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AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
February 25, 2025
Regular Meeting - 5:00 to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 870 6788 7040
3. Passcode: 450326

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at www.https://www.oxnard.org/city-meetings/.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.
2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING
 - a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at www.oxnard.org/citymeetings.
 - b. Submit an email to cityclerk@oxnard.org by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
 - c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.
3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING
 - a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

- b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the January 28, 2025 regular meeting as presented.

Contact: Luly Lopez, (805) 385-7805

D. REPORTS

1. City Attorney Department

SUBJECT: Ordinance Amending the City's Purchasing System (City Code Chapter 4). (10 minutes)

RECOMMENDATION: That the Finance and Governance Committee review the proposed ordinance that will repeal and replace the City's current purchasing system that is codified in Chapter 4 of the Oxnard City Code, and recommend that the City Council approve the first reading by title only and waive further reading of the proposed Ordinance titled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD REPEALING AND REPLACING CHAPTER 4, ARTICLES I THROUGH V OF THE OXNARD CITY CODE FOR PURCHASING, CONTRACTING AND PUBLIC PROJECTS.”

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/7f0Oq9yk9yg>

Contact: Michelle McCarron, Jennifer Yates, 805-385-3937, (805) 200-5339

2. Finance Department

SUBJECT: Sales Tax Contract Addendum For Sales Tax Audit Services Payment. (10 minutes)

RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council:

1. Approve Addendum to Agreement No. 7748-17-FN between the City of Oxnard and Hinderliter, de Llamas and Associates (HdL Coren & Cone); and
2. Approve budget appropriation in the General Fund (101) in the amount of \$64,155.00 to sales tax audit services.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/VyrgkAy-TDg>

Contact: Javier Chagoyen-Lazaro, (805) 200-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT



**FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT**

**CONSENT AGENDA
AGENDA ITEM NO. C.1**

DATE: February 25, 2025
TO: Finance & Governance Committee
FROM: Luly Lopez, City Clerk, (805) 385-7805, luly.lopez@oxnard.org
SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance and Governance Committee approve the minutes of the January 28, 2025 regular meeting as presented.

BACKGROUND

Approval of minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Luly Lopez, City Clerk

ATTACHMENTS

1. Minutes of Finance and Governance Committee for 1 28 2025

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
January 28, 2025

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 p.m., Chair Luis Mc Arthur called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 West Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Chair Luis Mc Arthur, Member Gabriela Rodriguez and Member Aaron Starr were present.

Member Rodriguez led the pledge of allegiance followed by a moment of silence in honor of retired Police Officer Gino Rodriguez who passed away.

Staff members present were Alexander Nguyen, City Manager; Stephen Fischer, City Attorney; Eric Sonstegard, Assistant City Manager; Javier Chagoyen-Lázaro, Chief Financial Officer and Lourdes A. López, City Clerk.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comment was received from Doug Partello (restoring City Treasurer position).

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the December 10, 2024 regular meeting as presented.

No public comments were received.

It was moved by Member Starr, seconded by Member Rodriguez, to approve the Information/Consent item as presented. VOTE: Starr, Rodriguez and Mc Arthur voted in favor; the motion passed 3-0.

D. REPORTS

1. City Manager Department

SUBJECT: Whistleblower Activity Report (10 minutes)

RECOMMENDATION: That the Finance and Governance Committee receive and file an update on the City's whistleblower hotline.

Annie Jensen, Project Manager and Eric Sonstegard, Assistant City Manager were available to answer the committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Chair Mc Arthur, seconded by Member Rodriguez, to approve the recommended action as presented. VOTE: Mc Arthur, Starr, and Rodriguez voted in favor; the motion passed 3-0.

E. ITEMS FOR FUTURE AGENDAS

Member Starr stated that a workshop is scheduled for February 18, 2025 to discuss the role of the City Treasurer position. The City Attorney confirmed that a report is scheduled for February 18, 2025.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Mc Arthur adjourned the meeting at 5:16 p.m.

LOURDES A. LÓPEZ
City Clerk

Luis Mc Arthur
Mayor



FINANCE AND GOVERNANCE COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.1

DATE: February 25, 2025

TO: Finance & Governance Committee

FROM: Michelle McCarron, Assistant City Attorney, 805-385-3937, michelle.mccarron@oxnard.org
Jennifer Yates, Purchasing Manager, (805) 200-5339, jennifer.yates@oxnard.org

SUBJECT: Ordinance Amending the City's Purchasing System (City Code Chapter 4). (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee review the proposed ordinance that will repeal and replace the City's current purchasing system that is codified in Chapter 4 of the Oxnard City Code, and recommend that the City Council approve the first reading by title only and waive further reading of the proposed Ordinance titled:

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD REPEALING AND REPLACING CHAPTER 4, ARTICLES I THROUGH V OF THE OXNARD CITY CODE FOR PURCHASING, CONTRACTING AND PUBLIC PROJECTS."

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/7f0Oq9yk9yg>

BACKGROUND

The City Attorney's Office in conjunction with the Finance Department, Purchasing Division and Public Works Department have prepared a comprehensive update to the City's purchasing system that is codified in Chapter 4 of the Oxnard City Code. The last comprehensive update to the purchasing system occurred in 2018.

Oxnard is the 22nd largest city in California and is a full service general law city. General law cities are obligated to adhere to the requirements of California Government Code sections 54201-54205 regarding local agency procurement requirements along with Government Code sections 3400, 4000-4563 regarding trade names, professional services and subcontracting among other items, and Public Contract Code sections 20100-22199 regarding procurement of public works projects, when establishing or updating its purchasing system. A review of the City's current purchasing system revealed the need for a necessary overhaul to provide clear and concise direction to city staff on contracting and procurement procedures, including detailed steps to follow for procuring goods, services, professional services and public projects, in addition to a stand alone code section that describes purchasing and contracting authority.

Oxnard must operate and maintain a significant portfolio of infrastructure and public services. The City utilizes contractors, consultants and other service providers that assist in maintaining City infrastructure and services Oxnard residents rely upon on a daily basis. This includes 1,037 miles of streets; a municipal water utility with 504 miles of water lines, over 43,000 water service connections, and several drinking water treatment facilities;

a wastewater utility that processes 27 million gallons per day, and maintains 415 miles of sewer lines; and an advanced water purification facility that creates recycled water. Oxnard also provides municipal solid waste services at its Del Norte material recycling facility where over 295,000 tons of solid waste, 24,900 tons of recycled material, and 22,000 tons of organic waste are processed annually, and provides trash pick up services to 34,480 residences and 5,082 commercial facilities and apartment buildings, utilizing 102 City trash vehicles. Additionally, the City of Oxnard is responsible for managing and maintaining a housing department that provides critical services to Oxnard residents in need of affordable housing and related services; library services; a full service City Police Department; a full service City Fire Department with eight stations; 53 parks; 30 special districts; and City owned and operated buildings, facilities and fleet vehicles.

The timely and organized purchase of goods, supplies and services is imperative to the efficient function of City government. The procurement process is highly regulated through required policies and procedures, as cited above, that ensure the City obtains the best products and services at the lowest cost or best value to the City. This is achieved through the use of a transparent and equitable process that is in conformance with State and local law. The procurement process can limit the City's ability to procure goods and services through time consuming and cumbersome processes, procedures and policies. The ordinance before Council aims to provide additional procurement tools to assist staff.

For fiscal year 2025 (FY25), the City has 646 contracts with different service providers and contractors that are performing work throughout the City. These contracts are subject to the requirements of the City's purchasing system and State law. The number of contracts the City has at any given time fluctuates, due to expiration, termination, or close outs, and of the 646 contracts in FY25 more than half were initiated in prior fiscal years since most contracts have up to a five year term. Currently, there are approximately 619 open contracts. The City also issues purchase orders (POs) for goods, supplies and equipment. In fiscal year 2023, the City issued 914 POs; in fiscal year 2024, it issued 1,161 and in fiscal year 2025, 827 POs have been issued up to date.

The City's current purchasing system underwent minor revisions on May 17, 2022, with Ordinance 3016, which amended signature authority approval thresholds for certain City Staff. Prior to this, the City's purchasing system underwent substantial revisions on June 19, 2018, when the City Council adopted Ordinance 2943, which overhauled the city's previous purchasing system that was established in May of 2000 by Ordinance 2520.

The proposed ordinance strengthens the City's purchasing system by enunciating clear standards regarding purchasing authority, award levels, competitive solicitation processes, and provides explanations and guidance to City Staff on the processes and procedures that must be followed when procuring goods and services on behalf of the City. The proposed purchasing system is drafted to work in conjunction with the City's Tyler Munis Enterprise Resource Planning System ("ERP"), which is a citywide financial reporting tool that operates as a system of checks and balances for all purchases and contracts.

The proposed ordinance and the ERP work together to strengthen oversight of the City's purchasing and contracting system. Each contract and purchase order solicited by the City is uploaded into the ERP system where a series of approvers must review the contract, pricing, terms, scope, solicitation information and financial information to ensure compliance with the City's purchasing system as well as financial controls provided by the ERP. The ERP approval process is rigorous and mandates review by department directors, risk management, finance department, city manager and city attorney departments and the purchasing department. The ERP along with this proposed purchasing ordinance will ensure all City solicitations, contracts, and purchases are conducted in accordance with State law.

DISCUSSION

The current purchasing ordinance requires updating to provide clear explanations on the procedures and processes for the different types of solicitations. The current ordinance directs the reviewer to California State

codes, requiring the reviewer to search for and interpret State Codes to determine the appropriate requirements for soliciting goods, services and public projects. The proposed ordinance provides guidance for the use of on-call agreements, multiple award schedules, the Uniform Cost Construction Accounting Act (“UCCAA”) and other common purchasing practices that are not included in the current purchasing ordinance. Lastly, the California Legislature has passed AB2912 which updates Public Contract Code for public works projects.

The proposed purchasing ordinance reorganizes the purchasing system into five separate articles. Article I contains the general provisions of the City’s purchasing system. Article II describes the process for soliciting public works projects. Article III describes the process for soliciting professional services. Article IV describes the process for soliciting general services, goods, supplies, and equipment, as well as IT services. Lastly, Article V contains miscellaneous procedures applicable to some City solicitations.

The following is a list of the notable updates to the purchasing system:

- A new contract authority section with delegation provisions.
- Allowance for electronic signature authority.
- Utilizing the aggregate value method for purchasing and removing the annual authorization method.
- Updating the Public Project section to mirror the Uniform Cost Construction Accounting Act to provide the Public Works Department with more flexibility for public projects under \$75,000. [The solicitation/bid process for public projects and other purchases are commingled in the current ordinance. The proposed draft separates the processes].
- Separate solicitation requirements for professional services.
- Removal of the term "Trade Service" which is replaced with industry standard "General Service."
- Separates the procedures for emergency contracting for public projects from all other types of purchases, because Public Projects have a very specific procedure that is not appropriately documented in the current ordinance.
- Removes State Code citations that require the reviewer to look up a State Code to determine the appropriate purchasing requirements. The instructions and procedures are stated in the proposed ordinance which removes any guesswork as to what is required.

The proposed purchasing ordinance defines and describes the purchasing methods and procedures that may be utilized by the City in a manner that is easy for staff to access, understand and implement. There is a dedicated section describing contracting authority and delegation of authority. The proposed purchasing system simplifies the local vendor preference program, allows for electronic signatures, codifies the use of design build projects for public works, and details emergency purchasing procedures. Additionally, the proposed ordinance updates the public project solicitation requirements based on Assembly Bill 2192, which went into effect on January 1, 2025. AB 2192 increases the threshold dollar amounts for informal solicitations from \$60,000 to \$200,000 to \$75,000 to \$220,000 and requires formal solicitations for any project over \$220,000. AB 2192 also updates the definition of a public work to include the term “installation.”

Article I is the Citywide Purchasing System and contains the provisions that apply to the entire purchasing system. The definitions have been updated to reflect the City’s current purchasing and contracting needs. Contracting Authority now appears in a single section and retains the intention and purpose of prior ordinance 3016, which amended the current purchasing ordinance so the signature authority would be consistent with the City’s Tyler Munis ERP system. The Contracting authority and threshold dollar amounts for City Staff identified in the purchasing ordinance remain at the same levels as stated in the prior ordinance.

There are new sections in the proposed purchasing ordinance which are discussed here. Among them are a prohibition on project splitting and non-compliance with purchasing guidelines which allow for violations to be prosecuted as a misdemeanor. There is a delegation of discretionary approval for designs, which is critical for

the City to assert a “design immunity” defense in a tort claim filed against the City.

Next, two new sections are awarding to multiple vendors, the use of on-call or as-needed agreements. These updates provide staff with the ability to competitively procure goods and services through a single solicitation by requesting bids, proposals or pre-qualifications from multiple vendors and service providers. The single solicitation will allow the purchasing agent to award contracts to multiple qualified vendors and service providers from which task orders may be issued thereby expediting the City’s ability to respond to issues and provide services for the residents of Oxnard.

This update will significantly reduce the City’s procurement time, which is of critical importance to the City’s Public Works Department. A common issue that has been raised by residents and businesses alike is the significant amount of time that it takes for the City to complete Capital Improvement Projects as well as other repairs, installations and construction needed throughout the City, which is due to long lead times for procuring services. Specifically, the current timeline for public works obtaining professional services is approximately seven and half months, which includes the development of the scope of work, publicly soliciting proposals, review of submittals, consultant interviews, contract negotiations, as well as preparing staff reports for Council for service providers with a cumulative total of contracts over \$220,000. For other types of solicitations, the purchasing agent estimates the solicitation process takes on average six to nine months.

By utilizing on-call agreements in conjunction with an aggregate value authority as stated in the updated ordinance, and issuing task orders against the larger awarded agreement, staff could have a task identified and reach out to the qualified consultants to request proposals under their on-call agreements with the City. After reviewing the submitted proposals, a task order against the on-call agreement can be issued and work started. It is estimated that this process would take 6-8 weeks, rather than six to nine months for the traditional solicitation process. This process would benefit all departments across the City allowing for more effective and efficient procurement response times.

Over the last three fiscal years the Purchasing Agent performed seventy solicitations in fiscal year 2023, eighty-five solicitations in fiscal year 2024 and is at fifty-five solicitations for fiscal year 2025. The public works department issued forty-six public project solicitations in fiscal year 2023, twenty-six in fiscal year 2024, and is at forty-four for fiscal year 2025. It is important to note that the Purchasing Agent solicitations for professional services must occur prior to the public works department solicitations, because the professional service provider performs design, engineering, architectural or construction management services that must be completed before a public work project can be solicited. Decreasing the solicitation times will allow public works projects to be solicited within a shorter time period as well.

The period of performance for on-call agreements will be on the order of five years, and each procurement has a limit of \$200,000 per task order related to Capital Improvement Projects and \$100,000 per task order for all other city projects, which is consistent with the proposed ordinance’s contract authority limits. This will allow a reasonable time period to get work done under a longer-lived contract and will increase the efficient use of staff time by only needing to solicit and complete the contract once every three years.

Along the same lines of cost effectiveness and time efficiency is the ability to award to multiple vendors from a single solicitation. This will allow the Purchasing Agent to solicit goods, equipment and supplies utilizing a matrix in which responsive vendors bid on items they can provide to the City and the City selects the providers with the lowest price per unit rather than the overall aggregate low bid for all items requested. This also establishes a fair, transparent and competitive process that meets Government Code requirements for single solicitation multiple vendor awards and allows the City to receive the best value or best prices through a single solicitation.

Article II contains the purchasing procedures for soliciting public projects. This Article sets forth the informal and formal bidding procedures for public projects. The requirements for how and when the City can require a

brand name or equivalent product for public projects. Finally, it includes the process from the Public Contract Code for emergency contracting of public works projects, and codifies the City Council's prior resolution allowing Design-Build Projects.

Article II defines what type of public works projects are subject to the Uniform Cost Construction Accounting Act ("UCCAA"). The California Legislature updated the UCCAA with the passage of AB 2912, which went into effect on January 1, 2025. AB2912 amends the definition of a public work to include the term "installation." This update will assist staff in determining when a public work is subject to the bidding procedures of the UCCAA. AB2912 also increases the bidding thresholds. Now, a public project under \$75,000 may be performed by force account, negotiated contract or purchase order, whereas the previous threshold was \$60,000. Next, the threshold for public projects subject to informal bidding requirements will increase to \$220,000, meaning public projects less than \$220,000, but greater than \$75,000 may be submitted to the contractor list maintained by the City's public works department. Lastly, the threshold for public projects subject to formal bidding requirements has increased to \$220,000 or greater from the previous cap of \$200,000.

Article II also codifies the City's design build resolution that was passed by City Council on October 17, 2023. It makes sense to include design built in Article II, so that Public Works staff can view all solicitation tools and requirements in a single place. The Article also allows the public works director to award solicitations under \$75,000, with the Purchasing Agent executing the agreement. This will assist the public works facilities department in quickly completing small repairs and installations that are required to keep the City's facilities in good working order.

Article III contains the purchasing procedures for soliciting professional services and specifies the requirements for professional service solicitations and describes the formal and informal solicitation requirements in addition to the on-call solicitation requirements. All professional services must be made by contract and are awarded on the basis of a best value criteria through a request for proposals. A proposal is different from a bid, which requires the lowest price, whereas price is one factor in determining whether the City is obtaining the best value from a professional service provider. This section also contains direction on change order and amendment authority as well as emergency and urgency contracting procedures.

Article IV contains the purchasing procedures for soliciting goods, supplies, equipment, general services, information technology services or other transactions that are not public projects. Often services subject to this Article may be subject to the State's prevailing wage laws and this is stated in the article. The Article provides the informal and formal requirements for solicitations subject to this article as well as procedures for "small purchases" or those under \$5000. All solicitations subject to this article must be informally or formally solicited and placed on a contract or purchase order. The purchasing agent has authority to determine if a solicitation should be awarded on the basis of best value or lowest bid. This section also contains the same direction on change order and amendment authority and emergency and urgency contracting procedures that are consistent with those found in Article III.

Article V contains miscellaneous purchasing functions. First, it replaces the City's prior small local business purchasing preference program with an easy to understand and implement program that allows a small local business up to a 5% or \$5000 dollar preference on solicitations subject to Articles III and IV. The prior small business program was rarely utilized and difficult to calculate and administer. The prior program had been requested on two prior solicitations within the last five years and did not result in a preference being issued to a small local business. This section also updates the definition of a small local business to that recognized by the State of California which is less restrictive of a definition than in the City's current purchasing system. Staff hopes this program change will assist more small local businesses that respond to City solicitations.

The proposed ordinance also sets forth authorization for electronic and digital signatures, which is not included in the City's current system. The authorization for such signatures meets the State guidelines for

implementation of electronic/digital signatures for City contracting. Finally, the proposed ordinance provides an updated procedure for the sale and disposal of surplus property. This update will allow for greater oversight of the disposition of surplus property.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Michelle McCarron, Assistant City Attorney

ATTACHMENTS

1. Proposed Purchasing Ordinance - Oxnard City Code Chapter 4
2. Current Purchasing System - Oxnard City Code Chapter 4
3. Presentation

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD REPEALING AND REPLACING CHAPTER 4, ARTICLES I THROUGH V OF THE OXNARD CITY CODE FOR PURCHASING, CONTRACTING AND PUBLIC PROJECTS

WHEREAS, Chapter 4 of the Oxnard City Code contains the City's current competitive purchasing and contracting system;

WHEREAS, it is in the best interests of the City, its employees, and its constituents to have efficient and transparent procedures in place for the purchase of supplies, services, equipment and public projects; and

WHEREAS, the City Council of the City of Oxnard desires to review and refine the City's current purchasing system to include updated and explicit definitions, procedures, explanations, and authority that reflect and are consistent with the City's longstanding purchasing needs and operations; and

WHEREAS, it is best practice to review and update the City's purchasing system to implement required changes that will support the efficient and orderly purchasing of supplies, services, equipment and public projects.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

Part 1. Incorporation of Recitals. The findings and determinations reflected above are true and correct, and are incorporated by this reference as though fully set forth herein as the cause and foundation for the action taken by and through this Ordinance.

Part 2. Codified Amendment. The City Clerk is directed to request that the publisher of the City Code add thereto the amendments listed in Parts 3 of this Ordinance, as set forth below, which fully replaced Chapter 4 of the City Code.

Part 3. Chapter 4 is hereby repealed in its entirety and replaced with the following provisions, which include new titles for chapter 4, and articles I, II, III, IV and V, and include code sections 4-1 through 4-55 as follows:

"CHAPTER 4: PURCHASING, CONTRACTING & PUBLIC PROJECTS

ARTICLE I. CITYWIDE PURCHASING SYSTEM

SEC. 4-1. PURPOSE

SEC. 4-2. DEFINITIONS

SEC. 4-3. CONTRACTING AUTHORITY

SEC. 4-4. ALLOWABLE PURCHASING METHODS

SEC. 4-5. PURCHASING AGENT

Ordinance No.

SEC. 4-6. CONFLICT.

SEC. 4-7. EXEMPTIONS TO SOLICITATION REQUIREMENTS

Sec. 4-8. AWARD TO MULTIPLE VENDORS

Sec. 4-9. ON-CALL AGREEMENTS

SEC. 4-10. NO OBLIGATION TO CONTRACT

SEC. 4-11. APPROVAL AS TO FORM

SEC. 4-12. BUSINESS LICENSE

SEC. 4-13. INSURANCE REQUIRED

SEC. 4-14. PROHIBITION AGAINST SPLITTING PROJECTS, PURCHASES, AND NON-COMPLIANCE WITH PURCHASING GUIDELINES

SEC. 4-15. AUTHORITY TO EXERCISE DISCRETIONARY APPROVAL OF DESIGNS FOR PUBLIC WORKS AND PUBLIC IMPROVEMENT PROJECTS

ARTICLE II. PUBLIC PROJECTS

SEC. 4-16. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

SEC. 4-17. PUBLIC PROJECTS

SEC. 4-18. INFORMAL BIDDING PROCEDURE

SEC. 4-19. FORMAL BIDDING PROCEDURE

SEC. 4-20. TIER 1 PUBLIC PROJECTS

SEC. 4-21. TIER 2 PUBLIC PROJECTS

SEC. 4-22. TIER 3 PUBLIC PROJECTS

SEC. 4-23. WAIVER OF IRREGULARITIES

SEC. 4-24. REJECTING ALL BIDS

SEC. 4-25. BONDS

SEC. 4-26. PUBLIC PROJECT CONTRACTS & PREVAILING WAGE

SEC. 4-27. CHANGE ORDERS

SEC. 4-28. BRAND OR TRADE NAMES

SEC. 4-29. NO BIDS RECEIVED

SEC. 4-30. EMERGENCIES

Ordinance No.

SEC. 4-31. DESIGN BUILD PROJECTS

ARTICLE III. CONTRACTING FOR PROFESSIONAL SERVICES

SEC. 4-32. APPLICABILITY

SEC. 4-33. REQUIREMENTS FOR SOLICITATION AND CONTRACTS

SEC. 4-34. INFORMAL SOLICITATION PROCESS

SEC. 4-35. FORMAL SOLICITATION PROCESS

SEC. 4-36. SOLICITATION PROCESS FOR ON-CALL PROFESSIONAL SERVICE AGREEMENTS RELATED TO A CAPITAL IMPROVEMENT PROJECT

SEC. 4-37. PUBLICATION

SEC. 4-38. NO RESPONSIVE SOLICITATIONS

SEC. 4-39. RECEIPT OR REJECTION OF SOLICITATION

SEC. 4-40. PURCHASE CHANGE ORDERS & AMENDMENTS

SEC. 4-41. EMERGENCY URGENCY & IMMEDIATE NEED

ARTICLE IV. PURCHASING & CONTRACTING FOR GOODS, SUPPLIES, EQUIPMENT, MAINTENANCE, GENERAL SERVICES, AND INFORMATION TECHNOLOGY SERVICES

SEC. 4-42. APPLICABILITY

SEC. 4-43. REQUIREMENTS FOR SOLICITATIONS, CONTRACTS AND PURCHASE ORDERS

SEC. 4-44. SERVICE CONTRACTS SUBJECT TO PREVAILING WAGES

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ARTICLE I. CITYWIDE PURCHASING SYSTEM POLICY

SEC. 4-1. PURPOSE

(A) The purpose of this chapter is to ensure that the city establishes an efficient centralized purchasing system, and that goods, materials, public projects and services are procured at fair and competitive prices.

(B) This chapter provides procedures for the performance of public projects, the purchase of supplies and equipment, and contracting for services.

(C) This chapter shall be interpreted and construed to be consistent with State law.

SEC. 4-2. DEFINITIONS

For the purposes of Chapter 4, the following definitions and rules shall be observed, unless such would be inconsistent with the manifest intent of the city council:

(A) AGGREGATE VALUE – The total value of the contract or purchase order for the life of that contract or purchase order.

(B) BEST VALUE - The expected outcome of a solicitation that in the city's estimation will provide the greatest overall benefit in response to the requirement, where price, quality, durability, servicing, delivery time, standardization, and/or other factors outlined in the purchasing manual are considered in the evaluation and selection process to minimize negative impacts and enhance the long-term performance and value of a solicitation submission.

(C) CHANGE ORDER- A legally binding document used to make changes to a construction contract for public projects that are necessary to complete the project and do not exceed the scope of the existing contract.

(D) COOPERATIVE PURCHASING - Whereby multiple government agencies, cooperative entities, or jurisdictions enter into a contract to procure from each other or to collectively procure a vendor, contractor or consultant.

(E) CONTRACT - Written instrument, also referred to as an Agreement, between the City and a contractor, vendor, or service provider that memorializes the legal obligations of the parties to the contract or agreement.

(F) DESIGN BUILD – A project delivery process in which both the design and construction of a project are procured from a single entity.

(G) EMERGENCY - A sudden, unexpected occurrence demanding immediate action to prevent or mitigate loss or damage to life, health, property, or essential public services.

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(1) Regarding public projects, as defined in this chapter, the meaning provided in Cal. Pub. Con. Code, section 22050 shall control.

(2) Regarding all purchases unrelated to public projects, when a condition or possible safety situation renders solicitation requirements impractical or not in the best interests of the city and requires approval of the City Manager.

(H) FORCE ACCOUNT - Work performed on public projects using internal city resources, including, but not limited to, labor, equipment, materials, supplies and subcontracts of the city.

(I) FORMAL SOLICITATION - A competitive selection process where a response to a solicitation for any purchase other than a public project, must be submitted in a sealed envelope by mail, hand delivery, email or other electronic means, and in conformance with a prescribed format to be opened in public at a specified date and time or evaluated as delineated in the solicitation released, as established in the purchasing manual.

(J) SERVICE CONTRACT - A service that is not affiliated with a public project subject to Article II or professional services subject to Article III, and may include but is not limited to janitorial, security guard, pest control, landscape, maintenance work, and other general services.

(K) INFORMAL SOLICITATION - A competitive selection process where a response to a solicitation for any purchase other than a public project that is conveyed by mail, email or other electronic means, or other written manner that does not require a sealed proposal, public opening or other formalities, as established in the purchasing.

(L) INFORMATION TECHNOLOGY SERVICES – A service involving management, maintenance, installation or utilization of computer hardware or software.

(M) LOWEST RESPONSIVE, RESPONSIBLE BIDDER – A Contractor, Vendor or Service provider that is responsible and submits the least expensive bid that meets the requirements of an informal or formal solicitation

(N) NEGOTIATED CONTRACT - A contract that is awarded on the basis of a direct contract with a contractor, vendor or consultant without going through the formal or informal solicitation procedures.

(O) ON-CALL AGREEMENT – A general scope agreement with a Contractor, Vendor or Service Provider for a certain category, trade or scope of work, wherein specific projects shall be identified through the issuance of a task order that sets forth a scope of work, which is completed under a general scope agreement for the City.

(P) MAINTENANCE or MAINTENANCE WORK - The meaning provided in Cal. Pub. Con. Code, section 22002(d) and Title 8 Cal. Code of Regs. section 16000, which states in relevant part: (1) Routine, recurring and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility (plant, building, structure, ground facility, utility system or any real property) for its intended purposes in a safe and continually usable condition for which it has been designed, improved, constructed, altered

or repaired. (2) Carpentry, electrical, plumbing, glazing, touchup painting, and other craft work designed to preserve the publicly owned or publicly operated facility in a safe, efficient and continuously usable condition for which it was intended, including repairs, cleaning and other operations on machinery and other equipment permanently attached to the building or realty as fixtures. .

(Q) PIGGYBACK PURCHASING - Wherein the city utilizes another agency or jurisdiction's solicitation results, but enters into a separate contract or issues a separate purchase order with the vendor.

(R) PRINCIPAL BUSINESS OFFICE - The place where the principal officers or owners generally transact business, where reports are prepared, from which orders and payments are made, and where the business represents to government authorities as its principal office or principal place of business.

(S) PROFESSIONAL SERVICES - All services performed by persons or firms in a professional occupation, including, but not limited to, consulting and performance services for accounting, financial, economic, auditing, redevelopment, engineering, architectural, landscape architectural, planning, environmental, land surveying, construction project management, personnel, social services, animal control, lobbying, grant-writing, legal, management, communication and other similar professional functions.

(T) PURCHASE CHANGE ORDER – A legally binding document used to make changes to a purchase order.

(U) PURCHASE ORDER – A purchase transaction document that contains terms and conditions set forth by the City and issued by the City to a Vendor or Contractor for types, and quantities of goods and equipment at agreed upon prices.

(V) PURCHASING AGENT - An employee whose responsibility it is to procure all supplies, equipment, public projects and services for the city, or that employee's designee(s) in accordance with this Chapter.

(W) PURCHASING MANUAL - The purchasing policies and procedures manual for the purpose of implementation of this chapter, as drafted, amended and adopted by the purchasing agent.

(X) SMALL LOCAL BUSINESS - A business entity located within the city's geographic boundaries, has average annual gross receipts of \$20,000,000 or less, and employs fewer than 100 employees.

(Y) SOLE SOURCE AGREEMENT – A circumstance where it has been determined that only one vendor or service provider is capable of providing an item or service, and based on that determination it is not possible to obtain competitive bids or proposals.

(Z) SOLICITATION – The process and procedure under which the purchasing agent determines the competitive method to procure all goods, supplies, equipment, public projects and services of any kind.

(AA) TASK ORDER – A work order request issued pursuant to an On-Call Agreement for the performance of certain tasks that sets forth the scope of work and compensation that may be negotiated between the parties.

SEC. 4-3. CONTRACTING AUTHORITY

(A) The City Manager or their designee may award and the purchasing agent may execute any contract or purchase order up to an aggregate value of \$220,000. This authority includes contracts involving real property, lease and license agreements that do not exceed three years in term, and exempted transactions in Section 4-7 subparagraph (B), subdivisions (1) through (20). The City Manager may delegate his contracting authority to a designated representative(s) by written authorization with a copy of such authorization to the Purchasing Agent.

(B) Any contract or purchase order over \$220,000.00, or real property lease and license agreements over \$220,000 or three years in term, or public projects over \$220,000 shall be awarded by the City Council and executed by the Mayor, or in his absence the Mayor Pro Tem.

(C) The City Council may delegate its signatory authority to the City Manager for contracts, agreements or purchase orders with an aggregate value greater than \$220,000 by Motion or other action taken by City Council.

(D) A purchase order or contract for legal services or services relating to legal matters is not subject to the solicitation requirements of this Chapter and may be awarded and executed by the city attorney, up to an aggregate value of \$220,000.00, or may be awarded and executed jointly by the City Attorney and the most senior available member of the City Council if over that amount.

(E) A purchase order or contract relating to a confidential, ongoing police investigation or other confidential police business is not subject to the solicitation requirements of this Chapter and may be awarded and executed jointly by the Police Chief and City Manager up to an aggregate value of \$220,000.00, or may be awarded and executed jointly by the City Manager and the most senior available member of the City Council if over that amount.

(F) Only city staff authorized by the City Manager may use city-issued credit cards to pay for supplies and equipment purchased for the city and for city-related training and travel. The purchasing agent shall develop and maintain a procurement card manual for the issuance, oversight, and use of such credit cards.

SEC. 4-4. ALLOWABLE PURCHASING METHODS

(A) Request for Bids (RFB) is a request to vendors to submit an offer or quote for specific defined goods or services.

(B) Request for Proposals (RFP) is a request to vendors to submit a proposal for goods or services for which the exact specifications or methodology of providing the goods or services is not defined. The RFP allows for consideration of a series of factors in

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determining the vendor's qualifications and ability to perform. RFP shall be evaluated using the Best Value Method.

(C) Request for Qualifications (RFQ) is a request for a statement of qualifications for a certain class of vendors or consultants. RFQs can be used to develop multiple awards or On-Call Agreements.

(D) Additional Purchasing Methods

(1) Cooperative Agreements as defined in Sec. 4-2(D) of this Article.

(2) Piggyback Agreements as defined in Sec. 4-2(Q) of this Article.

(3) Sole Source Agreements as defined in Sec. 4-2(Y) of this Article.

(4) Purchase Orders as defined in Sec. 4-2(T) of this Article.

(5) Emergency Contracting / Purchases or Procurement as defined in Sec. 4-2(G) of this Article and pursuant to the procedures set forth in Article II Sec 4-30; Article III Sec 4-41 (B); and Article IV Sec 4-51(B).

(6) Urgency or Immediate Need as defined in Sec. 4-41(A)(1) and (2), and 4-51(A)(1) and (2), and pursuant to the procedures set forth in Article III Sec 4-41 (B) and Article IV Sec 4-51(B).

SEC. 4-5. PURCHASING AGENT.

(A) Except as otherwise ordered by city council, the purchasing agent shall provide the services stated in this chapter on behalf of all city departments. In the performance of his/her duties, the purchasing agent shall comply with applicable law and city council orders, including limitations on purchasing procedures. The Purchasing Agent may:

(1) Prepare and issue all solicitations.

(2) Issue all city purchase orders and execute all city contracts subject to this chapter, in accordance with procedures prescribed by this chapter.

(3) Execute approved amendments for all city contracts and purchase orders for goods, supplies, equipment, general or professional services, information technology services or other transactions that are not public projects in any way, including, but not limited to, amendments to contract terms, aggregate value, changing a vendor, contractor or consultant's legal name, or authorizing higher costs and rates.

(4) Negotiate and recommend award of contracts for the purchase of goods, supplies, equipment, general or professional services, information technology services or other transactions that are not public projects.

(5) Act to procure for the city the needed quality in goods, supplies, equipment, general or professional services, information technology services or other transactions that are not public projects at the best value to the city.

(6) Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases.

(7) Prepare and maintain for the city manager all city purchasing policies and procedures including, but not limited to; the purchasing manual, procurement card manual, and recommend revisions to both of these documents for final approval by the City's Chief Financial Officer.

(8) Keep informed of current developments in the field of purchasing, prices, market conditions and new products.

(9) Maintain such forms as reasonably necessary for the operation of this chapter and other rules and regulations.

(10) Recommend to the city manager the transfer of surplus or unused supplies and equipment between departments as needed, and the sale of all supplies and equipment that cannot be used by any department or that have become unsuitable for city use.

(11) Use cooperative and piggyback purchasing methods where it is determined to be in the best interest of the city,

(12) Recommend award of and execute a negotiated contract, subject to a department director or city manager's approval, when the purchasing agent determines that obtaining bids, quotations and proposals is not in the city's best interest.

(13) Designate a representative from the Public Works Department to develop and maintain a list of contractors, vendors and professionals identified according to categories of work.

(14) The Purchasing Agent may terminate any purchase order or contract with approval as to form by the City Attorney pursuant to sec. 4-11.

(15) The Purchasing Agent may sell, trade or otherwise dispose of supplies and equipment that are no longer used or have become obsolete or worn out, including awarding and executing contracts to sell, trade in or otherwise dispose of such supplies and equipment pursuant to sec. 4-54.

SEC. 4-6. CONFLICT

(A) The provisions of this Chapter shall not apply to the extent that they conflict, and shall be interpreted and construed to be consistent, with any applicable State or federal laws or regulations, or the terms and conditions of any grant, contract, gift or bequest otherwise consistent with law.

(B) Any evaluation or selection practice under this chapter that would result in unlawful activity, including, but not limited to, any rebate, kickback or unlawful consideration is expressly prohibited. Any award of a contract where a public official has used their official position to influence a governmental decision in which he/she knows or has reason to know that he/she has a financial interest in any person or entity who seeks such a contract, or in the outcome of the selection process in any way, is expressly prohibited.

(C) Prior to participating in any solicitation or purchase, a staff member will have to state the nature and length of their relationship, if any, to all bidders or proposers as well as any other personal interest in the outcome of the solicitation to the purchasing agent. The staff member must immediately notify the purchasing agent and not review any materials or attend any meetings regarding the solicitation or purchase until further instruction from the purchasing agent.

SEC. 4-7. EXEMPTIONS TO SOLICITATION REQUIREMENTS

(A) Certain types of non-discretionary purchases and payments that are not readily adaptable to the open market and competitive selection process are exempt from the city's formal and informal solicitation requirements, except where otherwise required by federal law or by reason of the source of funding for the project.

(B) The following transactions are exempted from the solicitation requirements of this chapter:

- (1) Bank service fees.
- (2) Government printed publications.
- (3) Travel payments directly to a hotel, motel, airline or other transportation.
- (4) Insurance.
- (5) Memberships in professional organizations.
- (6) Credit card payments to a bank.
- (7) Contracts with other governmental entities.
- (8) Permit fees, including, but not limited to, those to another governmental agency for operation of a city utility.
- (9) Postage and United States Postal Service post office box fees (not private mail companies).
- (10) Real property purchases, escrow fees and lease payments.
- (11) Subscriptions to publications.
- (12) Any utilities the city uses, including, but not limited to, payments for electricity, water or gas.
- (13) Voting materials.
- (14) Any other purchase exempted from bids or proposals in State or Federal law.
- (15) Legal brief printing and transcription.
- (16) Legal services and services relating to legal matters.

(17) Services relating to a confidential, ongoing police investigation and to other confidential police business.

(18) State, Federal, Local, Tribunal, Regulatory taxes and fees.

Sec. 4-8. AWARD TO MULTIPLE VENDORS

(A) At the discretion of the Purchasing Agent, a single informal or formal solicitation for goods, supplies, equipment, and service contracts, not including contracts for public projects subject to Article II of this Chapter, may be issued in order to award purchase orders, contracts, or on-call agreements to multiple vendors or service providers when the purchasing agent determines it is in the best interest of the city to do so.

(B) The City Council, or City Manager or Purchasing Agent may award a purchase order, contract, or on-call agreement through a single informal or formal solicitation for goods, supplies, equipment or service contracts, except for public projects subject to Article II of this Chapter, to multiple vendors or service providers, when the Best Value Criteria are satisfied, or on the basis of lowest bidder when a maximum unit price is established and all vendors comply with the established unit price.

(1) When a solicitation is awarded to more than one vendor or service provider for the same or similar products or service, a multiple awarded solicitation schedule may be set up to determine how each vendor or service provider will be selected and provide information of product type/brand and vendor who is providing the product or service.

Sec. 4-9. ON-CALL AGREEMENTS

(A) An On-Call Agreement is a formally or informally solicited agreement between the city and a service provider, which specifies a certain category of work, rather than a specific project or service, and the city will prepare a Task Order in which specified services will be performed by a service provider for a negotiated price.

(B) On-Call Agreements may be awarded to multiple service providers pursuant to a single solicitation for a specific category of work or service.

(C) On-Call Agreements shall not be used to procure Tier II or III Public Works Contracts, subject to Article II of this chapter.

(D) When an On-Call Agreement is awarded to multiple service providers for a specific category of work or service, the city will prepare a Task Order and notify each service provider of the Task Order and request a price or proposal from each service provider after which the city shall award the Task Order to the service provider that offers the lowest price or best value.

(E) An On-Call Agreement may be issued to a single service provider pursuant to a single solicitation.

(F) No Task Orders shall be issued in excess of \$100,000.00.

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(G) Task Orders issued for professional services subject to Article III and related to a Capital Improvement Project shall not exceed \$220,000.00.

SEC. 4-10. NO OBLIGATION TO CONTRACT.

Nothing in this chapter shall require the city to authorize any purchase order or enter into any contract with any person or firm.

SEC. 4-11. APPROVAL AS TO FORM.

All purchase orders, contracts, amendments, change orders and other agreements as well as terminations shall be approved as to form by the city attorney.

SEC. 4-12. BUSINESS LICENSE

All Contractors, Service Providers, Vendors, or other person or entity doing business with the city pursuant this chapter must comply with Article I, Division 1 Section 11-4 in Chapter 11 of the City Code regarding city issued business tax certificates.

SEC. 4-13. INSURANCE REQUIRED

All contracts, purchase orders or other transactions entered into pursuant to this Chapter shall be in conformance with the City's insurance requirements as determined by the city's Risk Manager.

SEC. 4-14. PROHIBITION AGAINST SPLITTING PROJECTS, PURCHASES, AND NON-COMPLIANCE WITH PURCHASING GUIDELINES.

(A) The city, including all city staff, shall not split any project, work, service or purchase into small projects, works, services or purchases for the purpose of avoiding any competitive solicitation, bidding, contracting, or approval requirements stated in this Chapter and as required by the Public Contract Code governing Public Projects.

(B) Every person who knowingly violates this Chapter and or the purchasing guidelines for the purpose of evading the competitive solicitation and bidding requirements outlined in this chapter is guilty of a misdemeanor.

SEC. 4-15. AUTHORITY TO EXERCISE DISCRETIONARY APPROVAL OF DESIGNS FOR PUBLIC WORKS AND PUBLIC IMPROVEMENT PROJECTS.

(A) The City Council herein delegates the authority to exercise discretionary approval of designs, including design amendments and addenda for all public works and public improvement projects, including those prepared by consultants retained by the city, to the Public Works Director, City Engineer and Community Development Director or their designees, all of which shall hold a valid California Professional Engineer License.

(B) The approval of the Public Works Director, City Engineer and Community Development Director or their designees, of a design prepared by a consultant retained by the city to prepare any design is limited to an acceptance and approval of the design as being in general conformance with applicable statutes, codes, standards, and guidelines for the purpose of Government Code section 830.6, and otherwise, the responsibility and liability

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for completeness, accuracy, and conformance of any design prepared by a consultant will continue to resident with the Engineer of Record or Engineering Firm of record that prepared that design.

ARTICLE II. PUBLIC PROJECTS

SEC. 4-16. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT.

The city council, pursuant to Resolution No, 10695, passed in 1994, elected to subject the city to the Uniform Public Construction Cost Accounting Act (Cal. Pub. Con. Code, sections 22000 et seq.) in the performance of public projects. The procedures contained in this chapter are intended to implement and be consistent with such Act.

SEC. 4-17. PUBLIC PROJECTS

(A) "Public project" means any of the following:

(1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation, and repair work involving any publicly 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, powerplants, and electrical transmission lines of 230,000 volts and higher.

(B) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes the items identified in Sec. 4-2(P) and 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 at less than one inch.

(4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

(5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(C) For purposes of this Article, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (A) of subdivision (3), real property, streets and highways, or other public work improvement.

SEC. 4-18. INFORMAL BIDDING PROCEDURE

(A) Public Projects over \$75,000, but less than \$220,000.00 shall be let to contract by informal bidding procedures as set forth in Section 22034, et seq., of the Pub. Con. Code.

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(B) A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Pub. Con. Code and criteria promulgated from time to time by the California Public Construction Cost Accounting Commission.

(C) Notice Inviting Informal Bids.

(1) Where a public project is to be performed which is subject to the provisions of this Section, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed by the designated representative of the purchasing agent, and to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22035 of the Pub. Con. Code. Additional contractors and or construction trade journals may be notified at the discretion of the designated representative of the purchasing agent soliciting bids, provided however:

(i) If there is no list of qualified contractors maintained by the designated representative of the purchasing agent for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

(ii) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

(D) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(E) The authority to award informal contracts is pursuant to the City Manager's authority or his delegation of authority as stated in Section 4-3(A).

(F) If all bids received are in excess of \$220,000, the City Council may, by adoption of a resolution by a four-fifths vote, award the contract, at \$235,000 or less, to the lowest responsible bidder, if it determines the cost estimate of the public works department was reasonable.

SEC. 4-19. FORMAL BIDDING PROCEDURE

(A) Public Projects over \$220,000.00 shall be let to contract by formal bidding procedures as set forth in Section 22037, et seq., of the Pub. Con. Code.

(B) Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.

(C) The Notice shall be published at least 14 calendar days before the date of opening the bids.

(D) The Notice shall be published in a newspaper of general circulation, printed and published in the jurisdiction of the public agency;

(1) if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency;

(2) if there is no newspaper that is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices.

(E) The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals specified in Pub. Con. Code section 22036.

(F) The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.

(G) The authority to award formal contracts is pursuant to the City Council's authority or delegation of authority as stated in section 4-3(B) and (C)

SEC. 4-20. TIER 1 PUBLIC PROJECTS

(A) A public project valued at or less than \$75,000, pursuant to Cal. Pub. Con. Code, section 22032(a), as may be changed from time to time, may be performed by force account, by negotiated contract, or by purchase order.

(B) The public works director or city manager may each award, and the purchasing agent may execute, such a contract.

(C) All Tier 1 public projects shall be listed on the city's e-procurement website and notice of these projects shall be sent to the city's list of qualified contractors, established pursuant to Sec. 4-18(B), in addition to any other contractors that the City may send notice to and in the event of multiple responses from contractors to Tier 1 public projects, the project shall be awarded to the contractor that is responsive and responsible and offering the lowest price.

SEC. 4-21. TIER 2 PUBLIC PROJECTS

(A) A public project valued at or between \$75,000 to \$220,000, pursuant to Cal. Pub. Con. Code, section 22032(b), as may be changed from time to time, shall be bid out using the informal bidding procedures contained in section 4-18 of this Article.

(B) The public works director may award Tier 2 public project contracts up to \$100,000; the city manager may award, and the purchasing agent may execute, any Tier 2 public project contract.

(C) In accordance with section 4-18 (F) of this Article, in the event that all bids are in excess of \$220,000, the City Council may award the public project contract at \$235,000 or less to the lowest responsible bidder if it determines the cost estimate of the public works department was reasonable.

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(D) All Tier 2 public projects shall be let to the lowest responsive and responsible bidder.

SEC. 4-22. TIER 3 PUBLIC PROJECTS

(A) A public project valued at or in excess of \$220,000, pursuant to Cal. Pub. Con. Code, section 22032(c), as may be changed from time to time, shall let to contract using the following formal bidding procedures contained in section 4-19 of this Article

(B) The city engineer shall adopt plans, specifications and working details for all Tier 3 public projects.

(C) The City Council may award Tier 3 public projects, and authorize the mayor to execute any Tier 3 public project contract.

(D) All Tier 3 public projects shall be let to the lowest responsive and responsible bidder.

SEC. 4-23. WAIVER OF IRREGULARITIES

When it is in the best interests of the city to do so, the Purchasing Agent or their designee shall have the discretion to waive any minor irregularities in any bid process described in this article.

SEC. 4-24. REJECTING ALL BIDS

The Purchasing Agent or their designee may after the first request for bids reject all bids.

SEC. 4-25. BONDS

In awarding a contract involving an expenditure in excess of \$25,000, as stated in Cal. Civil Code, section 9550, the city shall require both faithful performance and payment bonds, each in the amount of 100 percent of the contract price, as required by Cal. Civil Code, section 9554. Such bonds shall be issued by an admitted surety insurer.

SEC. 4-26. PUBLIC PROJECT CONTRACTS & PREVAILING WAGE

Any public project subject to this Article, and valued over \$1,000.00, as required by to Cal. Labor Code, section 1771, shall be made by contract and subject to the general prevailing wage rate as set forth by the Department of Industrial Relations.

SEC. 4-27. CHANGE ORDERS

The Public Works Director may approve and execute any change order issued on a public project that is approved as to form by the City Attorney and does not exceed the aggregate value of the project and contingency contract amount for Tier 1, 2 and 3 public projects. Any change order that exceeds the Public Works Director's authority described herein or increases the aggregate value of the project and contingency shall require City Manager or City Council approval.

SEC. 4-28. BRAND OR TRADE NAMES

(A) In accordance with Pub. Con. Code section 3400, the city, for all public projects subject to this Article, shall not draft or cause to be drafted specifications for bids, in connection

with the construction, alteration, or repair of public works that limit the bidding, directly or indirectly, to any one specific concern, or call for a designated material, product, thing, or service by specific brand or trade name unless the specification is followed by the words "or equal" so that bidders may furnish any equal material, product, thing, or service.

(B) The city shall, if aware of an equal product, name that product in the specification.

(1) The Specification shall provide a period of time prior to or after, or prior to and after, the award of the contract for submission of data substantiating a request for a substitution of "an equal" item.

(2) If no time period is specified, data may be submitted any time within 35 days after the award of the contract.

(C) Subdivision (B) is not applicable if the awarding authority, or its designee, makes a finding that is described in the invitation for bids or request for proposals that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

(1) In order that a field test or experiment may be made to determine the product's suitability for future use.

(2) In order to match other products in use on a particular public improvement either completed or in the course of completion.

(3) In order to obtain a necessary item that is only available from one source.

(4) In order to respond to an emergency declared by a local agency, but only if the declaration is approved by a four-fifths vote of the governing board of the local agency issuing the invitation for bid or request for proposals.

(5) In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the invitation for bid or request for proposals.

SEC. 4-29. NO BIDS RECEIVED

If no bids are received through the formal or informal bidding procedure, the project may be performed by force account, or negotiated contract without further complying with this Article.

SEC. 4-30. EMERGENCIES

(A) In cases of emergency when repair or replacements are necessary, the governing body 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, 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 public agency shall comply with the requirements in Pub. Con. Code section 22050 as follows:

(1) In the case of an emergency, the City Council, pursuant to a four-fifths vote of its members, 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, without giving notice for bids to let contracts.

(2) Before the City Council takes any action pursuant to subparagraph (1), it 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.

(3) If the City Council orders any action specified in subparagraph (1) 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 four-fifths vote, that there is a need to continue the action.

(4) The City Council, by a four-fifths vote, herein has delegated authority to the City Manager or in his absence the Public Works Director to order any action pursuant to subparagraph (1).

(5) If the City Manager or Public Works Director orders any action specified in subparagraph (1), that person shall report to the governing body, 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.

(6) If the City Manager or Public Works Director orders any action specified in subparagraph (1), the City Council shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless the City Manager or Public Works Director has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision.

(7) When the governing body reviews the emergency action pursuant to subparagraph (3) or (5), 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.

SEC. 4-31. DESIGN BUILD PROJECTS

(A) The City Council, pursuant to Resolution No, 15749, passed in October 2023, authorized the city to procure design-build projects for construction of building or buildings, and improvements directly related to the construction of a building or buildings, wastewater facilities, solid waste management facilities, water recycling facilities, transit facilities, and park and recreational facilities, in excess of one million dollars (\$1,000,000.00), in

conformance with Public Contract Code sections 22160 through 22169, and adopted a Design-Build Conflict of Interest Policy that is applicable to all design-build entities. The procedures contained in this section are intended to implement and be consistent with the Public Contract Code.

(B) Procurement Process for Design-Build Projects.

(1) The city shall prepare a set of documents setting forth the scope and estimated price of the project. The documents may include any information deemed necessary to describe adequately the City's needs for the project. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(2) The city shall prepare and issue a request for qualifications in order to prequalify the design-build entities whose proposals shall be evaluated for final selection. The criteria used to prequalify entities shall be those requirements as stated in Public Contract Code section 22164 subparagraph (b) subsections (1) through (4) inclusive; and subparagraph (c) subsections (1) through (3) inclusive.

(3) The city shall prepare a request for proposals, based on the documents set forth in section (B)(1) above, that invites prequalified design-build entities to submit competitive sealed proposals in the manner prescribed by the City in accordance with Public Contract Code section 22164 subparagraphs (d) through (f) inclusive. The request for proposals shall include at a minimum:

(i) Identification of the basic scope and needs of the project or contract, the estimated cost of the project, the methodology that will be used by the local agency to evaluate proposals, whether the contract will be awarded on the basis of low bid or best value, and any other information deemed necessary by the City to inform interested parties of the contracting opportunity.

(ii) Significant factors that the city reasonably expects to consider in evaluating proposals, including, but not limited to, cost or price and all non price-related factors.

(iii) The relative importance or the weight assigned to each of the factors identified in the request for proposals.

(iv) Where a best value selection method is used, the local agency may reserve the right to request proposal revisions and hold discussions and negotiations with responsive proposers, and include in the proposal the applicable procedures to be followed by the City to ensure discussions and negotiations are conducted in good faith.

(4) If the City utilizes low bid as the final selection method, the competitive bidding process shall result in lump-sum bids by the prequalified or short-listed design-build entities, and awards shall be made to the design-build entity that is the lowest responsible bidder.

(5) For those projects utilizing best value as a selection method, the design-build competition shall progress as follows:

(i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposals. The following are the minimum factors, to be included in the evaluation by the city:

(ii) Price, unless a stipulated sum is specified.

(iii) Technical design and construction expertise.

(iv) Life-cycle costs over 15 or more years.

(v) Pursuant to (B)(iv) above, the city may hold discussions or negotiations with responsive proposers using the process articulated in the city's request for proposals.

(6) When the evaluation is complete, the responsive proposers shall be ranked based on a determination of value provided, provided that no more than three proposers are required to be ranked.

(7) The award of the contract shall be made to the responsible design-build entity whose proposal is determined by the city to have offered the best value to the public.

(C) The Design-Build Entity that is awarded the contract shall provide payment and performance bonds in the amount required by the city as stated in the solicitation.

(D) The Design-Build Entity that is awarded the contract shall comply with the city's insurance requirements and shall have errors and omissions insurance coverage for the design elements of the project.

ARTICLE III. CONTRACTING FOR PROFESSIONAL SERVICES

SEC. 4-32. APPLICABILITY

This article shall apply to contracting for professional services for the purposes of procuring services of accountants, architects, engineers and other professionals.

SEC. 4-33. REQUIREMENTS FOR SOLICITATION AND CONTRACTS

(A) The purchasing agent shall determine when formal and informal solicitations should be dispensed with in the following instances: (1) when professional services can be obtained from only one source; (2) or when the purchasing agent determines that obtaining solicitations responses is not in the city's best interest.

(B) Professional services for any amount shall be made only by contract and awarded on the basis of the Best Value Criteria.

(C) Solicitations for architectural, landscape architecture, engineering, environmental and land surveying, and construction project management, and environmental services shall be awarded in accordance with Government Code section 4526, which requires selection of a

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Professional based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required to complete the project.

SEC. 4-34. INFORMAL SOLICITATION PROCESS

(A) The Purchasing Agent or Designee shall perform an Informal Solicitation as defined in 4-2(K) for professional services up to \$100,000.

SEC. 4-35. FORMAL SOLICITATION PROCESS

The Purchasing Agent shall perform Formal Solicitations as defined in section 4-2(I) for the purchases of professional services over \$100,000.

SEC. 4-36. SOLICITATION PROCESS FOR ON-CALL PROFESSIONAL SERVICE AGREEMENTS RELATED TO A CAPITAL IMPROVEMENT PROJECT

(A) All On-Call Agreements shall be subject to the formal solicitation process as defined in section 4-2(I).

(B) The formal solicitation process shall be utilized to request general proposals for professional services for specific categories of work as described in the city's solicitation. The proposals shall be used to evaluate qualified professionals who will be eligible to respond to a city issued Task Order. Task orders shall not exceed \$220,000.00.

SEC. 4-37. PUBLICATION

Notice inviting formal solicitation responses shall be published on an e-procurement platform or purchasing website, and/or by any other method of advertising that is recognized and accepted for public agency purchasing and is consistent with applicable State law. The purchasing agent shall encourage as wide a response as possible from prospective proposers when they determine this to be in the best interests of the city.

SEC. 4-38. NO RESPONSIVE SOLICITATIONS

When no responsive solicitation responses are received, the purchasing agent is authorized to negotiate a contract for professional services, and if the contract is for an amount over the City Manager's contract authorization in Sec. 4-3 of this Chapter, then this contract shall be presented to the City Council for approval and execution by the Mayor or in their absence the Mayor Pro Tem.

SEC. 4-39. RECEIPT OR REJECTION OF SOLICITATION

(A) The Purchasing Agent may accept a solicitation response on the basis of the best value criteria as stated in the Request for Solicitation.

(B) The purchasing agent may at any time reject all solicitation responses.

SEC. 4-40. PURCHASE CHANGE ORDERS & AMENDMENTS

The city manager or their designee may approve, and the purchasing agent may execute, any purchase change order to a purchase order or an amendment to a contract that does

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not change the aggregate value of the contract, the solicited scope of work, or exceeds the contracting authority as stated in Sec. 4-3 of this Chapter.

SEC. 4-41. EMERGENCY, URGENCY & IMMEDIATE NEED

(A) Sections 4-33 through 4-39 shall not apply in an emergency situation as defined in section 4-2(G)(1) or for situations in the city manager's discretion that meet the following conditions:

(1) Does not permit obtaining solicitation responses; and

(2) Public interest and necessity demand the immediate expenditure of public money to avoid harm to or to safeguard life, health or property, or to mitigate severe economic expenses.

(B) The following procedure for emergency, urgency or immediate need items shall apply to this article only:

(1) If there is an emergent situation or urgent situation or immediate need that arises, and in the discretion of the City Manager, to enter into a purchase order, contract, amendment, change order, lease or license, that otherwise would be submitted to the city council may be approved jointly by the City Manager and Mayor, Mayor Pro Tem or the next available member of the City Council, and executed by the Purchasing Agent.

(2) The city manager shall place the jointly executed document on the agenda for ratification at one of the next three regular city council meetings. Any document that is jointly approved in this way shall contain a provision that the authority to perform work under that document will automatically terminate on the date that ratification is denied, if it is.

ARTICLE IV. PURCHASING & CONTRACTING FOR GOODS, SUPPLIES, EQUIPMENT, MAINTENANCE, GENERAL SERVICES, AND INFORMATION TECHNOLOGY SERVICES

SEC. 4-42. APPLICABILITY

This article shall apply to contracting for goods, supplies, equipment, general services, information technology services or other transactions that are not public projects as defined in and subject to Article II of this Chapter.

SEC. 4-43. REQUIREMENTS FOR SOLICITATIONS, CONTRACTS AND PURCHASE ORDERS

(A) The purchasing agent shall determine when formal and informal solicitations should be dispensed with in the following instances:

(1) When the goods, supplies, equipment, general services, or information technology services can be obtained from only one source; or

(2) Or when the purchasing agent determines that obtaining solicitations responses is not in the city's best interest.

(B) The City Manager or his designees may procure goods, supplies, and equipment with an aggregate value that does not exceed \$5,000, without following the solicitation requirements of this Article for such purchases. These are considered small purchases.

(1) Any designee of the City Manager shall not make a series of small purchases with a single vendor for the same goods, supplies and equipment that would result in a violation of the City's informal or formal solicitation requirements.

(2) It is the responsibility of the designee to ensure they do not violate the City's purchasing requirements.

(C) Any goods, supplies, or equipment over \$5,000 in aggregate value shall be made only by a purchase order or contract.

(D) Every purchase order or contract shall be awarded either to the lowest responsive, responsible bidder, or to the proposer offering the best value. The method of award shall be determined by the Purchasing Agent and be included in the request for Solicitation.

(E) The City Manager or their designee may award, and the purchasing agent may execute, any contract or purchase order within their contracting authority as stated in section 4-3 of this Chapter.

(G) Information Technology services for any amount shall be made only by contract or information technology equipment may be made by contract or purchase order.

SEC. 4-44. SERVICE CONTRACTS SUBJECT TO PREVAILING WAGES

Service Contracts subject to this Article, and valued over \$1,000.00, as required by to Cal. Labor Code, section 1771, shall be made by contract or purchase order and subject to the general prevailing wage rate as set forth by the Department of Industrial Relations.

SEC. 4-45. INFORMAL SOLICITATION PROCESS

(A) The Purchasing Agent or Designee shall perform an Informal Solicitation as defined in section 4-2(K) for the purchase of goods, supplies, equipment, general services, professional services, information technology services or other transactions up to \$100,000.

SEC. 4-46. FORMAL SOLICITATION PROCESS

The Purchasing Agent shall perform Formal Solicitations as defined in section 4-2(I) for the purchases of goods, supplies, equipment, general services, professional services, information technology services or other transactions over \$100,000.

SEC. 4-47. PUBLICATION

Notice inviting formal solicitation responses shall be published on an e-procurement platform or purchasing website, and/or by any other method of advertising that is recognized and accepted for public agency purchasing and is consistent with applicable State law. The purchasing agent shall encourage as wide a response as possible from prospective vendors when they determine this to be in the best interests of the city.

SEC. 4-48. NO RESPONSIVE SOLICITATIONS

When no responsive solicitation responses are received, the purchasing agent is authorized to negotiate for a contract or purchase order for goods, supplies, equipment, general services, professional services, information technology services or other transactions, and if the contract is for an amount over the City Manager's contract authorization in Sec. 4-3 of this Chapter, then this contract shall be presented to the City Council for approval and execution by the mayor or in their absence the Mayor Pro Tem.

SEC. 4-49. RECEIPT OR REJECTION OF SOLICITATION

(A) The Purchasing Agent may accept a solicitation response on the basis of the lowest responsive, responsible proposer, or the best value criteria, whichever is stated in the Request for Solicitation.

(B) If two or more Solicitation responses received are for the same total amount or unit price, the city may accept the one it chooses on the basis of the lowest responsive, responsible proposer made by negotiation or the best value.

(C) The purchasing agent may at any time reject all solicitation responses.

SEC. 4-50. PURCHASE CHANGE ORDERS & AMENDMENTS

The City Manager or their designee may approve, and the purchasing agent may execute, any purchase change order to a purchase order or an amendment to a contract that does not change the aggregate value of the contract or purchase order, the solicited scope of work or exceeds the contracting authority as stated in Sec. 4-3 of this Chapter.

SEC. 4-51. EMERGENCY, URGENCY & IMMEDIATE NEED

(A) Sections 4-33 through 4-39 shall not apply in an emergency situation as defined in section 4-2(G)(1) or for situations in the City Manager's discretion that meet the following conditions:

(1) Does not permit obtaining solicitation responses; and

(2) Public interest and necessity demand the immediate expenditure of public money to avoid harm to or to safeguard life, health or property, or to mitigate severe economic expenses.

(B) The following procedure for emergency, urgency or immediate need items shall apply to this article only:

(1) If there is an emergent situation or urgent situation or immediate need that arises, and in the discretion of the City Manager, to enter into a purchase order, contract, amendment, change order, lease or license, that otherwise would be submitted to the city council may be approved jointly by the City Manager and Mayor, Mayor Pro Tem or the next available member of the city council, and executed by the Purchasing Agent.

(2) The City Manager shall place the jointly executed document on the agenda for ratification at one of the next three regular city council meetings. Any document that is

jointly approved in this way shall contain a provision that the authority to perform work under that document will automatically terminate on the date that ratification is denied, if it is.

ARTICLE V. ADDITIONAL PURCHASING AND CONTRACT PROCEDURES

SEC. 4-52. SMALL LOCAL BUSINESS PURCHASING PREFERENCE PROGRAM

(A) The City of Oxnard herein establishes a local preference program for the purpose of promoting economic development by supporting employment and business opportunities within the City.

(B) The local preference program is not applicable to public works projects subject to Article II of this Chapter; professional services subject to Article III of this Chapter; and projects funded with state or federal grants.

(C) A small local business shall mean, in addition to the definition in Article I Sec. 4-2(X), a business that has its headquarters or a branch office within City limits, and the headquarters or branch office was established prior to the city's request for bids for a particular procurement. The business must possess a current City business license and certificate of occupancy. P.O. Boxes do not qualify as a valid business location.

(D) When soliciting or contracting for goods and services subject to Article IV of this Chapter, the Purchasing Agent may give a preference to a small local business, that properly responds to a City solicitation, a not to exceed amount of Five (5%) Percent of the small local business' total net bid price or \$5000.00 dollars, whichever is lower.

SEC. 4-53. ELECTRONIC AND DIGITAL SIGNATURES

(A) This section is intended to enable the city to use electronic records, electronic signatures, and digital signatures to the fullest extent allowed by law. All use of electronic records, electronic signatures, and digital signatures by the city shall further be in accordance with the written policies and/or administrative regulations promulgated and amended from time to time by the city manager or his/her designee.

(B) Definitions.

- (1) "Contract" has the same meaning as in Section 1633.2 of the Cal. Civ. Code.
- (2) "Digital signature" has the same meaning as in Section 16.5 of the Cal. Govt. Code.
- (3) "Electronic" has the same meaning as in Section 1633.2 of the Cal. Civ. Code.
- (4) "Electronic record" has the same meaning as in Section 1633.2 of the Cal. Civ. Code.
- (5) "Electronic signature" has the same meaning as in Section 1633.2 of the Cal. Civ. Code. For purposes of this chapter, a "digital signature" is a type of electronic signature.
- (6) "Transaction" has the same meaning as in Section 1633.2 of the Cal. Civ. Code.

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(7) "UETA" means the Uniform Electronic Transactions Act, commencing at Section 1633.1 of the Cal. Civ. Code.

(C) In any contract or transaction with the City for which the parties have agreed to conduct the contract or transaction by electronic means, the following provisions apply:

(1) When a record is required to be in writing, an electronic record satisfies that requirement, if it is in accordance with the UETA.

(2) When a signature is required, the parties may agree that either:

(A) An electronic signature satisfies that requirement, if it is in accordance with the UETA; or

(B) A digital signature satisfies that requirement, if it is in accordance with Section 16.5 of the Cal. Govt. Code.

(D) The city manager or his/her designee shall determine the following:

(1) Types of documents for which the city may use and accept electronic signatures or digital signatures;

(2) Acceptable technologies and vendors under this section for digital and electronic signatures that ensure the security and integrity of any data and signatures' and

(3) Promulgate an administrative policy regarding subsections (1) and (2) of this subparagraph.

SEC. 4-54. SALE AND DISPOSAL OF UNEEDED EQUIPMENT AND PROPERTY OF THE CITY

(A) Except as otherwise provided by State Law or City Ordinance, the Purchasing Agent may dispose of the City's personal property that can no longer be used by the City by either public or private sale or destroying / recycling the same, without notice or competitive bidding, at the Purchasing Agent's discretion and upon such terms as the Purchasing Agent determines are best for the City, provided that any single item of property involved does not exceed \$500.00 in current market value or salvage value.

(B) In the event that any single item(s) of property to be sold or disposed of exceeds \$500.00 in current market value or salvage value, the Purchasing Agent shall prepare a list of the item(s) to be sold or disposed of and present it to City Council for authorization to sell, rent or destroy/recycle the items that can no longer be used by the City.

SEC. 4-55. LIVING WAGE [RESERVED]

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Part 4. The provisions of this ordinance shall be applicable to all city purchases and contracts once it is in effect. Ordinance Nos. 2943 and 3016, as well as any resolutions pertaining to the purchasing system implemented pursuant to ordinances 2943 and 3016 are repealed by this ordinance upon this ordinance's effective date.

Part 5. If any term or portion of this ordinance is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this ordinance shall continue in full force and effect. Where that is the case, the City Council intends that the provisions of Ordinance Nos. 2943 and 3016 that would have been repealed by this ordinance shall remain in effect as if this ordinance had not been adopted.

Part 6. The City Council finds that there is no possibility the adoption and implementation of this Ordinance may have a significant effect on the environment. The Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act ("CEQA") pursuant to section 15061(b)(3) of Title 14 of the California Code of Regulations.

Part 7. Pursuant to Government Code section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five (5) days before the City Council's adoption of the ordinance.

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Ordinance No.

Part 8. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen (15) calendar days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code section 36933. Ordinance No. _____ was first read on March 18, 2025, finally adopted on April 15, 2025 to become effective on thirty (30) days later on May 15, 2025.

APPROVED AND ADOPTED this _____ day of April, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Luis Mc Arthur, Mayor

ATTEST:

Lourdes A. López, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

CHAPTER 4: PUBLIC PROJECTS; PURCHASING AND CONTRACTING

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ARTICLE I. GENERAL PROVISIONS

SEC. 4-1. DEFINITIONS.

For the purposes of Chapter 4, the following definitions and rules shall be observed, unless such would be inconsistent with the manifest intent of the city council:

(A) ANNUAL AUTHORIZATION - The maximum annual value that the city council delegates to an individual to award a purchase order or contract per vendor or consultant.

(B) ANNUAL VALUE - The value of the contract per year, or if the contract does not list an annual amount, the total value of the contract divided by the number of years in the term of that contract.

(C) BEST VALUE - The expected outcome of a solicitation that in the city's estimation will provide the greatest overall benefit in response to the requirement, where price, quality, durability, servicing, delivery time, standardization, and/or other factors outlined in the purchasing manual are considered in the evaluation and selection process to minimize negative impacts and enhance the long-term performance and value of a solicitation submission.

(D) DEPARTMENT DIRECTOR - The most senior individual responsible for a city department.

(E) DEPARTMENT MANAGER - An employee entrusted with budgetary responsibility for a city division, such as a division manager, city engineer, or assistant director.

(F) EMERGENCY - Either of the following:

(1) Regarding public projects, as defined in this chapter, the meaning provided in Cal. Pub. Con. Code, Section 22050.

(2) Regarding all procurement unrelated to public projects, a condition or possible safety situation which makes bidding procedures, either formal or informal, impractical or not in the best interests of the city.

(G) FORCE ACCOUNT - Work performed on public projects using internal city resources, including, but not limited to, labor, equipment, materials, supplies and subcontracts of the city.

(H) FORMAL SOLICITATION - A bid or proposal that must be submitted in a sealed envelope by mail, hand delivery or email or other electronic means, and in conformance with a prescribed format to be opened in public at a specified date and time or evaluated as delineated in the solicitation released, as established in the purchasing manual.

(I) INFORMAL SOLICITATION - A competitive bid, price quotation, or proposal for any procurement other than a public project that is conveyed by mail, fax, email or other electronic means, or other written manner that does not require a sealed bid or proposal, public opening or other formalities.

(J) MAINTENANCE or MAINTENANCE WORK - The meaning provided in Cal. Pub. Con. Code, Section 22002(d) and 8 CCR 16000.

(K) NEGOTIATED CONTRACT - A contract in an amount up to \$100,000 that is awarded on the basis of a direct contract with a contractor, vendor or consultant without going through the competitive bidding process.

(L) PRINCIPAL BUSINESS OFFICE - The place where the principal officers or owners generally transact business, where reports are prepared, from which orders and payments are made, and that the business represents to government authorities as its principal office or principal place of business.

(M) PROFESSIONAL SERVICES - All services performed by persons or firms in a professional occupation, including, but not limited to, consulting and performance services for accounting, financial, economic, auditing, redevelopment, computer hardware and software support, engineering, architectural, landscape architectural, planning, environmental, land surveying, construction project management, personnel, social services, animal control, lobbying, grant-writing, legal, management, communication and other similar professional functions.

(N) PURCHASING AGENT - An employee whose responsibility it is to procure all supplies, equipment, public projects and services for the city, or that employee's designee(s).

(O) PURCHASING MANUAL - The purchasing policies and procedures manual for the purpose of implementation of this chapter, as drafted, amended and adopted by the purchasing agent.

(P) PUBLIC PROJECT - The meaning provided in Cal. Pub. Con. Code. Section 22002(c).

(Q) SMALL LOCAL BUSINESS - A business entity that has for at least 36 months immediately preceding submittal of its bid held a current business license issued by the city, maintained its principal business office within the city's geographic boundaries, has average annual gross receipts of \$20,000,000 or less over the 36 months immediately preceding submittal of its bid, and employs fewer than 100 employees, at least 50% of whom are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid.

(R) TRADE SERVICE - A service that is not affiliated with a public project and either:

(1) Does not require specialized skill or certification, including, but not limited to, janitorial or maintenance work; or

(2) Requires manual skills and special training, but not particular education or degrees, including, but not limited to, mechanical or plumbing services.

(Ord. No. 2943, 3016)

SEC. 4-2. PURPOSE.

(A) The purpose of this chapter is to ensure that the city establishes an efficient centralized procurement system, and that goods, materials, public projects and services are procured at fair and competitive prices.

(B) This chapter provides procedures for the performance of public projects, the purchase of supplies and equipment, and contracting for services.

(C) This chapter shall be interpreted and construed to be consistent with State law.

(Ord. No. 2943)

SEC. 4-3. PURCHASING AGENT.

Except as otherwise ordered by city council, the purchasing agent shall provide the services stated in this chapter on behalf of all city departments. In the performance of his/her duties, the purchasing agent shall comply with applicable law and city council orders, including limitations on purchasing procedures. The purchasing agent may:

(A) Prepare and issue all solicitations.

(B) Issue a purchase order or execute a contract for procurement required by any city department, in accordance with procedures prescribed by this chapter up to the purchasing agent's annual authorization.

(C) Amend any contract for supplies, equipment and services in any way that does not change the annual value, including, but not limited to, amendments extending the contract term, changing a vendor, contractor or consultant's legal name, or authorizing higher costs and rates.

(D) Negotiate and recommend award of contracts for the purchase of supplies, equipment and services.

(E) Act to procure for the city the needed quality in supplies, equipment, and services at the best value to the city.

(F) Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases.

(G) Prepare and maintain for the city manager the purchasing manual, procurement card manual, and recommend revisions to both of these documents.

(H) Keep informed of current developments in the field of purchasing, prices, market conditions and new products.

(I) Maintain such forms as reasonably necessary to the operation of this chapter and other rules and regulations.

(J) Recommend to the city manager the transfer of surplus or unused supplies and equipment between departments as needed, and the sale of all supplies and equipment that cannot be used by any department or that have become unsuitable for city use.

(K) Use cooperative purchasing, whereby multiple government agencies, cooperative entities, or jurisdictions enter into a contract to procure from each other or to collectively procure a vendor, contractor or consultant.

(L) "Piggyback," whereby the city utilizes another agency or jurisdiction's solicitation results, but enters into a separate contract or issues a separate purchase order with the vendor.

(M) Recommend award of and execute a negotiated contract, subject to a department director or city manager's approval, when the purchasing agent determines that obtaining bids, quotations and proposals is not in the city's best interest.

(N) Develop and maintain a list of contractors, vendors and professionals identified according to categories of work.

(O) Prequalify or prescreen contractors, vendors and consultants.

(P) Maintain a list of the construction trade journals, as determined for the county by the California Uniform Construction Cost Accounting Commission, to which the city must deliver notice of all informal and formal construction contracts being bid for work within the county.

(Ord. No. 2943, 3016)

SEC. 4-4. CONFLICT.

(A) The provisions of this chapter shall not apply to the extent that they conflict, and shall be interpreted and construed to be consistent, with any applicable State or federal laws or regulations, or the terms and conditions of any grant, contract, gift or bequest otherwise consistent with law.

(B) Any evaluation or selection practice under this chapter that would result in unlawful activity, including, but not limited to, any rebate, kickback or unlawful consideration is expressly prohibited. Any award of a contract where a public official has used his/her official position to influence a governmental decision in which he/she knows or has reason to know that he/she has a financial interest in any person or entity who seeks such a contract, or in the outcome of the selection process in any way, is expressly prohibited.

(C) Prior to participating in any procurement, a staff member will have to state the nature and length of his/her relationship, if any, to all bidders or proposers as well as any other personal interest in the outcome of the solicitation. A staff member must immediately

notify the purchasing agent and not review any materials or attend any meetings regarding the procurement until further instruction from the purchasing agent if that staff member has, or reasonably should know that he/she has, a prior relationship or personal interest in the outcome of the solicitation.

(Ord. No. 2943)

SEC. 4-5. EXEMPTIONS.

(A) The city manager may authorize, in writing, any department to procure specified supplies, equipment, public projects and services independently of the purchasing agent.

(B) The following are exempted from obtaining competitive bids and proposals:

(1) Contracts unrelated to the procurement of goods, materials, public projects or services.

(2) Advertising (e.g., air time and newspaper and magazine advertising space, but not including advertising agencies or design services).

(3) Bank service fees.

(4) Government printed publications.

(5) Common carrier transportation.

(6) Travel payments directly to a hotel, motel, airline or other transportation (but not a conference or meeting room rental).

(7) Insurance.

(8) Memberships in professional organizations.

(9) Credit card payments to a bank.

(10) Contracts with other governmental entities.

(11) Permit fees, including, but not limited to, those to another governmental agency for operation of a city utility.

(12) Postage and United States Postal Service post office box fees (not private mail companies).

(13) Real property purchases, escrow fees and lease payments.

(14) Subscriptions to publications.

(15) Any utilities the city uses, including, but not limited to, payments for electricity or gas.

(16) Voting materials.

- (17) Any other procurement exempted from bids or proposals in State or federal law.
- (18) Legal brief printing and transcription.
- (19) Legal services and services relating to legal matters.
- (20) Anything relating to a confidential, ongoing police investigation and to other confidential police business.

(C) A purchase order, contract, or task order for legal services or services relating to legal matters may be awarded and executed by the city attorney, up to an annual authorization in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time, or may be awarded and executed jointly by the city attorney and the most senior available member of the city council if over that amount.

(D) A purchase order, contract, or task order relating to a confidential, ongoing police investigation or other confidential police business may be awarded and executed jointly by the police chief and city manager up to an annual authorization in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time, or may be awarded and executed jointly by the city manager and the most senior available member of the city council if over that amount.

(Ord. No. 2943)

SEC. 4-6. NO OBLIGATION TO CONTRACT.

Nothing in this chapter shall require the city to authorize any purchase order or enter into any contract with any person or firm.

(Ord. No. 2943)

ARTICLE II. PUBLIC PROJECTS

SEC. 4-10. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT.

The city council has elected to subject the city to the Uniform Public Construction Cost Accounting Act (Cal. Pub. Con. Code, Sections 22000 et seq.) in the performance of public projects. The procedures contained in this chapter are intended to implement and be consistent with such Act.

(Ord. No. 2943)

SEC. 4-11. BIDS REQUIRED.

(A) Other than for public projects in the amount listed in Cal. Pub. Con. Code, Section 22032(a), as may be changed from time to time, that are performed by force account, price quotations or bids shall be obtained for all public projects that cost over \$5,000.

(B) The public works director and city manager each may procure, without public bidding, public projects that cost up to \$5,000.

(Ord. No. 2943, 3016)

SEC. 4-12. TIER 1 PUBLIC PROJECTS.

(A) A public project in the amount listed in Cal. Pub. Con. Code, Section 22032(a), as may be changed from time to time, and costing over \$5,000 that is not performed by force account requires at least three written bids. The purchasing agent shall use his/her discretion if three written bids cannot be obtained.

(B) The public works director and city manager each may each award, and the purchasing agent may execute, such a contract.

(Ord. No. 2943, 3016)

SEC. 4-13. TIER 2 PUBLIC PROJECTS.

(A) A public project in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time, shall be bid out using the informal bidding procedures contained in Cal. Pub. Con. Code, Section 22034. Notice shall be provided in accordance with Cal. Pub. Con. Code, Section 22034(a)(2). The public works director may award Tier 2 public project contracts up to \$100,000; the city manager may award, and the purchasing agent may execute, any Tier 2 public project contracts.

(B) If all bids received are in excess of the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time, the city council may, by adoption of a resolution by a four-fifths vote, award the contract up to the higher amount listed in Cal. Pub. Con. Code, Section 22034(d) to the lowest responsible bidder if the council determines the city's cost estimate was reasonable.

(Ord. No. 2943, 3016)

SEC. 4-14. TIER 3 PUBLIC PROJECTS.

(A) A public project in the amount listed in Cal. Pub. Con. Code, Section 22032(c), as may be changed from time to time, shall be bid out using the formal bidding procedures contained in Cal. Pub. Con. Code, Section 22037.

(B) The city engineer shall adopt plans, specifications and working details for all Tier 3 public projects.

(Ord. No. 2943)

SEC. 4-15. REJECTING ALL BIDS.

The purchasing agent may at any time reject all bids.

(Ord. No. 2943)

SEC. 4-16. BONDS.

In awarding a contract involving an expenditure in excess of the amount listed in Cal. Civil Code, Section 9550, the city shall require both faithful performance and payment bonds, each in the amount required by Cal. Civil Code, Section 9554. Such bonds shall be issued by an admitted surety insurer.

(Ord. No. 2943)

SEC. 4-17. CONTRACTS.

Any public project over the amount listed in Cal. Labor Code, Section 1771, as may be amended from time to time, per contractor, shall be made by contract.

(Ord. No. 2943)

SEC. 4-18. TASK ORDERS.

The public works director and city manager each may approve, and the purchasing agent may execute, any task order thereto that, collectively with all other task orders on the project, does not exceed the total contract value previously approved for the project.

(Ord. No. 2943, 3016)

SEC. 4-19. CHANGE ORDERS.

The public works director and city manager each may award, and the purchasing agent may execute, any change order to a contract that, collectively with all other change orders on the project, does not exceed the contract plus contingency amount, if any, previously approved for the project.

(Ord. No. 2943, 3016)

SEC. 4-20. EMERGENCIES.

(A) In cases of emergency, including, but not limited to, states of emergency defined in Cal. Gov't Code, Section 8558, when repair or replacements are necessary, the city council may proceed at once to replace or repair any public facility without adopting plans, specifications 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. Cal. Pub. Con. Code, Section 22050 shall apply when a notice for bids to let contracts is not given.

(B) The city manager and purchasing agent each may order any action pursuant to Cal. Pub. Con. Code, Section 22050.

(Ord. No. 2943)

ARTICLE III. SUPPLIES AND EQUIPMENT

SEC. 4-30. APPLICABILITY.

This article shall not apply to supplies or equipment associated with a public project.

(Ord. No. 2943)

SEC. 4-31. BIDS REQUIRED.

(A) Except when the supplies or equipment can be obtained from only one source, or when the purchasing agent determines that obtaining bids and price quotations is not in the city's best interest, at least three written price quotations or bids shall be obtained for all purchases or leases of supplies or equipment that collectively cost over \$5,000 per vendor or consultant, per fiscal year. The purchasing agent shall use his/her discretion if quotes and bids should not or cannot be obtained.

(B) The director of each department and city manager may procure, without public bidding, purchases or leases of supplies or equipment that collectively cost up to \$5,000 per vendor or consultant, per fiscal year.

(Ord. No. 2943, 3016)

SEC. 4-32. BRAND AND TRADE NAMES.

(A) A request for quotations or bids shall not be drafted calling for designated supplies and equipment by specific brand or trade names, unless immediately followed by the

words “or equal” so that bidders may furnish any equal supplies or equipment. A request to substitute equivalent supplies or equipment must be in writing and submitted by the time listed in the request for quotations or bids, or if no such time is written therein, with the quotation or bid submission. A request to substitute equivalent supplies or equipment must include all data necessary to demonstrate acceptability. The burden of proof as to the comparative quality and suitability of the alternative supplies or equipment shall be upon the bidder, and the bidder shall furnish, at his/her/its own expense, all information necessary or related thereto as required by the purchasing agent.

(B) Subsection (A) is not applicable if:

(1) The purchasing agent makes a written finding in the request for quotations or bids that particular supplies or equipment are designated by specific brand or trade names for any of the following purposes:

(a) In order that a field test or experiment may be made to determine the supplies’ or equipment’s suitability for future use.

(b) In order to match other supplies or equipment in use on a particular project, either completed or in the course of completion, or on a service already provided or being provided.

(c) In order to obtain necessary supplies or equipment that are only available from one source.

(d) In order to respond to an emergency declared by the city, the State, a State agency, a political subdivision of the State or the federal government.

(2) The individual or entity with the authority to award a purchase order or contract determines that the purchase of supplies or equipment of a particular brand or trade name are for a valid purpose.

(Ord. No. 2943)

SEC. 4-33. INFORMAL SOLICITATION.

The purchasing agent shall perform informal solicitations for the purchases of supplies and equipment (unrelated to a public project) up to \$100,000.

(Ord. No. 2943)

SEC. 4-34. FORMAL SOLICITATION.

The purchasing agent shall perform formal solicitations for the purchases of supplies and equipment (unrelated to a public project) over \$100,000.

(Ord. No. 2943)

SEC. 4-35. PUBLICATION.

Notice inviting bids shall be published either in a newspaper of general circulation, an e-procurement website, and/or by any other method of advertising that is recognized and accepted for public agency purchasing and is consistent with applicable State law. It shall be the responsibility of the purchasing agent to encourage as wide a response as possible from prospective vendors.

(Ord. No. 2943)

SEC. 4-36. NO RESPONSIVE BIDS.

When no responsive bids are received, subject to the department director or city manager's award, the purchasing agent is authorized to negotiate for a written bid, and if the bid is for an amount over the city manager's annual authorization, this contract shall be presented to the city council for award, and to the most senior available member of the city council for execution.

(Ord. No. 2943, 3016)

SEC. 4-37. RECEIPT OR REJECTION OF BIDS.

(A) The city may accept a bid or proposal on the basis of the lowest bid or the best value.

(B) If two or more bids received are for the same total amount or unit price, the city may accept the one it chooses on the basis of the lowest bid made by negotiation or the best value.

(C) The purchasing agent may at any time reject all bids.

(Ord. No. 2943)

SEC. 4-38. PURCHASE ORDERS AND CONTRACTS.

(A) Any supplies and equipment over \$5,000 per vendor per fiscal year shall be made only by a purchase order or contract.

(B) Every purchase order or contract shall be awarded either to the most responsive, responsible bidder, or to the bidder offering the best value.

(Ord. No. 2943)

SEC. 4-39. PURCHASE ORDERS PURSUANT TO CONTRACT.

Where a contract has been awarded, the department director and city manager each may award, and the purchasing agent may execute, any purchase order thereto that, collectively with all other purchase orders, does not exceed the total contract value.

(Ord. No. 2943, 3016)

SEC. 4-40. CHANGE ORDERS.

The department director and city manager each may approve, and the purchasing agent may execute, any change order to a purchase order or contract that, collectively with all other change orders on the project, does not exceed the contract plus contingency amount, if any, previously approved for the purchase or lease of supplies or equipment.

(Ord. No. 2943, 3016)

SEC. 4-41. URGENCY.

Sections 4-31 through 4-37 shall not apply to a situation that, at the city manager's discretion:

(A) Does not permit obtaining price quotations or bids; and

(B) Public interest and necessity demand the immediate expenditure of public money to avoid harm to or to safeguard life, health or property, or to mitigate severe economic expenses.

(Ord. No. 2943)

ARTICLE IV. TRADE AND PROFESSIONAL SERVICES

SEC. 4-50. APPLICABILITY.

This article shall not apply to trade or professional services associated with a public project.

(Ord. No. 2943)

SEC. 4-51. [RESERVED FOR LIVING WAGE POLICY]

SEC. 4-52. BIDS OR PROPOSALS REQUIRED.

(A) Except when the service can be obtained from only one source, or when the purchasing agent determines that obtaining price quotations, bids and proposals is not in the city's best interest, at least three written price quotations, bids or proposals shall be obtained for all trade or professional services that collectively cost over \$5,000 per vendor or consultant, per fiscal year. The purchasing agent shall use his/her discretion if price quotations, bids and proposals should not or cannot be obtained.

(B) The director of each department and city manager each may procure, without public bidding, trade or professional services that collectively cost up to \$5,000 per vendor or consultant, per fiscal year.

(Ord. No. 2943, 3016)

SEC. 4-53. BRAND AND TRADE NAMES.

(A) A request for quotations, bids or proposals regarding a service shall not be drafted calling for designated supplies and equipment by specific brand or trade names to be used in providing that service, unless immediately followed by the words "or equal" so that bidders or proposers may furnish any equal supplies or equipment in providing that service. A request to substitute equivalent supplies or equipment must follow the process outlined in section 4-22, and the burden of proof is likewise on the bidder or proposer as explained in that section.

(B) Subsection (A) is not applicable if any exemption listed in section 4-22 applies.

(Ord. No. 2943)

SEC. 4-54. INFORMAL SOLICITATION.

The purchasing agent shall perform informal solicitations for the purchase of trade and professional services (unrelated to a public project) up to \$100,000.

(Ord. No. 2943)

SEC. 4-55. FORMAL SOLICITATION.

The purchasing agent shall perform formal solicitations for the purchase of supplies and equipment (unrelated to a public project) over \$100,000.

(Ord. No. 2943)

SEC. 4-56. PUBLICATION.

Notice inviting bids or proposals shall be published either in a newspaper of general circulation, an e-procurement website, and/or by any other method of advertising that is recognized and accepted for public agency purchasing and is consistent with applicable State law. It shall be the responsibility of the purchasing agent to encourage as wide a response as possible from prospective vendors or consultants.

(Ord. No. 2943)

SEC. 4-57. RECEIPT OR REJECTION OF BIDS OR PROPOSALS.

(A) The city may accept a bid or proposal on the basis of the lowest bid or the best value.

(B) In the case of bids for price only, if two or more bids received are for the same total amount or unit price, the city may accept the one it chooses on the basis of the lowest bid made by negotiation or the best value.

(C) The purchasing agent may reject all bids or proposals.

(Ord. No. 2943)

SEC. 4-58. CONTRACTS.

(A) Any trade services over the amount listed in Cal. Labor Code, Section 1771, as may be amended from time to time, per vendor, per fiscal year, shall be made only by contract. Every contract shall be awarded either to the most responsive, responsible bidder, or on the basis of demonstrated competence and on the qualifications necessary for the satisfactory performance of the services.

(B) Any professional services over \$5,000 per consultant, per fiscal year, shall be made only by contract. Every contract shall be awarded on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services.

(Ord. No. 2943)

SEC. 4-59. TASK ORDERS.

The department director and city manager each may approve, and the purchasing agent may execute, any task order that, collectively with all other task orders, does not exceed the total contract value previously approved for the trade or professional service.

(Ord. No. 2943, 3016)

SEC. 4-60. CHANGE ORDERS.

The department director and city manager each may approve, and the purchasing agent may execute, any change order to a contract that, collectively with all other change orders related to that contract, does not exceed the contract plus contingency amount, if any, previously approved for this procurement. Once the contract plus contingency amount is met, any further change orders shall be submitted for approval by the city council.

(Ord. No. 2943, 3016)

SEC. 4-61. URGENCY.

Unless otherwise required by law, sections 4-52 through 4-57 shall not apply in a situation in which, at the city manager's discretion:

(A) Does not permit obtaining price quotations, bids or proposals; and

(B) Public interest and necessity demand the immediate expenditure of public money to avoid harm to or to safeguard life, health or property, or to mitigate severe economic expenses.

(Ord. No. 2943)

ARTICLE V. ADDITIONAL PROCEDURES

SEC. 4-70. REGULAR REPORTING.

Each department shall provide the purchasing agent with an annual report, listing all procurements awarded by that department within that reporting period.

(Ord. No. 2943, 3016)

SEC. 4-71. SMALL LOCAL BUSINESS PURCHASING PREFERENCE PROGRAM.

(A) In cases where the city code requires a written competitive bid for the purchase of goods or services, in determining the lowest responsible bidder, when responsibility and quality are equal, a credit in a percentage of the bid submitted by the lowest responsible bidder meeting specifications shall be given to a bidder that meets the definition of a "small local business" in this chapter as follows: 5% of the amount up to \$500,000; 4% of the amount between \$500,001 and \$750,000; 3% of the amount between \$750,001 and \$1,000,000; 2% of the amount between \$1,000,001 and \$1,250,000 and 1% of the amount between \$1,250,001 and \$1,500,000. For example, if the lowest responsible bid is \$1,000,000, the preference would be \$42,500 ($\$500,000 \times .05 + \$250,000 \times .04 + \$250,000 \times .03$). The preference applies to all contracts, including contracts over \$1,500,000, but the

amount of the preference is limited, as provided herein, so that the maximum preference is \$50,000.

(B) As an alternative to the employment requirements described in the definition of a “small local business,” and only with respect to trade services or construction contracts to perform for which the contractor intends to hire employees or to subcontract, a contractor submitting a bid shall satisfy the resident employment requirements for obtaining preference as follows. With the submission of its bid, the contractor shall submit a certification, under penalty of perjury, that it has verified its own proposed employee base for performance of the contract and confirmed with all subcontractors providing bids used to formulate the contractor's bid, all of whom have subcontracted with or will subcontract with the contractor, that at least 50% of the labor hours devoted to performance of the contract will be provided by residents of the city. During or within one year after performance of the contract, the city manager shall have the right to audit all the contractor's records to confirm the accuracy of the contractor's certification. The contractor shall provide to the city all documents (including subcontractors' records) appropriate to perform such an audit. Should it be determined, after such audit by the city manager, that the requirements of this subsection have not been met, or should the contractor not upon request provide documents sufficient for the audit required by this subsection to be performed, the contractor shall be required to pay upon demand to the city the entire amount of any preference granted, which amount may be withheld from any payment otherwise due the contractor. The foregoing is in addition to any other consequences that may be imposed upon the contractor for violation of the provisions of a city ordinance. The city manager's determination under this subsection may be reviewed pursuant to sections 1-55 et seq. of the city code.

(C) Subject to review by the city manager, the requirements to obtain a small local business preference may be established by submission with the bid of certification, under penalty of perjury, that the business meets such requirement, including a list showing all employee addresses, and affirming that the employees have granted permission for the use of their addresses.

(D) The city manager shall determine whether a business is a small local business under this section, including whether the principal office of the business is in the city, and whether employees are residents of the city. The city manager's determination shall be final and not appealable under any provision of the city code, except for the determination described in subsection (B) of this section.

(E) The city manager may adopt, or instruct the purchasing agent to adopt, such regulations, applications and forms as the city manager determines are appropriate to implement the provisions of this section.

(F) The provisions of this section shall not apply when the small local business preference described herein is contrary to or precluded by requirements of State or federal law, or contrary to or precluded by requirements of a State or federal funding source or program providing assistance to the city for the particular project.

(G) In addition to any other consequence that may be imposed for violation of a city ordinance, the city manager may prohibit a business entity that he/she determines has falsely claimed to be a small local business from bidding on city contracts for a period of up to five years. The city manager's determination may be reviewed pursuant to sections 1-55 et seq. of the city code.

(Ord. No. 2943)

SEC. 4-72. ANNUAL AUTHORIZATION.

(A) Other than for the rental, lease or license of real property, a contract related to an exemption listed in section 4-5, or public projects listed in sections 4-12 and 4-13, a department manager may award any procurement contract or purchase order up to an annual authorization in the amount of \$50,000.

(B) Other than for the rental, lease or license of real property, a contract related to an exemption listed in section 4-5, or public projects listed in sections 4-12 and 4-13, a department director may award any procurement contract or purchase order up to an annual authorization in the amount of \$100,000.

(C) Other than for the rental, lease or license of real property or a contract related to an exemption listed in section 4-5, the city manager may award any procurement contract or purchase order up to an annual authorization in the amount listed in Cal. Pub. Con. Code, Section 22032(b), as may be changed from time to time.

(D) Other than for the rental, lease or license of real property or a contract related to an exemption listed in section 4-5, the purchasing agent may execute any procurement contract, purchase order or amendment awarded by a department manager, department director or the city manager.

(E) Any amendment that, collectively with the original purchase order or contract and all amendments thereto, does not exceed an individual's annual authorization may be approved by him or her.

(F) If an individual has authority to award a purchase order or contract, he/she has the authority to amend such purchase order or contract, provided the total amount of that purchase order or contract, and all amendments thereto, does not exceed his/her annual authorization.

(G) The purchasing agent may terminate any purchase order or contract for procurement.

(H) It shall be unlawful to split or separate into smaller purchase orders or contracts any procurement for the purpose of evading the provisions of this chapter.

(Ord. No. 2943, 3016)

SEC. 4-73. APPROVAL AS TO FORM.

All purchase orders, contracts, amendments, task orders, change orders and terminations shall be approved as to form by the city attorney.

(Ord. No. 2943)

SEC. 4-74. CONTRACT TERM.

The city may enter into a contract for a term consistent with the industry standard term for that particular supply, equipment or service.

(Ord. No. 2943)

SEC. 4-75. IMMEDIATE NEED.

Other than for public projects, if the city council is not in session, or if there exists in the view of the purchasing agent an immediate need to do so, a purchase order, contract (including, but not limited to, a lease or license), change order or task order that otherwise would be submitted to the city council may be approved jointly by the city manager and the most senior available member of the city council, as executed by the purchasing agent. The city manager shall place the jointly executed document on the agenda for ratification at one of the next three regular city council meetings. Any document that is jointly approved in this way shall contain a provision that the authority to perform work under that document will automatically terminate on the date that ratification is denied, if it is.

(Ord. No. 2943, 3016)

SEC. 4-76. REAL PROPERTY.

The purchasing agent may award and execute up to an annual authorization of \$50,000, and the city manager may award and execute up to an annual authorization of \$100,000, any contract for the rental, lease or license of real property for periods of time not to exceed three years.

(Ord. No. 2943)

SEC. 4-77. CREDIT CARDS.

City staff may use city-issued credit cards to pay for supplies and equipment purchased for the city and for city-related training and travel. The purchasing agent shall develop and maintain a procurement card manual for the issuance, oversight, and use of such credit cards.

(Ord. No. 2943)

ARTICLE VI. SALE OF SUPPLIES, EQUIPMENT AND SERVICES

SEC. 4-80. SALE OF SUPPLIES, EQUIPMENT AND SERVICES.

(A) The purchasing agent may sell, trade or otherwise dispose of supplies and equipment that are no longer used or have become obsolete or worn out, including awarding and executing contracts to sell, trade in or otherwise dispose of such supplies and equipment.

(B) The city manager may award and execute contracts to provide city staff's trade or professional services to another entity.

(Ord. No. 2943)

AN ORDINANCE REPEALING AND REPLACING CHAPTER 4, ARTICLES I THROUGH V OF THE OXNARD CITY CODE FOR PURCHASING, CONTRACTING AND PUBLIC PROJECTS

Elle McCarron, Assistant City Attorney
City Attorney Office

Finance & Governance Committee
02/25/2025

That the Finance and Governance Committee review the proposed ordinance that will repeal and replace the City's current purchasing system that is codified in Chapter 4 of the Oxnard City Code, and recommend that the City Council approve the first reading by title only and further reading of the proposed Ordinance entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD REPEALING AND REPLACING CHAPTER 4, ARTICLES I THROUGH V OF THE OXNARD CITY CODE FOR PURCHASING, CONTRACTING AND PUBLIC PROJECTS.”

- The City Attorney's Office in conjunction with the Finance Department, Purchasing Division and Public Works Department have prepared a comprehensive update to the City's purchasing system that is codified in Chapter 4 of the Oxnard City Code. The last comprehensive update to the purchasing system occurred in 2018.
- Oxnard is a General law city and obligated to adhere to the requirements of the California Government Code sections 54201-54205 regarding local agency procurement requirements along with Government Code sections 3400, 4000-4563 regarding trade names, professional services and subcontracting among other items, and Public Contract Code sections 20100-22199 regarding procurement of public works projects, when establishing or updating its purchasing system.

- A review of the City's current purchasing system revealed the need for a necessary overhaul to provide clear and concise direction to city staff on contracting and procurement procedures, including detailed steps to follow for procuring goods, services, professional services and public projects, in addition to a stand alone code section that describes purchasing and contracting authority.
- The timely and organized purchase of goods, supplies and services is imperative to the efficient function of City government. The procurement process is highly regulated through required policies and procedures, as cited above, that ensure the City obtains the best products and services at the lowest cost or best value to the City. This is achieved through the use of a transparent and equitable process that is in conformance with State and local law. The procurement process can limit the City's ability to procure goods and services through time consuming and cumbersome processes, procedures and policies. The ordinance before Council aims to provide additional procurement tools to assist staff.

- The City's current purchasing system underwent minor revisions on May 17, 2022, with Ordinance 3016, which amended signature authority approval thresholds for certain City Staff. Prior to this, the City's purchasing system underwent substantial revisions on June 19, 2018, when the City Council adopted Ordinance 2943, which overhauled the city's previous purchasing system that was established in May of 2000 by Ordinance 2520.
- The proposed ordinance strengthens the City's purchasing system by enunciating clear standards regarding purchasing authority, award levels, competitive solicitation processes, and provides explanations and guidance to City Staff on the processes and procedures that must be followed when procuring goods and services on behalf of the City. The proposed purchasing system is drafted to work in conjunction with the City's Tyler Munis Enterprise Resource Planning System ("ERP"), which is a citywide financial reporting tool that operates as a system of checks and balances for all purchases and contracts.

- The current purchasing ordinance requires updating to provide clear explanations on the procedures and processes for the different types of solicitations. The current ordinance directs the reviewer to California State codes, requiring the reviewer to search for and interpret State Codes to determine the appropriate requirements for soliciting goods, services and public projects.
- The proposed purchasing ordinance reorganizes the purchasing system into five separate articles.
 - Article I contains the general provisions of the City's purchasing system.
 - Article II describes the process for soliciting public works projects.
 - Article III describes the process for soliciting professional services.
 - Article IV describes the process for soliciting general services, goods, supplies, and equipment, as well as IT services.
 - Article V contains miscellaneous procedures applicable to some City solicitations.

A list of each section in the articles is provided in the slides below and indicates whether the section is new and/or updated sections from the current purchasing system.

ARTICLE I. CITYWIDE PURCHASING SYSTEM

SEC. 4-1. PURPOSE

SEC. 4-2. DEFINITIONS (New & Updated)

SEC. 4-3. CONTRACTING AUTHORITY (New)

SEC. 4-4. ALLOWABLE PURCHASING METHODS (New)

SEC. 4-5. PURCHASING AGENT (Updated)

SEC. 4-6. CONFLICT.

SEC. 4-7. EXEMPTIONS TO SOLICITATION REQUIREMENTS (Updated)

Sec. 4-8. AWARD TO MULTIPLE VENDORS (New)

Sec. 4-9. ON-CALL AGREEMENTS (New)

SEC. 4-10. NO OBLIGATION TO CONTRACT

SEC. 4-11. APPROVAL AS TO FORM (Updated)

SEC. 4-12. BUSINESS LICENSE (New)

SEC. 4-13. INSURANCE REQUIRED (New)

SEC. 4-14. PROHIBITION AGAINST SPLITTING PROJECTS, PURCHASES, AND NON-COMPLIANCE WITH PURCHASING GUIDELINES (New)

SEC. 4-15. AUTHORITY TO EXERCISE DISCRETIONARY APPROVAL OF DESIGNS FOR PUBLIC WORKS AND PUBLIC IMPROVEMENT PROJECTS (New)

ARTICLE II. PUBLIC PROJECTS

SEC. 4-16. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (New)

SEC. 4-17. PUBLIC PROJECTS (New)

SEC. 4-18. INFORMAL BIDDING PROCEDURE (Updated)

SEC. 4-19. FORMAL BIDDING PROCEDURE (Updated)

SEC. 4-20. TIER 1 PUBLIC PROJECTS (Updated)

SEC. 4-21. TIER 2 PUBLIC PROJECTS (Updated)

SEC. 4-22. TIER 3 PUBLIC PROJECTS (Updated)

SEC. 4-23. WAIVER OF IRREGULARITIES (New)

SEC. 4-24. REJECTING ALL BIDS

SEC. 4-25. BONDS

SEC. 4-26. PUBLIC PROJECT CONTRACTS & PREVAILING WAGE (New)

SEC. 4-27. CHANGE ORDERS (Updated)

SEC. 4-28. BRAND OR TRADE NAMES (New)

SEC. 4-29. NO BIDS RECEIVED (New)

SEC. 4-30. EMERGENCIES (Updated)

SEC. 4-31. DESIGN BUILD PROJECTS (new)

ARTICLE III. CONTRACTING FOR PROFESSIONAL SERVICES

SEC. 4-32. APPLICABILITY (New)

SEC. 4-33. REQUIREMENTS FOR SOLICITATION AND CONTRACTS (New)

SEC. 4-34. INFORMAL SOLICITATION PROCESS (Updated)

SEC. 4-35. FORMAL SOLICITATION PROCESS (Updated)

SEC. 4-36. SOLICITATION PROCESS FOR ON-CALL PROFESSIONAL SERVICE AGREEMENTS RELATED TO A CAPITAL IMPROVEMENT PROJECT (New)

SEC. 4-37. PUBLICATION (Updated)

SEC. 4-38. NO RESPONSIVE SOLICITATIONS (New)

SEC. 4-39. RECEIPT OR REJECTION OF SOLICITATION (Updated)

SEC. 4-40. PURCHASE CHANGE ORDERS & AMENDMENTS (New)

SEC. 4-41. EMERGENCY, URGENCY & IMMEDIATE NEED (Updated)

ARTICLE IV. PURCHASING & CONTRACTING FOR GOODS, SUPPLIES, EQUIPMENT, MAINTENANCE, GENERAL SERVICES, AND INFORMATION TECHNOLOGY SERVICES

SEC. 4-42. APPLICABILITY (New)

SEC. 4-43. REQUIREMENTS FOR SOLICITATIONS, CONTRACTS AND PURCHASE ORDERS (New)

SEC. 4-44. SERVICE CONTRACTS SUBJECT TO PREVAILING WAGES (New)

SEC. 4-46. FORMAL SOLICITATION PROCESS (Updated)

SEC. 4-45. INFORMAL SOLICITATION PROCESS (Updated)

SEC. 4-47. PUBLICATION (Updated)

SEC. 4-48. NO RESPONSIVE SOLICITATIONS (Updated)

SEC. 4-49. RECEIPT OR REJECTION OF SOLICITATION (Updated)

SEC. 4-50. PURCHASE CHANGE ORDERS & AMENDMENTS (New)

SEC. 4-51. EMERGENCY, URGENCY & IMMEDIATE NEED (Updated)

ARTICLE V. ADDITIONAL PURCHASING AND CONTRACT PROCEDURES

SEC. 4-52. SMALL LOCAL BUSINESS PURCHASING PREFERENCE PROGRAM (New / Updated)

SEC. 4-53. ELECTRONIC AND DIGITAL SIGNATURES (New)

SEC. 4-54. SALE AND DISPOSAL OF UNEEDED EQUIPMENT AND PROPERTY OF THE CITY (New / Updated)

SEC. 4-55 LIVING WAGE [RESERVED]



QUESTIONS?



FINANCE AND GOVERNANCE COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.2

DATE: February 25, 2025

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400,
javier.chagoyenlazaro@oxnard.org

SUBJECT: Sales Tax Contract Addendum For Sales Tax Audit Services Payment. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommend that the City Council:

1. Approve Addendum to Agreement No. 7748-17-FN between the City of Oxnard and Hinderliter, de Llamas and Associates (HdL Coren & Cone); and
2. Approve budget appropriation in the General Fund (101) in the amount of \$64,155.00 to sales tax audit services.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/VyrgkAy-TDg>

BACKGROUND

On January 30, 2017, the City entered into a service agreement with Hinderliter, de Llamas and Associates (HdL Coren & Cone) for sales tax, transactions and us (T&U) tax and economic analysis, tax audit services and the recovery of funds related to those audits. This agreement with subsequent amendments expired on June 30, 2023.

On July 1, 2023, after the corresponding request for proposal and bid process, the City entered into a service agreement with Muniservices, LLC to perform the sales and T&U tax analysis, audit and recovery services that were previously performed by HdL Coren & Cone.

DISCUSSION

HdL has performed preapproved audits of sales and T&U taxes during the term of the original contract. Per the agreement, HdL is guaranteed a fee of fifteen (15) percent of the amount recovered from the audit process for 8 consecutive quarters following completion of the audit in the City's favor. The proposed addendum will provide funding to pay for the recovery services covering the residual quarters that extend beyond the initial term of the agreement.

The estimated remaining amount to be recovered from the audit process is \$400,000, and this revenue would fund the reimbursement to HdL.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact for this recommendation since the reimbursement to HdL is a percentage of the funds recovered for the City during the audit process.

Prepared by: Javier Chagoyen-Lazaro, Chief Financial Officer

ATTACHMENTS

1. Agreement 7748-17-FN Hinderliter de Llamas& Associates
2. Addendum to Agreement 7748-17-FN
3. Presentation

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES ("**Agreement**") is made and entered into in the County of Ventura, State of California, this 30th day of January, 2017, by and between the City of Oxnard, a municipal corporation ("**City**"), and Hinderliter, de Llamas and Associates (HdL Coren & Cone) ("**Consultant**"). City and Consultant are sometimes individually referred to as "**Party**" and collectively as "**Parties**."

WHEREAS, City desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant's personnel have the qualifications and experience to properly perform such services.

NOW, THEREFORE, City and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish City with professional consulting services as more particularly set forth in **Exhibit A** attached hereto and incorporated by this reference in full herein (the "**Services**").

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the Services.

3. Standard of Performance

Consultant agrees to undertake and complete the Services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with the Services to be performed for the City.

5. Coordination of Services

The Services shall be coordinated with Chief Financial Officer ("**Manager**"), subject to the direction of the City Manager or Department Manager.

6. Place of Work

Consultant shall perform the Services provided for in this Agreement at any place or location and at such times as the Consultant shall determine.

7. Correction of Errors

Consultant agrees to correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

8. Time for Performance

The Services performed under this Agreement shall be completed during the term of this Agreement pursuant to the schedule provided in **Exhibit A** attached hereto and incorporated by this reference in full herein. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Manager of such delays.

9. Principal in Charge

Consultant hereby designates Lloyd de Llamas as its principal-in-charge and person responsible for necessary coordination with Manager.

10. Permits, Licenses, Certificates

Consultant, at Consultant's sole expense, shall obtain and maintain during the term of this Agreement, all permits, licenses, and certificates required in connection with the performance of the Services, including a City business tax certificate.

11. City's Responsibility

City shall cooperate with Consultant as may be reasonably necessary for Consultant to perform the Services. Manager agrees to provide direction to Consultant as requested regarding particular project requirements.

12. Term of Agreement

This Agreement shall begin on February 1, 2017, and expire on March 1, 2018.

13. Termination

a. This Agreement may be terminated by City without cause if Manager notifies Consultant, in writing, of Manager's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice. City

agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise.

b. This Agreement may be terminated by Consultant without cause if Consultant notifies Manager, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

14. Compensation

a. City agrees to pay Consultant in an amount not to exceed \$24,500 for the Services at rates provided in **Exhibit B** attached hereto and incorporated by this reference in full herein.

b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services.

c. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

d. Consultant shall provide Manager with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service.

e. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

15. Method of Payment

a. City agrees to pay Consultant monthly upon satisfactory completion of the Services and upon submission by Consultant of an invoice delineating the Services performed, in a form satisfactory to Manager. The invoice shall identify the Services by project as specified by Manager.

b. Consultant agrees to maintain current monthly records, books, documents, papers, accounts and other evidence pertaining to the Services performed and costs incurred. Such items shall be adequate to reflect the time involved and cost of performing the Services. Consultant shall provide Manager with copies of payroll distribution, receipted bills and other documents requested for justification of the invoice.

16. Responsibility for Expenses

Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services. All expenses incident to the performance of the Services shall be borne by the Consultant, including, but not limited to rent, vehicle, and travel, entertainment and promotion, general liability and health insurance, workers' compensation insurance, and all compensation and benefits of employees or agents engaged by Consultant. Consultant shall, at its own cost and expense, supply all personal property necessary or appropriate to perform the Services provided for under this Agreement, including, but not limited to any personal property used by employees and agents of Consultant in the performance of such Services.

17. Non-Appropriation of Funds

Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

18. Records

a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services ("**documents and materials**") shall be the property of City and shall, upon completion of the Services or termination of this Agreement, be delivered to Manager.

b. At City's request, City shall be entitled to immediate possession of, and Consultant shall furnish to Manager within ten (10) calendar days, all of the documents and materials. Consultant may retain copies of these documents and materials.

c. Any substantive modification of the documents and materials by City staff or any use of the completed documents and materials for other City projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant. City agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

19. Maintenance and Inspection of Records

Consultant agrees that City or its auditors shall have access to and the right to audit and reproduce any of Consultant's relevant records to ensure that City is receiving the Services

to which City is entitled under this Agreement or for other purposes relating to the Agreement. Consultant shall maintain and preserve all such records for a period of at least three (3) years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Consultant agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

20. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Manager.

21. Indemnity

a. To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the **"Indemnified Party"**) from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Consultant's performance of this Agreement or Consultant's failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Consultant's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section are the result of the sole active negligence or sole willful misconduct of the Indemnified Party. If it is finally adjudicated that liability is caused by the comparative negligence or willful misconduct of the Indemnified Party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

b. The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. Consultant shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of the Indemnified Party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

c. The review, acceptance or approval of Consultant's work or work product by the Indemnified Party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section shall survive completion of the Services or termination of this Agreement. The provisions of this Section shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

22. Insurance

a. Consultant shall obtain and maintain during the performance of the Services the insurance coverages as specified in **Exhibit INS-A**, attached hereto and incorporated herein by this reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages.

b. Consultant shall, prior to performance of the Services, file with the Risk Manager evidence of insurance coverage as specified in **Exhibit INS-A**. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in **Exhibit INS-A**.

c. Maintenance of proper insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered as a material breach of this Agreement.

23. Independent Contractor

a. City and Consultant agree that in the performance of the Services, Consultant shall be, and is, an independent contractor, and that Consultant and its employees are not employees of City. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.

b. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

24. Consultant Not Agent

Except as Manager may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of City in any capacity, as agents or otherwise, or to bind City to any obligation.

25. Conflict of Interest

If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a **“governmental decision”** as described in Title 2, section 18701(a)(2) of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement.

26. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Manager, which consent may be withheld for any reason.

27. Successors and Assigns

Consultant and City agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and City.

28. Fair Employment Practices

a. Consultant agrees that all persons employed by Consultant shall be treated equally by Consultant without regard to or because of race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law, and in compliance with all antidiscrimination laws of the United States of America, the State of California, and City.

b. Consultant agrees that, during the performance of this Agreement, Consultant and any other parties with whom Consultant may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

c. Consultant agrees to state in all of its solicitations or advertisements for applicants for employment that all qualified applicants shall receive consideration for employment without regard to their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

d. Consultant shall provide City staff with access to and, upon request by Manager, provide copies to Manager of all of Consultant's records pertaining or relating to Consultant's

employment practices, to the extent such records are not confidential or privileged under State or federal law.

29. Force Majeure

Consultant and City agree that neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

30. Time of Essence

Consultant and City agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

31. Covenants and Conditions

Consultant and City agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

32. Governing Law

City and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of City and Consultant hereunder shall be governed by the laws of the State of California.

33. Compliance with Laws

Consultant agrees to comply with all City, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the Services performed by Consultant pursuant to this Agreement.

34. Severability

City and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

35. Waiver

City and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or City shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either City or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

36. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

37. Arbitration

Consultant and City agree that in the event of any dispute with regard to the provisions of this Agreement, the Services rendered or the amount of Consultant's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.

38. Expenses of Enforcement

Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney Office) and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

39. Authority to Execute

a. City acknowledges that the person executing this Agreement has been duly authorized by the City Council to do so on behalf of City.

b. Consultant acknowledges that the person executing this Agreement has been duly authorized by Consultant to do so on behalf of Consultant.

40. Notices

a. Any notices to Consultant may be delivered personally or by mail addressed to Hinderliter, de Llamas & Associates, 1340 Valley Vista Drive, Suite 200, Diamond Bar, CA 91765, Attention: Lloyd de Llamas.

b. Any notices to City may be delivered personally or by mail addressed to City of Oxnard, Finance Department, 300 West Third Street, Suite 302, Oxnard, California 93030, Attention: James Throop, Chief Financial Officer.

41. Amendment

City and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be

effective only when agreed upon to in writing by both the City representative authorized to do so under the City's purchasing policies and Consultant.

42. Entire Agreement

City and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

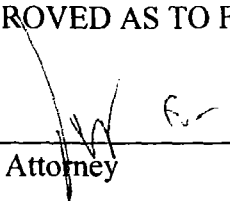
HINDERLITER, DE LLAMAS &
ASSOCIATES

Purchasing Agent

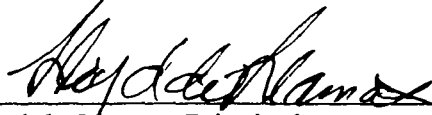


Andrew Nickerson, President

APPROVED AS TO FORM:

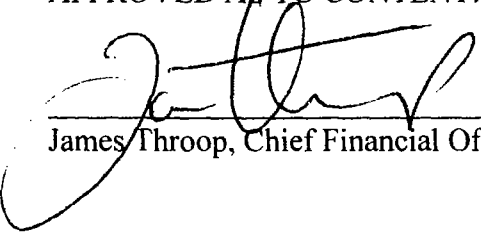


City Attorney



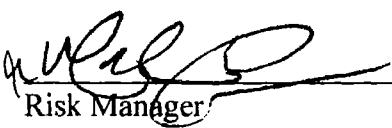
Lloyd de Llamas, Principal

APPROVED AS TO CONTENT:



James Throop, Chief Financial Officer

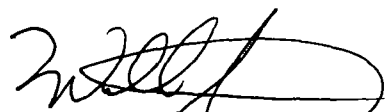
APPROVED AS TO INSURANCE:



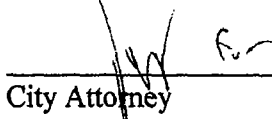
Risk Manager

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

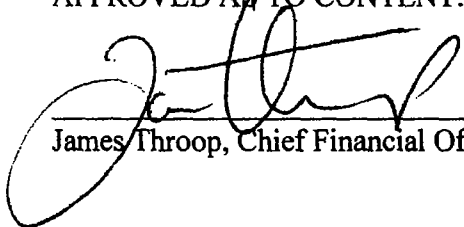
CITY OF OXNARD


Purchasing Agent

APPROVED AS TO FORM:


City Attorney

APPROVED AS TO CONTENT:


James Throop, Chief Financial Officer

APPROVED AS TO INSURANCE:


Risk Manager

HINDERLITER, DE LLAMAS &
ASSOCIATES


Andrew Nickerson, President


Lloyd de Llamas, Principal

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

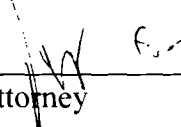
HINDERLITER, DE LLAMAS &
ASSOCIATES

Purchasing Agent

Andrew Nickerson, President

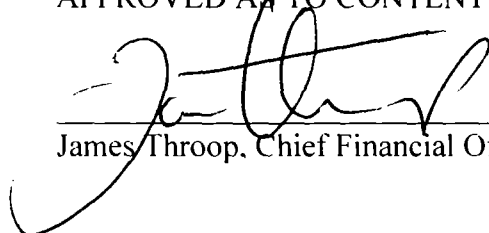
APPROVED AS TO FORM:

Lloyd de Llamas, Principal



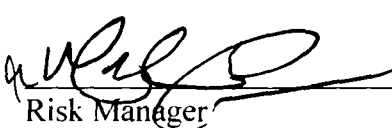
City Attorney

APPROVED AS TO CONTENT:



James Throop, Chief Financial Officer

APPROVED AS TO INSURANCE:



Risk Manager

EXHIBIT A

SCOPE OF SERVICES

The Consultant shall perform the following services:

A. Sales tax and economic analysis

1. Consultant shall establish a special database that identifies the name, address and quarterly allocations of all sales tax producers within the City for the most current and all quarters back to fiscal year 1998-1999 or earlier, if the City has prior historical sales tax data available on computer readable magnetic media. This database will be utilized to generate special reports to the City on: major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.
2. Consultant shall provide up-dated reports following each calendar quarter identifying changes in sales by individual businesses, business groups and categories and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting.
3. Consultant shall additionally provide following each calendar quarter a summary analysis for the City to share with Chambers of Commerce, other economic development interest groups and the public that analyze City's sales tax trends by major groups, and geographic areas without disclosing confidential information.
4. Consultant shall make available to City staff Consultant's web-based sales tax computer software program containing sellers permit and quarterly allocation information for all in-city business outlets registered with the Board of Equalization and updated quarterly. This software shall allow City staff to search businesses by street address, account number, business name, business type and keyword, arrange data by geographic area, and print out a variety of reports.

B. Allocation Audit Recovery

1. Consultant shall conduct initial and on-going sales, use and transactions tax audits to identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales, use and transactions tax income for the City and/or recovering misallocated tax from previously properly registered taxpayers. Common errors that will be monitored and corrected include, but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors, misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.
2. Consultant shall initiate contacts with state agencies, and sales management and accounting officials in companies that have businesses where a probability of error exists to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.
3. Consultant shall (i) prepare and submit to the Board of Equalization information for the purpose of correcting allocation errors that are identified and (ii) follow-up with individual businesses and the State Board of Equalization to promote recovery by the City of back or prospective quarterly payments that may be owing.
4. If during the course of its audit, Contractor finds businesses located in the City that are properly reporting

sales and use tax but have the potential for modifying their operation to provide an even greater share to the City. Consultant may so advise City and work with those businesses and the City to encourage such changes.

C. Consulting and other optional services

Consultant may, from time to time in its sole discretion, consult with City staff, including without limitation, regarding (i) technical questions and other issues related to sales, use and transactions tax; (ii) utilization of reports to enhance business license collection efforts; and (iii) sales tax projections for proposed annexations, economic development projects and budget planning. In addition to the foregoing optional consulting services, Consultant may, from time to time in its sole discretion, perform other optional Services, including without limitation, negotiating/review of tax sharing agreements, establishing purchasing corporations, and meeting with taxpayers to encourage self-assessment of use tax.

EXHIBIT B

COMPENSATION RATES

- A. Consultant shall provide the sales tax and economic analysis Services described in Exhibit A, Section A, titled "Sales tax and economic analysis" for a fee of **\$850** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by City no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the "CPI" for the preceding twelve month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the "CPI" shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest City, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by Consultant.
- B. 1. Consultant shall be further paid 15% of all new and recovered sales, use and transactions tax revenue received by the City as a result, in whole or in part, of the allocation audit and recovery services described in Exhibit A, Section B, titled "Allocation Audit Recovery" (hereafter referred to as "audit fee"), including without limitation, any reimbursement or other payment from any state fund and any point of sale misallocations.
2. The audit fee shall be paid even if City assists, works in parallel with, and/or incurs attorneys' fees or other costs or expenses in connection with any of the relevant Services. Among other things, the audit fee applies to state fund transfers received for back quarter reallocations and monies received in the first eight consecutive reporting quarters following completion of the allocation audit by Consultant and confirmation of corrections by the State Board of Equalization. City shall pay audit fees upon Consultant's submittal of evidence of Consultant's work in support of recovery of subject revenue, including, without limitation, copies of BOE 549-S petition forms of any other correspondence between Consultant and the Board of Equalization or the taxpayer.
3. For any increase in the tax reported by businesses already properly making tax payments to City, it shall be Consultant's responsibility to support in its invoices the audit fee attributable, in whole or in part, to Consultant's Services.

EXHIBIT B-1

SALES TAX AUDIT

Work Authorization No. _____

The following business or businesses, located in the City of Oxnard, have been identified as having potential for generating additional sales tax revenue to the City of Oxnard. Consultant is hereby authorized to contact the given business(s) and the State Board of Equalization to verify the accuracy of the current reporting methodology and obtain the necessary documentation for the State Board of Equalization, to modify allocation formulas, and to return previous misallocated revenue that may be due to City.

Consultant's compensation shall be 15 percent of new sales and/r use tax revenue received by the City as a result of audit and recovery work performed by Consultant, as set forth in the Agreement between Consultant and City.

CITY OF OXNARD

By: _____

Date: _____

HINDERLITER, DE LLAMAS AND ASSOCIATES

By: _____

Date: _____

INS EXHIBIT A

INSURANCE REQUIREMENTS FOR CONSULTANTS (WITH ERRORS AND OMISSIONS REQUIREMENT)

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount:

b. Business automobile liability insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office automobile liability coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. Professional liability/errors and omissions insurance appropriate to Consultant's profession to a minimum coverage of \$1,000,000, with neither Consultant nor listed subconsultants having less than \$500,000 individually. The professional liability/errors and omissions insurance must be project specific with at least a one year extended reporting period, or longer upon request.

d. Workers' compensation insurance in compliance with the laws of the State of California, and employer's liability insurance in an amount not less than \$1,000,000 per claimant.

2. Consultant shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-A. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before commencement of services. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. _____
300 West Third Street, Suite 302
Oxnard, California 93030

3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees, agents and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees, agents and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-A or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages (**this must be endorsed**). Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. The insurer shall declare any deductibles or self-insured retentions to and be approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for commercial general liability and business automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that the Consultant/insurer use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

INS-A.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
CODE	SUB-CODE	COMPANIES AFFORDING INSURANCE COVERAGE	
INSURED		COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE	
		COMPANY LETTER B	

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY [x] COMMERCIAL GENERAL LIABILITY [] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE \$1,000,000 PRODUCTS COMP/OP AGG. \$1,000,000 PERSONAL & ADV. INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE \$1,000,000 LIMIT BODILY INJURY \$ (Per person) BODILY INJURY \$ (Per accident) PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000
A	OTHER Errors and omissions insurance or malpractice insurance available for the insured's profession				Minimum coverage \$1,000,000 Each consultant/ \$500,000 & listed sub-consultant

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER City of Oxnard Attn: Risk Manager Reference No. _____ 300 W. Third Street, Suite 302 Oxnard CA 93030	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE
--	--

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
-----------------	-----------------------

97

(original signature required)

Telephone: ()

Date Signed _____

Rev. 1/17



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/13/2017

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

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

PRODUCER Partee Insurance Associates, Inc.
584 S. Grand Avenue
Covina, CA 91724-3409

CONTACT NAME: Ana Arancibia
PHONE (A/C, No, Ext): 626-966-1791 FAX (A/C, No): 626-331-8132
E-MAIL ADDRESS: analauraa@parteeinsurance.com

www.parteeinsurance.com

License #0786033

INSURED
Hinderliter de Llamas & Associates
1340 Valley Vista Drive #201
Diamond Bar CA 91765

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Ohio Security Insurance Company	24082 A
INSURER B: American Fire and Casualty Company	24066 A
INSURER C: Twin City Fire Insurance Company	29459 AK
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 34218589

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC OTHER:	☒		BKS56441197	11/15/2016	11/15/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY	☒		BAS56441197	11/15/2016	11/15/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			USA56441197	11/15/2016	11/15/2017	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
A	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	☒	☒	XWS56441197	11/15/2016	11/15/2017	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	☒ PROFESSIONAL LIABILITY CLAIMS MADE FORM			72PG0246728 RETRO 2/15/2003	11/15/2016	11/15/2017	EACH CLAIM \$1,000,000 AGGREGATE \$2,000,000 DEDUCTIBLE \$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

*30 day notice of cancellation, 10 days for nonpayment.

City of Oxnard, its City Council, officers, employees, agents and volunteers named Additional Insured as respects General Liability and Auto Liability. Workers Compensation Waiver of Subrogation applies.

CERTIFICATE HOLDER

City of Oxnard
300 W 3rd Street
Oxnard CA 93030

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Sylvia Coronado

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ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - DESIGNATED
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

City of Oxnard

its City Council, officers, employees, agents and volunteers

300 W 3rd Street
Oxnard
CA
93030

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

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

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

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

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

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

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT
- CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement is \$ \$250 .

Schedule

Person or Organization City of Oxnard

its City Council, officers, employees, agents and volunteers

300 W 3rd Street
Oxnard

CA 93030

Job Description

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 11/15/2016

Endorsement No. 0009

Policy Effective 11/15/2016

Premium \$250.00

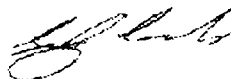
State California

Policy No. XWS56441197

Insured HINDERLITER DE LLAMAS & ASSOC

Insurance Company Ohio Security Insurance Company 19291

Countersigned by



WC 99 06 79

(Ed. 01-13)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 20 48 02 99

DESIGNATED INSURED ENDORSEMENT

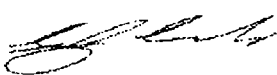
The endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the WHO IS AN INSURED provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective 11/15/2016	Policy Number BAS56441197
Named Insured HDL SOFTWARE, LLC HINDERLITER DE LLAMAS & ASSOCIATES	Countersigned by 

(Authorized Representative)

SCHEDULE

Name of Person(s) or Organization(s)

City of Oxnard

its City Council, officers, employees, agents and volunteers

300 W 3rd Street
Oxnard
CA

93030

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Each person or organization shown in the Schedule is an "insured" for LIABILITY COVERAGE, but only to the extent that person or organization qualifies as an "insured" under the WHO IS AN INSURED provision contained in SECTION II of the Coverage Form.

**ADDENDUM TO AGREEMENT NO. 7748-17-FN BETWEEN THE CITY OF OXNARD ("City")
AND HDL Inc. ("HDL").**

On or about January 30, 2017, the City and HDL entered into an agreement for tax revenue audit services.

The HDL performed audit services on behalf of the City in accordance with the scope of work and pursuant to the terms and conditions of the Agreement between January 30, of 2017 through June 30, 2023. The Agreement expired on January 30, 2023.

Due to the nature of the audit services provided by HDL, the payment due from the City to HDL's is based on the amount of recoverable tax revenue identified in HDL's audit. The City must recoup the identified recoverable tax revenue in order to remit payment to HDL. The time period for the City's recovery of the identified tax revenue exceeded the term of the Agreement.

Therefore, pursuant to the Agreement terms and conditions the City owes HDL a percentage of the identified and recovered tax revenue and must remit such payment to HDL, which is required under the Agreement and this obligation survives the expiration date of the Agreement.

The City shall remit payment to HDL in the amount of [SIXTY-FOUR THOUSAND, ONE HUNDRED FIFTY-FIVE Dollars] (\$64,155.00) pursuant to the payment term in Section 14 (a), Compensation of the Agreement and this payment shall satisfy the City's responsibilities under the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

HINDERLITER, DE LLAMAS AND ASSOCIATES

☐ Luis McArthur, Mayor¹ _____ Date
☐ Jennifer Yates, Purchasing Agent² _____

Signed by: Andrew Nickerson 12/12/2024 | 5:09:01 PM
246393594812482
Andrew Nickerson, President _____ Date

ATTEST:

Lourdes Lopez, City Clerk _____ Date
(only if Mayor signs)

APPROVED AS TO FORM:

Stephen M. Fischer 12/16/2024
Stephen M. Fischer, City _____ Date
Attorney (always required)

¹ The City Council must authorize and the Mayor must execute any agreement over \$200,000.

² The Purchasing Agent may execute any authorized agreement up to \$200,000.

City of Oxnard Addendum Agreement with Hinderliter, de Llamas and Associates February 25, 2025

Finance and Governance Committee

Presented by:

Javier Chagoyen-Lazaro, City of Oxnard
Chief Financial Officer

That the Finance and Governance Committee recommend that the City Council:

1. Approve Addendum to Agreement No. 7748-17-FN between the City of Oxnard and Hinderliter, de Llamas and Associates (HdL Coren & Cone); and
2. Approve budget appropriation in the General Fund (101) in the amount of \$64,155.00 to sales tax audit services.

- On January 30, 2017 the City entered into a service agreement with Hinderliter, de Llamas and Associates (HdL Coren & Cone) for sales tax, transactions and use (T&U) tax and economic analysis, tax audit services and the recovery of funds related to those audits.
- The agreement with HdL expired on June 30, 2023.
- On July 1, 2023, after the corresponding request for proposal and bid process, the City entered into a service agreement with Muniservices, LLC to perform the sales and T&U tax analysis, audit and recovery services that were previously performed by HdL Coren & Cone.

- HdL has performed preapproved audits of sales and T&U taxes during the term of the original contract.
- Per the agreement, HdL is guaranteed a fee of fifteen (15) percent of the amount recovered from the audit process for 8 consecutive quarters following completion of the audit in the City's favor.
- The proposed addendum will provide funding to pay for the recovery services covering the residual quarters that extend beyond the initial term of the agreement.
- The estimated remaining amount to be recovered from the audit process is \$400,000, and this revenue would fund the reimbursement to HdL.

That the Finance and Governance Committee recommend that the City Council:

1. Approve Addendum to Agreement No. 7748-17-FN between the City of Oxnard and Hinderliter, de Llamas and Associates (HdL Coren & Cone); and
2. Approve budget appropriation in the General Fund (101) in the amount of \$64,155.00 to sales tax audit services.



Questions / Discussion