25,000.00) shall be let by the formal procedures set forth herein.

- (a) The Purchasing Officer shall mail notices inviting formal bids. The notices shall be mailed to all qualified vendors on the bid list, if existing, or who have requested their name to be added thereto unless the products or service is proprietary.
- (b) The notices shall be mailed no later than ten (10) calendar days before the opening date of the bids. The notices shall describe the commodities or services in general terms, how to obtain more detailed information, and state the time and place for submission of bids.
- (c) The notice inviting bids shall be published at least fourteen (14) days before the opening date of the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the City, or, if there is none, in a newspaper of general circulation which is circulated within the City. The notice shall be posted in public places in the City that have been designated by resolution as places for placing public notices.
- (d) The City Clerk shall also post a notice of pending purchases or sales of surplus property on a public bulletin board in the City Hall.
- (e) Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public by the City Clerk or designee at the time and place stated in the public notices. A tabulation of all bids shall be open for public

inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

- (f) Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided in this Chapter. The decision of the City Council shall be final.
- (g) In its discretion, the City Council may reject any bids presented, abandon the purchase, or readvertise. After rejecting the bids submitted, the City Council may readvertise by declaring that the materials or supplies can be furnished at a lower price in the open market and may award the contract in the open market without further complying with this section.
- (h) If two (2) or more bids received are the same and lowest, the City Council may accept the one it chooses.
- (i) If no bids are received, the contract may be let in the open market, or by the informal procedures set forth herein.
- (j) The City Council shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. No defect or informality shall void any contract entered into.”

SECTION 11. Port Hueneme Municipal Code Article II, Chapter 6, Section 2563 (“Change orders”) is hereby amended to read as follows:

“2563 Change orders.

Following the award of a procurement contract for any materials, supplies, equipment, professional or non-professional services pursuant to this Chapter, the contract may be amended by the issuance of a change order, provided the change which is the subject of amendment is reasonably related to the scope of the original contract. The Purchasing Officer or his/her designee will maintain control relative to the scoping, estimating, and negotiating of the proposed change(s) and the Finance Director will certify the availability of funds for the proposed change in the event that the change order increases the contract cost., Annually a report will be submitted by the Purchasing Officer or his/her designee to the City Council outlining all change orders that have been issued to contracts governed by this Chapter during the reporting period.

Any change order with a total cost in the amount of twenty thousand dollars (\$20,000.00) or less may be approved by the Purchasing Officer, provided the aggregate amount of all changes to a particular contract, including the change order under consideration, does not exceed twenty (20) percent of the original contract cost. Any change order in an amount greater than twenty thousand dollars (\$20,000.00) or any change order which, when considered with the aggregate amount of all other changes to a contract, exceeds twenty (20) percent of the original contract cost, shall be approved by the City Council. Any time extension of the performance deadline up to a total of sixty (60) days under a contract may

be granted by the Purchasing Officer. Any time extension of a performance deadline that exceeds sixty (60) days shall be approved by the City Council.”

SECTION 12. A new subsection (d) is added to Port Hueneme Municipal Code Article II, Chapter 6, Section 2564 (“Exemptions from formal contract procedure”) to read as follows:

“(d) The Purchasing Officer may authorize purchases when participating in an established governmental “cooperative purchasing program” or when purchasing from a supplier who has been awarded a contract resulting from a formal competitive bid process by another governmental agency within the state or by the federal government.”

SECTION 13. Subsection (c) of Port Hueneme Municipal Code Article II, Chapter 6, Section 2573 (“Formal bid procedures–Public projects”) is hereby amended to read as follows:

“(c) The notice inviting bids shall be published at least fourteen (14) days before the opening date of the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the City, or, if there is none, in a newspaper of general circulation which is circulated within the City. The notice shall be posted in public places in the City that have been designated by resolution as places for placing public notices.”

SECTION 14. This Ordinance is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000, *et seq.*; “CEQA”) and CEQA regulations (Cal. Code Regs. tit. 14, §§ 15000, *et seq.*) because it establishes, modifies, structures, restructures, and approves rates and charges for meeting operating expenses; purchasing supplies, equipment, and materials; meeting financial requirements; and obtaining funds for capital projects needed to maintain service within existing service areas. This Ordinance, therefore, is categorically exempt from further CEQA review under Cal. Code Regs. tit. 14, §15273.

SECTION 15. Repeal of any provision of the Port Hueneme Municipal Code, or any other City resolution or ordinance herein will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 16. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 17. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Port Hueneme’s book of original

ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 18. This Ordinance will take effect on the 31st day following its final passage and adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

DOUGLAS A. BREEZE
MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

MARK D. HENSLEY
CITY ATTORNEY

JOHN BAKER
INTERIM CITY MANAGER

Attachment A

Administrative Changes to Purchasing Guide

The following is a summary of the changes recommended by Management Partners in the City of Port Hueneme Purchasing Guide.

1. **Reorganization of the Guide:** Substantial effort went into reorganizing the guide. The previous version required employees to look in multiple places to find guidance led to confusion, most specifically by Public Works staff. For example, the new guide places language about the responsibilities of the purchasing officer, the requesting departments, the finance department and city clerk into consistent language and sections, rather than having them spread out into several sections as was the case previously. Other areas of confusion we noted related to the different purchasing methods, authorization levels and responsibilities. These have been reorganized in the new guide.

2. **Changes in Content:** Most of the language in the new purchasing guide is the same as was in the prior policy, with some exceptions, as noted below.
 - a. **Separation of Duties:** Under Prohibited Practices we have added that no one employee shall be handle all aspects of a purchase. See Chapter 2 Sec C.
 - b. **Blanket Purchase Orders:** specify that all blanket purchase order have fixed terms and not to exceed amounts. Chapter 5 See Section B
 - c. **Qualified vendor lists:** We added a requirement to all non-public projects bids that qualified vendor lists be created and maintained and that vendors on that list be notified as well as using designate journals for notifying vendors. See Section Chapter 5 Sec. F.
 - d. **Non-Public Projects Emergencies:** A section has been provided for non-public project emergencies. This is a simpler version of the requirements for public projects. See Chapter 6 Sec. F 2.

 - e. **Timeframes for Tasks:** Management Partners added or modified timeframes, as follow:
 - i. Set timeframes for the Finance Department for some tasks, in order to enable the departments requesting purchasing assistance to know what to expect. See Chapter 3 Section F.
 - ii. Added a requirement for requesting departments to keep records of requests for informal bids of less than \$10,000 for one year. It was previously 6 months. Chapter 5 Section O provides for all bids over \$10,000 to be maintained for 3 years. See Chapter 7 Section D 2.
 - iii. Added a timeframe for the Finance Director to report annually to the City Manager on all contracts change orders approved in the preceding year. Additionally requesting departments must prepare the change order request memorandum and file it with the Finance department prior to

proceeding with work related to the change order. See Chapter 5, Section K (4) and (6).

- iv. Added a timeframe for requesting departments to provide an annual report of dispositions of surplus property to the Finance Department no later than 60 days after the close of the fiscal year. See Chapter 5, Section S (5).
- v. Added a timeframe for departments to keep records of informal bid documents for one year. The current requirement is 6 months which does not insure adequate time to review documentation as part of year end closing and audit reviews. See Chapter 7, Section D.2.
- vi. Notices to vendors and trade journals for formal public project bids in excess of \$75,000 are currently required to be 30 day in advance of the bid opening; it is 14 days for notices published in newspapers. Unless there is an emergency situation, neither of these timeframes may be long enough for more complex projects to meet the goal of getting sufficient qualified bidders. We have changed the language in the Purchasing Guide to require a minimum of 30 days for all, rather than the 14 days. The purpose of the formal bid process is to obtain multiple responsive bids. The Purchasing Officer (City Manager) may make exceptions to this if need warrants, but the idea is for staff to plan ahead for purchases to allow multiple responsive bids to be presented to the City for consideration. See Chapter 10, Section D.

- f. **Responsibilities of the Parties:** Management Partners clarified the responsibilities of the parties. See Chapter 3, Sections A – G.
- g. **Authorization for Approving Contracts:** The table previously created by the City Attorney has been incorporated into the new purchasing guide. See Chapter 7, Section C. A slight change has been made to this table in some of the dollar amounts, for example if the authority for purchasing without a bid is \$0 - \$2,500, then the next level requiring informal bids is now \$2,501 to \$10,000. Previously, the table had said \$2,500. Similar minor changes were made to other relevant dollar amounts on that table.

City of Port Hueneme Purchasing Guide

Table of Contents

CHAPTER 1: INTRODUCTION	5
Use of the Guide	5
CHAPTER 2: PURCHASING CODE OF ETHICS AND PROHIBITED PRACTICES	6
Section A – Introduction	6
Section B - Purchasing Code of Ethics	6
Section D - Unauthorized Purchases and Contracts	7
CHAPTER 3: GENERAL PROVISIONS – DUTIES AND RESPONSIBILITIES:	8
Section A - Introduction	8
Section B - The Purchasing Officer’s Responsibilities and Duties	8
Section C - Purchasing Officer’s Duties That May Be Assigned to Others	8
Section D - Formal Assignment of Purchasing Officer’s Duties	8
Section E – Responsibilities of Requesting Departments	9
Section F - Finance Director Responsibilities	9
Section G - City Clerk Responsibilities	10
CHAPTER 4: METHODS OF PURCHASING ALLOWED	11
CHAPTER 5: STANDARD PURCHASING PROCEDURES	12
Section A - Forms and Purchase Orders.....	12
Section B - Blanket Purchase Orders.....	12
Section C - Petty Cash Purchases and Reimbursements.....	13
Section D - Purchasing Cards	13
Section E - Travel Expenses.....	13
Section F - Qualified Vendor List.....	13
Section G - Encumbrance of Funds	14
Section H - Receipt, Inspection and Testing.....	14
Section I - Quality and Quantity of Services Purchased	15
Section J - Lowest Responsible bidder	15
Section K - Change Orders – General Rules	15
Section L - Change Order Authorizations.....	16
Section M - Invoices	16
Section N – Contract Extensions and Renewals.....	16
Section O - Procurement and Contract Files:.....	17

Section P - Grant Proposals and Purchases	17
Section Q - Hazardous Materials.....	17
Section R - Recycling	17
Section S - Disposal of Surplus Property (Materials, Supplies or Equipment)	17
CHAPTER 6: EXEMPTIONS	18
Section A - Introduction	18
Section B - Exemption from Purchase Orders.....	19
Section C - Exemptions to the Bidding Process.....	19
Section D - Professional Services	19
Section E - Sole Source Purchases.....	20
Section F - Emergency Purchases.....	20
Section F.1 - Emergency Purchases for Public Works	20
Section F.2 – Other Emergency Purchases	20
Section G - Cooperative Purchases	21
CHAPTER 7: AUTHORIZATION FOR APPROVING CONTRACTS AND PAYMENT LIMITS	21
Section A - Introduction	21
Section B - Authorized Signature List.....	22
Section C - Levels of Authority to Purchase by Dollar Amount.....	23
Section D- Bidding and RFP Limits by Dollar Amount	24
Section D.1 - Limit: \$2,500 or Less by Open Market.....	24
Section: D.2 - Limit: \$2,501 to \$10,000 by Informal bid	24
Section D.3 - Limit: \$10,001 - \$25,000 by Informal Bid	24
Section D.4 - Limit: Purchases Greater than \$25,000 by Formal Bid	24
Section E: Public Projects – Procurement Limits by Dollar Amount	25
Section E.1 - Limit: \$0 to less than \$25,000	25
Section E.2 - Limit Less than \$75,000.....	25
Section E.3 - Limit: Greater than \$75,000.....	25
CHAPTER 8: REQUEST FOR PROPOSALS (RFP) AND REQUEST FOR QUALIFICATIONS (RFQ) PROCEDURES FOR PROFESSIONAL SERVICES OR PRODUCTS	25
Section A - Introduction	25
Section B - Preparing the Request for Proposals and/or Request for Qualifications	26
Section C – Request for Proposals and Request for Qualifications Procedures	27

Section D - Receipt of Proposals	27
Section E - Amendments to RFP/RFQ	27
Section F - Proposal Opening	28
Section G - Evaluation Factors and Methods	28
CHAPTER 9: FORMAL BID PROCEDURES	29
Section A - Initiating Department Responsibilities	29
Section B - Sample Bid Public Notice:	29
CHAPTER 10: PUBLIC PROJECTS BIDDING PROCEDURES	30
Section A – Introduction	30
Section B – Force Account Work.....	31
Section C – Informal Bid Process.....	31
Section D – Formal Bids	31
CHAPTER 11: DEFINITIONS.....	35
Attachment A - City of Port Hueneme Authorized Signature Form.....	40
Attachment B - Copy of Chapter 6, Parts F and G of the Municipal Code	41
Attachment C – Administrative Policies and Procedures C-001: Credit Card Policy	42
Attachment D – Administrative Policies and Procedures C-005: Travel Policy	43
Attachment E – Administrative Policies and Procedures C-009: Petty Cash	44

CHAPTER 1: INTRODUCTION

This Purchasing Guide (Guide) is intended to provide the rules and requirements for all City officials and employees engaged in procurement of goods and services. This Guide contains an updated set of purchasing Guidelines to assist City staff in properly executing procedures consistent with the City Charter and Municipal Code (MC). The City's purchasing mission, as expressed in the City Charter, is clear: ***“The City Council shall by ordinance provide for a purchasing system assuring a maximum of competition for the lowest price consistent with the stated level of quality.”***

This Guide is to be followed by all City officials and employees, and applies to all City agencies, including the City of Port Hueneme Housing Authority and the Port Hueneme Surplus Property Authority. Any employee engaged in purchasing is required to follow the applicable sections of the Municipal Code (Section 2550) as well as this Guide in making purchases. City policies for purchasing are found in the City Charter, the Municipal Code (MC) and in sections of the City of Port Hueneme Administrative Policies and Procedures (AP and P).

The Council established expectations for a purchasing system by ordinance in Chapter 6 of the Municipal Code: General Administration of the Municipal Code. MC Section 2550 was first adopted in 1997, and revised by the Council on _____.

Purchasing is not an easy task, as it requires attention to detail and adherence to multiple sets of laws, rules and regulations. The City Council designated the City Manager as the Purchasing Officer to establish all standards, procedures and rules or regulations to regulate all aspects of purchasing and contracting. The City Attorney provides advice on legal interpretation questions that arise regarding application of the City Charter or state laws to specific situations.

Use of the Guide

This Guide contains provisions of the City's previous Guide as well as new content. The introductory chapter is followed by a new section of the Guide on purchasing ethics and prohibitions as well as general sections. It is organized to closely resemble the Municipal Code and purchasing section of the City's Administrative Policies and Procedures Manual. Details related to the administration of the Living Wage ordinance (MC Sec 2561.1 2562) are not included in this Guide. Sections of the Municipal Code (MC), including specific citations, are referred to and/or copied verbatim in this Guide. When specific citations are quoted verbatim, the code section follows the citation. Throughout the document the words “shall” or “must” are interchangeable and mean the action is mandatory. When “should” is used, it means the stated procedure is expected to be followed, unless authorization from the Purchasing Officer or designee is obtained.

CHAPTER 2: PURCHASING CODE OF ETHICS AND PROHIBITED PRACTICES

Section A – Introduction

Chapter 2 provides a code of ethics for purchasing and lists prohibited practices. City officials and employees are expected to follow the intent and letter of the law in all matters. The California State Legislature and voter initiatives have created a complex system of laws and regulations that set minimum standards of ethical conduct for public officials. The City of Port Hueneme expects all officials and employees to follow the intent, not only the letter of the law, in making decisions regarding expenditures of public money.

Section B - Purchasing Code of Ethics

To provide guidance beyond State ethics laws, the following ethics principles are provided. City representatives shall apply and adhere to these ethics principles when dealing with vendors and all person, and are expected to provide their best, unbiased judgment each time they act on the City's behalf. The following principles comprise the City's purchasing code of ethics to be followed by all City officials and employees will follow these principles.

1. Avoid unfair practices by granting all competitive vendors equal consideration insofar as State, Federal and City regulations require;
2. Conduct business in good faith and demand honesty and ethical practices from all participants in the purchasing process;
3. Neither solicit nor accept personal gifts or gratuities from present or potential vendors and contractors since this can influence or appear to influence procurement decisions;
4. Promote positive vendor and contractor relationships by according vendor representatives courteous, fair and ethical treatment;
5. Make every reasonable effort to negotiate equitable and mutually agreeable settlements of disputes with a vendor(s);
6. Avoid involvement in any transaction or activity that could be considered to be a conflict between one's personal interest and the interests of the City;
7. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions;
8. Honor our obligations and require that obligations to our public agency be honored; and,
9. Enhance proficiency by acquiring and maintaining current technical knowledge and pursuing related educational opportunities and professional growth.

Section C - Prohibited Practices

The Municipal Code and the Administrative Policies and Procedures Manual prohibit certain practices regardless of the purchasing type or level of authority. Prohibited practices include:

1. City employees shall not have a financial interest in any contract or purchase nor make any attempt to realize personal gain directly or indirectly through a contract or purchase of goods or services;
2. One employee shall not handle all aspects of a purchasing transaction but rather separation of duties shall apply (e.g., writing bid specifications, accepting bids, evaluating the bids, recommending a vendor, and awarding a contract);
3. Employees and former employees shall not knowingly use confidential information for actual or anticipated personal gain;
4. No City employee may use the City's purchasing procedures to obtain property for personal use in any manner, including making misrepresentations to vendors that may result in obtaining price discounts that for personal benefit;
5. No City employee may draft or cause to be drafted any specifications for bids, or any RFP in such a way as to directly or indirectly limit the bidding to any one bidder or respondent, except for authorized sole source procurements;
6. No purchase shall be approved or undertaken unless an appropriation has been established;
7. No purchase shall be authorized by a City employee without a purchase order and encumbrance;
8. Dollar limits for purchases and bids are established by ordinance; purchases may not be split to avoid the required procedures and/or specified dollar amounts;
9. No invoice may be processed for payment if goods or services are unsatisfactory, or when there is a price discrepancy between the originally quoted price and the invoice received; and,
10. Emergency purchases are for emergencies only, and may not be used to avoid delays or penalties due to lack of planning

Section D - Unauthorized Purchases and Contracts

It is unlawful for any officer, employee, or agent of the City to order the purchase of supplies or equipment, or to contract for services or contract for public projects, or otherwise make any contract in violation of the City's Municipal Code. Furthermore, any employee who violates provisions of the Municipal Code, Administrative Policies and Procedures or this Guide and/or acts to purchase any equipment, services or supplies inconsistent with the written instructions or directives of the Purchasing Officer is subject to discipline up to, and including, dismissal from City employment. Any agreement or contract for the purchase of goods, services, professional services, and/or construction projects made contrary to the provisions of the Municipal Code is void and any claim or demand against the City based thereon is invalid.

CHAPTER 3: GENERAL PROVISIONS – DUTIES AND RESPONSIBILITIES:

Section A - Introduction

General provisions provide guidance for all types of purchases without regard to special levels of authorization based on the price of the good or service. After this Chapter, content is specific to authorization levels or to special types of services.

Section B - The Purchasing Officer's Responsibilities and Duties

Chapter 2, Section 2101 of the Municipal Code sets forth the duties of the City Manager: ***“The City Manager “acts as the City’s Purchasing Officer and sets policies providing for the purchase of all materials, supplies, services and equipment for which funds are provided in the budget...”***

Chapter 6, Section 2551 creates the office of the Purchasing Officer and gives the Purchasing Officer the general and broad responsibility for all purchasing, with the provision that those responsibilities may be shared or delegated to others within the organization. By ordinance the Purchasing Officer’s responsibility is to “discourage uniform bidding and endeavor to obtain as full and open competition as possible.”

Section C - Purchasing Officer's Duties That May Be Assigned to Others

As outlined in MC Section 2551, the Purchasing Officer may assign duties to other individuals within the City. Individuals assigned are expected to keep the Purchasing Officer fully informed on all matters for which they are assigned duties.

Duties that may be assigned by the Purchasing Officer to other City employees include the following:

1. Keeping informed of current developments in the field of purchasing, prices, market conditions and new products;
2. Updating and revising city purchasing administrative regulations, procedures, and forms;
3. Drafting specifications, bids, and RFPs in preparation of notice to vendors;
4. Sending notifications to vendors;
5. Maintaining bidders lists, vendor files and records as required;
6. Reviewing bids or offers and selection of vendors;
7. Negotiating and executing contracts within the specified limits (see Authorization Limits);
8. Ensuring the proper inspection of all supplies, services and equipment purchased to insure conformance with specifications;
9. Transferring of or bidding and sale of surplus property;
10. Approving exemptions to purchase orders or bidding requirements (i.e. sole source requests) with written statement of supporting rationale submitted to the Purchasing Officer.

Section D - Formal Assignment of Purchasing Officer's Duties

Assignment of duties listed in Section 3 above shall be from the Purchasing Officer or his or her designee. This shall be done in writing each year. The purpose of this is to have clarity about who is authorized to act on behalf of the Purchasing Officer and for what duties.

Section E – Responsibilities of Requesting Departments

The department requesting purchasing authorization initiates the purchase request. Department directors and supervisors are responsible for ensuring that staff engaged in purchasing activities are knowledgeable and proficient at such tasks, and that all requirements of this Purchasing Guide, the Municipal Code and the City's Administrative Policies and Procedures. The requesting department's duties include the following and any other duties the Purchasing Officer may request.

Purchasing duties assigned to staff within City departments include the following:

1. Anticipate the department or divisions' needs well in advance to avoid delays;
2. Keep informed of prices, market conditions and new products;
3. Prepare standards and specifications;
4. Maintain all required vendor lists;
5. Verify that an appropriation is available for purchases and obtain encumbrances prior to executing any contract or agreement;
6. Make purchases in accordance with City requirements as referenced in this Purchasing Guide, Municipal Code, Administrative Policies and Procedures, or any other procedures defined by the Purchasing Officer;
7. Inspect goods and services received to ensure conformity with purchase order or contract;
8. Notify the Finance Department when cost discrepancies or dissatisfaction with goods and services arises; and,
9. Work with the City Attorney and the City Manager to ensure that any purchase and service contract is consistent with programmatic goals, City policies and legal concerns.

Section F - Finance Director Responsibilities

The Finance Department plays an important role in providing assistance with and regulating purchasing practices. The department needs to balance these roles to ensure that their use of authority protects the City's fiscal resources at the same time that it provides timely service to the departments. The Finance Director is responsible for carrying out, or assigning to his/her staff, the following duties, as well as any other duties assigned by the Purchasing Officer.

1. Keep current regarding best practices in purchasing including changes to applicable laws;
2. Update and revise City purchasing administrative regulations, procedures, and forms;
3. As needed or at the request of any department, provide training to any employee who needs assistance in understanding the Municipal Code, Administrative Policies and Procedures or this Guide;
4. During budget development, assist departments in identifying anticipated commodities and services for the upcoming year;
5. Review all purchases to ensure full and open competition based on the procurement Guidelines for requesting proposals and bidding;
6. Ensure that proper documentation is available prior to issuing purchase orders for sole sources and emergency purchases;

7. Coordinate and provide assistance to departments to properly inspect all purchased supplies, services and equipment conform with specifications (as needed);
8. Coordinate and provide assistance to departments to safely store procurement records (as needed);
9. Review purchase order and requests for encumbrances (with a goal of the same day or within two business days)
10. Review travel authorization requests (with the goal of the same day or within two business days);
11. Review credit card use and advise department directors of errors, inconsistencies or abuse within one accounts payable payment cycle;
12. Review and provide travel reimbursements within one accounts payable payment cycle; and,
13. Provide City Manager with annual report on change orders;
14. Provide the City Manager with reports on trends and patterns of purchasing to ensure proper budget and accounting controls are being followed.

Section G - City Clerk Responsibilities

The City Clerk plays a key role when formal bids are prepared and vendors are selected. Duties assigned to the City Clerk include the following:

1. Advertise procurement opportunities as required by law;
2. Publish or post procurement notices in public places as designated by the Council;
3. Conduct bid openings;
4. Notify vendors not selected and return bid bonds;
5. Maintain copies of all formal bids including rejected bids for at least two years after a bid opening;
6. Obtain and attest to the Mayor's signature on executed contracts; and,
7. Send original, signed contracts to vendors; send copies of the contract to the initiating department; and retain one original copy of the contract in the project file.

CHAPTER 4: METHODS OF PURCHASING ALLOWED

The City Charter emphasizes the maximum use of competition to achieve quality at the best price; a bid process is usually used to achieve this goal. Municipal code Section 2554 "Bidding" states: ***"The purchasing of supplies, services, equipment, the sale of personal property, and public works projects shall be by bid procedures set forth herein."***

This sets the standard for most purchases and implies that all purchases are by bid process. However, the Municipal Code and Administrative Policies and Procedures allow for other methods of purchasing.

The following sections contain a description of four methods of making purchases stated in the Municipal Code and Administrative Policies and Procedures. The lowest level of competitive process is the "open market" purchase. The highest level of competitive process is the "request for proposals" or "formal bid" type. The appropriateness of using each of the four types essentially depends on the value of the goods or services to be acquired or the special considerations given the type of services.

Open Market Purchases: These include credit card and purchase order purchases under \$2,500. They do not require the solicitation of multiple providers or bids. However, this threshold is lower for the Housing Authority as HUD regulations restrict "Mini-Purchases" to under \$2,000 without bids. Purchases with special circumstances such as emergency or sole sources purchase can also be purchased on the open market.

Informal Bids: An informal bid does not require the formal notification, evaluation and selection processes required for formal bids. Instead the receiving department is required to contact at least three vendors or service providers to adequately identify and select potential qualified vendors and acquire competitive pricing for the good or service.

Formal Bids: A formal bid requires the formal notification, evaluation and selection processes for each authorization level to identify responsible and responsive bidders and acquire competitive pricing for the good or service.

Request for Proposal (RFP): Requests for proposals are used when generic specifications are not available, are too difficult to draft, or when the selection of the vendor is not based solely on price (i.e. the lowest bidder). This is the case with professional services such as engineering or consulting services.

More information is provided in Chapter 7, *Authorization for Approving Contracts and Payment Amounts*.

CHAPTER 5: STANDARD PURCHASING PROCEDURES

Section A - Forms and Purchase Orders

When any department requires the purchase or acquisition of materials, supplies or services for the proper functioning of the department, it shall use the approved forms established by the Purchasing Officer. The following rules apply.

1. Prior to any purchase, the requesting departments request and process a purchase order for all purchases, notwithstanding the exceptions above.
2. Purchase orders must be in writing to avoid vendor questions on the description of items to be purchased. Questions related to the appropriate forms should be addressed to the Finance Department.
3. A purchase order must be reviewed by the Finance Department to ensure compliance with the Purchasing Ordinance before it is considered valid.
4. If information needed to process a check is not provided on the purchase order (or attached as back-up), generate a check requisition in memo form.
5. The purchase requisition form does not need to be reviewed for compliance with the Purchasing Ordinance by the Finance Department and this form becomes a purchase order for expenditures over \$2,500.
6. A formal purchase order, approved by the department director is required for all purchases exceeding \$2,500. Purchase orders may be issued, regardless of amount, when required by the vendor, or when the complexity of the contract demands a formal document for clarity.
7. If signatures other than the department director are required (i.e. purchase orders over \$2,500), forward all department copies to the Finance Department. Copies are returned once proper authorization occurs.

Section B - Blanket Purchase Orders

A blanket order is a purchase order the City makes with its supplier which contains multiple delivery dates over a period of time. It is normally used when there is a recurring need for expendable goods or ongoing services. If equipment and/or supplies are to be purchased from the same vendor and charged to the same account, blanket purchase orders may be issued.

The following rules apply to blanket purchase orders:

1. They must be executed on a contract form approved by the City Attorney;
2. There must be a fixed term;
3. They must have a "not-to exceed" expense limit; and,
4. They are subject to the same authorization limits of other bids and proposals.

Section C - Petty Cash Purchases and Reimbursements

City employees may make a cash purchase for City business expenses up to \$25 and be reimbursed by the department through its Petty Cash Fund. Petty Cash Funds are available for purchasing small dollar items that cannot be obtained more appropriately by a purchase order or check request. City business expenses subject to other policies, such as the Travel Policy, are not reimbursable through Petty Cash. The AP and P (Policy # C-009) provides details for the establishment and use of a department's Petty Cash fund (see Addendum A).

Section D - Purchasing Cards

Purchasing cards are the most efficient and cost effective way to pay for small dollar purchases of goods. City credit cards are usually issued in the name of the City of Port Hueneme and assigned to a department head. The AP and P (Policy # C-001) provides details for the use of City purchasing cards (see Addendum B). Card use is restricted to the purchase of items available at the time of transaction. Purchases are limited to a single transaction of \$1000 and each card usually has a total credit limit of \$5,000. Purchases made via telecommunications media beyond \$1,000 are restricted and must receive direct approval of the City Manager. Any exception to these limits requires the approval of the City Manager. Additionally, department directors are personally responsible for all transactions until verification and payment is made by the City.

Section E - Travel Expenses

Travel expenses can be direct purchases and purchases with reimbursements. It is the City's policy to reimburse travel expenses incurred by employees in the course of conducting City business. Administrative Policy # C-005 provides details for the procedures and forms related to travel expenses (see Addendum C). Departments should plan ahead and make as many of the travel expenses, such as hotels, conference registration, or airfare using standard purchasing techniques. Reimbursements should be limited to out-of-pocket employee cost while traveling. When making a travel reimbursement request only travel expenses are submitted on the form.

Section F - Qualified Vendor List

Pursuant to the MC (Section 2551(j)), the Purchasing Officer may at his or her discretion require the maintenance of vendor lists. A vendor list is useful for informal and formal bidding and identifies potential vendors to respond to calls for bids. MC Section 2570, (*Concerning Public Projects*), follows the wording of Section 22034 of the State Public Contracts Code, and requires that "a list of qualified contractors, identified according to categories of work, shall be developed and maintained." This provision is extended to all non-public project bids.

1. Each department utilizing a vendor list shall establish a competitive process for selecting vendors. The department director shall consult with the Finance Department and the Purchasing Officer to ensure that the method of selecting the vendors conforms to the principles of competition expressed in the City Charter and the MC.
2. The list may be used as part of an open market purchase, and shall be used for informal or formal bids to identify potential vendors. Once established the list may be updated, as needed, and shall be made available for public viewing.

Section G - Encumbrance of Funds

MC Section 2556 (*Encumbrance of Funds*) requires that encumbrances be created for all purchases “except in cases of emergency, the Purchasing Officer shall not issue any purchase order for supplies, services, or equipment unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.” The following rules apply to encumbrances of funds.

1. Requesting departments are required to check that there are adequate funds available prior to requesting a purchase order;
2. The Finance Department shall establish an encumbrance at the time that the purchase order is issued; and,
3. Purchasing without a purchase order and/or encumbrance is a violation of the MC sections 2555 and 2556 and is subject to discipline.

Section H - Receipt, Inspection and Testing

MC Section 2557 (*Inspection and Testing*) requires inspecting services and equipment received. The department shall verify that delivered items conform to purchase order specifications and that no discrepancies in quantity or quality exist. The following rules shall apply to receipt, inspection and testing.

1. The department director, or designee, is responsible for signing for delivery. A signed shipping notice and the vendor's invoice is sufficient assurance to the Finance Department that the delivered commodity meets specifications;
2. When a shipment does not conform to the purchase order, the department director (or his or her designee) shall immediately notify the vendor of the discrepancy and holds the goods for inspection;
3. Tests or samples of items to be purchased may be required as part of a bid and may be used to determine conformance;
4. The department director shall reject an item if it does not conform to specifications. No invoice shall be processed for payment if goods or services are unsatisfactory, or when there is a price discrepancy between the originally quoted price and the invoice received; and,
5. By ordinance the Purchasing Officer has the right to waive any defect of informality. The department shall notify the Finance Department of any discrepancies.

Section I - Quality and Quantity of Services Purchased

All purchases shall be of the quality deemed necessary to suit the intended purpose, and be suitable and beneficial to the City. The least expensive goods meeting quality standards should be purchased.

The quantity of goods purchased is determined by scheduled work on continuing operations. The necessary quantity can be affected by changes in operations, markets, cost and availability of storage facilities, handling and shipping costs and losses.

To obtain the correct quality of purchased goods, the following steps may be taken, as appropriate:

1. Testing, analyzing and measuring past performance of items may be used to determine quality
2. Consider the intended purpose of goods when purchasing a particular product or service.
Quality of goods should be stated in the procurement specifications
3. Clearly describe in writing the items in purchase orders to avoid vendor questions or errors
4. Commercial grades or standards should be used as applicable.

Section J - Lowest Responsible bidder

The preferred approach to acquiring products or services at the lowest best price is the bid process and bids are generally awarded to the lowest responsible bidder. MC Section 2566 provides a broader set of criteria for selection not limited to the lowest price. In addition to price, consideration is given to quality and performance of the supplies to be purchased or services provided by the seller. The following rules apply regarding the lowest responsible bidder.

1. Criteria for determining low bids includes the ability, capacity, and skill of the bidder to perform the contract or provide the supplies or services required;
2. The ability of the bidder to provide the supplies or services promptly, or within the time specified, without delay or interference;
3. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
4. The quality of bidder's performance on previous purchases or contracts with the City;
5. The ability of the bidder to provide future maintenance, repair parts and services for the use of the supplies purchased; and,
6. Current compliance by the bidder with Federal acts and Executive Orders and State of California statutes governing the subject of nondiscrimination in employment, provided that the City Manager recognizes as proof of noncompliance only the final decisions and orders of those Federal and State agencies empowered under the law to make such findings.

Section K - Change Orders – General Rules

MC Section 2563 (Change Orders) provides the authority related to all change orders, including public projects. The following rules apply to change orders.

1. After a procurement contract for materials, supplies, equipment or services is awarded, the contract may be amended by change order as long as the amendment is reasonably related to the scope of the original contract.

2. The Purchasing Officer or his/her designee (the requesting department head) controls the scope of the change.
3. The Finance Director shall certify the availability of funds for the proposed change in case the change order increases the contract's cost.
4. A clear, concise and explicit change order memorandum, signed by authorizing authority, must be prepared and filed with the Finance Department for each change order prior to additional goods or services being delivered or performed. The contractor must agree in writing to the change order, as outlined in the Memorandum.
5. When appropriate, the change order must include the following:
 - a. What is to be done;
 - b. Location and limits of proposed work;
 - c. Any applicable specification changes and references to specifications;
 - d. The proposed change order's effect on the time of completion of the services or projector; and,
 - e. Method and amount of compensation.
6. The MC Sec. 2563 requires that " on a regular basis a report will be submitted to the City Council." Therefore, within 90 days after the end of the fiscal year, the Finance Director will submit an annual report to the City Manager outlining all change orders issued to contracts during the previous fiscal year.

Section L - Change Order Authorizations

Pursuant to MC Section 2563 change order authorizations must conform to the following standards.

1. Any change order with a total cost of \$20,000 or less may be approved by the Purchasing Officer, as long as the total amount of all changes to a particular contract (including the change order under consideration) does not exceed 20 percent of the original contract cost.
2. City Council approval is required for any change order in an amount greater than \$20,000 or any change order which, when considered with the total amount of all other changes to the contract, exceeds 20 percent of the original contract cost.
3. Any time extension of the performance deadline up to a total of 60 days under a contract may be granted by the Purchasing Officer.
4. City Council approval is required for any time extension of a performance deadline exceeding 60 days).

Section M - Invoices

The department director and/or his or her designee ordering the materials or services must sign invoices. Upon receiving invoices from vendors, requests for payments by departments must include a clear identification of the budget account number(s) to be charged upon payment.

Section N – Contract Extensions and Renewals

Contracts providing any option for renewal or extension may be exercised at the sole discretion of the Purchasing Officer and are not subject to agreement or acceptance by the vendor. No option is exercised unless the department director determines in writing after reasonable investigation of costs

and benefits, that the exercise of the option is more advantageous to the City than other means of procuring comparable supplies or services. Renewals should contain a well-defined time limit in days, months, or years.

Section O - Procurement and Contract Files:

A file is required to be maintained on each contract for any commodity or service acquired through an informal, formal or RFP procurement process that results in a City obligation of greater than \$10,000. This includes sole source, emergency and cooperative purchases. The file is required to be maintained for at least three years from the date of final payment under the contract. The file must include a copy of the vendor notification, bids or proposals, the selection criteria, final selection and authorization and any other written documents required by these procedures and be open to public inspection.

Section P - Grant Proposals and Purchases

Federal, State or local grant programs may require special conditions including those that are more stringent than City procedures. Furthermore, the amount of funding is in question until the grant is formally approved by the granting agency. Therefore, grant proposals and purchasing requirements must be reviewed by the Finance Department and approved by the City Manager prior to submission to the granting agency. No appropriation may be adopted, nor a purchase order be issued without the grant being formally approved by the granting agency. It is the responsibility of the receiving department accepting the grant to ensure that all grants provisions are in compliance.

Section Q - Hazardous Materials

Vendors must include a Material Safety Data Sheet (MSDS) with the shipment of purchase orders for chemicals, solvents, cleaners or other products that may contain hazardous materials.

Section R - Recycling

It is the City's policy to conserve and protect its natural resources. Maintaining a quality environment for citizens of the City is an ongoing objective. Because of this, the City encourages the use of recycled goods whenever possible.

Section S - Disposal of Surplus Property (Materials, Supplies or Equipment)

MC Section 2558 (Surplus Supplies and Equipment) provides for the disposition of surplus property. The Purchasing Officer or his/her designee may sell, trade, transfer or donate surplus property, subject to legal review, Council authorization and consistency with the MC. all applicable laws. The City Attorney must be consulted regarding disposal of property acquired with grants

Surplus property for purposes of this section is defined as materials, supplies or equipment, and does not include real property.

1. The disposing department must first offer any useful surplus property to other departments before any other disposition is considered.
2. Once property is deemed as surplus by an operating department, the department notifies the person designated by the Purchasing Officer to dispose of City property.

3. The department must complete a surplus property form and provide a copy to the Finance Department.
4. The department or persons designated to dispose of surplus property shall maintain records “showing the supplies and equipment disposed of, the method of disposal, and the amounts (if any) recovered from its disposal and maintain records for public inspection relative to the disposal of supplies and equipment.” Such records must be maintained for no less than three years.
5. The department designated by the Purchasing officer to dispose of surplus property must provide an annual report of all dispositions to the Finance Department no later than 60 days following the close of the fiscal year.
6. The Purchasing Officer or designee determines whether the surplus property has value:
 - a. If it is determined to have value, it can be sold.
 - b. If it is determined that the surplus property has little to no value, the item may be donated to a charitable organization (such as Goodwill) or otherwise disposed.
7. If the surplus property is sold, the sale shall occur by a bona fide public auction or a competitive process approved by the Purchasing Officer.
 - a. If the value is \$5,000 or less, include the property in a list prepared by the department and sell by informal bid to the highest bidder.
 - b. If the item is expected to sell for more than \$5,000, publish a notice inviting formal bids in a general circulation newspaper. The sale goes to the highest bidder.
8. With written approval from the City Manager, the property may be donated or sold to another governmental agency without a public auction or a complete bid process.
9. The Purchasing Officer may authorize the use of surplus equipment as a trade on replacement equipment.

CHAPTER 6: EXEMPTIONS

Section A - Introduction

The Municipal Code provides for a broad exemption of purchasing practices when the City Council deems it in the best interest of the City. MC. Sec. 2564 (b) provide that: *“The City Council may authorize purchase of supplies, equipment, and services without complying with this Chapter MC Chapter 6) when in the opinion of the City Council, compliance with the procedures is not in the best interest of the City.”*

MC Section 2552 also provides that: *“The City Manager may authorize in writing any agency or department to purchase or contract for specified supplies, services, and equipment independently of the Purchasing Officer, but shall require that such purchases be made in conformity with the procedures established by this Chapter and may further require periodic reports from the agency or department of the purchases and contracts made under such written authorization.”*

The following exemptions are established and do not need prior authorization from the Purchasing Officer to proceed.

Section B - Exemption from Purchase Orders

Purchase orders are not required in all cases unless specifically requested by a vendor. These purchases are generally for items where the payment must accompany the order. Examples of exemptions from purchasing orders are the following:

1. Courier, delivery and messenger services
2. Credit card purchases
3. Instructor payments
4. Medical payments
5. Memberships and dues
6. Publications
7. Public notices
8. Reimbursements
9. Travel expenses (see travel policy)
10. Utility and cell phone bills

Section C - Exemptions to the Bidding Process

Certain purchases are not readily adaptable to the bidding process and are generally for items where the competitive bid process is not applicable because of the unique quality or limited availability of the service to be performed or the special conditions under which the services is needed. Departments may submit written requests for additional exemptions to the Purchasing Officer and if warranted, additional exemptions will be added to the list. The City Manager may authorize in writing any agency or department to purchase or contract for specified supplies, services, and equipment independently of the Purchasing Officer, but such purchases are required to conform with the procedures established by this Chapter and may further require periodic reports from the agency or department of the purchases and contracts made under such written authorization (MC Section-___).

Exemptions to bidding are limited to the items listed below:

1. Professional services;
2. Sole Sources good and services;
3. Cooperative purchases; and,
4. Goods and services purchased in cases of emergency.

Section D - Professional Services

MC Section 2565, provides the following exemption from bidding for professional services without regard for whether they are part of a public project (i.e. engineering) or for general City purposes:

1. The City is not restricted to engaging in a competitive bidding procedure when seeking to retain specially trained persons or firms to provide services in connection with financial, economic, accounting, engineering, legal, administrative, or other matters involving specialized expertise or unique skills
2. In securing professional services, the City utilizes a request for proposals procedure, the method and details of which are outlined in this Guide.

Section E - Sole Source Purchases

Sole source procurement is any transaction in which the services and /or supplies can be obtained only from one source. Sole source purchases in relation to commodity or services should be very limited.

1. After conducting a good faith review of the available sources and determining that there is only one source for the required equipment, good or service, the requesting department determines in writing that a sole source procurement is necessary to ensure compatibility with existing City equipment
2. The only justification for sole sources procurements are:
 - a. The contractor or supplier is the sole provider of the services or supply; and,
 - b. The contractor or supplier is the only source permitted to provide the service or supply because of the manufacturer's agreement with the contractor or supplier as sole representative in a certain geographical area.
3. The department requesting sole source procurement shall provide written evidence to the Purchasing Officer or his/her designee to support a sole source determination. The Purchasing Officer may require that negotiations be conducted as to price, delivery and terms. The Purchasing Officer may also require the submission of cost or pricing data in connection with an award under this section.
4. Only the City Manager or a department director may authorize a sole source purchase and only after proper documentation is provided and reviewed by the Finance Department
5. After approval from Council, a sole source purchase of greater than \$10,000 may be made by the Purchasing Officer without advertising (MC. Sec. 2564)

Section F - Emergency Purchases

The intent of an emergency purchase is to be able to respond to emergency situations such as sewer main breaks, power outages and other unforeseen circumstances. In the event of an emergency requires immediate action to ensure public health, safety, welfare and continuity of operations, the City Manager may authorize the purchase of necessary supplies, equipment and services without competitive bidding for the purpose of responding to the emergency with unencumbered funds, irrespective of whether the funds are appropriated for such purpose.

Section F.1 - Emergency Purchases for Public Works

MC Section 2574 (*Emergencies – Public Projects*) provides specific steps and procedures related to emergency procurement for the “repair or replacement” of public projects. This section of the MC is reproduced in its entirety at the end of this Guide. (Attachment B).

Section F.2 – Other Emergency Purchases

Emergencies such as an earthquake, flood, fire or civil unrest may also create situations not related to public projects that will not permit a delay resulting from a competitive solicitation for bids.

1. When a general emergency not related to public projects occurs, the field supervisor or department head must immediately notify the City Manager and the Finance Department.

- The Purchasing Officer or his/her designee must be informed of the emergency before emergency purchase orders are approved.
2. A full report containing the circumstances of the emergency and subsequent purchases must be presented to the City Council at the next available regularly scheduled City Council meeting.
 3. Follow-up presentations to the Council must occur at each subsequent meeting of the Council until the emergency is determined to be over.
 4. At the earliest possible time, the City Manager must notify the City Council when conditions warrant returning to non-emergency purchasing processes.

Section G - Cooperative Purchases

The City may participate in purchases and contracts established by other public agencies, provided that:

1. The cooperative agreement is established following a competitive bid process and the agency authorizes other jurisdictions to “piggy back” on the contract;
2. The cooperative agreement must use competitive pricing;
3. The authorization of the award of cooperative purchases follows the limits set forth in MC Section’s governing professional services, formal and informal bids; and, When initiating a purchase order using a cooperative agreement, a copy of the cooperative agreement must be attached to the purchase order.

CHAPTER 7: AUTHORIZATION FOR APPROVING CONTRACTS AND PAYMENT LIMITS

Section A - Introduction

The Purchasing Officer is authorized by the Council to make all purchases except those that require City Council Approval (MC 2551). The Purchasing Officer may delegate these responsibilities including those related to approving contracts or making payments to vendors. The Council also set limits on the type of purchase practices to be used based on dollar values. These are separate and distinct thresholds of controls over purchases. This chapter is concerned with the former.

The Purchasing Officer’s delegation of authority to approve purchases or payments is established in writing by the City Manager and involves multiple tasks including: bidding, selection, approval of a purchase or award of contracts and the subsequent approval of payments. Only full-time employees may engage in purchasing activities.

There are three levels of approving authority for normal purchases: (1) City **Council, City Manager/Purchasing Officer and (3) department heads**. The MC assigns all authority to the Purchasing Officer and any subsequent delegation is at the discretion of the City Manager/Purchasing Officer. Responsibilities delegated by the City Manager/Purchasing Officer to department heads can only be delegated further upon approval of the City Manager/Purchasing Officer. Authority to award contracts

is limited by the dollar amount of the purchase and the type of purchase used and the authority may vary..

Section B - Authorized Signature List

The authorized signature list identifies departmental personnel responsible for the approval of a contract obligation resulting in the required commitment of City funds. See Attachment A. This includes but is not limited to approving the purchase and authorizing the payment. The City Manager as the Purchasing Officer annually approves the list. The City Manager's Office, the Finance Department and the associated operating departments maintain copies of the list. Only full-time employees may engage in purchasing activities. Updates may be made periodically with the City Manager's approval.

Section C - Levels of Authority to Purchase by Dollar Amount

There are several levels of authority to purchase equipment, goods or services for the City, as listed below, and as consistent with the MC and AP and P. The following table provides a summary of the levels, by type of purchase. Following the table, this Guide contains a description of types of purchases and authority levels.

Professional Services (Defined Ordinance 627, Section 2565)	Public Projects (Defined Ordinance 627, Section 2567; Guidelines, p. 12)	All Other Services	Supplies/Equipment (Non-Public Projects)
<p>\$0 - \$2,500</p> <ul style="list-style-type: none"> No bid process required Department Director or designee awards PO <p>\$2,501 - \$10,000</p> <ul style="list-style-type: none"> 3 informal bids (qualification review required) Department Director awards contract <p>\$10,001 - \$20,000</p> <ul style="list-style-type: none"> RFP process City Manager awards contract <p>\$20,001+</p> <ul style="list-style-type: none"> RFP process City Council awards contract 	<p>\$0 - \$25,000</p> <ul style="list-style-type: none"> Performed by staff with City Manager approval; or Informal bid procedure (City Manager and Public Works/Utility Services Directors award contract) <p>\$25,001 - \$75,000</p> <ul style="list-style-type: none"> Informal bid procedure (City Manager and Public Works/Utility Services Directors award contract) <p>\$75,001+</p> <ul style="list-style-type: none"> Formal bid procedure (City Council awards contract) 	<p>\$0 - \$2,500</p> <ul style="list-style-type: none"> No bid process required Department Director or designee awards PO <p>\$2,501 - \$10,000</p> <ul style="list-style-type: none"> 3 informal bids Department Director or designee issues PO <p>\$10,001 - \$25,000</p> <ul style="list-style-type: none"> 3 informal bids by Department Director City Manager awards to lowest responsible proposer <p>\$25,000+</p> <ul style="list-style-type: none"> Formal procedure authorized by Council Council awards contract to lowest responsible bidder 	<p>\$0 - \$2,500</p> <ul style="list-style-type: none"> No bid process required Department Director or designee awards PO <p>\$2,501 - \$10,000</p> <ul style="list-style-type: none"> 3 informal bids Department Director or designee issues PO <p>\$10,001 - \$25,000</p> <ul style="list-style-type: none"> 3 informal bids by Department Director City Manager awards to lowest responsible proposer <p>\$25,001+</p> <ul style="list-style-type: none"> Formal procedure authorized by Council Council awards contract to lowest responsible bidder

Section D- Bidding and RFP Limits by Dollar Amount

As discussed in Chapter 6, the authority to purchase or make payments is different than choosing which type of purchase method is used for purchases. The former is at the discretion of the City Manager or Purchasing Officer, the latter is set by Municipal Code. As discussed in Chapter 4, there are four types of purchasing processes: open market, informal bids, formal bids and requests for proposals (RFP). The purchasing method is applied based on the dollar value of the goods or services being purchased as stated in the Municipal Code.

Section D.1 - Limit: \$2,500 or Less by Open Market

Purchase requisition forms may be used for purchases under \$2,500 at the vendor's request or at the discretion of the department director. Purchases made from petty cash (maximum purchase \$25.00) are exempt from this requirement. The department is not obligated to obtain bids. The department director or his/her designee shall approve and initial all invoices for purchases and clearly mark the budget account number to be charged upon payment. Minor purchases for the Port Hueneme Housing Authority by US Department of Housing and Urban Development (HUD) regulations are limited to \$2,000.

Section: D.2 - Limit: \$2,501 to \$10,000 by Informal bid

For expenditures over \$2,500 and under \$10,000, the department must first solicit at least three (3) informal bids and attempt to obtain the best value for the City. The department then prepares a written purchase order. The department director or his/her designee record all informal bids (Attachment B) and submit copies with the purchase order. Records must be kept for one year. Purchase orders are not valid until all required signatures are obtained.

Section D.3 - Limit: \$10,001 - \$25,000 by Informal Bid

For expenditures (non-professional services) over \$10,000 and under \$25,000, the department director or his/her designee records all informal bids (Attachment B) and submits copies with the purchase order. City employees are not authorized to sign, issue or deliver any purchase order, or accept any delivery of goods or services, in excess of \$10,000 unless the City Manager authorizes it in writing.

Section D.4 - Limit: Purchases Greater than \$25,000 by Formal Bid

Formal bid procedures apply to purchases and contracts for supplies, services and equipment and the sale of surplus property of estimated value greater than \$25,000 (MC Section F, 2561; see Formal Bid Process).

Section E: Public Projects – Procurement Limits by Dollar Amount

Public projects are a separate class of purchasing that in many cases is governed by a separate set of rules. Section G of the MC addresses public projects.

Section E.1 - Limit: \$0 to less than \$25,000

Public projects of \$25,000 or less may be performed by the employees of the City by force account, by negotiated contract, or by purchase order.

Section E.2 - Limit Less than \$75,000

Public projects of less than \$75,000 may be contracted by the informal procedures set forth in the MC.

Section E.3 - Limit: Greater than \$75,000

The City Council approves all formal bidding activity for public projects of more than \$75,000 prior to mailing notices inviting bids.

CHAPTER 8: REQUEST FOR PROPOSALS (RFP) AND REQUEST FOR QUALIFICATIONS (RFQ) PROCEDURES FOR PROFESSIONAL SERVICES OR PRODUCTS

Section A - Introduction

A Request for Proposal (RFP) or a Request for Qualifications (RFQ) is a form of solicitation for a proposal requiring some professional, unique, or technical service or product. The RFP or RFQ may be used as a basis for purchasing or entering into a contract when specifications and price are not necessarily the predominant award criteria, when technical expertise and experience in performing similar work is most important.

The RFP and/or RFQ may be used to contract for professional services or advice in financial, economic, accounting, legal, engineering, architectural, environmental, land surveying, technical, or administrative matters, and for the acquisition of unique products or equipment in the following circumstances:

1. Evaluation factors involve technical or professional ability;
2. Evaluation involves artistic and/or aesthetic value;
3. Price or cost is secondary consideration; or,
4. Advantages of a particular vendor out-weigh any price differential.

Section B - Preparing the Request for Proposals and/or Request for Qualifications

RFPs and/or RFQs ask vendors to state how they will solve a problem for the City, provide a particular service, and demonstrate their competence and ability to perform the work. To obtain the most useful information for the City to use in assessing qualifications, the following information should be requested.

1. Full descriptions of the problem or objective.
2. Services to be performed.
3. Products to be provided.
4. Anticipated time schedule for:
 - a. Submittal of RFP and/or RFQ (date and time).
 - b. Any pre-proposal conference (date, time, and location).
 - c. Review and evaluation of the proposals.
 - d. Award of the contract.
 - e. Commencement of work on the project.
 - f. Project completion date.
5. Expectations regarding deliverables and project updates.
6. Extent, nature of assistance and cooperation available from the City.
7. Expected content of the response, including:
 - a. Overall description of techniques to be used.
 - b. Listing of similar services provided to other clients.
 - c. Listing of available references to contact.
 - d. Description and qualifications of assigned lead and supporting personnel.
 - e. Time and staff expected to be expended.
 - f. Facilities and equipment to be used.
 - a. Portion of contract to be performed by sub-contractors.
 - b. Subcontractor/sub-consultant's qualifications.
 - c. Cost (either by major activity, or time and materials, depending on the City's preference and nature of the work to be performed) and desired method of payment.
8. Sample contract may be provided, if requested by the vendor, to include:
 - a. Prohibition against assignment.
 - b. Indemnification.
 - c. Insurance requirements.
 - d. Bonding requirements.
 - e. Warranties.
 - f. Compliance with federal, state, and City laws, rules and regulations.
 - g. Compliance with any grant related regulations.

Section C – Request for Proposals and Request for Qualifications Procedures

RFP and/or RFQ procedures include:

1. The RFP and/or RFQ for services may state the amount budgeted for the service. If professional services are requested, cost is not considered the primary selection criteria.
2. Construction project management service RFPs require evidence be provided of experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.
3. To ensure maximum exposure and competition, the responsible department prepares a list of potential firms to receive the RFP and/or RFQ. City staff must make reasonable efforts to ensure small business firms located in Ventura County are aware of the issued RFP and/or RFQs.
4. If required or desired, the responsible department will submit the RFP and/or RFQ notice in a local newspaper of general circulation to be published one or more times beginning at least thirty calendar days prior to the designated closing. Additional advertisements may be placed in a regional newspaper of general circulation, appropriate professional or trade journals, and state or governmental publications designed for public notice.
5. The requesting department prepares sufficient copies of the RFP and/or RFQ to distribute to potential respondents of record and responses to the published advertisements. In addition, a list should be maintained of issued RFP and/or RFQ's and responses.

Section D - Receipt of Proposals

The City Clerk's Office receives all proposals. Proposals received by 5:00 p.m. on the designated closing day are opened on the following workday for preliminary review. No information is distributed to any potential respondents until all responses are completely reviewed and the contract is awarded. A reasonable length of time between solicitation and closing dates must be allowed to provide potential respondents time for preparation according with the complexity, size and the scope of advertised project. Respondents may modify or withdraw their proposals prior to the established closing date and time, without penalty. However, no modifications submitted after the established closing date and time are accepted. Such modifications will be returned to the respondent, unopened.

City staff may conduct conferences to explain the requirements of the project. A sufficient amount of time should be allowed after the RFP and/or RFQ is issued to allow potential respondents to become familiar with the project. Any clarification or changes required to the RFP and/or RFQ as a result of the conference are added as a written amendment and a summary of the conference must be provided to all prospective respondents receiving the request.

Section E - Amendments to RFP/RFQ

Amendments to the RFP and/or RFQ must be identified and require acknowledgment by firms receiving the RFP and/or RFQ. Amendments must be sent to all known recipients of the RFP and/or RFQ within a reasonable time period before the closing date. If the time and date established for the receipt of proposals does not allow sufficient time for consideration and changes, the time and date are amended.

Amendments should be used to make any changes in quantities, descriptions, schedules, or to correct defects or ambiguities in the original RFP and/or RFQ. Amendments are provided to ensure that all potential respondents are furnished with the same information with which to prepare proposals.

Section F - Proposal Opening

The City Clerk's Office receives, time-stamps and retains proposals in a secure place until the established closing date and time.

To avoid disclosure of the contents of competing RFP's/RFQ's, proposals are opened in the presence of the City Clerk and the requesting department director or his/her designee. The contents of the RFP's/RFQ's are not made available for public inspection until after an award is made, or all proposals are rejected.

The department director or designee maintains a register of received proposals, including names and addresses of respondents, the number of modifications received and any additional information requested. The register is open to inspection after the award of the contract or the rejection of all proposals.

Proposals and modifications are shown only to evaluation committee personnel until the contract is awarded or all proposals are rejected.

Section G - Evaluation Factors and Methods

The RFP and/or RFQ states evaluation factors and their relative importance.

Evaluation factors include:

1. General quality and responsiveness of the proposal including:
 - a. Responsiveness to the terms, conditions, and items of performance;
 - b. Completeness and thoroughness of the proposal; and,
 - c. Grasp of the problem, work to be performed, and approach to be used.
2. Organization and personnel making the proposal:
 - a. Evidence of a good organizational and management practice;
 - b. Qualification of the personnel;
 - c. Experience and past performance; and,
 - d. Financial condition of the firm.
3. If appropriate, the cost of the proposal may be considered:
 - a. Total price and price breakdown;
 - b. Price range; and,
 - c. Schedule of cost and subsequent payments.
4. Factors not specified in the RFP and/or RFQ may not be considered in the evaluation, unless authorized by the Purchasing Officer.
5. RFP and/or RFQ procedures do not require a contract be awarded after proposals are evaluated.
6. All proposals may be rejected.
7. The most commonly accepted evaluation method is:

- a. Review proposals to determine those meeting minimum RFP and/or RFQ requirements;
- b. Score proposals using the factors specified in the RFP and/or RFQ;
- c. Prepare a listing, by ranking, of the proposals;
- d. Meet with the firm preparing the highest rank proposal to ensure that the City and the firm have a clear understanding of contract provisions;
- e. Reach agreement on a fair and reasonable price (if not stated in the RFP and/or RFQ); and,
- f. If agreement is not reached, terminate negotiations in writing, and begin process with next best proposal(s) if others exist that appear to meet the City's requirements, or begin a new RFP/RFQ process.

CHAPTER 9: FORMAL BID PROCEDURES

Responsibilities for completing the formal bid process are shared by the department wishing to purchase goods, services or equipment and the City Clerk.

Section A - Initiating Department Responsibilities

The department initiating a formal bid process has the responsibility to prepare a notice inviting sealed bids, and it shall include the following information:

1. General description of the item to be purchased;
2. Statement indicating where bid forms and specifications can be obtained;
3. Statement specifying the time and place for the opening of the bids;
4. Statement describing the bid security required, such as a bid bond equal to 10% of the amount of the bid; and,
5. Statement describing performances bond requirements (once vendor is selected).

Section B - Sample Bid Public Notice:

The City of Port Hueneme, California invites bids for the supply of (name of bid item).

Bid specifications are available from the (Department) at:

City Hall
 250 North Ventura Road,
 Port Hueneme, CA 93041
 (805) 986-6500

Sealed bids will be received until 2 p.m. (date), at which time bids will be opened in the City Hall Council Chambers. The City reserves the right to reject any and all bids if deemed in the best interests of the City.

To bid on this project, prepare a bid form including detailed specifications for the goods, services, or equipment to be purchased.

The following format is suggested for both competitive bids and Request for Proposals:

1. **Background:** Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
2. **Scope of work:** Describe in detail the requirement for the product and/or services with
3. **Desired project schedule:** Be as specific as possible.
4. **Minimum and desirable qualifications:** Be as specific as possible.
5. **Submission of bids (or proposals):** Include date, time and location and a detailed list of the information the bid or proposal should contain
6. **Questions:** List the name, address, and telephone number of the person to be contacted concerning questions about the project

The following steps must be taken by the City:

1. Send a notice to all qualified vendors on the qualified vendor lists.
2. Send the notice to the City Clerk for publication.
3. Review qualifications and references of successful bidder(s).
4. Negotiate contract with vendor selected.
5. Prepare Staff Report and process as appropriate for presentation to City Council
6. If approved by City Council, obtain certificates of insurance and performance bonds from the vendor.
7. Forward all appropriate documents and two original contracts, signed by the vendor, to the City Clerk.
8. After the City Clerk obtains the executed contract, the requesting department shall prepare purchase orders and forward the contract and purchase orders to the Finance Department to record encumbrance.
9. The lead department for the work must ensure proper completion of the contracted work and processing of vendor payments upon inspection.

CHAPTER 10: PUBLIC PROJECTS BIDDING PROCEDURES

Section A – Introduction

The City of Port Hueneme is a Charter City and it has not by resolution become subject to the State of California Uniform Public Construction Cost Accounting Act ("Act"), however, it has chosen to model the competitive bid process for public works bidding on the provisions of the Act. Federal, Grant, or City rules and regulations may be more stringent and the stricter regulations shall prevail. At the beginning of the project, the department director requests a project number to record all expenditures in the Capital Improvement Project Fund. Any negotiated contract associated with the project must be approved by the City Attorney.

Section B – Force Account Work

Force account work is performed with internal resources, including labor, equipment, materials, supplies, and subcontractors of the City. The use of force account work is an exception to the bidding requirements expressed in the City Charter and may be performed up to \$25,000 with the approval of the Purchasing Officer.

Section C – Informal Bid Process

Public project of \$25,000 to \$75,000 are contracted by informal procedure, which does not require published notices inviting bids, public openings, or other formal bid procedures.

However, all requirements established for projects with a lesser dollar amount apply to this category of projects.

The informal bid process for public projects is subject to the following procedures.

The notice inviting informal bids describes:

1. Project in general terms;
2. How to obtain more detailed information about the project; and,
3. Time and place for the submission of bids.

Notices inviting informal bids are:

1. Mailed to all contractors for the category of work to be bid that are on the qualified vendors list maintained by the department. (Chapter 5-Sec. 6);
2. Mailed to all construction trade journals specified by the California Uniform Public Construction Cost Accounting Commission;
3. Additional contractors and/or construction trade journals may be notified at the discretion of the department soliciting bids; and,
4. Mailed to contractors and construction trade journal must be completed not less than ten (10) days before bids are due.
5. May be sent exclusively to specific contractors if the product or service is proprietary in nature so that it can be obtained only from a certain contractor or contractors.

Section D – Formal Bids

All public projects greater than \$75,000 require City Council authorization to solicit bids. The purpose of any bid process is to obtain a variety of responsive bids. When bids exceed \$75,000 the need for competition, as expressed in the City Charter is even more pressing. Therefore, the MC requires that notices shall be mailed to vendors on the vendor list and to construction trade journals at least 30 days prior to the bid opening. See MC. Sec 2573 (b). This time frame should be extended when projects are more complex to allow vendors to provide responsive bids. For some products or services vendors may need 45 or 60 days.

Once authorization is received, the requesting department prepares and provides the City Clerk with a notice inviting public bids. The MC Sec. 2573 requires that the notice shall be published in newspapers of general circulation within the City at least fourteen (14) days before the date of the opening bids and that the notice shall be published twice, not less than 5 days apart. The City Clerk shall also post the notice in public places as specified by the City Council. Other notices may also be given, as the department director deems necessary.

Advertisements and invitations to bid shall contain:

1. Project overview and a brief description of the work.
2. Estimated construction cost range.
3. Any special conditions or requirements of the project, the funding, and the prevailing wages
4. When and where the specifications will be available.
5. Instructions of how to obtain the specifications (nonrefundable cash or check made payable to the City of Port Hueneme).
6. Type of California contractor's license required.
7. Time and place of any "pre-bid conference", if scheduled (attendance is not mandatory at the pre-bid conference, but bidders are urged to attend to review the bid documents, plans, specifications, and the job site).
8. When and where to submit bids.
9. When and where the bids will be opened.
10. Any state or local conditions related to the employment of labor.
11. Requirements for a bid bond:
 - a. Cash, Cashier's or certified check payable to the City of Port Hueneme or Bidder's bond executed by an admitted surety insurance carrier in the State of California.
 - b. Bids must be equal to at least ten percent (10%) of the bid amount.
 - c. Bids will not be considered unless one of the forms of bid security is enclosed

Instructions to bidders must include:

1. Date and time that bids are to be received and opened.
2. Direction on submitting bids:
3. Submitted bids in a sealed envelope
4. Addressed to the City Clerk
5. Designated with the project title and specification number
6. Contents of the envelope:
 - a. Contain only the provided bid proposal forms and the required bid bond
 - b. Bidder's name and address of business
7. Late bid notice:
 - a. Late bids will be rejected and returned to the bidder, unopened
8. Bid withdrawal notice:
 - a. Bids may be withdrawn only by a written request at any time prior to the time designated for the bid opening

Other requirements are as follow:

1. Bids must be submitted on the prescribed forms provided with the specifications.
2. All blank spaces for bid pricing must be completed by the vendor, in black or blue ink or typewritten.
3. All documents with the notation "Bidder's Failure to Complete All Items Contained on this Page May Cause Rejection of Your Bid" must be submitted with the bid proposal documents.
4. Contractors are required to provide an insurance certificate acceptable to the City and/or policy declaring that the policy is in full force and effect.
5. City will be given written notice by registered mail at least 30 days prior to the effective date of any changes in the policy that affect the City of Port Hueneme, or its officers or employees, or of cancellation of the policy.
6. The insurance policy must include the City of Port Hueneme and others as an additional insured.
7. All prices shown are the price proposed for all equipment, labor, material and services required in the plans and specifications
8. Bidders cannot be released from their obligation of their bid because of events during their submittal. However, the binder may request release from the City if a written request is received within five calendar days after the bid opening.
9. Basis for award is unit price after verification of all submitted prices
10. To verify changes, the bidder initials erasures or deletions of information entered in the proposal

Bid proposal signatures and personnel identification:

1. Bid proposal documents must be signed, dated and completed in black or blue ink or by typewriter. In case of a corporation, two signatures are required.
2. Any proposal signed by an agent, other than an owner, partner or corporate officer, must be accompanied by a power of attorney.
3. Subcontractors performing more than one-half of one percent (0.5%) of the bid amount must be identified in the bid documents, including business location and contractor's license class.
4. Subcontractors are subject to all state, federal and municipal requirements.
5. Subcontractors are required, upon award of the contract, to file certifications identical in substance to those included in the proposal submitted by the bidder.

A required bid surety bond is administered as follows:

1. A bidder must submit with their bid, by cash, certified check, or cashier's check (payable to the City) a corporate surety bond. The bond will be issued by an admitted surety insurer in the State of California for ten percent (10%) of the bid total. Such bid will act as a guarantee that the bidder will enter into the contract, if awarded.
2. After the award, bid security is returned to unsuccessful bidders, except the three lowest bidders. The bid security of the three lowest bidders is returned after the final execution of the contract.

3. Upon failure of the successful bidder to execute and deliver the contract and bonds within 14 calendar days after receiving notice of the award of the contract, the bid security of the successful bidder will be forfeited to the City as liquidated damages.
4. If the City awards the contract to the next lowest bidder, the forfeited security will be applied to the difference between two bids, and any surplus is returned to the forfeiting bidder.
5. Specifications must include the number of working days required to complete the project.
6. Successful bidder must commence work on or before the date specified in a written "Notice to Proceed" and must fully complete the project with the specified number of working days.
7. If work is not completed as specified, liquidated damages will be assessed for each consecutive calendar day work is delayed.

Prospective bidders shall be responsible for the following, prior to submitting a bid:

1. Conduct site inspection(s), including visiting the job site as needed to ensure understanding of the project requirements.
2. Construction conditions.
3. Existence of any surface conditions affecting the cost of the work.
4. Failure to carry out the provisions of the contract.

The City does not provide prospective bidders:

1. Oral addenda.
2. Interpretation of the meaning of the plans, specifications, or other documents.
3. Any and all requests for such interpretations must be in writing and received by the Department Director at least 10 days prior to the specified date of the bid opening.
4. Interpretations and supplemental instructions are supplied in the form of written addenda to all "plan-holders" no later than 7 calendar days prior to the specified or revised date of the bid opening.
5. Failure of any bidder to receive any such addendum or interpretation does not relieve the bidder from any obligation under the bid submitted.
6. All addenda is part of the specifications and contract documents.

Performance and Payment Bonds:

1. Performance and payment bonds are furnished by the successful bidder, to be issued by an admitted corporate surety, in the amount of 100% of the contract price.
2. Department directors:
 - a. Determine whether bids are responsive.
 - b. Reject bids as improper or non-responsive.
 - c. Deem a contractor irresponsible.
 - d. Determine if the project is infeasible.
3. Bidders must strictly follow bid instructions.
4. City reserves the right to waive any minor bid irregularity.

5. Successful bidders may request the retention portion of payments under the contract be released to the contractor, provided substitute securities in the same amount are deposited by the bidder with the City or a chartered bank as escrow agent. The bidder is deemed the beneficial owner of such securities and receives any interest earned.

CHAPTER 11: DEFINITIONS

Administrative Policies and Procedures (AP and P): City regulations adopted by the City Council that provide a wide range of policy Guidelines and rules governing particular procedures.

Awarding Authority: The City employee or Officer of the City authorized, in writing by the Purchasing Officer, to legally bind the City to a contract. This is usually the person who signs the contract on behalf of the City.

Best Value: A proposal or bid presenting the best value to the City based on multiple factors, including: cost, ability or capability of the contractor to perform or provide the service or good and quality of the contractors work.

Bid, Contract or Proposal Documents: Documents, including their attachments and addenda, instructing bidders or proposers on how to bid for a specific contract or proposal. They allow the City to solicit bids or proposals.

Blanket Purchase Order: Purchase order the City makes with its supplier that contains multiple delivery dates over a period of time to take advantage of predetermined pricing. It is normally used when there is a recurring need for expendable goods or ongoing services.

Capital Equipment or Assets: Fixed asset equipment with a monetary value which meets or exceeds \$5,000. This amount may be revised from time to time by the Finance Director.

City: The City of Port Hueneme and all awarding authorities thereof, and entities which exercise independent control over their expenditure of funds, including: the Port Hueneme Redevelopment Agency; the Port Hueneme Housing Authority; and the Port Hueneme Surplus Property Authority.

Change order: A legally binding document used to change or amend an executed contract.

Code: The City of Port Hueneme's Municipal Code (MC)

Construction Projects or Construction: Public projects defined in California Public Contract Code Section 22002 (or the successor thereto). The terms "construction project" and "public project" are interchangeable.

Contract: Any formal written agreement to perform a specific action or task including: purchase orders or blanket purchase orders, contracts for non-professional and professional services, contracts for

maintenance, leasing of property or equipment, addendums or change orders, letters of agreement and memorandums of understanding (MOU) or memorandum of agreement (MOA). The terms “contract” and “agreement” are interchangeable.

Contractor: Any person or business that enters into a contract to provide supplies, non- services or professional services or equipment to the City. Contractors subject to the Living Wage ordinance are defined within that case provision. The terms “contractor and “vendor” are interchangeable.

Emergency: A sudden, unexpected occurrence that poses a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services (Public Contract Code Section 1102).

Facility: Any plant, building, structure, ground facility, real property, street, highway, or public works improvement and utility system owned by the City.

Force Account Work: Work performed on public projects using internal resources, including: labor, equipment, materials, supplies and subcontractors of the City.

Goods: Articles or items that are moveable at the time of sale, including but not limited to equipment, supplies and/or materials.

Lowest Responsible Bidder: The bidder selected based on all criteria including the lowest based price and additive or deductive items specified in the bid solicitation.

Non-Professional Services: Any work performed or services rendered by an independent contractor, with or without the furnishing of materials. Non-professional services do not include work defined as public works. Trade services are also non-professional services, the terms are interchangeable.

Non-Processional Services:

1. Maintenance or nonstructural repair of city buildings, structures or improvements which does not require engineering plans, specifications or design, including, but not limited to, touch up painting, unscheduled replacement of broken window panes, fire extinguisher maintenance, minor roof repairs, plumbing, elevator maintenance, custodial services and pest control
2. Repair, modification and maintenance of city owned or leased equipment and software
3. Cleaning, analysis, testing, moving, removal or disposal (other than by sale) of city supplies and equipment
4. Care or maintenance of public grounds, including, but not limited to, trees, shrubbery, flowers, lawns
5. Other miscellaneous services to facilitate City operations

Personal Property: "Surplus" goods owned by the City that are no longer needed or are obsolete or unserviceable, or property that is a by-product of provided goods or services (e.g., scrap metal, used tires and oil, etc.). “Personal property” and “surplus property” are interchangeable terms.

Procurement or to "procure": The acquisition of goods, services, professional services or construction projects by the City, including: purchasing, renting or leasing, and all functions and procedures pertaining to such acquisitions.

Professional Services: Services that involve the exercise of professional discretion and independent judgment based on advanced or specialized knowledge, expertise or training gained by formal study or experience. Such professional services include: services provided by appraisers, architects, engineers, instructors, insurance advisors, physicians and/or other specialized consultants as well as the professions defined in California Government Code Section 4526.

Proprietary Commodity or Service: A commodity or service used, produced, or marketed under exclusive legal rights of the maker or service provider (i.e. computer software licenses).

Public Projects: Construction projects defined in California Public Contract Code Section 22002(or the successor there to). The terms construction project and public project are interchangeable.

Public Works Contract:

A contract for:

1. A project for the erection, improvement, painting or repair of public buildings and works
2. Work in or about streams, bays, waterfronts, embankments or other work for protection against overflow
3. Street or sewer work except maintenance or repair
4. Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers (Public Contract Code Section 20161.)

A public project does not include:

1. Maintenance work consisting of routine, recurring and usual work for the preservation or protection of facilities owned or operated by the City
2. Minor repainting
3. Street and highway resurfacing at less than one-inch deep
4. Landscape maintenance (mowing, watering, trimming, pruning, planting replacement of plants, and servicing of irrigation and sprinkler systems)
5. Work performed to keep, operate, and maintain water, power, or waste disposal systems owned by the City

Purchase Order: A contract between the City and another party, such as a supplier, contractor, consultant, non-profit organization or governmental agency, under which the City agrees to purchase goods and/or services under certain terms and conditions for specified compensation. Purchase order forms are used to initiate a purchase and for smaller purchases may constitute the total contract.

Purchasing Card: A credit card usually issued in the name of a City department and made available for the use of a City employee for the purchase of goods ordinarily valued at \$1,000 or less in one transaction.

Purchasing Officer: The City Manager is the Purchasing Officer. The City Council establishes them as responsible for the general supervision of purchasing: the procurement of goods, services, professional services, and/or public projects in accordance with the provisions of the Municipal Code (MC).

Request for Proposal: A request for proposal (RFP) is a solicitation document and process that a City uses to elicit proposals from potential vendors in order to procure a product or service. They are primarily used for the selection of professional services.

RFPs differ from a bid in two ways:

1. Bid opening of sealed proposals are not required
2. The selection of the vendor is not based on the lowest responsible bidder

Requesting Department: The department requesting or initiating the purchasing process. The department identifies the need to purchase a good or service and requests the budget authorization and the initial purchase order and encumbrance.

Responsible Bidder: A bidder that, by the process of bidding and the evaluation of the bid, is determined to meet the criteria set forth in Section 2566 of the MC based on the quality and performance of the services or supplies to be provided (see Lowest Responsible Bidder).

Responsive Bidder: A bidder determined by the awarding authority to have submitted a complete bid or proposal which conforms in all material respects to the requirements of the bid, contract, or other proposal documents.

Services: Work performed, or labor, time and effort expended, by the contractor. There are two types of services: professional and non-professional. If the term services is used alone, it refers to non-professional services. If the phrase, "any service" is used, it includes both categories.

Sole Source: The purchase of goods or a contract awarded without competitive bidding (see Sole Source Purchase in Chapter 4). This is an exception to the requirement to bid for supplies and non-professional services.

Specifications: The description of physical and/or functional characteristics of the nature of the required goods, services, professional services and/or construction projects.

Supplies and Equipment: All such items purchased on behalf of the City except for supplies or materials finished for a public works project.

Surplus Personal Property: Goods that are owned by the City, but are no longer needed, obsolete or unserviceable, or property that is a by-product of services provided or rendered (e.g., scrap metal, used tires and oil, etc.).

Trade Services: Activities that do not require a high degree of professional certification, such as gardeners, painters and printers. Trade services and non-professional services are interchangeable and

are required to be bid along the same thresholds as other bids (by value of the services provided to the City).

Attachment A - City of Port Hueneme Authorized Signature Form

Date:

Purchasing Department:

Department Name:

Employees listed below are authorized to request payments be made to Accounts Payable for the following amounts.

Employee Name	Signature	Tasks Employee is Authorized to Carry Out	Dollar Authorization Limit

The department head certifies that he/she is authorizing staff according to the matrix in the City's Purchasing Guide.

Department Director Signature:

Date: _____

Attachment B - Copy of Chapter 6, Parts F and G of the Municipal Code

City to add this section to this page.

Attachment C – Administrative Policies and Procedures C-001: Credit Card Policy

City to add.

Attachment D – Administrative Policies and Procedures C-005: Travel Policy

City to add.

Attachment E – Administrative Policies and Procedures C-009: Petty Cash

City to add.

Attachment C

Summary of Updates to the Municipal Code

Need for Updates to the City's Municipal Code: We have marked in "track changes" a number of sections in the City's municipal code and it is provided in Attachment A. We would offer the following comments for consideration by the City as you review the separate document and as you finalize the draft Purchasing Guide. We have identified changes needed to make the code consistent with current practice or to clarify meaning. Highlights of our suggestions are as follow.

- i. When a section is intended to refer to all purchases place "all" prior to "supplies, services, and equipment" or where appropriate "any."
- ii. Use consistent language for "non-professional services" where the word "services" or "contractual services" appears.
- iii. Increase requirement to save bid documentation from 6 to 12 months. MC Sec. 2560
- iv. Update placement of public notices (MC Sec. 2561 (c)).
- v. Specify requirements for change order reports to Council (MC. 2563).
- vi. Update "Exemptions from Formal Contract Procedures" (MC. Sec. 2564) to include allowance for "cooperative purchasing programs."

Attachment D

Recommended Revisions to Port Hueneme Municipal Code as Part of New Purchasing Guide

Note: Recommended revisions are shown below in track changes mode.

MUNICIPAL CODE:

Chapter 2- City Manager

2101-Powers and Duties:

(m) Act as the City's purchasing officer and set policies providing for the purchase of all materials, supplies, services, and equipment for which funds are provided in the budget, and prepare and submit to the Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year;

Chapter 6 General Administration

- **2550.1 - Adoption of purchasing system.**

In order to establish efficient procedures for the purchase of all supplies, services, and equipment, to secure for the City supplies, services and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases, a purchasing system is adopted.

(Ord. 627 § 2 (part), 1999)

- **2551 - Purchasing Officer—Office created.**

There is created the position of Purchasing Officer who shall be the City Manager or his or her designee. The Purchasing Officer shall be responsible and have general supervision of the purchasing function. The duties of Purchasing Officer may be combined with those of any other office or position. The Purchasing Officer shall have the authority to:

(a)

Purchase or contract for all supplies, services, and equipment required by any using agency or department in accordance with purchasing procedures prescribed by this Chapter, such administrative regulations as the Purchasing Officer shall adopt for the internal management and operation of the Purchasing Department and such other rules and regulations as shall be prescribed by the City Council or City Manager;

- (b) Negotiate and recommend execution of contracts for the purchase of all supplies, services, and equipment;
- (c) Act to procure for the City the needed quality in supplies, services, and equipment at least expense to the City;
- (d) Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (e) Prepare and recommend to the City Council revisions and amendments to the purchasing rules;
- (f) Keep informed of current developments in the field of purchasing, prices, market conditions, and new products;
- (g) Coordinate the inspection of all supplies, services, and equipment purchased to insure conformance with specifications;
- (h) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of any supplies and equipment which cannot be used by any department or which becomes unsuitable for City use;
- (i) At his or her discretion, prescribe and maintain such forms as reasonably necessary to the operation of this Chapter and other rules and regulations;
- (j) At his or her discretion, maintain a bidder's list, vendor's catalog file, and records needed for the efficient operation of purchasing functions;
- (k) At his or her discretion, prepare and recommend to the City Council rules governing the purchase of supplies, services, and equipment for the City.

(Ord. 627 § 2 (part), 1999)

- **2552 - Exemptions from central purchasing.**

The City Manager may authorize in writing any agency or department to purchase or contract for specified supplies, services, and equipment independently of the Purchasing Officer, but shall

require that such purchases be made in conformity with the procedures established by this Chapter and may further require periodic reports from the agency or department of the purchases and contracts made under such written authorization.

(Ord. 627 § 2 (part), 1999)

- **2553 - Requisitions.**

Using departments shall submit requests for supplies, services, and equipment to the Purchasing Officer by standard requisition forms as established by the Purchasing Officer.

(Ord. 627 § 2 (part), 1999)

- **2554 - Bidding.**

Purchases of supplies, non-professional services, equipment, the sale of personal property, and public work projects shall be by bid procedures set forth herein.

(Ord. 627 § 2 (part), 1999)

- **2555 - Purchase orders.**

Purchases of supplies, non-professional services, and equipment shall be made by procedures established by the Purchasing Officer.

(Ord. 627 § 2 (part), 1999)

- **2556 - Encumbrance of funds.**

Except in cases of emergency, the Purchasing Officer shall not issue any purchase order ~~for supplies, services, or equipment~~ unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.

(Ord. 627 § 2 (part), 1999)

- **2557 - Inspection and testing.**

The Purchasing Officer or requesting department shall inspect supplies and equipment delivered and contractual services performed to determine their conformance with the specifications set forth in the order or contract. The Purchasing Officer shall have the right to waive any defect or informality. The Purchasing Officer shall have the authority to require chemical and physical tests of

samples, submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications.

(Ord. 627 § 2 (part), 1999)

- **2558 - Surplus supplies and equipment.**

All using agencies or departments shall submit to the Purchasing Officer, at such times and in such forms as the Purchasing Officer shall prescribe, reports showing all supplies and equipment no longer used or which have become obsolete or worn out. The Purchasing Officer shall keep regular logs showing the supplies and equipment disposed of, the method of disposal, and the amounts (if any) recovered from its disposal and maintain records for public inspection relative to the disposal of supplies and equipment. The Purchasing Officer shall have the authority to sell all supplies and equipment which cannot be used by any agency or department, or to exchange the same or trade in the same for new supplies and equipment. Sale shall occur by a bona fide public auction or a competitive process that is approved by the Purchasing Officer. The Purchasing Officer, upon having received the prior written approval of the City Manager, may cause equipment or supplies that cannot be or are not used by any agency or department to be donated or sold to another governmental agency, without a public auction or competitive bid process having been utilized. All supplies and equipment shall be disposed of in accordance with the provisions of this Chapter and all State and federal laws.

(Ord. 679 § 1, 2007: Ord. 627 § 2 (part), 1999)

- **2559 - Purchases of equipment, supplies and ~~contractual~~non-professional services of under ten thousand dollars.**

Purchases of equipment, supplies and non-professional services of estimated value of ten thousand dollars (\$10,000.00) or less may be made by the Purchasing Officer in the open market. Requests for purchases ~~may~~ shall be made on forms prescribed and provided by the Purchasing Officer (requisition forms and purchase orders).

(Ord. 627 § 2 (part), 1999)

- **2560 - Informal bid procedures—Supplies, equipment and non-professional contractual services.**

Purchases of supplies, equipment, non-professional ~~contractual~~ services, and sales of surplus property, of an estimated value of more than ten thousand dollars (\$10,000.00) and less than twenty-five thousand dollars (\$25,000.00) shall be made by informal procedures as described herein.

(a)

Purchasing Officer shall solicit proposals by telephone or written request to prospective vendors.

(b)

Informal purchases shall be based on at least three (3) proposals unless the product or service is proprietary. The order shall be awarded to the lowest responsible proposer, consistent with quality and delivery requirements.

(c)

The Purchasing Officer is authorized to award contracts and orders set forth herein.

(d)

Bids shall be submitted to the Purchasing Officer who shall keep a record of all informal orders and bids for a period of ~~twelve (12) six (6)~~ months after placement of the order. This record, while so kept, shall be open to public inspection.

(Ord. 627 § 2 (part), 1999)

- **2561 - Formal bid procedures—Supplies, equipment and non-professional contractual services.**

Purchases and contracts for supplies, non-professional services, and equipment and the sale of surplus property of estimated value greater than twenty-five thousand dollars (\$25,000.00) shall be let by the formal procedures set forth herein.

(a)

The Purchasing Officer shall mail notices inviting formal bids. The notices shall be mailed to all qualified vendors on the bid list, if existing, or who have requested their name to be added thereto unless the products or service is proprietary.

(b)

The notices shall be mailed no later than ten (10) calendar days before the opening date of the bids. The notices shall describe the commodities or services in general terms, how to obtain more detailed information, and state the time and place for submission of bids.

(c)

The notice inviting bids shall be published at least fourteen (14) days before the opening date of the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the City, or, if there is none, in a newspaper of general circulation which is circulated within the City. The notice shall be posted in ~~at least three (3)~~ public places in the City that have been designated by ordinance resolution as places for placing public notices.

(d)

The City Clerk shall also post a notice of pending purchases or sales of surplus property on a public bulletin board in the City Hall.

(e)

Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public by the City Clerk or designee at the time and place stated in the public notices. A tabulation of all bids shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

(f)

Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided in this Chapter. The decision of the City Council shall be final.

(g)

In its discretion, the City Council may reject any bids presented, abandon the purchase, or readvertise. After rejecting the bids submitted, the City Council may readvertise by declaring that the materials or supplies can be furnished at a lower price in the open market and may award the contract in the open market without further complying with this section.

(h)

If two (2) or more bids received are the same and lowest, the City Council may accept the one it chooses.

(i)

If no bids are received, the contract may be let in the open market, or by the informal procedures set forth herein.

(j)

The City Council shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. No defect or informality shall void any contract entered into.

(Ord. 627 § 2 (part), 1999)

- **2561.1 - Applicability.**

For contractual services covered by [Section 2561](#) (non-professional services), contractors that meet the following requirements shall comply with the requirements of [Sections 2561.1](#) through [2561.10](#):

(a)

The contractor has entered into a contract with the City to provide contractual services that have an estimated value of thirty-five thousand dollars (\$35,000.00) or more for any consecutive twelve (12) month period; and

(b)

The contractor has ten (10) or more employees at the time the contract is awarded by the City, or at such time that the contract is renewed or extended.

Corporations that are organized pursuant to Internal Revenue Service Code Section 501(c)(3) shall not be subject to the requirement of Sections [2561.1](#) through [2561.10](#). The City Council may, in its discretion, require businesses that receive financial incentives from the City to pay the minimum wage amounts identified in Sections [2561.1](#) through [2561.10](#) pursuant to a contract entered into between the City and the business.

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.2 - Living wage.**

All contractors subject to the requirements of Sections [2561.1](#) through [2561.10](#) shall pay its covered employees during the term of the contract covered by Sections [2561.1](#) through [2561.10](#), an hourly rate of not less than nine dollars and thirty-five cents (\$9.35) per hour if the employer provides the employee with a health benefit plan offered by the contractor to the employee; or, eleven dollars and eighty-five cents (\$11.85) per hour if health benefits are not offered by the contractor to the employee.

The living wage rates shall be adjusted to coincide with the adjustments made to salaries granted to the City's general unit employees. After application of the adjustments and at the discretion of the City Manager, these rates may be rounded or slightly adjusted to be more uniform.

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.3 - Definitions.**

For purposes of Sections [2561.1](#) through [2561.10](#), the following definitions shall be applicable:

"City" means the City of Port Hueneme and all awarding authorities thereof, including entities which exercise independent control over their expenditure of funds, including, but not limited to, the Port Hueneme Redevelopment Agency, Port Hueneme Housing Authority, and the Port Hueneme Surplus Property Authority.

"Code" means the City of Port Hueneme Municipal Code.

"Contractor" means any person or business that enters into a non-professional service contract with the City that is subject to the requirements of Sections [2561.1](#) through [2561.10](#) pursuant to [Section 2561.1](#).

"Covered employee" means any employee who performs services for purposes of fulfilling the contractor's contractual obligations for contracts subject to the requirements of Sections [2561.1](#) through [2561.10](#), except for employees that are providing administrative support services that are ancillary to the purpose of the contract such as copying, janitorial, and secretarial services. Additionally, volunteers shall not be considered "covered employees."

"Health benefits" means medical, dental and/or life insurance benefits offered by the contractor to its employees that the employer pays at least two dollars and fifty cents (\$2.50) for the benefit of covered employees. Proof of the provision of such benefits shall be provided to the City prior to the execution of the contract covered by Sections [2561.1](#) through [2561.10](#).

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.4 - City Manager duties.**

The City Manager, or his/her designee, shall have the authority and obligation to perform the following acts for purposes of accomplishing the intent of Sections [2561.1](#) through [2561.10](#):

(a)

Prepare a notice for contractors to post in their offices for purposes of providing covered employees with notice of the requirements of Sections [2561.1](#) through [2561.10](#);

(b)

Promulgate rules and regulations for purposes of ensuring that bid specifications and bid requests contain notice of the requirements of Sections [2561.1](#) through [2561.10](#), and incorporation of these requirements into contracts subject to Sections [2561.1](#) through [2561.10](#);

(c)

Review and, as appropriate in the City Manager's judgment, investigate and maintain records of complaints alleging that a contractor has violated the requirements of Sections [2561.1](#) through [2561.10](#).

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.5 - Contractor notice posting requirements.**

A contractor subject to the requirements of Sections [2561.1](#) through [2561.10](#), shall post in a conspicuous place, as required by State and federal laws for other notices to employees, a copy of the notice referred to in [Section 2561.4\(a\)](#).

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.6 - Exceptions.**

The City Council may grant a whole or partial exception to the requirements of Sections [2561.1](#) through [2561.10](#) to a contractor, at the time of award of the contract, if it determines that imposition of the requirements of Sections [2561.1](#) through [2561.10](#) would violate State or federal laws, or imposition of the requirements of Sections [2561.1](#) through [2561.10](#) would result in an undue economic hardship to the contractor. A contractor that desires a determination by the

Council that it will not be subject to the requirements of this Chapter must, at the time it submits its bid to the City, provide the City with all of the following:

- (a) A written request that it desires to not be subject to the requirements of Sections [2561.1](#) through [2561.10](#);
- (b) Reference to the specific State or federal laws, if applicable, that would be violated if the City imposed the requirements of Sections [2561.1](#) through [2561.10](#) on the contractor;
- (c) A detailed explanation, if applicable, of the reasons why, and supporting documents therefore (including financial statements), the contractor would suffer an undue economic hardship if it is subject to the requirements of Sections [2561.1](#) through [2561.10](#).

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.7 - Violations process.**

Any covered employee may lodge a complaint with the City Manager, or his/her designee, orally or in writing, that a contractor has violated the requirements of Sections [2561.1](#) through [2561.10](#). Upon receipt of such a complaint, the following process shall apply:

- (a) The City Manager, or his/her designee, shall review and investigate, in his/her discretion, the complaint and determine if the contractor should be issued a preliminary notice of violation from the City Manager which shall also contain the corrective measures the contractor is required to undertake and/or the remedies that are being imposed. If the contractor does not file a timely and sufficient appeal to the preliminary notice of violation, it shall become final and cannot be appealed to the City Manager or City Council as set forth below.
- (b) If a contractor receives a notice of violation, the contractor may request in writing an appeal hearing before the City Manager, or his/her designee, to dispute the violation and/or corrective measures and/or remedies required. The request for an appellate hearing shall be filed with the City Clerk within ten (10) days of the date the City Manager issued the preliminary notice of violation and shall contain the reasons why the contractor believes that a violation does not exist and/or that the corrective measures are not appropriate. The City Manager, or his/her designee, shall conduct the appeal hearing within forty-five (45) days of receipt of the appeal request. Within fourteen (14) days of the conclusion of the

appeal hearing, the City Manager shall issue his/her findings and final decision with respect to the appeal hearing.

(c)

A contractor may appeal the City Manager's final decision to the City Council, or applicable board or commission, by filing a written notice of appeal within ten (10) days of the date set forth on the City Manager's final written decision. The City Council shall conduct a hearing on the appeal within forty-five (45) days of its receipt of the appeal request and either uphold, overturn or modify the City Manager's final decision.

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.8 - City remedies for violations.**

The City may impose any of the following corrective measures and/or remedies against a contractor for violations of Sections [2561.1](#) through [2561.10](#) in addition to other remedies set forth in this Code:

(a)

Order the contractor to comply with all regulations of Sections [2561.1](#) through [2561.10](#) within sixty (60) days;

(b)

Order payment to covered employees, including restitution, to compensate the employees up to the compensation level required by Sections [2561.1](#) through [2561.10](#);

(c)

Impose fines in an amount up to five hundred dollars (\$500.00) per week for each week and each employee that the contractor failed to meet its obligations under Sections [2561.1](#) through [2561.10](#).

(d)

Suspend payments under, and/or suspend or cancel contracts between the City and the contractor;

(e)

Render the contractor ineligible to enter into contracts with the City for up to the longer time period of three (3) years or until all penalties and restitution to covered employees have been paid.

In addition to the above corrective measures and remedies, the City shall be entitled to seek any and all other equitable and legal rights it may have under federal, State and local laws, including, without limitation, injunctive relief for purposes of enforcing the remedies set forth in this section.

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.9 - Covered employee remedies for violations.**

A covered employee shall have the right to seek the following remedies against a contractor in a court of competent jurisdiction:

(a)

Restitution to compensate the employee for all amounts that should have been paid to the employee pursuant to Sections [2561.1](#) through [2561.10](#), including the value of health benefits;

(b)

Penalties in the amount of five hundred dollars (\$500.00) for each week the employee's rights were violated pursuant to Sections [2561.1](#) through [2561.10](#);

(c)

Reasonable attorney's fees and costs;

(d)

Any and all other legal and equitable remedies available under federal, State and local laws.

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2561.10 - Retaliation prohibited.**

A contractor shall not discharge, reduce the compensation of, or otherwise discriminate or retaliate against any of its employees for making a complaint to the City, asserting the employee's rights, or assisting another employee in making a complaint or asserting his/her rights, under Sections [2561.1](#) through [2561.10](#).

(Ord. 662 § 1 (Exh. A (part)), 2005: Ord. 652 Exh. A (part), 2003)

- **2562 - Exception—Supplies, equipment and contractual services.**

The bid procedures set forth herein need not be followed in situations determined by the Purchasing Officer to constitute an emergency or when the commodity or service is proprietary, or for the contracting of professional services (e.g. attorneys, architects, or engineers), or for the contracting for trash and garbage service, or for public relations services, or for services connected with election, or for other similar commodities and services as determined by the Purchasing Officer.

(Ord. 627 § 2 (part), 1999)

- **2563 - Change orders.**

Following the award of a procurement contract for any materials, supplies, equipment, professional or non-professional services pursuant to this Chapter, the contract may be amended by the issuance of a change order, provided the change which is the subject of amendment is reasonably related to the scope of the original contract. The Purchasing Officer or his/her designee will maintain control relative to the scoping, estimating, and negotiating of the proposed change(s) and the Finance Director will certify the availability of funds for the proposed change in the event that the change order increases the contract cost. On a regular basis, Annually a report will be submitted by the Purchasing Officer or his/her designee to the City Council outlining all change orders that have been issued to contracts governed by this Chapter during the reporting period.

Any change order with a total cost in the amount of twenty thousand dollars (\$20,000.00) or less may be approved by the Purchasing Officer, provided the aggregate amount of all changes to a particular contract, including the change order under consideration, does not exceed twenty (20) percent of the original contract cost. Any change order in an amount greater than twenty thousand dollars (\$20,000.00) or any change order which, when considered with the aggregate amount of all other changes to a contract, exceeds twenty (20) percent of the original contract cost, shall be approved by the City Council. Any time extension of the performance deadline up to a total of sixty (60) days under a contract may be granted by the Purchasing Officer. Any time extension of a performance deadline that exceeds sixty (60) days shall be approved by the City Council.

(Ord. 627 § 2 (part), 1999)

- **2564 - Exemptions from formal contract procedure.**

(a)

Purchases of goods or services in an amount greater than ten thousand dollars (\$10,000.00) which can be obtained from only one source may be made by the Purchasing Officer without advertising and after approval by the City Council.

(b)

The City Council may authorize purchase of supplies, equipment, and services without complying with this Chapter when in the opinion of the City Council, compliance with the procedures is not in the best interest of the City.

(c)

The City Manager may authorize emergency purchases of supplies, equipment, or services. For the purpose of this Chapter, emergency purchases are those procurements required to prevent the immediate interruption or cessation of necessary City services or to safeguard life, property, or the public health and welfare.

(d) (d) The Purchasing Officer may authorize purchases when participating in an established governmental “cooperative purchasing program” or when purchasing from a supplier who has been awarded a contract resulting from a formal competitive bid process by another governmental agency within the state or by the federal government.

(Ord. 627 § 2 (part), 1999)

- **2565 - Professional services.**

The City shall not be restricted to engaging in a competitive bidding procedure when seeking to retain specially trained persons or firms to provide services in connection with financial, economic, accounting, engineering, legal, administrative, or other matters involving specialized expertise or unique skills. In securing professional services, the City shall utilize a request for proposals procedure, the method and details of which may be outlined in administrative regulations adopted by the City. The Purchasing Officer may award any contract for professional services when the cost of such contract is equal to or less than twenty thousand dollars (\$20,000.00). Any contract for professional services which exceeds the cost of twenty thousand dollars (\$20,000.00) shall be awarded by the City Council.

(Ord. 627 § 2 (part), 1999)

- **2566 - Lowest responsible bidder.**

In addition to price, in determining the lowest responsible bidder, consideration will be given to quality and performance of the supplies to be purchased or services provided by the seller. Criteria for determining low bids shall include, but not be limited to the following:

- (a) The ability, capacity, and skill of the bidder, to perform the contract or provide the supplies or services required;
- (b) The ability of the bidder to provide the supplies or services promptly, or within the time specified, without delay or interference;
- (c) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (d) The quality of bidder's performance on previous purchases or contracts with the City;
- (e) The ability of the bidder to provide future maintenance, repair parts and services for the use of the supplies purchased;
- (f) Current compliance by the bidder with Federal acts and executive orders and State of California statutes governing the subject of nondiscrimination in employment, provided that the City Manager shall recognize as proof of noncompliance only the final decisions

and orders of those Federal and State agencies empowered under the law to make such findings.

(Ord. 627 § 2 (part), 1999)

- **Part G. - Public Projects—Bidding and Procedures**

- **2567 - Public projects—Defined.**

(a)

For purpose of this Code, "public project" means any of the following:

(1)

Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any public owned, leased, or operated facility;

(2)

Painting or repainting of any publicly owned, leased or operated facility;

(3)

In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of two hundred thirty thousand (230,000) volts and higher.

(b)

"Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:

(1)

Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes;

(2)

Minor repainting;

(3)

Resurfacing of streets and highways of less than one (1) inch;

(4)

Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems;

(5)

Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power plants, and electrical transmission lines of two hundred thirty thousand (230,000) volts and higher.

(c)

For purposes of this section, "facility" means any plant, building, structure, ground facility, utility system subject to subdivision (a)(3) of this section, real property, streets and highways, or other public work improvement.

(Ord. 627 § 3 (part), 1999)

- **2568 - Adoption of plans and bidding—Public projects.**

(a)

The City Council shall approve all formal bidding activity for public projects of more than seventy-five thousand dollars (\$75,000.00) prior to the mailing of notices inviting bids.

(b)

The City shall have authority to require a performance bond before entering a contract in such amount as it shall find reasonable and necessary to protect the best interests of the City. If the City requires a performance bond, the amount of the bond shall be described in the notice inviting bids, and its form shall be as determined by the City Attorney.

(Ord. 649 § 1, 2003; Ord. 627 § 3 (part), 1999)

- **2569 - Construction trade journal list—Public projects.**

The journals on the list of qualified construction trade journals, developed and maintained in accordance with the provisions of Section 22036 of the California Public Contract Code, may be noticed pursuant to Sections [2572](#) and [2573](#) herein.

(Ord. 627 § 3 (part), 1999)

- **2570 - Contractors list—Public projects.**

A list of qualified contractors, identified according to categories of work, shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

(Ord. 627 § 3 (part), 1999)

- **2571 - Purchasing procedures—Public projects under twenty-five thousand dollars.**

Public projects of twenty-five thousand dollars (\$25,000.00) or less may be performed by the employees of the City by force account, by negotiated contract, or by purchase order.

(Ord. 627 § 3 (part), 1999)

- **2572 - Informal bid procedures—Public projects.**

Public projects of less than seventy-five thousand dollars (\$75,000.00) or less may be let to contract by the informal procedures set forth herein.

(a)

The Purchasing Officer shall mail notices inviting informal bids. The notices shall be mailed to all qualified contractors on a list maintained by the City, if any, as well as to all construction trade journals on the list referred to in [Section 2569](#), unless the product or service is proprietary.

(b)

The notices shall be mailed not less than ten (10) calendar days before the opening date of the bids. The notices shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(c)

The Purchasing Officer and Director of Public Works are authorized to award informal contracts and orders pursuant to this Chapter. Orders shall be awarded to the lowest responsible bidder.

(d)

Bids shall be submitted to the Purchasing Officer who shall keep a record of all informal orders and bids for a period of six (6) months after placement of the order. This record, while so kept, shall be open to public inspection.

(e)

If all bids received are in excess of seventy-five thousand dollars (\$75,000.00), the City Council may by a two-thirds (2/3) vote, award the contract at eighty-thousand dollars (\$80,000.00) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

(f)

If no bids are received, the project may be performed by employees of the City by force account, or negotiated contract without further complying with this section.

(g)

In its discretion, the City Council may reject any bids presented.

(Ord. 627 § 3 (part), 1999)

- **2573 - Formal bid procedures—Public projects.**

Public projects of greater than seventy-five thousand dollars (\$75,000.00) must, except as otherwise provided in this Chapter, be let to contract by the formal procedures set forth herein.

(a)

The City Clerk shall mail notices inviting formal bids. The notices shall be mailed to all qualified contractors on the list maintained as well as to all construction trade journals on the list referred to in [Section 2569](#), unless the project or service is proprietary.

(b)

The notices shall be mailed at least thirty (30) calendar days before the date of opening the bids. The notices shall distinctly describe the project and state the time and place for submission and opening of bids.

(c)

The notice inviting bids shall be published at least fourteen (14) days before the opening date of the bids. Notice shall be published at least twice, not less than five (5) days apart, in a newspaper of general circulation, printed and published in the City, or, if there is none, in a newspaper of general circulation which is circulated within the City. The notice shall be posted in ~~at least three (3)~~ public places in the City that have been designated by [ordinance-resolution](#) as places for placing public notices.

(d)

The City Clerk shall also post a notice of pending public work projects on a public bulletin board in the City Hall.

(e)

Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public by the City Clerk or designee at the time and place stated in the public notices. A tabulation of all bids shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

(f)

Bidders on public construction projects shall be required to provide bidder's security. The bidder's security shall be an amount equal to ten (10) percent of the amount of the bid or as prescribed in the public notice inviting bids. The bidder's security shall be in one of the following forms:

(1)

Cash;

(2)

Cashier's check made payable to the City;

(3)

Certified check made payable to the City; or,

(4)

Bidder's bond executed by an authorized surety insurer, made payable to the City.

Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his/her bid's security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the

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

(g)

Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided in this Chapter. The decision of the City Council shall be final.

(h)

In its discretion, the City Council may reject any bids presented. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the City shall have the option of either of the following:

(1)

Abandoning the project, or readvertising for bids in the manner described herein;

(2)

By adoption of a Resolution by a two-thirds (2/3) vote of the City Council declaring that the project can be performed more economically by employees of the City, and may have the project done by force account without further complying with this section.

(i)

If two (2) or more bids received are the same and lowest, the City Council may accept the one it chooses.

(j)

If no bids are received, the project may be performed by employees of the City by force account, or by negotiated contract without further complying with this section.

(k)

The City Council shall have the right to waive any defect or informality in the bidding or in the procedures set forth in this section. No defect or informality shall void any contract entered into.

(l)

The City Council shall adopt plans, specifications, and working details for all public projects subject to this section or shall delegate such adoption as it deems appropriate to the City Manager. Any person may examine the plans, specifications, and/or working details adopted by the City Council or its designee for any project.

(Ord. 627 § 3 (part), 1999)

- **2574 - Emergencies—Public projects.**

(a)

In cases of emergency when repair or replacements are necessary, the City Council may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the City Council, by contractor, or by a combination of the two.

(b)

In case of an emergency, if notice for bids to let contracts will not be given, the City Council shall comply with the following procedures:

(1)

The City Council shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(2)

The City Council, pursuant to a two-thirds (2/3) vote, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes.

(3)

The City Council, by a two-thirds (2/3) vote, may delegate to the City Manager, Chief Engineer, or other nonelected City officer, the authority to order any action specified in paragraph (2) of subsection (b) of this section.

(4)

If a person with authority delegated pursuant to this section orders any action specified in paragraph (2) of subsection (b), that person shall report to the City Council, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(5)

If the City Council orders any action specified in paragraph (1) or (2) of subsection (b) of this section, the City Council shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a two-thirds (2/3) vote, that there is a need to continue the action. If the City Council meets weekly, it may review the emergency action in accordance with this paragraph every fourteen (14) days.

|

(6)

If a person with authority delegated pursuant to this section orders any action specified in paragraph (2) of subsection (b), the City Council shall initially review the emergency action not later than its next regularly scheduled meeting and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a two-thirds (2/3) vote, that there is a need to continue the action, unless a person with authority delegated pursuant to this section has terminated that action prior to the City Council reviewing the emergency action and making a determination pursuant to this subsection.

(7)

When the City Council reviews the emergency action pursuant to paragraphs (5) or (6), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

(Ord. 627 § 3 (part), 1999)



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: ORGANIZATION PRIORITIES FOR FISCAL YEAR 2016

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council:

1. Receive a report from the City Manager regarding activity priorities for the remainder of Fiscal Year 2016,
2. Consider alternatives for developing operational efficiencies in the delivery of city services.

EXECUTIVE SUMMARY

The following are the generally stated priorities for the organization for Fiscal Year 2016:

1. Budget stabilization
2. Staff-related concerns
3. Relationships with the Oxnard Harbor District and U.S.Navy
4. Infrastructure maintenance
5. Hiring of a permanent City Manager
6. Resolution of HUD issues
7. Other lesser issues (to be explained)

There is a need to develop efficiencies in service delivery as part of stabilizing the budget for coming fiscal years. A thorough review of our methods of doing business is necessary to achieve efficiencies. There are two alternatives available for City Council consideration:

1. Review by City staff, or
2. Retention of consulting services.

8B

ORGANIZATION PRIORITIES FOR FY 2016

January 19, 2016

Page 2

BACKGROUND/ANALYSIS

Upon assuming the position of interim City Manager on December 21st, I set up individual meetings with each of the Council Members to determine program, project and organizational priorities for the remainder of the current fiscal year and moving into Fiscal Year 2016-17. During these discussions I emphasized I would be gathering the individual priorities of each Council Member and developing a single list of priorities for consideration by the full Council. I did not discuss the priorities of any one Council Member with the other Council Members. I also gathered information from the operating departments to complete what I propose to be not only my focus through the end of the fiscal year but will serve as the basis for my direction to City staff.

Based on my discussions with each of you and my observations of the organization, the following are seen as the priorities for the total organization for the remainder of this fiscal year. I expect that many of the priorities will carry beyond June 30 due to the importance of the items to the well-being of the City of Port Hueneme. As the year progresses, the ranking of these items may very well change due to unforeseen events or accomplishments in any given subject area.

ISSUES

Budget Stabilization

That the issue of our budget problems rises to the top of the priorities is not a surprise. It has been the focus of our activities much longer than the current year. The comments I received included: a) develop a maintenance mode in the provision of city services; b) eliminate the structural deficit; c) possible consolidation of the two public works facilities; d) possible replacement of RDA tax increment with a new form of increment revenues; e) careful review of the water enterprise funds/rates/project needs; f) completing concessions in labor agreements; g) areas for consideration of outsourcing and the dollar and staffing impacts of the same; and h) developing consistency and possible improvements with the business license tax.

I fully expect that there will be other issues relating to our revenues and expenditures that will surface as we go through budget preparation for next year. The totality of the budget issues will be a key focus of my time as your City Manager. We must eliminate as much as possible the structural deficit in the budget for FY 2016-17 that is submitted to you for approval in June. As we look at all the General Fund programs we need consciously ask ourselves how a proposed expenditure will benefit the City. If the answer is "marginally," we should not spend it. Good planning should, in fact, look beyond that fiscal year to ensure that we are not in the same position for 2017-18. Our recommendations

ORGANIZATION PRIORITIES FOR FY 2016

January 19, 2016

Page 3

this year will include projections for out years and will necessarily require reductions/efficiencies to ensure budget stability.

Staff Concerns

There are many reasons for staff to be concerned for the direction that the City is going. Newspaper accounts of differences among Council Members, the rumor mill, the development of concessions with labor organizations, and the filing of employee complaints/claims all foster a sense of unrest and morale issues among the employees. We need to be more forthcoming with all the employees about the issues facing the City and what steps we are taking to resolve them. We need to address concerns about job security. Employees should be able to feel comfortable in their work and see that there is value to their work product. I have initiated contact with employees and will continue to do so as much as possible. An all-hands meeting of all but Police Department employees is scheduled for later this month to allow for a single message from the City Manager (I am dealing with Police employees differently due to shift arrangements in the department).

The relationships between Council Members has a greater impact on the working environment of City employees than might be perceived – both internally and externally. I will be putting in considerable effort to bring about greater cohesion among Council Members over the next several months. The Council norms that were approved last week by the City Council are a first step in a better working relationship.

Being realistic, the budget discussions that will take place on a regular basis over the coming months can have a disquieting effect on our employees. I will do whatever I can do to keep employees informed about our efforts to bring the necessary stability to our operations.

Port and Navy Relations

The two biggest land owners in the City are the Oxnard Harbor District and Navy Base Ventura County. They also can have the some of the biggest impacts on our revenues and our ability to provide city-wide services.

An agreement with the District has recently been completed after somewhat contentious discussions. While the results may not be perfect for either side, we are positioned to go forward with ongoing meetings with Port officials and executive staff on issues that can be of mutual benefit to both organizations.

The Navy Base could provide the City with some much needed resources to assist in achieving budget stability. Additionally, the establishment of joint work

ORGANIZATION PRIORITIES FOR FY 2016

January 19, 2016

Page 4

on public works projects portends a bright future in our working relationship with the Base.

I have recently met with the chief executives of the Port and Navy and plan to continue meaningful discussions with each on a regular basis.

Infrastructure Maintenance

One of the first places a city will demonstrate its financial condition is in the maintenance of the various forms of infrastructure. Port Hueneme is no different. At the present time one of the outstanding, and most visible, pieces of our infrastructure is the street system. Overall, it is in excellent condition – especially when comparing to other jurisdictions in the county and state. We need to maintain our focus and spend in a very calculated manner on the upkeep of this very valuable asset recognizing that the amount of money we have cannot address all the issues. We will likely see some degradation in the coming years unless there is some change in the funding streams.

We do not do as well with our recreational facilities. Deterioration is evident in several locations. We need to consolidate our resources and address tennis court and ball field rehabilitation, park facilities (benches, lights, restrooms). We have begun this effort as part of the current budget and will continue with our recommendations for FY 2017.

Maintaining the sand at our beach must be continually on our mind. Letting it go can be too costly. Here we must maintain constant contact with the Oxnard Harbor District, the County of Ventura office for Channel Islands Harbor and our state and federal legislators to ensure that our beach is replenished on a regular basis.

The pieces of infrastructure that are hidden from us all are the water and wastewater systems. We need to realistically look at any potential deficiencies in these systems and provide the plan for addressing them. I have asked the Public Works Director to put together that plan covering the next five years. We do not want to have any of the major breaks that we have seen in other cities over the past few years due to being inattentive to the conditions of our facilities.

Hiring a Permanent City Manager

While this subject did not rise to the top of the issues I discussed with Council Members, there is no more important decision that you will make in the coming year. Addressing the issues like those presented above requires that you have confidence in your chief executive to carry through on your priority activities. I have received four (4) proposals for the recruitment and will return with my

ORGANIZATION PRIORITIES FOR FY 2016

January 19, 2016

Page 5

recommendation of the right firm for this very important task at the February 1, 2016 Council meeting.

Resolution of HUD issues

The impact of not getting a clean bill of health from HUD will raise the priority of this issue. We submitted on January 4th as much information regarding eligible expenditures to HUD revenues as we could possibly assemble. We are hopeful that we can eliminate a major portion of the previously contested expenses. Since the decision is now in the hands of HUD, we must await its decision. A negative conclusion would result in expanding the budget stability outlined above.

Other issues

During my discussions with each of you, there were three other lesser issues (not to mean that they are not important) that were expressed by one or more of you. They included 1) retention of public relations expertise, 2) live streaming of City Council meetings, and 3) the level of police staffing.

While these issues did not get top billing in my discussions, I think they are things that I need to pay attention to and determine what the City might do to better provide the general public with City issues and activities. I am currently doing my own research on ways to get better information to a large segment of our residents and will come back to you at a future Council meeting with my findings.

Police staffing will always be an issue that faces a City Council and City Manager. We need to review police related activities and determine what relationship incidents have to our staffing. Interim Chief Albertson is currently gathering statistics from the 2015 calendar year and will be coming to the Council mid to late February with a report. It should be noted that staffing is not always the remedy to a reduction in certain categories of crime when reviewing the statistics that he will be presenting.

OPERATIONAL EFFICIENCIES

One of the buzz phrases from my earlier management days was "Continuous Improvement." There are almost always ways we can improve on how we provide services to our customers, but there is generally a resistance to change in the way we do things. When faced with the deficit budget position that the City sees down the road, we owe it to our residents to determine if there is a better way to accomplish our tasks. This could mean service consolidations, elimination of largely unnecessary services or programs, and cross training of employees to achieve a desired result. As we do this, we must continually strive to achieve a balance in the distribution of the workload among our employees.

ORGANIZATION PRIORITIES FOR FY 2016

January 19, 2016

Page 6

The City needs to do a thorough review of its service delivery to see what changes we might make to improve the service, save money and better utilize the resources – both money and personnel – we will have at our disposal. We can either charge current staff to complete this task or retain an outside consultant to give a fresh look at our operations. I hesitate to recommend either option due to impacts on staff or increased expenditures when we are already in a deficit position.

Use of existing staff can be seen as rubber-stamping current methods/programs or playing to an agenda of how we should do things. The dollar cost, however, is solely some lost time on other departmental operations. If we were to pursue this option, I would use limited staff from all levels in the organization to get a rounded view of possible efficiencies.

The retention of outside consultant expertise brings a different perspective to our operations. There will be a cost to this expertise that is unknown at this time. Also, there will be some delay in initiating the review while we issue an RFP and finalize a contract.

FISCAL IMPACT

The recommended actions, with the exception of possible retention of organizational analysis consulting services, will have no fiscal impact on the General Fund to proceed with staff addressing the issues presented above. There will be an unknown fiscal impact if we retain outside expertise to conduct an operational audit of our services.



City of Port Hueneme

COUNCIL AGENDA STAFF REPORT

TO: City Council

FROM: John Baker, Interim City Manager

SUBJECT: HUENEME BEACH FESTIVAL

DATE: January 19, 2016

RECOMMENDATION:

It is recommended the City Council choose among the options for funding the Hueneme Beach Festival and other recreational programs for Fiscal Year 2015-16.

BACKGROUND/ANALYSIS

On January 11, 2016, the City Council received a presentation from the Deputy City Manager regarding the options for the funding of the 2016-17 Beach Festival. As you will recall, the Council appropriated \$75,000 as part of the FY2015-16 budget for a variety of recreational activities – including the Beach Festival. At that time, staff informed the Council that \$75,000 would not cover the costs of all the events that are programmed for the year. A decision needs to be made as to which activities will be funded for the remainder of the fiscal year.

In the past, funding for the Beach Festival was actually split between two fiscal years. This was seen as necessary to allow for expenditures near the end of one fiscal year that are start-up costs for the festival that takes place in the subsequent fiscal year. If the Festival is to go forward, approximately \$20,000 is needed prior to July 1st. To ensure that the Festival is properly funded next year another \$80,000 needs to be appropriated in the 2016-17 budget. If we are able to repeat the revenues from the Festival that have been historically produced, the net cost for the Festival would be approximately \$60,000 (using funds from two separate years). If the Festival is to continue in the future, I strongly recommend that the appropriation for the same is placed in one fiscal year's budget. This is a decision the City Council must make during the final determinations for the FY 2016-17 budget.

HUENEME BEACH FESTIVAL

January 19, 2016

Page 2

In the past, the City has provided a number of recreational activities that are programmed throughout the year. Those activities are listed below as part of option 2. Their costs are projected to be \$58,500 – an amount that is approximately equal to the net costs for the Beach Festival. Clearly we cannot do both. It is also necessary to point out that either or both of the options will likely to be the subject of Council discussion as part of General Fund reductions that will be necessary during the 2016-17 budget determinations.

The options that are available for City Council considerations are as follows:

Option 1: Fund the Hueneme Beach Festival as a program for August 2016 from the \$75,000 FY 2015-16 appropriation for recreational activities, carrying over the balance of the appropriation to the next fiscal year to accommodate the necessary expenditures. The total costs for the event are projected to be \$100,000. If the revenues from the event match those received in past years, the net cost will be \$60,000.

Option 2: Fund other varied recreation programs that are spread throughout the year utilizing approximately \$58,500 of the \$75,000 appropriation for the current fiscal year. Those programs are listed below:

July	Movies at the Park and Date Night	\$10,000
August	Car Show	\$ 5,000
September	Fishing Derby	\$ 3,500
December	Holly-Day Tree Lighting/Santa Float	\$ 5,000
April	Copa Cabana Beach Soccer Tournament	\$ 2,000
May	Beach Life Activities, Music	\$30,000
June	Begin Movies at the Park Series	\$ 3,000
Total estimated cost:		\$58,500
Projected Excess Funds FY 2016-2017*:		\$16,500

**Assumes continuing an appropriation of \$75,000 in the future.*

Option 3: The Council can reduce the budget amount for any recreational activities and fund a portion of the activities contained in Option 2 above. If the decision is to reduce the budget beyond the current FY 2015-16 appropriation, there will not be sufficient funding for the Hueneme Beach Festival. This option would essentially serve to reduce the deficit for the current fiscal year and out budget years.

As staff, we recognized the importance of all our recreation programming. Unfortunately, we cannot do everything we would like due to the current and coming budget year projections. It is my strong recommendation that the City Council consider the impacts of current decisions on future year spending – decisions that are going to be very difficult.