

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
Council Chambers, 305 West Third Street
July 14, 2020
Regular Meeting - 11:00 AM to 12:15 PM

This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at Oxnard.org/city-meetings, Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings are typically available online immediately following the meeting.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 8:00 a.m. on the day of the meeting. Please identify the committee name, meeting date, and agenda item in the email Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 8:00 a.m. on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. 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. Based on the number of speaker requests submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. 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 for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Public Works and Transportation Committee approve the minutes of the June 23, 2020 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

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: (Staff Presentation / Committee Discussion / Public Comment)

D. REPORTS

1. Public Works Department

SUBJECT: Second Amendment to Agreement A-7974 with the County of Ventura for a Work Release Program. (5/5/5)

RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council approve and authorize the Mayor to execute a Second Amendment to Agreement A-7974 with the County of Ventura in the amount of \$235,000 for a new not to exceed contract amount of \$925,000, and to extend the contract term from July 18, 2020, to July 18, 2021.

Contact: Rosemarie Gaglione, (805) 385-8055

2. Public Works Department

SUBJECT: Purchase Order to Fastenal Company for Personal Protective Equipment for the Environmental Resources (ER) Division. (5/5/5)

RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council authorize the City Manager to execute a Purchase Order (PO) with Fastenal Company (Fastenal) for an amount not to exceed \$200,000 for a three (3) year term for personal protective equipment.

Contact: Rosemarie Gaglione, (805) 385-8055

3. Public Works Department

SUBJECT: An Update on the Mandatory Organics Recycling Program (MORE) Including Options for Various Uses at the Material Recycling Facility. (15/10/5)

RECOMMENDATION: That the Public Works and Transportation Committee receive an update on the Mandatory Organics Recycling Program (MORE) including options for various uses at the Material Recycling Facility, and provide feedback and direction.

Contact: Rosemarie Gaglione, (805) 385-8055

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES
OXNARD CITY COUNCIL
PUBLIC WORKS AND TRANSPORTATION COMMITTEE
Regular Meeting
June 23, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 11:02 a.m., Chair Perello called to order the regular meeting of the Oxnard City Council Public Works and Transportation Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn, Bryan A. MacDonald, and Chair Bert E. Perello were present via videoconference.

Staff members present were Alexander Nguyen, City Manager; Jason Zaragoza, Deputy City Attorney; Rosemarie Gaglione, Public Works Director; Damian Skinner, Assistant Public Works Director; Thien Ng, Assistant Public Works Director; Ray Trevino, Wastewater Collections Manager; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

The Public Works Director introduced the new Assistant Public Works Director Skinner, who made some remarks.

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Public Works and Transportation Committee approve the minutes of the June 9, 2020 regular meeting as presented.

It was moved by Member Flynn, seconded by Member MacDonald, to approve the minutes as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

D. REPORTS

Public Works Department

1. SUBJECT: First Amendment to Agreement 8613-19-PW with Employment Services LLC dba Pirate Staffing and LaborMax Staffing.

RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council authorize the Mayor to execute a First Amendment to Agreement 8613-19-PW with Employment Services LLC dba Pirate Staffing and LaborMax Staffing (Pirate Staffing) in the amount of \$600,000 for a total not to exceed contract value of \$800,000, and to extend the term from July 15, 2020 to July 15, 2022 for temporary labor services at the Del Norte Regional Recycling and Transfer Station (Del Norte).

Assistant Public Works Director Ng gave a report. Discussion ensued among the Committee and staff.

It was moved by Member MacDonald, seconded by Member Perello, to approve the recommended action as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

2. SUBJECT: Purchase Order to National Auto Fleet Group for a New Sewer Inspection Vehicle. RECOMMENDATION: That the Public Works and Transportation Committee recommend the City Council approve and authorize the Mayor to execute Purchase Order 7647 with National Auto Fleet Group for a new sewer inspection vehicle (camera truck) in the amount of \$249,643.90.

Assistant Public Works Director Ng gave a report. Discussion ensued among the Committee and staff.

It was moved by Member Flynn, seconded by Member MacDonald, to approve the recommended action as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

3. SUBJECT: Award Agreement A-8228 with Clean Harbors Environmental Services, Inc. for Conditionally Exempt Small Quantity Generator Waste and Residential Household Hazardous Waste Collection and Disposal Service. RECOMMENDATION: That the Public Works and Transportation Committee recommend that the City Council approve and authorize the Mayor to execute a three-party Agreement (#A-8228) with the City of Port Hueneme and Clean Harbors Environmental, Inc. (Clean Harbors) for a total amount not to exceed \$225,000 and a term date of June 30, 2023 for Conditionally Exempt Small Quantity Generator waste and residential household hazardous waste collection and disposal service.

Assistant Public Works Director Ng gave a report. Discussion ensued among the Committee and staff.

It was moved by Member MacDonald, seconded by Member Flynn, to approve the recommended action as presented. VOTE: Flynn, MacDonald, and Perello voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS

Member Flynn recommended reviewing previous requests for future items. Chair Perello requested an update on the financial status of the three city utilities.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Perello adjourned the meeting at 11:36 a.m.

MICHELLE ASCENCION, CMC
City Clerk

BERT E. PERELLO
Chair



**PUBLIC WORKS AND TRANSPORTATION COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.1**

DATE: July 14, 2020

TO: Public Works and Transportation Committee

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: Second Amendment to Agreement A-7974 with the County of Ventura for a Work Release Program. (5/5/5)

RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council approve and authorize the Mayor to execute a Second Amendment to Agreement A-7974 with the County of Ventura in the amount of \$235,000 for a new not to exceed contract amount of \$925,000, and to extend the contract term from July 18, 2020, to July 18, 2021.

BACKGROUND

Since 2009, the County of Ventura (County) has provided work release crews to the City of Oxnard (City) to assist with a variety of maintenance tasks and special projects for multiple divisions within the City's Public Works Department. The County work release program assists the City with medians, weed abatement, debris removal and improvement projects. County Probation Agency staff provides supervision and transportation for work release crews. Additionally, crews are covered under the County's medical and worker's compensation plans. City staff provides task direction and training for all crews. City staff collaborates with the probation officers to enforce rules and ensure that crews are working efficiently. This contract has provided a cost-effective method for the aforementioned work throughout the City.

On July 18, 2017, the City and County entered into Agreement A-7974 (Agreement) to provide services for three (3) years. The Agreement provided services within Community Facility District No. 5 (Riverpark), Measure O maintained parks and streets and medians. The First Amendment to the Agreement was approved by the City Council on December 4, 2018, which allocated additional funding from the City's Streets Division. The table below shows the history of the Agreement and amendments.

AGREEMENT/ AMENDMENT	COUNCIL APPROVAL	VALUE AMOUNT	AMENDMENT AMOUNT	TOTAL AMOUNT	EXPIRATION DATE
A-7974	7/18/17	\$540,000	NA	\$540,000	July 18, 2020
1st Amendment	12/4/18	\$540,000	\$150,000	\$690,000	July 18, 2020
<i>2nd Amendment</i>	<i>Pending</i>	<i>\$690,000</i>	<i>\$235,000</i>	<i>\$925,000</i>	<i>July 18, 2021</i>

DISCUSSION

The current contract will expire on July 18, 2020, and City staff has determined the services provided by this program are beneficial to the City's needs and recommends continuing services for another year. This Second Amendment with the County will increase the contract value by \$235,000 for a new not to exceed amount of \$925,000, and extend the contract term through July 18, 2021. This amendment will allow City's Parks, Special Districts, Streets Divisions and other divisions within the Public Works Department to continue to utilize the County's work release program.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The total cost for the Second Amendment with the County is an additional \$235,000 through July 18, 2021. There are sufficient budget appropriations in each respective Public Works division for FY 2020-21. Funds will be allocated based on assigned tasks and budget availability:

Division Name	Account Number	FY 2020-21	FY 2020-21
		Available Budget	Spending Plan
Parks Division – Measure O/College Park	104-5701-805-8209 (MO5701)	\$20,000	\$10,000
Parks Division – Trees and Medians	101-5705-805-8209	\$50,000	\$20,000
Special Districts–Various district accounts will be used up to a total of \$90,000.	121-1606-805-8229	\$10,000	\$90,000
	125-1606-805-8229	\$5,000	
	170-8003-899-8229	\$10,000	
	173-1606-805-8229	\$10,000	
	174-1606-805-8229	\$20,000	
	175-1606-805-8229	\$35,000	
Streets Division – Measure O	104-5704-803-8209 (MO3102)	\$75,000	\$75,000
Other Public Works divisions	Services Other - Professional Contracts	\$40,000	\$40,000
Second Amendment Total			\$235,000

Prepared by: Brian Yanez, Assistant Public Works Director

ATTACHMENTS

1. Agreement A-7974 2nd Amendment
2. Original Agreement A-7974 County Work Release and 1st Amendment
3. Work Release Agreement 2nd Amendment Presentation

**SECOND AMENDMENT TO AGREEMENT FOR WORK
RELEASE LABOR INCLUDING TRANSPORTATION AND
SUPERVISION BY COUNTY**

This Second Amendment ("Second Amendment") to the Agreement for Work Release Labor Including Transportation and Supervision by County, previously entered into on July 18, 2017 and later amended on December 4, 2018 ("Agreement") is made and entered into in the County of Ventura, State of California, this _____ day of _____, 2020 by and between the City of Oxnard, a municipal corporation ("City"), and the County of Ventura ("County").

City and County agree as follows:

1. Section 1 of the Agreement (Term) is hereby deleted in its entirety and replaced with the following:

"This Agreement shall terminate on July 18, 2021, unless sooner terminated by either party."

2. In Section 2 of the Agreement (Scope of Services), in the seventh paragraph (first full paragraph after the lettered list), the following sentence is added to the end of the paragraph:

"If required by social-distancing directives issued by state or local public-health officers due to the COVID-19 pandemic, County may, in its own discretion, reduce the size of a Crew to seven or fewer individuals."

3. In Section 3 of the Agreement (Compensation), the following changes are made:

- (1) The first sentence is deleted and replaced with:

"Agency must pay County a rate of \$550 per Crew per day, except where County has reduced the size of a Crew to seven or fewer individuals, in which case Agency must pay County \$55 per individual on a Crew."

- (2) The second sentence is deleted and replaced with:

"The City will pay the County from various distinct funds that cannot be commingled."

- (3) In the third sentence, the figure "\$690,000" is deleted and replaced with "\$925,000."

4. In Section 13 of the Agreement (Notices), the name, “Parks and Facilities Manager,” is deleted and replaced with, “Public Works Director.”
5. Except as expressly amended by this Second Amendment, all terms of the Agreement remain the same and continue in full force and effect.

[Signatures on next page]

Agreement No. A-7974

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

CITY OF OXNARD**COUNTY OF VENTURA**

☒ Tim Flynn, Mayor¹ _____ Date _____
☐ Alexander Nguyen, City Manager
☐ Daniel Willhite, Purchasing Manager
☐ Buyer _____ Date _____

Mark Varela,² _____ Date _____
 Director/Chief Probation
 Officer

ATTEST:

 Michelle Ascencion, City Clerk (only if Mayor signs) Date _____

APPROVED AS TO FORM:

 _____ Date 6-16-2020
 Stephen M. Fischer, City Attorney (always required)

¹The City Council must authorize and the Mayor must sign the amendment if the original contract and all amendments collectively total over \$200,000 annually. The City Manager may authorize and sign the amendment if the original contract and all amendments collectively total over \$100,000 but up to \$200,000 annually. The Purchasing Manager may authorize and sign the amendment if the original contract and all amendments collectively total up to \$100,000 annually. A Buyer may authorize and sign the amendment if the original contract and all amendments collectively total up to \$25,000 annually.

² The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CFO or Vice President AND of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner. If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally binding documentation stating who can sign and bind your company.

Agreement No.A-7974

**VENTURA COUNTY AGREEMENT FOR WORK RELEASE LABOR
INCLUDING TRANSPORTATION AND SUPERVISION BY COUNTY**

THIS AGREEMENT ("Agreement") is made and entered into this 18th day of July, 2017, by and between the County of Ventura ("County") and the City of Oxnard ("Agency"). The purpose of this Agreement is for County to provide to Agency labor performed by participants in County's Work Release Program ("Participants").

Now, therefore in consideration of the mutual promises, obligations, and covenants hereinafter contained, Agency and County agree as follows:

1. Term. This Agreement shall commence on the date first written above and shall terminate three (3) years thereafter, unless sooner terminated by either party.
2. Scope of Services. In consideration for fees paid under paragraph 3 below, County will furnish labor, transport Participants to and from work locations unless other mutually agreed upon written arrangements are made, and supervise the Participants in completing mutually agreed upon projects. Tasks may include, but are not limited to the following:
 - a. Weed abatement within Agency maintained areas. This includes Agency parks, detention basins, trail systems, and medians.
 - b. Trash abatement within Agency maintained areas.
 - c. Landscape renovation within Agency maintained areas to include but not limited to: Removal of dead/dying plant material, soil preparation, planting of replacement plant material, and trimming of plant material.
 - d. Work with the Agency's irrigation crews performing maintenance and repair within Agency maintained areas.
 - e. Work with the Agency's mower crew performing the following tasks: use of string trimmer edger and blower within Agency maintained areas.

Participants will work collectively in a "Crew." The normal size of a supervised Crew will be 8 to 12 individuals, supervised by one County employee from the Probation Agency. The number of Crews provided will depend on availability of Participants and the needs of the Agency.

Before Participants begin work, Agency will provide clear direction as to the location, nature, and scope of work to be performed by Participants. Agency will, at all times during the period when Participants are performing work, make available a person who will serve as a point of contact to answer questions about the location, nature, and scope of work, and to provide inspection and verification of work, upon request by County, Crew, or Participants. The point of contact person must be available for immediate response.



3. Compensation. Agency must pay County a rate of \$550 per Crew per day. The City will pay the County from three distinct funds that cannot be commingled. Thus, the maximum amount of this three-year agreement is \$540,000. The County's rate will be recomputed annually and revised accordingly, determined by County, based on County's costs and thereafter charged at revised rate; the County shall give the City thirty (30) days' notice before any such change. Such revision and rate are deemed to be incorporated by reference herein at the time of written notification thereof to Agency.
4. Supervision. Supervision of Participants will include enforcement of Work Release policies, including transportation of any Participant who refuses to work, becomes unable to work, or disrupts the work, and supervision of work performed by Participants for Agency.
5. Replacement of Problem Participants. If, due to the removal of a Participant from a Crew, it becomes necessary to replace that Participant, and if a replacement Participant is immediately available, County will make reasonable efforts to provide a replacement Participant.
6. Supplies and Materials. Agency will provide all necessary tools, supplies and materials, including any safety equipment, needed by Participants to complete the assigned projects. Agency will provide a safe working environment, including, but not limited to, any necessary signage, barriers, or other safety devices typically used for similar work when performed by Agency personnel.
7. Injuries. Where County furnishes supervision for labor to Agency, County will provide for necessary medical treatment for injuries or illness suffered by Participants while in the course and scope of the performance of labor provided under this Agreement. Should Workers' Compensation benefits be required, County will provide such benefits to Participants.
8. Mutual Indemnification. Each party must hold harmless, immediately defend, and indemnify the other party and its directors, councilmembers, officers, agents and employees against any and all loss, liability, damage, or expense, including any direct, indirect, or consequential loss, liability, damage, or expense, for injury or death to persons and damage to property to the extent arising out of, resulting from, or in connection with, the indemnifying party's performance or failure to perform any of its obligations in this Agreement. The provisions of this paragraph will survive the term and termination of this Agreement.
9. Insurance:
 - a. County must maintain a program of self-insurance during the performance of any services under this Agreement meeting the requirement of the insurance coverage specified in Exhibit Ins-D, attached hereto and incorporated herein by reference. Agency acknowledges that County is self-insured against workers' compensation claims in accordance with Labor Code section 3700(b) and that Agency is self-insured for general liability claims in accordance with Government Code sections 989 and 990.

- b. County must, prior to performance of any services, file with the Agency's Risk Management evidence of coverage as specified in Exhibit Ins-D.
 - c. Maintenance of insurance coverages by County is a material element of this Agreement. County's failure to maintain insurance coverages may be considered a material breach of this Agreement.
10. Accounting. Upon request by Agency, County will provide an accounting of the number of Crews employed by Agency during each month.
11. Independent Contractor. In the performance of this Agreement, County is an independent contractor, and County's officers, agents, employees, assigns and Participants are not employees of Agency. County has the right to exercise full control over the method of completing the work for the Agency. County's officers, agents, employees, assigns, and Participants are not entitled to receive from Agency any of the benefits or rights afforded employees of Agency, 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. County and its officers, agents, employees, assigns, and Participants has no power to incur any debt, obligation, or liability on behalf of Agency, bind Agency in any manner, or otherwise act on behalf of Agency other than as stated in this Agreement. County and its officers, agents, employees, assigns, and Participants may not, at any time or in any manner, represent that they are in any manner agents, officers or employees of the Agency.
12. Termination. Either party may terminate this Agreement with or without cause at any time, immediately upon written notice to the other.
13. Notices. All notices and other official correspondence relating to this Agreement must be made by depositing first-class postage-paid mail to the address as follows:

County:

Mark Varela
 Director / Chief Probation Officer
 Probation Agency
 800 South Victoria Avenue
 Ventura, CA 93009

Agency:

Dean Yamamoto, Interim Parks Manager
 City of Oxnard
 1060 Pacific Avenue, Building 3
 Oxnard, CA 93030

Or to such other address as either party may designate hereinafter in writing delivered to the other party. Said notice will be deemed to have been received three (3) days after mailing.

14. Assignment. This Agreement may not be assigned by the County, either in whole or in part, without the written consent of the Agency.
15. Amendment. No alteration or variation of this Agreement is valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein is binding on any of the parties hereto.
16. Payment. County may submit monthly written invoices based upon the services rendered under this Agreement, and Agency must pay the undisputed amounts on those invoices within sixty (60) days of the Agency's receipt of said invoices. The County may issue separate invoices or one combined invoice for services rendered, but in either case, each invoice must state clearly whether the particular listed services were rendered for the City, River Park, or College Park regions.
17. Force Majeure. Neither Agency nor County is responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts include, but are not 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.
18. Time of Essence. Time is of the essence in regard to performance of any of the terms and conditions of this Agreement.
19. Governing Law; Venue. The construction and interpretation of this Agreement and the rights and duties of Agency and County hereunder are governed by the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Agreement is in the Ventura County Superior Court.
20. Compliance with Laws. Agency and County must comply with all applicable state and federal laws and regulations pertaining to the services performed by County under this Agreement.
21. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provision.
22. No Waiver. No waiver of a breach of any provision of this Agreement by either Agency or County will constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either Agency or County to enforce at any time, or from time to time, any provision of this Agreement, must not be construed as a waiver of such provision or breach.
23. Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed as original and all of which, when taken together, are deemed to be one and the same agreement. A signed copy of this Agreement transmitted by fax, email, or by other means of electronic transmission is deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

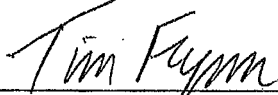
24. Arbitration. In the event of any dispute with regard to the provisions of this Agreement, the services rendered, or the amount of County's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.
25. Expenses of Enforcement. Each party is responsible for its respective costs of litigation, including attorneys' fees and expenses, which may include investigation fees and expert witness fees, that arise as a result of any dispute involving the terms and conditions of this Agreement.
26. Authority to Execute. Agency acknowledges that the people executing this Agreement have been duly authorized by the City Council to do so on behalf of Agency. County acknowledges that the person executing this Agreement has been duly authorized by County to do so on behalf of County.
27. Entire Agreement. 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.
28. Headings. The headings used in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of this Agreement or any part of it.
29. Audit. The State Auditor may examine and audit Agency, County, or both, for a period of three (3) years after final payment under the Agreement. County must maintain and preserve all such records for a period of at least three (3) years after final payment under the Agreement.

[Signatures on next page]

IN WITNESS WHEREOF, Agency and County have caused this Agreement to be executed the day and year first written.

AGENCY:
CITY OF OXNARD

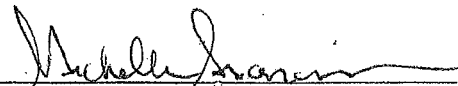
COUNTY OF VENTURA:



Tim Flynn, Mayor

Mark Varela,
Director/Chief Probation Officer

ATTEST:



Michelle Ascension, City Clerk

APPROVED AS TO FORM:

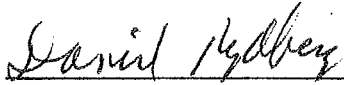


Stephen M. Fischer, City Attorney

APPROVED AS TO CONTENT:



Art Gutierrez,
Interim Maintenance Services Manager



Daniel Rydberg, P.E., Public Works Director



Ruth Osuna, Assistant City Manager

APPROVED AS TO INSURANCE:



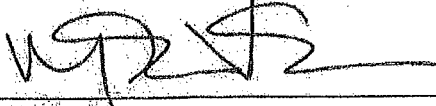
Mike More, Risk Manager

IN WITNESS WHEREOF, Agency and County have caused this Agreement to be executed the day and year first written.

AGENCY:
CITY OF OXNARD

COUNTY OF VENTURA:

Tim Flynn, Mayor



Mark Varela
Director/Chief Probation Officer

ATTEST:

Michelle Ascension, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, City Attorney

APPROVED AS TO CONTENT:



Art Gutierrez,
Interim Maintenance Services Manager

Daniel Rydberg, P.E., Public Works Director

Ruth Osuna, Assistant City Manager

APPROVED AS TO INSURANCE:

Mike More, Risk Manager

**INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS
(WITHOUT BUILDER'S RISK REQUIREMENT)**

1. Contractor shall obtain and maintain during the performance of any services under this Contract 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 Contractor, its agents, representatives, employees or subcontractors.

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 location 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. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than \$1,000,000, with neither Contractor nor listed subcontractors 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. Contractor 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-D. 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 work commences. 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. Contractor 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 by either party, 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. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D 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. Any deductibles or self-insured retentions must be declared to and 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 Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors 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 general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-D.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 [x] 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 MIT 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; if architectural, engineering or electrical work will be performed under the Agreement				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

Rev. 7/17

Rev. 7/17

Agreement No. A-7974**FIRST AMENDMENT TO AGREEMENT FOR WORK RELEASE LABOR
INCLUDING TRANSPORTATION AND SUPERVISION BY COUNTY**

This FIRST Amendment ("First Amendment") to the Agreement for Work Release Labor Including Transportation and Supervision by County ("Agreement") is made and entered into in the County of Ventura, State of California, this ____ day of _____, 2018, by and between the City of Oxnard, a municipal corporation ("City"), and the County of Ventura ("County"). This First Amendment amends the Agreement entered into on July 18th, 2017, by City and County.

City and County agree as follows:

1. In Section 3 of the Agreement, the sentence "The City will pay the County from three distinct funds that cannot be commingled" is deleted and replaced with "The City will pay the County from four distinct funds that cannot be commingled."
2. In Section 3 of the Agreement, the figure "\$540,000" is deleted and replaced with the figure "\$690,000".
3. In Section 13 of the Agreement, the name "Dean Yamamoto, Interim Parks Manager" is deleted and replaced with "Parks and Facilities Manager."
4. As so amended, the Agreement remains in full force and effect.

[Signatures on next page]

Agreement No. A-7974

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

CITY OF OXNARD

VENDOR/CONTRACTOR/CONSULTANT

☒ Tim Flynn, Mayor (if agreement is \$250,000.01 or more) _____ Date _____
☒ Alexander Nguyen, City Manager
 (if agreement is \$25,000.01-\$250,000.00)
☐ Lisa Boerner, Purchasing Agent (if agreement is up to \$25,000.00)

 10/2/2018
 Mark Varela, _____ Date _____
 Director / Chief Probation Officer

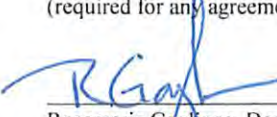
ATTEST:

Michelle Ascencion, City Clerk _____ Date _____
 (if agreement is \$250,000.01 or more)

APPROVED AS TO FORM:

 7/31/18
 Stephen M. Fischer, City Attorney _____ Date _____
 (required for any agreement amount)

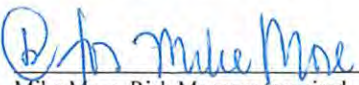
APPROVED AS TO CONTENT:

J. Arthur Gutierrez, Project Manager _____ Date _____
 (required for any agreement amount)
 8/3/18
 Rosemarie Gaglione, Department Head _____ Date _____
 (if agreement is \$25,000.01 or more)

APPROVED AS TO AMOUNT:

Jesus Nava, Assistant City Manager _____ Date _____
 (if agreement is \$250,000.01 or more)

APPROVED AS TO INSURANCE:

 9/4/18
 Mike More, Risk Manager (required _____ Date _____
 for any agreement amount)

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

PLEASE DO NOT
REMOVE THIS BOX

Approve Second Amendment to Agreement A-7974 County of Ventura Work Release Program

Public Works and Transportation Committee

July 14, 2020

Jeri Cooper,
Project Manager



RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council approve and authorize the Mayor to execute a Second Amendment to Agreement A-7974 with the County of Ventura in the amount of \$235,000 for a new not to exceed contract amount of \$925,000, and to extend the contract term from July 18, 2020, to July 18, 2021.

BACKGROUND

- City began working with County Work Release crews in 2009
- Tasks include assistance with medians, weed abatement, debris removal and improvement projects
- Divisions within Public Works collaborate with the County Probation Agency to schedule and utilize work crews for services
- July 18, 2017: Council approved Agreement A-7974 between City and County for three (3) year term for \$540,000
- December 4, 2018: Council approved First Amendment adding \$150,000

BACKGROUND

History of Agreement and amendments:

AGREEMENT/ AMENDMENT	COUNCIL APPROVAL	VALUE AMOUNT	AMENDMENT AMOUNT	TOTAL AMOUNT	EXPIRATION DATE
A-7974	July 18, 2017	\$540,000	NA	\$540,000	July 18, 2020
First Amendment	December 4, 2018	\$540,000	\$150,000	\$690,000	July 18, 2020
Second Amendment	Pending	\$690,000	\$235,000	\$925,000	July 18, 2021

DISCUSSION

- Current agreement expires July 18, 2020
- County Work Release program has been beneficial to Public Works divisions
- Second Amendment will allow Public Works divisions to continue to utilize the Work Release program for FY 2020-21

FINANCIAL IMPACT

- Second Amendment is an additional \$235,000 through July 18, 2021
- Each division has budgeted costs associated with this contract in FY 2020-21 and will be allocated based on the assigned tasks

FINANCIAL IMPACT

Division Name	Account Number	FY 2020-21 Available Budget	FY 2020-21 Spending Plan
Parks Division – Measure O/College Park	104-5701-805-8209 (MO5701)	\$20,000	\$10,000
Parks Division – Trees and Medians	101-5705-805-8209	\$50,000	\$20,000
Special Districts – Various district accounts will be used up to a total of \$90,000.	121-1606-805-8229	\$10,000	\$90,000
	125-1606-805-8229	\$5,000	
	170-8003-899-8229	\$10,000	
	173-1606-805-8229	\$10,000	
	174-1606-805-8229	\$20,000	
	175-1606-805-8229	\$35,000	
Streets Division – Measure O	104-5704-803-8209 (MO3102)	\$75,000	\$75,000
Other Public Works divisions	Services Other – Professional Contracts	\$40,000	\$40,000
Second Amendment Total			\$235,000

Questions ?



**PUBLIC WORKS AND TRANSPORTATION COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.2**

DATE: July 14, 2020

TO: Public Works and Transportation Committee

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: Purchase Order to Fastenal Company for Personal Protective Equipment for the Environmental Resources (ER) Division. (5/5/5)

RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council authorize the City Manager to execute a Purchase Order (PO) with Fastenal Company (Fastenal) for an amount not to exceed \$200,000 for a three (3) year term for personal protective equipment.

BACKGROUND

The Environmental Resources (ER) Division employs 173 staff who are responsible for the operation of the City's Del Norte Regional Recycling and Transfer Station (Del Norte) and the collection of residential, commercial and industrial refuse, organic and recyclable material within the City of Oxnard boundaries. According to the United States Department of Labor, Bureau of Labor Statistics, the refuse and recyclable industry ranks as the fifth (5th) most dangerous occupation nationwide. Common risks include exposure to airborne particles, loud noise, intense vibrations, slip hazards, sharp objects, obstruction of visibility, and biological hazards inherently associated with waste handling. Minimum requirements for personal protective equipment (PPE) are established by both the federal Occupational Safety and Health Administration (OSHA) and the California Occupational Safety and Health Administration (Cal OSHA). The ER Division has incorporated PPE requirements that exceed the federal and state standards.

PPE is distributed to ER employees based on the level of risk associated with each job classification. This process can be labor and time intensive. In order to make the process more efficient and reduce the amount of staff involved in procuring and distributing PPE, ER staff explored alternatives. After reviewing different options, staff identified a program that utilized vending machines that are accessible to employees 24 hours per day.

DISCUSSION

The City, under the current Purchasing Policy, participates in the cooperative procurement program "Sourcewell". Under this program, the City is a Sourcewell member and is able to benefit from nation-wide pricing from several vendors that have been vetted through the public procurement process. Fastenal provides full-service inventory stocking and tracking through vending machines, which includes inventory management, consumption limits, and replenishment of supplies, with the purchase of PPE at prices that are 20% to 50%

lower than manufacturer suggested retail price (MSRP). The ER Division seeks a Purchase Order with Fastenal for the provision of PPE and the accompanying vending machine services for ER staff.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The total cost for this Purchase Order with Fastenal will not exceed \$200,000 over a three (3) year term. The spending plan for FY 2020-21 is \$66,666. The funds have been included in the Environmental Resources Enterprise Fund 631 Budget (631-6301-843.81-05) for FY 2020-21. The remaining balance will be requested in the Environmental Resources Fund (631) Budget in subsequent fiscal years.

Prepared by: Damian Skinner, Assistant Public Works Director

ATTACHMENTS

1. Sourcewell Fastenal Agreement 121218-FAS
2. Fastenal Presentation

Form C**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**Company Name: Fastenal Company

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

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS
7.14, p. 27	Contract Termination for Cause and Without Cause	Add the following language: "Either party may terminate this Agreement at any time for its convenience with not less than thirty (30) days prior written notice."	Sourcewell Accepts

Proposer's Signature: _____

Date: 12/10/2018**Sourcewell's clarification on exceptions listed above:**

**Contract Award
RFP #121218**

FORM D**Formal Offering of Proposal**

(To be completed only by the Proposer)

**FACILITY MRO (MAINTENANCE, REPAIR & OPERATIONS), INDUSTRIAL & BUILDING SUPPLIES WITH
RELATED EQUIPMENT, ACCESSORIES, SUPPLIES & SERVICES**

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

Company Name: Fastenal CompanyDate: 12/10/2018Company Address: 2001 Theurer Blvd.City: WinonaState: MNZip: 55987CAGE Code/DUNS: 0Y3H3 / 04 265 3634Contact Person: Kevin FitzgeraldTitle: VP of Government Sales

Authorized Signature: _____

Terry Owen

(Name printed or typed)

FORM E**CONTRACT ACCEPTANCE AND AWARD**

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

Sourcewell Contract #: 121218-FAS

Proposer's full legal name: Fastenal Company

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

The effective date of the Contract will be January 25, 2019 and will expire on January 25, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:

C0FD2A139D06489

SOURCEWELL DIRECTOR (OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE)

DocuSigned by:

7E4268F617A04CC...

SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on January 23, 2019

Sourcewell Contract # 121218-FAS

Vendor Authorized Signatures:

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

Vendor Name Fastenal Company

Authorized Signatory's Title Executive Vice President

VENDOR AUTHORIZED SIGNATURE

Charles Miller
(NAME PRINTED OR TYPED)

Executed on January 24 2019

Sourcewell Contract # 121218-FAS

**Form F****PROPOSER ASSURANCE OF COMPLIANCE****Proposal Affidavit Signature Page****PROPOSER'S AFFIDAVIT**

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

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

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

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

Company Name: Fastenal Company

Address: 2001 Theurer Blvd.

City/State/Zip: Winona, MN 55987

Telephone Number: 507-454-5374

E-mail Address: kfitzger@fastenal.com

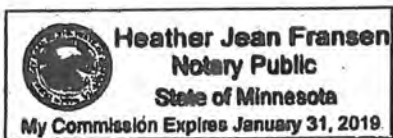
Authorized Signature: _____

Authorized Name (printed): Terry Owen

Title: Executive Vice President

Date: 12/10/2018

Notarized



Subscribed and sworn to before me this 10 day of December, 2018

Notary Public in and for the County of Winona State of Minnesota

My commission expires: 1/31/2019

Signature: Heather Jean Fransen

**Form P****PROPOSER QUESTIONNAIRE****Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

Proposer Name: Fastenal Company

Questionnaire completed by: Kevin Fitzgerald

Payment Terms and Financing Options

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

Standard payment terms are Net 30.

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

Not applicable.

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

With more than 2,200 local branches worldwide, we are where you are. One of Fastenal's key differentiators in the industrial supply distribution marketplace is the number of options we offer for order placement.

Below is a look at the various ways Sourcewell Members can order from Fastenal:

WALK-IN / WALK-OUT AT THE LOCAL FASTENAL BRANCH

Sourcewell Members can order items by walking into the local branch, calling the branch, or faxing or emailing their order. Local branches are open during normal business hours of 7:30 a.m. to 5:00 p.m. local time, Monday through Friday. Branches can be opened after hours for emergency service. Local Fastenal branch information is available 24/7 via www.fastenal.com under the Branch Locator as well as in the local phone books in more than 2,200 markets.



CUSTOMER SITE VISITS

With over 11,000 representatives, Fastenal makes more than three million customer site visits per year. The goal of these visits is to provide superior customer service and drive cost savings to each of Fastenal's customers by providing a local person to help in the ordering process.



CUSTOMER SERVICE CENTER

Fastenal's Customer Service Center includes dedicated Sourcwell customer service representatives. Fastenal has a toll-free phone number (877-507-7555) as well as a toll-free fax number (866-664-1246) and email address: govsales@fastenal.com



PRODUCT SOURCING

Sourcing of non-core items is service that Fastenal offers to customers to procure items that are not available within Fastenal's distribution system. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced items as part of a Fastenal vendor managed inventory solution. Fastenal's sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis.



FASTENAL.COM

Sourcwell Members who prefer to place their orders online have the option to place orders through Fastenal's state-of-the-art website. Members will be able to log in with their branch account number to view the Sourcwell online catalog. Fastenal primarily fulfills online orders at the local branch, maintaining the continuity of the local relationship as well as the order history for local inventory stocking models and reporting.



FAST SOLUTIONS – INVENTORY MANAGEMENT

Local Fastenal branches can stock customized dedicated inventory for Sourcewell Members and keep just the right amount flowing to their stocking locations, minimizing waste, downtime, and total costs. Through these programs, local Fastenal personnel take on the “heavy lifting” of inventory monitoring, ordering, and replenishment. FAST Solutions are tailored to meet the needs of each individual site.

BIN STOCK: Fastenal currently has 40,000+ bin stock solutions implemented at customer facilities. Members utilize this solution to organize and add efficiency to the ordering process managed by the member or Fastenal. We organize & label new or existing bins and collaborate to establish initial min/max levels and service schedule. Suggested replenishment orders are submitted, reviewed and approved via Fastenal.com.



VENDING: Fastenal currently has 63,000+ industrial vending machines installed at customer sites. Members position these devices at the point of use allowing more efficient access to inventory all while maintaining security and ensuring allocation rules are followed. When stock runs low, the machine sends an automated notification to the servicing branch and the Fastenal representative initiates the restock process.



ONSITE: Fastenal currently has 600+ onsite locations. Members who implement an onsite program can streamline all of these procurement needs:

- Point-of-use access via onsite representative to source, procure, and expedite product needs
- Various eBusiness solutions
- Integrated procurement systems
- Product standardization & substitutions
- Capital improvement projects
- Custom manufacturing
- Industrial services – tool repair, regrind, lifting and rigging, hose assembly
- Preventative maintenance project kitting



ECOMMERCE INTEGRATION PLATFORMS: Whether we connect through a B2B connection, a portal, or our FastConnect punch-out platform your business results are the same: paperless transactions, lower administration costs, and clear usage and spending visibility.



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

P-cards/credit cards are accepted at the time of purchase only, with no additional cost.

Warranty

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

- Do your warranties cover all products, parts, and labor?
Please see the attached "Exhibit F - Warranty Policy."
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
Please see the attached "Exhibit F - Warranty Policy."
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
Not Applicable.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?
Not Applicable.
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
Fastenal does provide warranty services for some power tools made by other manufacturers for an additional year on top of the original manufacturer's warranty.
- What are your proposed exchange and return programs and policies?
Fastenal must approve cancellation of any order prior to shipment. Orders for Special or Non-standard Products (not in the catalogue) may not be cancelled or returned. Any returns for shipping errors, damage or loss upon delivery must be reported within 10 days of the delivery date. Except as otherwise agreed, Products will not be accepted for return after 30 days from the date of delivery to the Purchaser. Any cancellation or returns accepted after 30 days may be subject to a restocking fee and other charges, for which the Purchaser shall be responsible. All returns should be made to a Fastenal branch or as otherwise designated by Fastenal, and must be in resalable condition and accompanied with an Invoice.

- 6) Describe any service contract options for the items included in your proposal ("on call", retainer, etc.).
Fastenal is offering our Onsite solutions as a service to Sourcewell Members. Here's a brief overview at the potential benefits for select Sourcewell Member sites:

- An onsite (or, if preferred, nearby) Fastenal storeroom with consigned inventory to anticipate the facility's needs – we own it until it's on the production floor.
- The onsite Fastenal team would handle all inventory management functions – from sourcing, ordering, receiving and kitting, to point-of-use disbursement and usage reporting.
- The team also serves as expert supply chain consultants, drawing on Fastenal's spectrum of suppliers, services and solutions to drive incremental cost savings and continuous improvement.
- Point-of-use vending and bin stock locations, with customized inventory modeling to eliminate stock-outs.
- Immediate access to high-use items, critical spares, and a variety of unplanned spot buys.

Simply put, we assume the labor and costs of inventory procurement, management and ownership. You benefit from everything Fastenal has to offer – from our global sourcing operations, to our point-of-use solutions, to our vendor partners and in-house experts – all working to drive TCO savings in four key areas:

- ✓ Increase revenues (productivity)
- ✓ Decrease assets (inventory)
- ✓ Decrease expenditures (labor, freight, consumption, price, material substitutions, etc.)

- ✓ Implement process controls (SOP, QSOP, continuous improvement)

Please see the attached “Exhibit G - Fastenal Onsite Agreement.”

Pricing, Delivery, Audits, and Administrative Fee

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

Product Categories

Abrasives; Adhesives, Sealants, and Tape; Cutting Tools and Metalworking; Electrical; Electronics and Batteries; Fasteners; Fleet and Automotive; HVAC and Refrigeration; Hardware; Hydraulics; Janitorial and Cleaning; Lighting; Lubricants, Coolants, and Fluids; Machinery; Material Handling, Lifting and Rigging; Motors; Office and Breakroom Supplies; Outdoor Products and Equipment; Packaging and Shipping Products; Paint and Painting Supplies; Plumbing; Pneumatics; Power Transmission; Pumps; Raw Materials; Safety; Security; Test and Measurement; Tools and Equipment; Welding.

Services

Product Services

Product Sourcing: Sourcing of non-core items is service that Fastenal offers to customers to procure items that are not available within Fastenal’s distribution system. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced items as part of a Fastenal vendor managed inventory solution. Fastenal’s sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis.

Custom Packaging/Kitting: Our 10 packaging facilities assemble 50,000 to 70,000 kits each day to meet our customers’ needs. Our operation in Shanghai, China is located inside a free trade zone, enabling us to source product from the most qualified manufacturers in Asia and package it to meet your specifications. Depending on your needs, we can work with standard part numbers, non-standard parts, customer-specific parts, or a mix of all. Kitted solutions can include barcoding, lot number, company logo, assembly services (e.g., applying grease to an o-ring and placing it on a bolt), and multiple sub-kits within a master kit.

FAST Solutions

Bin Stock: Each of our 50,000 plus customer bin stock programs is unique, but all share a common foundation. That includes a labeled location for each part, a targeted min/max inventory range for each location, and a nearby Fastenal branch to stock the product and keep it flowing. Our local presence enables us to tailor a solution that meets your needs for delivery, service, and control.

Vending: Fastenal’s industrial vending solutions combine point-of-use access with total traceability to drive productivity and cost savings for your business.

- Reduce Consumption – typically 25–35% as a result of the machines’ controls and reporting.
- Increase Productivity – by making product immediately available, 24/7, near the workers who need it.
- Automate Ordering – your local Fastenal rep monitors and refills the machines (a hands-free, paper-free process)

Onsite: Our distribution system has been built from the ground up to provide local inventory and service at virtually any global location — including YOUR facility. Through an Onsite partnership, we’ll bring our experts, products, and solutions within your four walls, driving cost savings and productivity gains in every corner of your business.

E-Business: Fastenal’s E-Business solutions are designed to streamline business processes while leveraging our local presence to provide the fastest possible service. This includes something no other national supplier can offer: same-day service for locally stocked items.

Industrial Services

Custom Chain Sling Fabrication & Inspection: We fabricate all chain sling types and can help you design specialty slings to suit your needs. We also offer free chain sling inspections that satisfy OSHA requirements.

Custom Logo Program: We can add your company logo (or any custom logo) to various high-visibility apparel, hard hats and safety glasses. Custom-logoed inventory can be stocked in our regional distribution centers to anticipate your future needs.

Cut-to-Length Metal, Chain & Cable: Save time, space and money by ordering what you need, when you need it.

Hose Fabrication: We can cut, assemble, crimp, test and label virtually any type, quantity or length of hose you require, from low pressure air hose to high pressure hydraulic hose.

Tool & Hoist Repair & Certification: Fastenal is an authorized service center for most leading brands of electric, cordless, pneumatic, and powder actuated tools. Tools and hoists can be regularly serviced as part of a scheduled program.

Weld-to-Length Bandsaws: Made-to-length bandsaw blades can be worked to your specifications and delivered to your location. More than 800 sizes and types are stocked in our distribution centers for fast lead times.

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

Fastenal Company is offering a product category discount from our wholesale price. Please visit Fastenal's online catalog at www.fastenal.com for available products and current wholesale prices. Please see the attached "Exhibit H - Category Discount Schedule."

Fastenal is also offering several "Hot List" options for Sourcewell Members, including a Hot List program wherein each qualifying Member will have the ability to customize a market basket of up to 500 items. These custom market baskets can be utilized for high-use items, green items, emergency response, etc. Additionally, Fastenal has included a Hot List of the items most commonly utilized by State and Local Government customers. Please see the attached "Exhibit I - Sourcewell Hot List."

Additionally, Fastenal can provide sourcing of non-core items to procure items that are not available within Fastenal's distribution system. Fastenal's sourced items may be a direct line extension with an existing vendor or the item may be procured same day from local vendors. Pricing for sourced items is based on current market conditions and negotiated locally on a per-order basis

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

Fastenal's discounts range from 20 – 50% off of the current wholesale price at the time of purchase.

- 10) The pricing offered in this proposal is

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

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

Volume Discount

Fastenal understands that members may, from time to time, have unique purchasing needs requiring the purchase of products in a volume not related to ordinary purchase volume. Fastenal will assist members by identifying and passing on the additional value which may be obtained through reaching a volume purchase. The volume discounts will be negotiated between the local Fastenal branch and the Sourcewell member based on market conditions.

Rebate

To help drive participation to the Sourcewell Agreement, Fastenal has a variety of incentives available to eligible Members who reach a minimum spend threshold within a contract year. Proposed incentives may include:

- Administration Fee
- Sales Growth Incentive
- Fastenal Solutions-Onsite Incentive
- Cumulative Volume Category Discount
- Customized Hot List

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

Fastenal’s sourcing model is a value-added service that we offer to customers to source products. The local Fastenal branch manages the sourcing, procurement, delivery, and, if required, the inventory management of the sourced product as part of a Fastenal vendor managed inventory solution.

Pricing for sourced items is based on current market conditions and is negotiated locally on a per-order basis.

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

Fastenal has not identified any total cost of acquisition costs that are not included in our pricing submission.

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

Sourced items and orders requiring special handling or expedited shipment may be subject to shipping charges. Items requiring additional charges would be communicated to the Sourcewell Member prior to acceptance of a purchase order. Approved charges would be prepaid and billed to the member.

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

Items not in-stock at the local branch or not in-stock at the Primary Distribution Center for Alaska, Hawaii, or Canada may be subject to shipping charges.

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

FAST Solutions®

BIN STOCK

Fastenal’s bin stock solutions are a perfect fit for any production and MRO items you cannot dispense out of a vending machine but are still needed on your shelves. Each solution is unique, but all share three common elements:

1. A labeled location and min/max inventory range for each part.

2. A nearby Fastenal branch to carry the inventory and make sure you always have just the right amount on hand.
3. Detailed usage reporting by location, clarifying 'how much of which parts should be stocked where.'

Manual Solutions:

Fastenal Managed Inventory (FMI)

Save time and money by utilizing our local experts to manage your bin stock inventory.

- We organize & label new or existing bins, collaborate to establish initial min/max levels and service schedule
- We visit regularly to monitor & replenish inventory.
- Suggested replenishment orders are submitted, reviewed and approved via Fastenal.com.
- Flexible delivery (we deliver to dock or put product away).



FAST Scan

If you prefer to handle the scanning and ordering internally, Fastenal will provide an iOS-based scanning solution for your personnel to quickly generate replenishment orders.

- We organize and label bins and shelving.
- We set up profiles for local users on Fastenal.com and provide scanning devices.
- Your local personnel determine inventory levels and controls.
- We provide flexible delivery, reporting, and suggestions for improvement.



Electronic Solutions:

FAST Scale

Utilizes weight sensor technology to provide a real-time view of your *exact* quantity on hand (QOH) – a good fit for critical production parts. Users log onto Fastenal.com to view live inventory levels and adjust reorder triggers.

- We install the scale system, organize and label parts.
- An order is automatically generated when stock hits 'min' level.
- View and approve suggested orders via Fastenal.com.
- Flexible delivery (we deliver to dock or put product away).



Auto Bins (coming soon)

Offers a real-time view of your inventory 'health' ('above min,' 'below min' or 'out of stock' – not exact QOH) along with electronic signals prompting replenishment when stock runs low. There are two basic options:

- *Infrared Bins* – An order is triggered when stock falls below a specified 'water mark' in the bin.
- *2-Bin System* – An order is triggered by placing the empty bin next to an RFID chip built into the shelving.

FAST Solutions®

VENDING

With tens of thousands of machines currently implemented at customer sites, Fastenal is the dominant leader in industrial vending. ... Why? It's a combination of our innovative technology, our low-cost, no-risk program, and most important of all, our "machine *behind* the machine" – the thousands of local Fastenal personnel making sure each solution is perpetually filled, functioning, and fully optimized for maximum savings.

- Wide variety of machines to support virtually any product needs.
- Dynamic web reporting – view real-time usage data when, where and how you want to see it.

- Machines provided free of charge based on a one-year renewable service agreement.
- Your servicing Fastenal branch teams monitor and replenish the machines – no paperwork or labor required.
- Dedicated vending specialists work hand-in-hand with our local branches to analyze usage patterns, suggest areas for improvement, and make sure the solution is driving the results you want to see.



FAST 5000 & FAST 3000

With tens of thousands of units driving results at customer sites, this is the most widely-used industrial technology in the world – a simple, versatile solution to track and control items ranging from PPE to general MRO items. The FAST 3000 is simply a more compact version of the FAST 5000. Both can function as stand-alone solutions or used in conjunction with our standard lockers.

Standard Lockers

Our standard (semi-secure) lockers are used to: 1) track and control access to larger-sized consumable products (relying on the user to enter the quantity taken), and 2) automate check-out and return of tools and other assets. They can be used with a standalone controller or in conjunction with a FAST 5000 or FAST 3000 machine.



FAST 10000SL (Secure Locker) Series

This next-generation technology extends the benefits of vending to four very common (yet traditionally difficult to vend) product types: 1) boxes, 2) cylinders/cans, 3) 'floppy' items (Tyvek suits, belts, hoists, etc.), and 4) loose components (fasteners, fittings, cutting tools, etc.). The machines automatically sense and report the exact amount taken by each user, providing per-item traceability and a frictionless 'grab and go' experience.

Outdoor Lockers

With a tough steel exterior, ruggedized electronics and optional temperature control, these lockers are built to operate in harsh outdoor environments. Keep tools perpetually stocked, secure and accessible on the jobsite, and automatically track check-out/check-in of expensive tools.



FAST CT (Cutting Tool) Machines

Designed to dispense and track inserts and round tools, either individually or in pre-determined quantities. The compact design of the machines (combined with the low cost of our vending program) makes it practical to install multiple point-of-use machines throughout the shop (versus a single centralized unit) for increased productivity.

FAST Solutions[®]

ONSITE

The purest expression of our local service philosophy is our Onsite service model, positioning not only our solutions but also Fastenal personnel and Fastenal-owned inventory – essentially a dedicated branch – within the walls of your facilities. Just like vending and bin stocks, this is a natural extension of our distribution infrastructure and a model we've pioneered in our industry, with hundreds of Onsite partnerships.

The Fastenal Onsite Advantage:

- Full program customization based on process mapping exercise.



- Dedicated onsite Fastenal team to handle all inventory management functions – the first time your employees touch the product is at the point of use
- Consigned onsite inventory within the Fastenal crib – we own it until it's on your production floor.
- Customized inventory modeling to eliminate stock-outs.
- Immediate access to planned needs (within our crib) and a variety of spot-buy needs (via our local branch).
- Detailed, flexible reporting based on your business priorities.
- Deep collaboration, including participation in Kaizen events and other company initiatives. (As we like to say, it's like having a team of supply chain experts on your staff, but not on your payroll.)

How Will Your Business Benefit?

✓ *Save money*

- Lower markup structure (reflecting our lower operating costs vs. our traditional branch-based service model).
- Utilize Fastenal labor for purchasing, quality inspection, inventory management, etc.
- Reduce transportation costs through better inventory planning and utilization of Fastenal's trucking system.

✓ *Reduce inventory/working capital*

- Upon moving Onsite, we will sell down your current inventory and replace it with our own.
- Moving forward, the inventory in the Fastenal crib is on our books until we move it to the production floor. This transformation creates a dollar-for-dollar reduction in your working capital.

✓ *Gain efficiency in your facility*

- Simply put, *we are experts* – with the knowledge, solutions, and systems to run a truly world-class supply chain for your business.
- Put our decades of experience to work for you in the areas of quality/source control, OEM critical spares management, inventory planning, point-of-use supply flow, and other critical activities.

Integrated Solutions

In conjunction with our Onsite service model, Fastenal personnel can perform any and all business functions, including purchasing and managing your non-Fastenal product needs (with no mark-ups added). Each integrated supply solution is unique and will require a detailed RFP to define the scope and responsibilities. To begin the process, our team of Lean Six Sigma specialists is prepared to perform a process mapping event.

FAST Solutions[®] **E-BUSINESS**

Our e-business solutions are designed to streamline business processes while leveraging our local presence to provide the fastest possible service. This includes something no other national supplier can offer on a national level: *same-day* service for thousands of locally stocked items.

Fastenal.com

Fastenal.com is a 24/7 window to research, source, procure, and manage a spectrum of MRO, OEM and Construction supplies. Leveraging our brick-and-mortar presence at 2,200+ locations, the site is designed to present the nearest – and therefore fastest – solutions to your product needs. That includes thousands of items available for same-day fulfillment at your servicing Fastenal branches.



Key Features & Functionality:

- **My Branch:** Need it today? Click on your My Branch tab to see if the item you're searching for is stocked on your local Fastenal branch shelves.
- **In-Stock Alternative Products:** View the item you originally searched for as well as 'in-stock alternatives' offering the same fit, form and function – potential solutions for a faster lead time or lower cost.
- **Advanced Permissions Settings:** Control non-compliant spending by setting employee purchase limits, establishing authorized users and approvers, and creating an automated approval workflow.
- **eQuotes:** Edit and approve branch quotes, including suggested bin stock (eVMI) replenishment orders, without having to enter or re-type data.
- **Reports:** Access usage, vending, and cost savings reports to bring visibility to your overall spend with Fastenal.
- **Strategic Supply Recommendations:** If desired, we can analyze your usage activity and present opportunities to standardize purchases, switch to more cost-effective alternatives, and supply repetitive orders via a more strategic delivery method, such as a vending or bin stock solution.

B2B Integration

B2B integration is either a direct connection between your internal ERP system and Fastenal, or a connection via a third-party procurement partner that supports electronic document exchange throughout the purchase-to-payment process. Reduce operational costs associated with the procurement process, eliminate double and manual data entry, and ensure adherence to supplier contracts and budgets.

Why Integrate With Fastenal?

- **Experience & Flexibility** – Our in-house eBusiness department has nearly 20 years of experience developing and implementing custom integrated solutions for a broad range of customers. With capabilities ranging from different types of electronic documents and formats to fully customizable catalogs, we can quickly tailor a solution to support your system and unique business needs.
- **Local fulfillment at 2,200+ locations** – Our integration solutions are backed by local inventory and a familiar face for each of your locations. Our easy-to-use punchout catalog keeps your personnel connected with their servicing branches, with the ability to direct users to locally-stocked product options for same-day service. Features like eQuotes and Order Templates further streamline the process for ordering locally-managed inventory items.

Our integration solutions are built on open industry standards (OCI, cXML, xCBL and Punchout), and we offer integration via most leading e-business systems and portals.

FAST Crib

Monitor inventory, equipment, and even work orders – all within one platform. This web-based, barcode-driven solution supports total inventory control, including min/max-triggered replenishment and a full suite of reports providing visibility and accountability on an enterprise-wide level.

Our implementation team will oversee the entire setup process, from data gathering to labeling, and even training, so your local teams can learn how to use the system while it's being customized for them.

FAST Crib supports four key processes: inventory management, asset management, maintenance management and procurement. These core components can be custom-configured for use at any time:

- **Inventory & Asset Management:** The FAST Crib program can be customized to include anything your local personnel wish to control, issue, return, monitor, or procure. Items are loaded by part number to create barcodes which can be scanned and tracked to provide real-time inventory visibility. This works for all parts, not just items supplied by Fastenal.



- Procurement Platform: Manage all of your suppliers via a single portal utilized by all employees – great for managing spot buys, controlling rogue purchasing, and channeling spend to preferred suppliers. Comes pre-loaded with a 325,000-SKU Fastenal reference database.
- Maintenance Management: Streamline preventative maintenance with pre-formatted work orders tied to inventory with Bill of Material generation. Be proactive in your maintenance and understand the true cost to maintain assets and your facility.

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

Contract Management

Fastenal's Contract Management team helps implement contract terms, conditions, pricing, and time lines for deliverables such as reporting, rebates, and additional discounts (if any). The Sourcewell agreement will be managed within Fastenal's contract management system, a proprietary database that manages pricing, FOB terms, rebates, reporting, and other relevant terms.

The Contract Management team will be responsible for ensuring that the contract is correctly administered. This will include working with the Fastenal Government team to document the execution of participating addenda, any unique terms & conditions, rebates or additional fees, and/or reporting requirements of the Sourcewell Member. The Contract Management System administers the Sourcewell Agreement (including any participating addendum unique terms, fees or reporting) to the Fastenal branch account, driving compliance via the Fastenal branch point of sale (POS) system. The Contract Management team will also manage the administration of contract modifications, extensions, price updates, and other administrative correspondence.

Sales Coordinators

Once the Sourcewell Agreement is entered into the Contract Management System, the day-to-day workload of interfacing with the Government Sales department and Fastenal's branch sales personnel becomes the primary responsibility of the Sales Coordinator team. This group serves as a clearinghouse and liaison team between Contract Management and Sales.

Fastenal's Sales Coordinator team serves as the internal "customer service center" for our branch sales people, providing relevant contract information as well as the "linking" of branch accounts for Sourcewell Members to the Agreement within the Contract Management System.

The Sales Coordinators are responsible for remitting reporting to Sourcewell and the Members. This includes sales reports, usage reports, supplier diversity reporting, sustainable purchases, etc.

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

Fastenal proposes an administrative fee of two percent (2%) less taxes, freight, and product returns.

Industry-Specific Questions

- 19) How would being awarded a Sourcewell contract allow you to better and more efficiently serve the government, education and non-profit segments?

Government agencies will be able to adopt this cooperative contract instead of publishing their own MRO contract. Government agencies will be able to take advantage of the aggressive discounts and all of Fastenal's inventory management services through the Sourcewell contract.

- 20) Describe the added value your company would provide to government, education and non-profit customers through a Sourcewell-awarded contract.

Fastenal added value proposition to government agencies would include:

1. Local Service – with over 2,000 stores in the United States and Canada, Fastenal has the largest local footprint of any industrial distributor. This allows Fastenal to serve the government agency with a local person. Being local increases the customer service the government agency receives as they will be buying from someone who is close by and understands their needs. Fastenal can also stock specific products for their government customer in the local store and provide same day service on those products.
2. Distribution – Fastenal owns their distribution system, meaning we do not rely on third parties to get our products to our customers. All orders are delivered by the local sales person to the exact location the customer requests. This makes returns or exchanges of products very easy.
3. Inventory Management – Fastenal is the industry leader in inventory management solutions. Fastenal's Bin Stock, Vending, FAST Crib and Onsite inventory management programs are designed to save the customer time and money and decreasing the total cost of ownership of their MRO supplies.

21) Describe any new products and services added to your portfolio within the past 18 months.

Innovation is one of our four core company values (along with ambition, integrity, and teamwork) and we are always on the lookout for opportunities to bring ideas, modifications, and improvements to our business. We can tailor our solutions to meet the needs of our customers and are open to adopting new methods as they appear. We also continue to add products to our offering in order to better meet the needs of our customers. With more than 3,500 corporately approved suppliers and 1.45 million SKUs sold, Fastenal adds new products every day.

22) Please describe any product training, consulting or instruction that you offer, including the programs, the related costs and the benefits?

Fastenal will provide customized training programs to meet Sourcewell Members' needs. Training sessions would generally be held at the member's facility, with training conducted by a local Fastenal employee and/or a Fastenal certified vendor. Because of our local presence, these trainings can be offered to Members frequently throughout the year. Costs may vary depending on the size and scope of the training.

Fastenal branch representatives and other customer support personnel are kept current on product and industry trends through ongoing training, yearly reviews of industry standards, and close interaction with our suppliers. In addition to customer training, our sales and support personnel participate in career-long professional education and development to continually improve their knowledge and service. The result is a well-trained sales force that can provide technical expertise to end users within a local environment.

Fastenal's Certified Vendor Training Program

Fastenal's Certified Vendor Training program includes training from certified vendors in the following areas:

- New products
- Equipment & operation – manufacturer/certified set-up/training
- Safety and OSHA training
- Product application, features and benefits
- Cost savings, lean, and vendor managed inventory (VMI) solutions

Although designed for our employees, Fastenal's Certified Vendor Training program will be offered to Sourcewell members as customized training workshops. Many of our product trainings are focused on safety, but the program also includes vendors outside of the safety category who provide training on various products and applications. In order to participate in the Certified Vendor Training program, the vendor must design training and present to the Fastenal School of Business (FSB) team, initiating a rigorous certification process that includes a consensus between the FSB instructors and the vendor on the following:

- Training requirements
- Hands-on and interactive delivery methods
- Markets targeted for products
- Product applications and uses

Safety Training

To support our safety product offering, we've positioned trained Safety Specialists across the United States. These personnel carry multiple certifications, including Masters in Occupational Health and Safety, QSSP Certification, and OSHA 30-Hour Training. Their job is to identify hazards, document risk factors, garner worker feedback regarding PPE, and ultimately develop a business plan to reduce workplace incidents while maximizing productivity and profits.

Working with our key safety suppliers, Fastenal's Safety Specialists provide trainings and PPE equipment assessments for the following concepts:

- Eye Protection – product selection/rationalization, fit testing
- Hearing Conservation – fit testing
- Face and Head Protection
- Respiratory Protection – qualitative fit testing
- Skin Care Needs Analysis – prevention/reduction of occupational dermatitis, reduction of sick days
- Hand Protection – job-specific assessments, product testing
- Fall Protection – application assessment, harness/lanyard inspection, competent person training
- Ladder Inspection and Certification
- Hoist and Sling Inspection and Certification
- Heat Stress Evaluation – program development
- Spill Containment and Flammable Storage
- Lock Out/Tag Out Program
- AED, BBP, First Aid Training
- ARC Flash Assessments



Energy Efficient Lighting Audits and Training

Fastenal works in conjunction with our lighting vendors to provide energy efficient lighting audits and training as a value-added service for customers. This program includes:

- Lamp/Ballast Standardization Recommendations
- Lighting Energy Audits/Analysis/Presentations
- Energy Saving Initiatives Specific to Lighting/Ballast
- Sustainability Initiatives Specific to Lighting/Ballast & Other Products
- Product Design Recommendation/Implementation of the Latest in LED Technology for Enhanced Energy and Maintenance Saving Strategies
- Lighting upgrade installation and project management

Green and Sustainability Training:

Fastenal's Certified Vendor Training includes information about green and sustainability initiatives offered by our various manufacturer partners. We also offer training on our green and sustainability product reporting and ways Sourcewell Members can work with Fastenal's Sustainability Coordinator to establish goals and manage spend to achieve their goals.

Annual Customer Show

Fastenal hosts an annual customer show to provide a venue for customers and manufacturing partners to participate in new product rollouts, cost savings training, demonstration of solutions, etc. Additionally, Sourcewell Members are

afforded an opportunity for government cooperative training provided by National Cooperative Procurement Partners (NCPP).

- 23) Do you have an on-line purchasing portal? If so, please describe your online ordering process, purchase approvals/tracking, payment options, reporting and monitoring (For example, can a member track spending by staff members, can a member put limits on purchases, can a member be invoiced, etc.)

<https://www.fastenal.com>

Fastenal hosts a state-of-the-art transactional website to process online orders. All orders are processed through your local branch and sales representative providing quick confirmation and seamless fulfillment on Sourcewell items. Authorized Purchasers can order catalog items online through multiple time-saving functions.

Superior online ordering capabilities include:

- Advanced Permissions Settings: Spending limits can be set and managed for an unlimited number of users, approvers, or account administrators. Control spending by limiting users to set a budget over a flexible period of time and/or by limiting the size of individual orders. Any user can be set up to be an order requestor, an order approver, or an account administrator.

Users & Permissions

☐	Username	Full Name	Security Level	
Ungrouped Users				
☐	[Username]	[First Name / Last Name]	Request Only	Edit Delete
☐	[Username]	[First Name / Last Name]	Request Only	Edit Delete
☐	[Username]	[First Name / Last Name]	Request Only	Edit Delete
☐	[Username]	[First Name / Last Name]	Request Only	Edit Delete
☐	[Username]	[First Name / Last Name]	Approver Purchase Limit: (\$1000.00 per order)	Edit Delete
☐	[Username]	[First Name / Last Name]	Administrator	Edit Delete
☐	[Username]	[First Name / Last Name]	Administrator	Edit Delete

- Product Search: Products can be searched by using product categories, descriptions, key words, manufactures, manufacturer part numbers, industry part numbers, competitor part numbers, customer-specific part numbers, green products, and more. All results can be narrowed down by using attribute refinements.

Keyword	Nylon / Spandex	Textured	Blue	Size	SKU
B-Polymer (S)	Nylon	Textured	Blue	6	1307486
Form-Liner (S)	Nylon	Textured	Blue	7	1307487
Form-Liner (S)	Nylon	Textured	Blue	8	1307488
Form-Liner (S)	Nylon	Textured	Blue	9	1307489
Form-Liner (S)	Nylon	Textured	Blue	10	1307490
Form-Liner (S)	Nylon	Textured	Blue	11	1307491

- Custom Order Templates: Order templates are easy to use and easy to create. Simply add items to your cart and save the cart for future use. Give an identity to the Custom Template by choosing a name and applying a

description to the Template. Order Templates are user specific or can be shared among users under one Fastenal.com account.

Order Template Detail

Template Name: Air filters & belts

Template Description: Quarterly filter change

☒ Allow Others to Use: (with the same account)
☐ Allow Others to Edit: (with the same account)

[Update Template](#) [Show/Hide Line Details](#) [Add Selected to Cart](#)

☒	Qty	Image	Description	Qty/Pkg	Ext Qty	Price	Total
☒	48 Remove		20"W x 20"H x 2"D MERV 8 ProFitter® Standard Capacity Self Supporting Pleated Air Filter SKU: 0492505 Manufacturer: ProFitter®	12	576	Your Price: \$28.1244	\$1349.97
☒	24 Remove		25"W x 20"H x 2"D MERV 8 ProFitter® Standard Capacity Self Supporting Pleated Air Filter SKU: 0492504 Manufacturer: ProFitter®	12	288	Your Price: \$32.5836	\$782.01

- **Electronic Quotes (eQuotes):** eQuotes are electronic quotes sent to a user from their Fastenal Sales Representative. This is a method of converting customer product requests, vendor managed inventory requests, or vending machine transactions into customer orders without having to enter or re-type data. A notification is sent via email to the user and the eQuote is sent to the user's Fastenal.com account. Approve the eQuote and your local servicing branch will fulfill.

eQuotes

Find Quote Number:

Store Location: [v](#)

☒ Pending ☐ Rejected ☐ Approved

[Search](#)

eQuotes represent suggested orders from your local Fastenal store(s). Please locate your Fastenal store's city and state, or if provided a quote number applicable to your location.

1 2 3 [»](#) Last

[Filter](#)

Reject Quote	Quote Number	Quote Date	Account Number	PO	Release/Job	Total	Status	Quote Actions
Reject	60323	2017-11-28	[Customer Acct Number]		Keep Fill	(USD) \$380.04	Pending	Add to Cart
Reject	60321	2017-11-28	[Customer Acct Number]		Lighting & Electrical	(USD) \$824.23	Pending	Add to Cart

- **Fast Order Pad:** Quickly add items to shopping cart by entering part number and quantity.

Fast Order Pad

SKU [Lookup](#)

Quantity [Add to Cart](#)

Price

Quantity Per Package

Description

- **File Upload:** Import an excel spreadsheet list of part numbers and quantities into the shopping cart.

File Upload - Copy / Paste

Create Order using File Upload ?

File

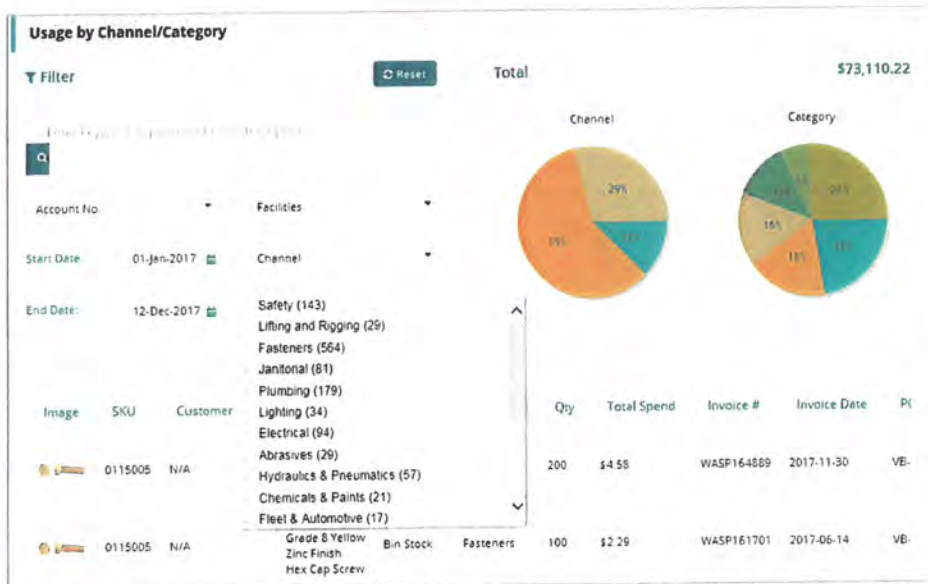
Choose File No file chosen Upload

Download a blank template

- **Order Status:** Sourcewell Members can see the status of their orders at any time during the order process. The local branch can provide tracking information on branch-delivered parts and 3rd party tracking numbers are made available in status updates where applicable.

Completed						
Qty	Carrier	Tracking No.	Invoice #	EDA	Status	Date
10					Received At Business Unit	2017-11-20
10	FTRK		WASP164958		Picked	2017-12-05
10			WASP164958		Shipped	2017-12-05
10			WASP164958		Delivered	2017-12-05

- **Order History:** Ordering entities can view their history of orders placed online with Fastenal.com. Order history can be reordered and edited for future use and commonly ordered items can be saved into order templates for ease of re-ordering.
- **FAST 360°:** The FAST 360° application on fastenal.com has been engineered to provide insight into your organization's relationship with Fastenal. This ability is exclusive to Fastenal and provides access to information critically important in managing your supply chain. Search, compare and manage your supply chain with three easy-to-use modules that are directly incorporated within Fastenal's eCommerce platform.
 - My Business allows you to click into each of your facilities locations and all of the way down to the individual vending machine or bin stock which is managed by Fastenal and then pull up the device's respective planogram to get additional information on a specific SKU. Other companies will tell you what they have in stock. With FAST 360°, instantly see what YOU stock in your own facility.
 - My Inventory allows you to search your own inventory for each of your associated account numbers. You can also use the search function to find items based on keyword, description or part number, and even search by your own part number when they're included in our system.
 - My Spend is a detailed snapshot of your purchasing habits which provides awareness of planned and unplanned spend behaviors. Using invoice data, FAST 360° illustrates how current spend is being allocated. Monitor purchase activity by category and see which channel that spend is flowing through. Fastenal.com is not just a portal for placing orders, but a tool for managing the supply chain needs.



- **Product Restriction:** Products or categories may be restricted from purchase. Restricted items will be displayed as restricted and the user is not allowed to purchase the items.

EXPRESS Fastenal Part No. (SKU) 0600437 Each **Your Price:** ✓ In My Store

 24" Clean Choice® Fine Polypropylene Wood Block Push Broom

Clean Choice®

Compare Restricted Item

Shopping Cart

! These SKUs are not in your custom catalog. Contact your local Fastenal store for sourcing and availability.

These SKUs must be removed before you can check out.

- **Technical Information:** All products contain technical information in the form of product attributes, product descriptions, and detailed notes fields. This information can guide the user by the type of product or the specific application of the product. Many products contain CAD Drawings and "Product Standards" informational PDF sheets which contain technical data such as chemical, mechanical, and performance information. Where applicable, links to (M)SDS sheets are made available in the product detail page of the corresponding part. Additionally, the "Supply Chain" section shows availability at the local Fastenal branch. All products visible on fastenal.com can be sourced in various manners.

FASTENAL

Catalogs Rebates & Flyers Services & Resources Careers Feedback Help

Browse Products

Home All Products Chemicals & Paints Paints, Marking and Accessories

200Z High Performance Acrylic Paint

Fastenal (SKU) 67113

Manufacturer No. 1602

UNSPSC Code 25121000

Manufacturer Diversified Brands/Krylon

Compliance

Restricted Product

This product is restricted for sale or use in the following areas:

- Czech Republic
- Hungary
- Italy
- Romania
- Slovakia
- Slovenia
- Spain
- Germany
- Poland
- France
- UK
- USA
- Canada
- Mexico
- Brazil
- Argentina
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Honduras
- India
- Indonesia
- Jamaica
- Japan
- Korea
- Malaysia
- Maldives
- Morocco
- Nicaragua
- Norway
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Portugal
- Russia
- Saudi Arabia
- South Africa
- South Korea
- Taiwan
- Tanzania
- Thailand
- Turkey
- Ukraine
- USA
- Vietnam
- Zimbabwe

Wholesale: \$68.58 / Case of 6

Unit Price: \$11.43 / Each

QTY (# of cases) 1 **ADD**

Product Attributes

Trade Name	High Performance 8
Chemical Base	Acrylic
Coverage Area	14 Square Feet
Net Fill	16 oz
Color	Deep Blue
Drying Time	1 - 2 hr
Recoat Time	1 hr or after 24 hr
Application	Concrete, Masonry, Metal, Wood

Alternative Items (1)

SKU: 67113
1602 (1602) Net Fill Aerosol Can
Deep Blue High Gloss Krylon 8
Acrylic Paint
Manufacturer
DIVERSIFIED BRANDS/KRYLON

Supply Chain

Availability **Ships TOMORROW**

Direct Ship

24) Please rank the top 3 market segments where your company provides products & services:

- Facilities MRO (Maintenance Repair & Operations)
- Industrial Supplies
- Tools & Equipment/Accessories
- Electrical Power Transmission & Supplies
- Mechanical Power Transmission
- Pneumatics/ Fluid Power
- Electrical and Lighting Products & Services
- Plumbing Supplies & Waterworks
- Construction & Building Supplies

Fastenal's top 3 market segments are Facilities MRO (Maintenance Repair & Operations), Industrial Supplies, and Tools & Equipment/Accessories.

25) Describe your market share, depth, and breadth of products and services offered within each of the following categories you currently provide to your government, education & non-profit customers:

- Facilities MRO (Maintenance Repair & Operations)
- Industrial Supplies
- Tools & Equipment/Accessories
- Electrical Power Transmission & Supplies
- Mechanical Power Transmission
- Pneumatics/ Fluid Power
- Electrical and Lighting Products & Services
- Plumbing Supplies & Waterworks
- Construction & Building Supplies

In 2017 Fastenal supplied products spanning nearly 1.45 million unique stock-keeping units (SKUs). This includes 170,000+ "standard" part numbers that are well supported throughout our distribution system, along with a vast range of semi-standard and customer-specific items. We currently have more than 3,500 corporately approved vendors (more than 14,000 total vendors company-wide) with whom we are continually working to expand our product offering in order to better meet the needs of our customers.

Signature: _____

Date: 12/10/2018A handwritten signature in blue ink, consisting of a large, stylized loop that crosses itself, followed by a horizontal stroke extending to the right.

Category Discount Schedule Sourcewell

CATEGORY	DISCOUNT
01-Fasteners	50%
01.5-Hardware	30%
02-Tools & Equipment	25%
01-Cordless Power Tools	20%
02-Corded Power Tools	20%
03-Safety	25%
05-Hand Protection	32%
04-Raw Materials	20%
05-Abrasives	25%
06-Welding	25%
07-Cutting Tools & Metalworking	25%
07.3-Plumbing	30%
07.5-HVAC	25%
01.5-Filters	35%
08-Hydraulics & Pneumatics	25%
08.3-Power Transmission & Motors	25%
08.5-Fleet & Automotive	25%
09-Electrical	25%
09.5-Lighting	30%
10-Janitorial	25%
03-Wiping Products	40%
05-Trash Cans and Liners	35%
11-Restroom Care	40%
11-Chemicals & Paints	25%
12-Material Handling, Storage & Packaging	25%
12.5-Lifting & Rigging	30%

Approve Purchase Order to Fastenal Company for Personal Protective Equipment

Public Works and Transportation Committee
July 14, 2020

Todd Vasquez-Housley
Environmental Resources Division Manager



RECOMMENDATION

That the Public Works and Transportation Committee recommend that the City Council authorize the City Manager to execute a Purchase Order (PO) with Fastenal Company (Fastenal) for an amount not to exceed \$200,000 for a three (3) year term for personal protective equipment.

BACKGROUND

- The Environmental Resources (ER) Division employs 173 staff members
- The work includes driving trucks, sorting trash, cleaning up homeless encampments, collecting discarded mattresses and more



BACKGROUND

- The refuse and recyclable industry ranks as the 5th most dangerous occupation nationwide
- Common exposure risks include:
 - Airborne particles
 - Loud noise
 - Intense vibrations
 - Slip hazards
 - Sharp objects
 - Obstruction to visibility
 - Other biological and hazardous waste



BACKGROUND

- Personal protective equipment (PPE) requirements are established by the federal Occupational Safety and Health Administration (OSHA) and the California Occupational Safety and Health Administration (CalOSHA)
- PPE requirements at the Materials Recovery Facility (MRF) exceed the federal and state standards
- PPE is distributed to ER employees based on the level of risk associated with each job classification
- Fastenal sets up inventory management, consumption limits, and replenishment – vending machines available to employees around the clock



DISCUSSION

- Sourcewell cooperative procurement program – City benefits through nationally vetted public procurement process
- PPE items are marked down more than 20% off manufacturer suggested retail price (MSRP)
- Service includes vending machines, stocking inventory, tracking and repairing of machines

FINANCIAL IMPACT

- Funds are included and available in Environmental Resources Fund (631) for FY 2020-21
- Funds will be requested in subsequent fiscal year budgets

QUESTIONS?



**PUBLIC WORKS AND TRANSPORTATION COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.3**

DATE: July 14, 2020

TO: Public Works and Transportation Committee

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: An Update on the Mandatory Organics Recycling Program (MORE) Including Options for Various Uses at the Material Recycling Facility. (15/10/5)

RECOMMENDATION

That the Public Works and Transportation Committee receive an update on the Mandatory Organics Recycling Program (MORE) including options for various uses at the Material Recycling Facility, and provide feedback and direction.

BACKGROUND

The Environmental Resources (ER) Division is responsible for the collection, processing and transfer of residential, commercial and industrial solid waste, recyclables, green waste, and food waste within the City boundaries. The ER Division also operates the City's Del Norte Regional Recycling and Transfer Station (Del Norte) which is a material recovery facility (MRF). The Del Norte facility is permitted to accept 2,779 total tons per day of solid waste, recyclables, green waste, and food waste materials. Currently, the Del Norte facility receives processes and transfers an average of 1,100 tons per day of solid waste.

The State of California Department of Resources Recycling and Recovery (CalRecycle) has required the implementation of a mandatory organic recycling (MORE) program for all jurisdictions in the State. California Assembly Bill AB-1826 required all jurisdictions to implement an organics recycling program by January 2016 to divert organics from landfills. Organics includes green waste materials from commercial and multi-family residential dwellings (more than 5 units) as well as commercial food waste materials.

DISCUSSION

Mandatory Organics Recycling (MORE) Program – Green Waste Materials

In September 2018, the City entered into an agreement with Agromin Horticultural Products (Agromin) to process green waste materials. Green waste materials are sorted and cleaned to less than one percent contamination at the Del Norte facility prior to transporting to Agromin's Limoneira Farms site located in Santa Paula.

Last year the Del Norte facility processed 20,031 tons of green waste materials.

Mandatory Organics Recycling (MORe) Program – Food Waste Materials

Currently, the City's food waste materials are processed through a Food Waste Pilot Program with the Simi Valley Recycling Center (SVRC) managed by Agromin. The collected food waste materials are commingled with post-sorted green waste for composting.

Last year the Del Norte facility processed 838 tons of food waste materials.

In order to comply with the mandatory organic recycling program and divert food waste from disposal in landfills, the City has the following options which will be discussed further below:

Option 1: Continue to utilize a private compost facility to process organics; and construct a storage area for additional dumpsters and equipment required as the City moves towards full participation

Option 2: Pre-process food waste for digestion at the Oxnard Wastewater Treatment Plant; and compost green waste offsite

Option 3: In-Vessel composting of all organic materials

Option 4: Covered Static Pile Aeration composting

The City also owns a 10 acre parcel adjacent to the Del Norte facility. Of this 10 acres, 8.8 acres can be developed. The discussion of options will include how this parcel could be utilized. The final item of discussion will be what else, other than waste management related activities, could occur at that site.

Option 1: Continue to utilize a private compost facility to process organics; and construct a storage area for additional dumpsters and equipment needed to grow the program

Under this option, the City would continue sending the food waste to SVRC managed by Agromin. At SVRC, the food waste will be commingled with green waste and composted. The City would also construct a storage area of approximately one (1) acre for additional bins and equipment needed to grow the organics recycling program.

The benefits of this option are:

1. Scalable in the short term and the City will incur incremental cost increases to grow the organic recycling program
2. The remaining 7.8 acres would be available for other development options, e.g. warehouse, data center, or a stand alone traditional recycling facility.

The downside of this option is an inability to recover and use valuable resources from the food waste (e.g. energy) for the benefit of the City. There is limited cost control as the City is bound to a vendor for processing organic waste as well as competing increased demand from other municipalities for limited processing capacity.

Option 2: Pre-process food waste for digestion at the Oxnard Wastewater Treatment Plant; and compost green waste offsite

Under this option, any excess capacity in the City's wastewater treatment plant digesters would be used to accept the food waste for co-digestion with the wastewater sludge.

The food waste that is contained in plastic bags, cardboard boxes, cans or otherwise mixed with other inorganic waste materials at the Del Norte facility must first be pre-processed to extract the organic fraction. This pre-processing may involve a multi-step process, and would occur on the parcel adjacent to the Del Norte facility. Once the organic fraction is extracted, it would be added to the wastewater treatment plant digesters.

In a digester, the food waste digests along with the treatment plant sludge (up to 30 days) and increases the biogas production. Studies have shown that food waste digests more readily than wastewater sludge, and on a volumetric basis, produces a significantly large amount of biogas than sludge. The food waste is estimated to produce nearly 273,000 kWh of energy per year (\$27,300 per year). The energy savings will reduce the wastewater operation costs. The facilities to pre-process and store food waste would require approximately 1 to 2 acres of land. There is space on the parcel adjacent to the Del Norte facility that could be used for pre-processing of food waste in preparation for adding to digesters. It is estimated that transportation of the processed food waste currently collected at the Del Norte facility will require two truckloads per week (in slurry form) to be delivered to the OWTP.

The benefits of implementing this option include:

1. Promoting sustainability
2. Increasing biogas production that can be converted to electricity or be used to fuel trucks in the future
3. Reducing greenhouse gas emissions
4. Cost control, savings on tipping and transportation fees currently paid to contractors
5. Potentially accepting food waste from other cities.

The downside of this option is the capital investment of installing a new facility with unknown capital costs at this time. This option would still require green waste to be processed offsite. The exact amount of acreage required is not known at this time, but staff estimates between 2 and 4 acres for this option.

Option 3: In-Vessel composting of all organic materials

In-vessel composting can process large amounts of waste without taking up as much space as the traditional windrow composting method, process it more quickly, and can accommodate virtually any type of organic waste (e.g., meat, animal manure, biosolids, food scraps). This method involves feeding organic materials into a drum, silo, or similar equipment. This allows good control of the environmental conditions such as temperature, moisture, and airflow. The material is mechanically mixed to make sure the material is aerated. It takes approximately 8 to 10 weeks to complete the composting process.

The benefits of an in-vessel composting facility are:

1. Much quicker process than traditional composting
2. Able to compost any type of organic waste
3. Composting process is completely enclosed which mitigates odor
4. Ability to accept organic waste from other cities
5. Generates a fertilizer or soil amendment that can be beneficially used

The downside of this option is the capital investment of installing a new facility with unknown capital costs at this time. Furthermore, this option requires energy to run this process with no energy recovery.

Option 4: Covered Static Pile Aeration composting

Covered aerated static pile composting is suitable for yard trimmings, food scraps and paper products. It is similar to traditional composting in the way organic material is organized into windrows for composting; but, it is a much quicker process. Unlike traditional composting, the windrows are covered with a tarp and placed on a network of pipes that deliver air to the mixture. The tarp traps heat and odor and aids in the decomposition process.

The benefits of covered static pile aeration composting are:

1. Much quicker process than traditional composting
2. Composting process is completely enclosed which mitigates odor
3. Smaller footprint that allows more processing capacity per acre
4. Ability to accept organic waste from other cities
5. Generates a fertilizer or soil amendment that can be beneficially used

The downside of this option is the capital investment of installing a new facility with unknown capital costs at this time. Furthermore, this option requires energy to run this process with no energy recovery along with no sealed system that may allow odors to escape.

Development Options

If the City exercises Option 1, there would be 7.8 acres remaining for private development. The site is zoned for industrial use and located adjacent to the Del Norte Material Recovery Facility. Its proximity to the Del Norte facility would, at times, expose any potential development to odor and birds. However, staff identified several types of businesses that may be suitable for the location, such as warehouse/distribution, data center, storage facility, or other.

Next Steps

1. Conduct a feasibility study and pilot study to determine the capital and operating costs along with the capacity of the digester. The City has applied for an EPA grant to fund this feasibility study and pilot program; however, the study will still be conducted if staff is unable to secure the grant.

EPA Grant Milestones:

- Grant application due July 14, 2020
- Maximum grant award -\$300,000
- Project start date - October 1, 2020
- Staff anticipates that study will take nine (6) months to complete
- The pilot program will take approximately three (3) months

2. Conduct cost-benefit analysis for each option

3. Report study results and the recommended most beneficial option to the Public Works and Transportation Committee

4. Take Committee outcome to City Council

STRATEGIC PRIORITIES

This agenda item addresses routine operational elements and specifically addresses City Council Strategic Priority, Goal 5 of ensuring orderly development and long-range conservation and management of our natural

resources and coastal assets; Core Function 1 – Goals supporting organizational development; Core Function 3 – Goals supporting quality of life; and Core Function 4 – Goals supporting infrastructure and natural resources.

FINANCIAL IMPACT

There is no financial impact related to receiving this presentation.

Prepared by: Damian Skinner, Assistant Public Works Director

ATTACHMENTS

1. MORE Presentation

An Update on the Mandatory Organics Recycling Program (MORE) Including Options for Various Uses at the Material Recycling Facility

Public Works and Transportation Committee
July 14, 2020

Damian Skinner
Assistant Public Works Director



That the Public Works and Transportation Committee receive an update on the Mandatory Organics Recycling Program (MORE) including options for various uses at the Material Recycling Facility, and provide feedback and direction.

Presentation Topics

- Regulations that govern organic waste
- City organics waste recycling program
- Options for organics waste processing at the Del Norte adjacent property
- Development considerations at the Del Norte adjacent property

Regulations that govern organic waste

- Assembly Bill 32 (AB 32) – California Global Warming Solutions Act of 2006
 - Reduce greenhouse gas emissions to 1990 levels by 2020
- Assembly Bill 1826 (AB 1826) – Mandatory Commercial Organics Recycling Law of 2014
 - Methane gas from decomposing organics in landfills have been identified as potent greenhouse gas
 - Organics makes up more than 1/3 the material in landfills
 - Requires businesses generating more than 4 cubic-yards of solid waste per week, and multi-family residential dwellings (more than 5 units) to recycle organic waste
- Senate Bill 1383 (SB 1383) – Short Lived Climate Pollutants: Organic Waste Methane Emissions Reductions
 - Total organic waste reduction: 50% by 2020; and 75% by 2025
 - Requires single family home organics collection

City's Organics Recycling Program

- Collect an average of 21,316 tons of green waste per year
- Collected 838 tons of food waste in calendar year 2019
- There are 29 businesses out of 1,960 customers that meet AB 1826 requirements that are recycling their organics. City requires approximately 57,000 tons per year processing capacity at full program participation.
- Contract with Agromin to process green waste at \$50 per ton (\$1.07 million per year)
- Contract with Agromin to process food waste at \$90 per ton (\$75,420 per year)
- Processed materials sold as fertilizer & soil amendments by Agromin with no credits to the City

Options for organics processing at Del Norte adjacent property

- Option 1: Continue to utilize a private compost facility to process organics; and construct a storage area for additional dumpsters and equipment needed to grow the program. This would leave the remainder of the parcel available for other uses. Parcel is 10 acres; the developable area is 8.8 acres.
- Option 2: Pre-process food waste for digestion at the Oxnard Wastewater Treatment Plant; and compost green waste offsite
- Option 3: In-Vessel composting of all organic materials
- Option 4: Covered Static Pile Aeration composting

Option 1: Continue with private compost facility & build storage area

- Continue to contract with Agromin (or like facility) to process green waste and food waste for an annual cost of \$1.15 million per year.
- Build a storage area for additional bins and equipment needed to grow the program; approximately once (1) acre



Option 1: Continue to utilize a private compost facility

Construct bin storage facility on one (1) acre, leaving the remainder for other development opportunities.



Option 1: Continue to utilize a private compost facility

Pros

- Scalable in the short term
- Incremental cost increases to grow the organic recycling program
- The majority of the site would be available for other development

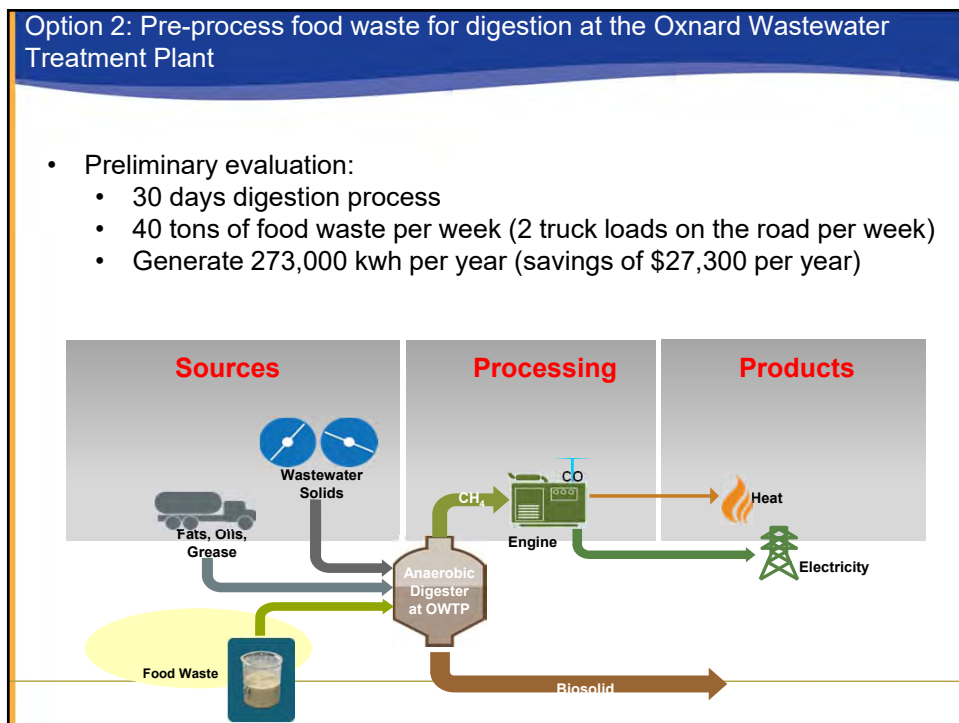
Cons

- Limited cost control
- City is bound to a vendor for processing organics
- Competing with increased demand from other municipalities for limited processing capacity

Option 2: Pre-process food waste for digestion at the Oxnard Wastewater Treatment Plant

- Construct a food waste processing facility at the Del Norte adjacent property (no available space at the wastewater treatment plant)
- Del Norte facility has 8.8 acres available space
- Utilize a private compost facility to compost green waste offsite





Option 2: Pre-process food waste for digestion at the Oxnard Wastewater Treatment Plant

Pros

- More digested gas to generate electricity
- Reduce greenhouse gas emissions
- Cost control
- Ability to accept food waste from other cities

Cons

- Capital investment of a new facility adjacent to Del Norte facility
- Green waste must be processed offsite

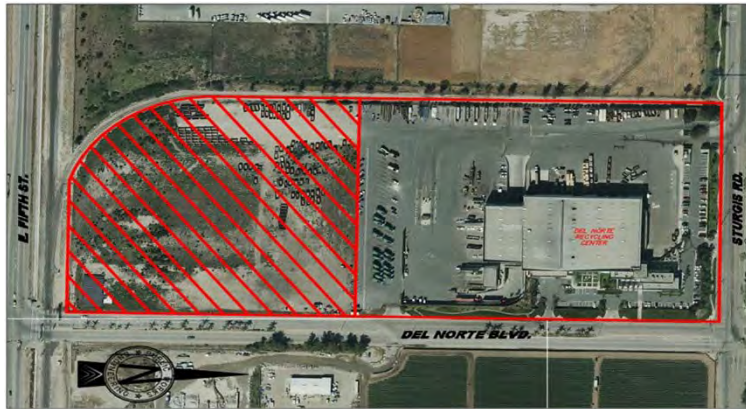
Option 3: In-Vessel Composting of all organic materials

- Conversion of green waste and food waste into soil amendment by biological process
- Compost is created in 8 to 10 weeks compared to traditional windrow composting which takes 3 to 6 months
- 35,000 tons per year of organics can be processed on 4 acres.



Option 3: In-Vessel Composting of all organic materials

Del Norte facility has 8.8 acres available space more than 4 acres requirement



Option 3: In-Vessel Composting of all organic materials

Pros

- Much quicker process than traditional composting
- Able to compost any type of organic waste
- Composting process is completely enclosed which mitigates odors
- Ability to accept organic waste from other cities
- Produces marketable fertilizer & soil amendments

Cons

- Capital investment of a new facility
- Requires energy to run process
- No energy recovery (electricity)

Option 4: Covered Static Pile Aeration Composting

- Conversion of green waste and food waste into soil amendment by biological process
- Compost is created in 8 to 12 weeks compared to traditional windrow composting which takes 3 to 6 months
- 45,000 tons per year of organics can be processed on 2 acres.



Option 4: Covered Static Pile Aeration Composting

Pros

- Much quicker process than traditional composting
- Composting process is enclosed which mitigates odors
- Smaller footprint that allows more processing capacity per acre
- Ability to accept organic waste from other cities
- Produces marketable fertilizer & soil amendments

Cons

- Capital investment of a new facility
- Requires energy to run process
- No energy recovery (electricity)
- Not a sealed a system; may allow odors to escape

Development Considerations at the Del Norte Adjacent Property

- Property is adjacent to the Del Norte Material Recovery Facility and will be subjected to odor and excessive birds
- Standalone organics facility requirements (not an extension of the Del Norte Facility); e.g. minimum requirements for in-vessel composting is 10 acres; and covered static pile aeration is 15 acres.
- Traditional recycling

Development Considerations at the Del Norte Adjacent Property

Possibilities not related to waste management and recycling:

- Warehouse/Distribution
- Refrigeration/Cold Storage
- Telecom/Data Housing Centers
- R&D Buildings
- Showroom
- Suitable for other industrial opportunities that have not been explored

Next Steps

1. Conduct feasibility study and pilot program to determine capital and operation costs and digester capacity (Applied for an EPA grant to fund feasibility study, however feasibility study and pilot program will proceed even if the grant is not awarded)

EPA Grant

- Application deadline – July 14, 2020
- Max grant award - \$300,000
- Estimated project start date – October 1, 2020
- All project activities completed within two years (staff estimates the project will require 9 months to complete)

Next Steps

2. Conduct cost benefit analysis for all options
3. Report study results and recommend most beneficial option to Public Works and Transportation Committee for comments and direction
4. Take Committee outcome to City Council

Financial Impact

There is no financial impact related to receiving this presentation.

Questions?