



City of Sunnyvale

Notice and Agenda

City Council

Tuesday, December 15, 2015

4:30 PM

West Conference Room and Council
Chambers, City Hall, 456 W. Olive Ave.,
Sunnyvale, CA 94086

Special Meetings- Closed Session-4:30 PM | Study Session-6 PM | Regular Meeting-7 PM

4:30 P.M. SPECIAL COUNCIL MEETING (Closed Session)

1 Call to Order in the West Conference Room

2 Roll Call

3 Public Comment

The public may provide comments regarding the Closed Session item(s) just prior to the Council beginning the Closed Session. Closed Sessions are not open to the public.

4 Convene to Closed Session

[15-0517](#)

Closed Session held pursuant to California Government Code
Section 54957.6: CONFERENCE WITH LABOR
NEGOTIATORS

Agency designated representatives: Teri Silva, Director of
Human Resources; Deanna J. Santana, City Manager

Employee organization: Public Safety Officers Association
(PSOA)

Employee organization: Sunnyvale Employees Association
(SEA)

[15-0099](#)

Closed Session held pursuant to California Government Code
Section 54957: PUBLIC EMPLOYEE PERFORMANCE
EVALUATION

Title: City Attorney

Closed Session held pursuant to California Government Code
Section 54957.6: CONFERENCE WITH LABOR
NEGOTIATORS

Agency designated representatives: City Council

Compensation Subcommittee
Unrepresented Employee: City Attorney

5 Adjourn Special Meeting

6 P.M. SPECIAL COUNCIL MEETING (Study Session)

1 Call to Order in the West Conference Room (Open to the Public)

2 Roll Call

3 Public Comment

4 Study Session

[15-0690](#) Discussion of Potential Uses of City-owned Property located on Charles Street and Mathilda Avenue near Iowa Avenue

[15-0853](#) Discussion of Upcoming Selection of 2016 Mayor and Vice Mayor

5 Adjourn Special Meeting

7 P.M. COUNCIL MEETING

Pursuant to Council Policy, City Council will not begin consideration of any agenda item after 11:30 p.m. without a vote. Any item on the agenda which must be continued due to the late hour shall be continued to a date certain. Information provided herein is subject to change from date of printing of the agenda to the date of the meeting.

CALL TO ORDER

Call to Order in the Council Chambers (Open to the Public)

SALUTE TO THE FLAG

ROLL CALL

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

This category provides an opportunity for members of the public to address Council on items not listed on the agenda and is limited to 15 minutes (may be extended or continued after the public hearings/general business section of the agenda at the

discretion of the Mayor) with a maximum of up to three minutes per speaker. Please note the Brown Act (Open Meeting Law) does not allow Councilmembers to take action on an item not listed on the agenda. If you wish to address the Council, please complete a speaker card and give it to the City Clerk. Individuals are limited to one appearance during this section.

CONSENT CALENDAR

All matters listed on the consent calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion of these items. If a member of the public would like a consent calendar item pulled and discussed separately, please submit a speaker card to the City Clerk prior to the start of the meeting or before approval of the consent calendar.

- 1.A [15-0902](#) Approve City Council Meeting Minutes of November 17, 2015

Recommendation: Approve the City Council Meeting Minutes of November 17, 2015 as submitted.

- 1.B [15-0938](#) Approve City Council Meeting Minutes of December 1, 2015

Recommendation: Approve the City Council Meeting Minutes of December 1, 2015 as submitted.

- 1.C [15-0999](#) Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

Recommendation: Approve the list(s) of claims and bills.

- 1.D [15-1003](#) Award of Contract for Three Service Trucks for the Departments of Environmental Services and Public Works (F16-46)

Recommendation: Award a contract in the amount of \$111,727 to Oroville Ford for three service trucks, in substantially the same form as draft purchase order attached to the report.

- 1.E [15-1017](#) Award of Contract for Self-Contained Breathing Air (SCBA) Compressors at Fire Stations 1 and 2 (F16-42)

Recommendation: Award a contract in the amount of \$130,322 to Bauer Compressors for SCBA compressors at fire stations 1 and 2 in substantially the same form as the draft purchase order attached to the report.

- 1.F [15-1025](#) Award of Contract for Annual Maintenance of the Computer Aided Dispatch, Mobile Data Computing and Records Management Systems (F16-59)

Recommendation: 1) Award a contract, in substantially the same form as the draft Purchase Order attached to the report and in the amount of \$102,534, including taxes, to Tiburon, Inc. for annual maintenance and support for CAD, MDC and RMS; and 2) delegate authority to the City Manager to renew the contract for up to five (5) additional one-year periods, subject to available funding and acceptable pricing and service.

- 1.G [15-1053](#) Award of Bid No. PW16-09 for the Federally-funded Safe Routes to School 2014 Project for Bike and Pedestrian Improvements, and Finding of CEQA Categorical Exemption

Recommendation: 1) Make a finding of CEQA categorical exemption pursuant to Class 1 Section 15301(c) for existing facilities; 2) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$438,787 to St. Francis Electric LLC; and 3) approve a 15% construction contingency in the amount of \$65,818.

- 1.H [15-1062](#) Award of Bid No. PW16-16 for Duane Avenue Bicycle Lanes, Make a Finding of CEQA Categorical Exemption, and Approve Budget Modification No. 16 to Appropriate \$28,304 in Transportation Impact Fees (TIF) to Provide Additional Project Funding

Recommendation: 1) Make a finding of CEQA categorical exemption pursuant to Class 1 Section 15301(c) for existing facilities; (2) approve Budget Modification No. 16 to provide \$28,304 in additional project funding; (3) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$105,315 to Chrisp Company; and (4) approve a 15% construction contingency in the amount of \$15,797.

- 1.I [15-1076](#) Award of Bid No. PW16-13 for Fair Oaks Park Auxiliary Restroom and Parking Lot Renovation, and Finding of CEQA Categorical Exemption

Recommendation: 1) Make a finding of CEQA categorical exemption pursuant to Class 2 Section 15302 for replacement of existing structures and facilities, and Class 4 Section 15304(b) for replacement of existing landscaping with water efficient landscaping; 2) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$685,738 to Redgwick Construction Company; and 3) approve a 15% construction contingency in the amount of \$102,861.

- 1.J [15-0985](#) Receive and File FY 2014/15 Annual Status Report on Receipt and Use of Development Impact Fees

Recommendation: Receive and file the FY 2014/15 Annual Status Report on receipt and use of development impact fees.

- 1.K [15-1054](#) Delegation of Contract Award Authority to the City Manager for the Purchase of Citywide Office Supplies

Recommendation: 1) Delegate authority to the City Manager to award office supply contracts greater than \$100,000 should the need arise, not-to-exceed budgeted amounts.

- 1.L [15-1079](#) Adopt a Resolution Authorizing the City Manager to Grant an Easement to PG&E for Utility Purposes on a City-owned Property Located at 620 E. Maude Avenue

Recommendation: Adopt a resolution authorizing the City Manager or his/her designee to grant the requested easement deed to PG&E and to sign any related escrow documents in final form as approved by the City Attorney.

PUBLIC HEARINGS/GENERAL BUSINESS

If you wish to speak to a public hearings/general business item, please fill out a speaker card and give it to the City Clerk. You will be recognized at the time the item is being considered by Council. Each speaker is limited to a maximum of three minutes. For land-use items, applicants are limited to a maximum of 10 minutes for opening comments and 5 minutes for closing comments.

- 2 [15-1021](#) Introduce an Ordinance Amending Ordinance 3053-15, Taxicab Franchise and Agreement, Yellow Checker Cab Co. Inc.

Recommendation: Alternative 1: Introduce an ordinance amending the existing non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017 to add a dba Rainbow Cab, and authorize the City Manager to execute all implementing documents.

- 3 [15-0952](#) Approve Actions Related to the Formation of, and Sunnyvale's Membership in, the Silicon Valley Clean Energy Authority, an Independent Joint Powers Authority, to Establish a Community Choice Energy Program, Find that these Actions are Exempt from CEQA, and Approve Budget Modification No.

20

Recommendation: Alternatives 1, 2, 3, 4, 5, 6, and 7:

1. Introduce an Ordinance to authorize the implementation of a Community Choice Aggregation program and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(a), 15061(b)(3), and 15308;
2. Adopt a Resolution to approve the Joint Powers Authority Agreement establishing and authorizing participation in the Silicon Valley Clean Energy Authority, and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(b)(5) and 15061(b)(3);
3. Authorize the City Manager to remit up to \$450,000 to the Silicon Valley Clean Energy Authority to support the initial costs of the Authority;
4. Approve Budget Modification No. 20 for \$100,000 to support funding the initial costs of the Authority;
5. Direct staff to return to Council with an update and potential action regarding bridge financing for the Authority;
6. Direct staff to return to Council with a proposal to provide interim project and/or staffing support to the Authority via a separate services agreement; and
7. Direct staff to return to Council for appointment of a regular Director and alternate Director to the Authority's Board of Directors.

- 4 [15-1081](#) Approve Three Resolutions Enabling the City of Sunnyvale to Submit an Application to the State of California for up to \$160 million in Clean Water State Revolving Funds to Fund the City of Sunnyvale - Headworks and Primary Treatment, Phase 1(A) Project

Recommendation: Approve Three Resolutions Enabling the City of Sunnyvale to Submit an Application to the State of California for up to \$160 million in Clean Water State Revolving Funds to Fund the Rehabilitation of the City of Sunnyvale Water Pollution Control Plant

- 5 [15-0445](#) Consideration of Land Use Alternatives and Financing Options for the Civic Center Modernization Project and Approval of Budget Modification No. 21 in the Amount of \$125,000, with Funding from the Future Projects Set Aside in the Infrastructure Fund, to Continue Public Outreach and Planning Activities for the Project

Recommendation: Alternatives 1, 2 and 3: 1) Approve Budget Modification No. 21 in the amount of \$125,000, with Funding from the Future Infrastructure Projects Set Aside in the Infrastructure Fund, to Continue Public Outreach and Planning Activities for the Civic Center Project; 2) Eliminate Prototype G from further consideration; and 3) Modify Prototype F to eliminate the sale of land at the Civic Center.

- 6 [15-0945](#) Receive and File the FY 2014/15 Budgetary Year-End Financial Report, Comprehensive Annual Financial Report, and Sunnyvale Financing Authority Financial Report and Approve Budget Modification No. 18

Recommendation: Alternative 1: Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report.

- 7 [15-1071](#) Adopt Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and the Corresponding Resolutions to (1) Amend the City's Salary Resolution and (2) Pay and Report the Value of Employer Paid Member Contributions for CalPERS Retirement

Recommendation: Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and the corresponding Resolutions (1) amending the City's Salary Resolution 190-05, by amending the pay schedule and benefits for employees represented by the Sunnyvale Managers Association and the pay schedule for the unrepresented position of Assistant Director of Finance and (2) for Paying and Reporting the Value of Employer Paid Member Contributions to CalPERS.

- 8 [15-1088](#) Approve the Appointment of the City Attorney and Approve the Employment Agreement

Recommendation: Staff makes no recommendations.

- 9 [15-1083](#) Discussion and Possible Action Regarding the City's Crossing Guard Program

Recommendation: Staff makes no recommendation and will continue our robust recruitment efforts to employ Crossing Guards.

COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS**NON-AGENDA ITEMS & COMMENTS**

-Council

-City Manager

INFORMATION ONLY REPORTS/ITEMS

| | |
|--------------------------------|---|
| <u>15-0459</u> | Tentative Council Meeting Agenda Calendar |
| <u>15-0919</u> | Information/Action Items |
| <u>15-0198</u> | Study Session Summary of September 29, 2015 - Update on Sunnyvale Municipal Golf Course Restaurant Operations and Golf Finances |
| <u>15-0514</u> | Board/Commission Meeting Minutes |

ADJOURNMENT**NOTICE TO THE PUBLIC**

The agenda reports to council (RTCs) may be viewed on the City's Web site at sunnyvale.ca.gov after 7 p.m. on Thursdays or at the Sunnyvale Public Library, 665 W. Olive Ave. as of Fridays prior to Tuesday City Council meetings. Any agenda related writings or documents distributed to members of the City of Sunnyvale City Council regarding any open session item on this agenda will be made available for public inspection in the Office of the City Clerk located at 603 All America Way, Sunnyvale, California during normal business hours and in the Council Chamber on the evening of the Council Meeting, pursuant to Government Code §54957.5. Please contact the Office of the City Clerk at (408) 730-7483 for specific questions regarding the agenda.

PLEASE TAKE NOTICE that if you file a lawsuit challenging any final decision on any public hearing item listed in this agenda, the issues in the lawsuit may be limited to the issues which were raised at the public hearing or presented in writing to the Office of the City Clerk at or before the public hearing. PLEASE TAKE FURTHER NOTICE that Code of Civil Procedure section 1094.6 imposes a 90-day deadline for the filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure 1094.5.

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Office of the City Clerk at (408) 730-7483. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.106 ADA Title II).

Planning a presentation for a City Council meeting?

To help you prepare and deliver your public comments, please review the "Making Public Comments During City Council or Planning Commission Meetings" document available at Presentations.inSunnyvale.com.

Planning to provide materials to Council?

If you wish to provide the City Council with copies of your presentation materials, please provide 12 copies of the materials to the City Clerk (located to the left of the Council dais). The City Clerk will distribute your items to the Council.

Upcoming Meetings

Visit CouncilMeetings.inSunnyvale.com for upcoming Council meeting information.

Visit BoardsandCommissions.inSunnyvale.com for upcoming board and commission meeting information.

For a complete schedule of KSUN-15 Council meeting broadcasts, visit KSUN.insunnyvale.com.



City of Sunnyvale

Agenda Item

15-0517

Agenda Date: 12/15/2015

Closed Session held pursuant to California Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Teri Silva, Director of Human Resources; Deanna J. Santana, City Manager

Employee organization: Public Safety Officers Association (PSOA)

Employee organization: Sunnyvale Employees Association (SEA)



City of Sunnyvale

Agenda Item

15-0099

Agenda Date: 12/15/2015

Closed Session held pursuant to California Government Code Section 54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

Closed Session held pursuant to California Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: City Council Compensation Subcommittee

Unrepresented Employee: City Attorney



City of Sunnyvale

Agenda Item

15-0690

Agenda Date: 12/15/2015

Discussion of Potential Uses of City-owned Property located on Charles Street and Mathilda Avenue near Iowa Avenue



City of Sunnyvale

Agenda Item

15-0853

Agenda Date: 12/15/2015

Discussion of Upcoming Selection of 2016 Mayor and Vice Mayor



City of Sunnyvale

Agenda Item

15-0902

Agenda Date: 12/15/2015

SUBJECT

Approve City Council Meeting Minutes of November 17, 2015

RECOMMENDATION

Approve the City Council Meeting Minutes of November 17, 2015 as submitted.



City of Sunnyvale

Meeting Minutes - Draft City Council

Tuesday, November 17, 2015

4:30 PM

West Conference Room and Council
Chambers, City Hall, 456 W. Olive Ave.,
Sunnyvale, CA 94086

**Closed Session-4:30 PM | Study Sessions-5 PM (West Conference Room) and 5:30 PM
(Council Chambers) | Regular Meeting-7 PM**

7 P.M. COUNCIL MEETING

CALL TO ORDER

Mayor Griffith called the meeting to order in Council Chambers.

SALUTE TO THE FLAG

Mayor Griffith led the salute to the flag.

ROLL CALL

Present: 7 - Mayor Jim Griffith
Vice Mayor Tara Martin-Milius
Councilmember David Whittum
Councilmember Pat Meyering
Councilmember Jim Davis
Councilmember Glenn Hendricks
Councilmember Gustav Larsson

CLOSED SESSION REPORT

Vice Mayor Martin-Milius reported the Council met in Closed Session pursuant to California Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS; direction was given.

ORAL COMMUNICATIONS

Charles Wallin spoke regarding the Civic Center project.

Michael Goodman spoke regarding space considerations for the Library and provided a PowerPoint presentation.

CONSENT CALENDAR

Councilmember Meyering pulled Items 1.A, 1.B and 1.D, 1.F and 1.H.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to approve Consent Calendar Items 1.C, 1.E and 1.G.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

1.A [15-0888](#) Approve City Council Meeting Minutes of November 10, 2015

Public Hearing opened at 11 p.m.

No speakers.

Public Hearing closed at 11 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Davis seconded the motion to approve the City Council Meeting Minutes of November 10, 2015 as submitted.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

1.B [15-0997](#) Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

Public Hearing opened at 11 p.m.

No speakers.

Public Hearing closed at 11 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to approve the list(s) of claims and bills.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

- 1.C** [15-0947](#) Approve Mortgage Credit Certificate Program (MCC)
Cooperative Agreement between the County of Santa Clara
and the City of Sunnyvale

Approve the MCC Cooperative Agreement with the County of Santa Clara as shown in Attachment 2 to the report and authorize the City Manager or designee to sign the Agreement.

- 1.D** [15-0964](#) Award of Contract to Overhaul a Truck Mounted Paint Striper
(F16-28)

Public Hearing opened at 11:03 p.m.

No speakers.

Public Hearing closed at 11:03 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Larsson seconded the motion to award a contract in the amount of \$352,287 to M-B Companies, Inc. for one truck mounted paint striper, in substantially the same form as the draft purchase order attached to the report.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

- 1.E** [15-0967](#) Reject Bid Received in Response to Invitation for Bids No.
F16-09 for Streets, Parks and Golf Tree Maintenance

Services

Reject the bid received in response to Invitation for Bids No. F16-09.

- 1.F** [15-0982](#) Award of Contract for a Comprehensive Citywide Evaluation of Bridges, Culverts and Levees

Public Hearing opened at 11:04 p.m.

No speakers.

Public Hearing closed at 11:04 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to award a contract, in substantially the same format as Attachment 1 to the report and in the amount of \$180,000, to NV5, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and approve a 10% contract contingency in the amount of \$18,000.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

- 1.G** [15-0491](#) Approve Changes to Council Policies 7.4.5, 7.4.6, 7.4.7, and 7.4.8 in Council Policy Manual Chapter 7, Section 4 Regarding Council Support and Processes

Approve proposed changes to Council Policies as recommended in Attachments 1, 2, 3, and 4 to the report.

- 1.H** [15-0948](#) Authorize the City Manager to Execute a Funding Agreement between the City of Sunnyvale and Santa Clara Valley Water District for the Construction of Recreational Trails as Part of the Sunnyvale West Channel and Sunnyvale East Channel Project and Approve Budget Modification No. 12 to Appropriate \$500,000 from Park Dedication Funds for Construction of the Trail

Public Hearing opened at 11:05 p.m.

No speakers.

Public Hearing closed at 11:05 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to authorize the City Manager to execute a Cost Sharing Agreement between the City of Sunnyvale and Santa Clara Valley Water District for the construction of recreational trails as part of the Sunnyvale West Channel and Sunnyvale East Channel Flood Protection Project and Approve Budget Modification No. 12 to Appropriate \$500,000 from Park Dedication Funds for Construction of the Trail.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

PUBLIC HEARINGS/GENERAL BUSINESS

2 [15-0079](#) Appoint Applicants to Boards and Commissions

City Clerk Kathleen Franco Simmons conducted paper ballot votes, tallied the votes and reported the results as follows:

BOARD OF LIBRARY TRUSTEES (1 term to 6/30/2019):

Mark Isaak

VOTE: 7 – 0 – 0 (Affirmative votes by all Councilmembers)

City Clerk Franco Simmons announced Mark Isaak was appointed to the Board of Library Trustees to serve a term expiring 6/30/2019.

PLANNING COMMISSION (1 term to 6/30/2019):

Henry Alexander III

VOTE: 4 – 1 – 2 (Affirmative votes by Meyering, Whittum, Martin-Milius, Davis; No by Hendricks; Abstentions by Griffith, Larsson)

Stanley Hendryx

VOTE: 2 - 1 – 4 (Affirmative votes by Whittum, Martin-Milius; No by Hendricks;

Abstentions by Meyering, Griffith, Larsson, Davis)

Melanie Holthaus

VOTE: 0 – 1 – 6 (No by Hendricks; Abstentions by Meyering, Whittum, Martin-Milius, Griffith, Larsson and Davis)

Paul Kim

VOTE: 0 – 1 – 6 (No by Hendricks; Abstentions by Meyering, Whittum, Martin-Milius, Griffith, Larsson and Davis)

Narendra Pathak

VOTE: 2 – 1 – 4 (Affirmative vote by Whittum, Davis; No by Hendricks; Abstentions by Meyering, Martin-Milius, Griffith, Larsson)

Carol Weiss

VOTE: 4 – 1 – 2 (Affirmative votes by Whittum, Martin-Milius, Griffith, Larsson; No by Hendricks, Abstentions by Meyering, Davis)

City Clerk Franco Simmons announced two Planning Commission applicants received four affirmative votes and the tie would need to be broken by an additional ballot.

BOARD OF BUILDING CODE APPEALS (1 term to 6/30/2016, 1 term to 6/30/2017, 1 term to 6/30/2019):

Paul Kim

VOTE: 6 – 0 – 1 (Affirmative votes by Whittum, Martin-Milius, Griffith, Hendricks, Larsson, Davis; Abstention by Meyering)

City Clerk Franco Simmons announced Paul Kim was appointed to the Board of Building Code Appeals.

PARKS AND RECREATION COMMISSION (1 term to 6/30/2018)

Paul Kim

VOTE: 7 – 0 – 0 (Affirmative votes by all Councilmembers)

City Clerk Franco Simmons announced Paul Kim was appointed to the Parks and Recreation Commission to serve a term expiring 6/30/2018.

HOUSING AND HUMAN SERVICES COMMISSION (1 term to 6/30/2017)

Narendra Pathak

VOTE: 7 – 0 – 0 (Affirmative votes by all Councilmembers)

City Clerk Franco Simmons announced Narendra Pathak was appointed to the Housing and Human Services Commission to serve a term expiring 6/30/2017.

TIE BREAKER

PLANNING COMMISSION (1 term to 6/30/2019):

Henry Alexander III

VOTE: 3 – 0 – 4 (Affirmative votes by Meyering, Whittum, Davis; Abstentions by Martin-Milius, Griffith, Hendricks, Larsson)

Carol Weiss

VOTE: 4 – 0 – 3 (Affirmative votes by Whittum, Martin-Milius, Griffith, Larsson; Abstentions by Meyering, Hendricks, Davis)

City Clerk Franco Simmons announced Carol Weiss was appointed to the Planning Commission to serve a term expiring 6/30/2019.

MOTION: Councilmember Whittum moved and Councilmember Larsson seconded the motion to appoint Paul Kim to the Board of Building Code Appeals with a term expiring 6/30/2016.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

3 [15-0983](#) Discussion and Possible Action Regarding the Conversion of Part-Time Bicycle Lanes on Homestead Road to Full-Time Bicycle Lanes (Study Issue)

Director of Public Works Manuel Pineda provided the staff report. Transportation and Traffic Manager Shahid Abbas provided additional information.

Public Hearing opened at 8:15 p.m.

Harlan Howard stated there is not a problem with the current parking situation on Homestead Road.

John Cordes, speaking for himself, requested Council reject the staff recommendation in favor of full time bike lanes.

Mohan Rao spoke in opposition to the proposal to convert the part-time bicycle lanes on Homestead Road to full-time bicycle lanes due to parking concerns.

Bryan Lennon spoke in support of Mohan Rao's comments, the staff recommendation to leave the lanes as-is and the recommendation regarding speed limits.

Sanjay Gajare spoke in support of maintaining the status quo and in support of the staff recommendation.

Richard Kolber spoke in support of the full-time bike lanes for the safety of bicyclists.

Dave Jones, Chair, Bicycle and Pedestrian Advisory Commission, reported the commission's recommendation in support of conversion of Homestead to full-time bicycle lanes.

Jim Stallman spoke in support of full-time bicycle lanes on Homestead as a key cross-street from Santa Clara through Sunnyvale.

Kevin Jackson, Bicycle and Pedestrian Advisory Commission member, spoke in support of the commission recommendation for full time bike lanes.

Public Hearing closed at 8:48 p.m.

MOTION: Councilmember Hendricks moved and Councilmember Davis seconded the motion to approve Alternative 1: Continue to maintain the existing Homestead Road part time bike lanes and parking as is and reevaluate in approximately three years.

FRIENDLY AMENDMENT: Councilmember Larsson offered a friendly amendment to extend the evening hours to 7 p.m.

Councilmember Hendricks declined to accept the friendly amendment.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Vice Mayor Martin-Milius

Councilmember Whittum sponsored a study issue regarding pedestrian improvements on Homestead to support eventual implementation of bike lanes such as improvement of the path from Homestead to Londonderry, lighted crosswalks, or other such measures as staff might identify; and measures to make the prevailing speed safer.

Councilmember Hendricks co-sponsored the study issue.

MOTION: Councilmember Larsson moved and Vice Mayor Martin-Milius seconded the motion to extend the hours of the part-time bike lanes on Homestead to 7 p.m.

FRIENDLY AMENDMENT: Councilmember Whittum offered a friendly amendment to omit the areas between Blaney and Wolfe.

Councilmember Larsson declined to accept the friendly amendment.

The motion failed by the following vote:

Yes: 3 - Vice Mayor Martin-Milius
Councilmember Meyering
Councilmember Larsson

No: 4 - Mayor Griffith
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks

- 4 [15-0912](#) File #: 2014-7416 and 2014-7417
Location: 915 DeGuigne Drive and 936 E. Duane Avenue
(APNs: 205-21-001 and 2015-21-002)
Proposed Project:
General Plan Amendment to change from Industrial to
Medium Density Residential for 915 DeGuigne Drive and from
Industrial to Public Facility: Park for 936 E. Duane Avenue;
Rezoning from M-S to R-3/PD for 915 DeGuigne Drive and
M-S to PF for 936 E. Duane Avenue; and
East Sunnyvale Sense of Place Plan

Environmental Review: Environmental Impact Report.
Applicant/Owner: Watt Investments at Sunnyvale, LLC

Director of Community Development Trudi Ryan provided the staff report. Director of Public Works Manuel Pineda provided additional information. Traffic Consultant Mike Mowery, Kimley-Horn, provided information and responded to questions regarding traffic.

Public Hearing opened at 9:46 p.m.

Applicant Max Frank, Division President, Watt Communities, provided information regarding the project and responded to questions.

Councilmember Whittum disclosed he had a phone meeting with Max Frank.

Jay Herbert spoke regarding parking and traffic concerns near schools, offered suggestions to address the traffic concerns, and provided several overhead slides.

Michael Fox spoke in support of the project citing the job opportunities for local trades people and the quality of the project for future residents.

Stan Hendryx spoke regarding the park dedication for the project in relation to the Quimby Act requirements.

Applicant Max Frank provided information in response to comments raised during the public hearing.

Public Hearing closed at 10:30 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Davis seconded the motion to approve Alternatives 1, 2, 3 and 4: 1) Certify the Environmental Impact Report, make the findings required by CEQA and adopt a Statement of Overriding Considerations and Mitigation Monitoring Program; 2) Adopt a resolution amending the General Plan land use designation from Industrial to Residential Medium Density for 915 DeGuigne Drive and from Industrial to Public Facility: Park for 936 E. Duane Avenue; 3) Introduce an ordinance to rezone 915 DeGuigne from M-S to R 3/PD and 936 E. Duane Avenue from M-S to PF; and 4) Adopt the East Sunnyvale Sense of Place Plan.

City Clerk Kathleen Franco Simmons read the ordinance titles.

The motion carried by the following vote:

- Yes: 5 -** Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson
- No: 2 -** Councilmember Whittum
Councilmember Meyering

COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS

Vice Mayor Martin-Milius reported she and Mayor Griffith attended the Potable Water Reuse Committee meeting between the Water District and the City of Sunnyvale.

Mayor Griffith reported at the last meeting of the Cities Association of Santa Clara County he was elected President for next year.

NON-AGENDA ITEMS & COMMENTS

-Council

Councilmember Meyering spoke regarding the start time of the December 10 special meeting.

-City Manager

None.

INFORMATION ONLY REPORTS/ITEMS

- | | |
|-------------------------|---|
| 15-0085 | Tentative Council Meeting Agenda Calendar |
| 15-0917 | Information/Action Items |
| 15-1004 | Board and Commission Workshop Summary of August 26, 2015 - Civic Center Modernization Project Site Planning |
| 15-0083 | Study Session Summary of November 10, 2015 - Board and Commission Interviews |
| 15-0468 | Board/Commission Meeting Minutes |

ADJOURNMENT

Mayor Griffith adjourned the meeting at 11:18 p.m.



City of Sunnyvale

Agenda Item

15-0938

Agenda Date: 12/15/2015

SUBJECT

Approve City Council Meeting Minutes of December 1, 2015

RECOMMENDATION

Approve the City Council Meeting Minutes of December 1, 2015 as submitted.



City of Sunnyvale

Meeting Minutes - Draft City Council

Tuesday, December 1, 2015

4:30 PM

West Conference Room and Council
Chambers, City Hall, 456 W. Olive Ave.,
Sunnyvale, CA 94086

Special Meetings-Closed Sessions-4:30 PM and 5 PM | Study Session-6 PM | Regular
Meeting-7 PM

7 P.M. COUNCIL MEETING

CALL TO ORDER

Mayor Griffith called the meeting to order.

SALUTE TO THE FLAG

Mayor Griffith led the salute to the flag.

ROLL CALL

Present: 7 - Mayor Jim Griffith
Vice Mayor Tara Martin-Milius
Councilmember David Whittum
Councilmember Pat Meyering
Councilmember Jim Davis
Councilmember Glenn Hendricks
Councilmember Gustav Larsson

CLOSED SESSION REPORT

Vice Mayor Martin-Milius reported the Council met in Closed Session held pursuant to California Government Code Section 54957: Public Employee Performance Evaluation: City Manager; no direction was given, no action was taken.

Vice Mayor Martin-Milius reported the Council met in Closed Session held pursuant to California Government Code Section 54957: Public Employee Appointment: City Attorney; direction was given.

SPECIAL ORDER OF THE DAY

[15-0359](#)

SPECIAL ORDER OF THE DAY - Ceremonial Oath of Office
for Board and Commission Members

City Clerk Kathleen Franco Simmons administered the oath of office to newly appointed board and commission members.

ORAL COMMUNICATIONS

Vice Mayor Martin-Milius announced the upcoming opening of the cold weather shelter and provided information regarding opportunities to volunteer to provide food services.

Michael Goldman spoke regarding the Civic Center and provided a PowerPoint presentation.

Deborah Marks spoke regarding the location of the library in the design of the Civic Center modernization project and provided a PowerPoint presentation.

CONSENT CALENDAR

Councilmember Meyering pulled Items 1.A, 1.B, 1.D, 1.E, 1.F and 1.G.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to approve Consent Calendar Item 1.C.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

1.A [15-0998](#) Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

Public Hearing opened at 9:48 p.m.

No speakers.

Public Hearing closed at 9:48 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to approve the list(s) of claims and bills.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

1.B [15-0990](#) Award of Contract for a Laboratory Information Management System for the Water Pollution Control Plant Laboratory (F15-88)

Public Hearing opened at 9:49 p.m.

No speakers.

Public Hearing closed at 9:49 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Larsson seconded the motion to approve 1) Award a contract in the amount of \$178,145 to Ethosoft, Inc. to implement a comprehensive Laboratory Information Management System, in substantially the same form as the draft agreement attached to the report; and 2) approve a 10% contract contingency in the amount of \$17,815.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

1.C [15-1060](#) Approve Budget Modification No. 15 to Appropriate Funds from the General Fund for Payment Pursuant to the Redevelopment Agency Dissolution Law

Approve Budget Modification No. 15 to appropriate \$14,175,000 in Funds from the General Fund Reserves for Payment of former Redevelopment Agency Obligations Pursuant to Redevelopment Agency Dissolution Law.

1.D [15-1030](#) Adopt Ordinance No. 3066-15 Repealing Section 19.42.080 (Surveillance Cameras - Restrictions) of Chapter 19.42 (Operating Standards) of Title 19 (Zoning) of the Sunnyvale

Municipal Code

Public Hearing opened at 9:52 p.m.

No speakers.

Public Hearing closed at 9:52 p.m.

MOTION: Councilmember Davis moved and Vice Mayor Martin-Milius seconded the motion to adopt Ordinance No. 3066-15.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

- 1.E** [15-1059](#) Adopt Ordinance No. 3067-15 Amending the Precise Zoning Plan, Zoning Districts Map, to Rezone Certain Property Located at 645 Almanor Avenue from M-S (Industrial And Service) to M-S 100% Far (Industrial and Service 100% Floor Area Ratio) Zoning District

Public Hearing opened at 9:54 p.m.

No speakers.

Public Hearing closed at 9:54 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Larsson seconded the motion to adopt Ordinance No. 3067-15.

The motion carried by the following vote:

Yes: 5 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 2 - Councilmember Whittum
Councilmember Meyering

- 1.F** [15-1064](#) Adopt Ordinance No. 3068-15 Amending the Precise Zoning Plan, Zoning Districts Map, to Rezone Certain Property

Located at 915 Deguigne Avenue from M-S (Industrial And Service) to Medium Density Residential/Planned Development (R-3/PD)

Public Hearing opened at 9:54 p.m.

No speakers.

Public Hearing closed at 9:54 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Larsson seconded the motion to adopt Ordinance No. 3068-15.

The motion carried by the following vote:

Yes: 5 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 2 - Councilmember Whittum
Councilmember Meyering

1.G [15-1065](#) Adopt Ordinance No. 3069-15 Amending the Precise Zoning Plan, Zoning Districts Map, to Rezone Certain Property Located at 936 Duane Avenue from M-S (Industrial And Service) to Public Facilities (PF)

Public Hearing opened at 9:54 p.m.

No speakers.

Public Hearing closed at 9:54 p.m.

MOTION: Vice Mayor Martin-Milius moved and Councilmember Hendricks seconded the motion to adopt Ordinance No. 3069-15.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

PUBLIC HEARINGS/GENERAL BUSINESS

2 [15-0951](#) Minimum Wage - Update on Regional Efforts to Reach \$15 by 2018

Economic Development Manager Connie Verceles provided the staff report. Senior Assistant City Attorney Robert Boco and City Manager Deanna Santana provided additional information.

Public Hearing opened at 8:16 p.m.

Mark Johnson spoke in support of leading the way regionally in raising the minimum wage to help address affordability and disparity.

Marie Bernard, Executive Director at Sunnyvale Community Services, provided information regarding income levels that qualify for low income services and asked consideration to be given to how an increase would help the working poor.

Dave Offen spoke in support of moving regionally to \$15 per hour, and supported raising it to \$11 in January 2016, and provided written materials.

Meghan Fraley spoke in support of “Clean \$15 by 2018” and adjusting the schedule to \$12 in July 2016, \$13 in January 2017 and \$15 in January 2018.

Sara Selis spoke in support of Sunnyvale taking a lead role in raising minimum wage and the moral issue to having a fare wage.

Alison Hicks spoke in support of taking a leadership role along with Mountain View by passing a \$15 by 2018 ordinance.

John Cordes spoke in support of clear numbers and targets to allow for business planning, a “carve out” for youth under \$18 and a longer phase-in for smaller businesses. Cordes spoke against an exemption for tip wage earners.

Russ Melton spoke in support of Alternative 3 to work with the City of San Jose to achieve a regional consensus, or Alternative 2 as a back-up plan.

Kirk Vartan spoke regarding alternative business models that his business is considering such as a co-op, and encouraged Council to educate the community on what is being considered.

Carol Weiss spoke regarding a regional example set for living wage by the County Board of Supervisors at \$19.06 per hour effective July 1, 2015. Weiss spoke in support of \$15 by 2018 at a minimum.

Poncho Guevara spoke in support of the movement toward increasing the minimum wage citing significant improvements in quality of life for low income earners.

Rene and Julia Blou spoke regarding the impacts a substantial minimum wage increase would have on their small business.

Jessica Lynam, speaking on behalf of the California Restaurant Association, provided information regarding increasing costs for restaurants and spoke in support of a regional increase to \$15 by 2020. Lynam spoke in support of a total compensation model, a youth wage to protect wages for youth, and a small business exemption.

Public Hearing closed at 8:57 p.m.

MOTION: Councilmember Davis moved and Councilmember Meyering seconded the motion to approve Alternative 1: Change the CPI in the City's current Minimum Wage Ordinance from the U.S. city average to the San Francisco Bay Area CPI average, and Alternative 2: Direct staff to return to Council with an ordinance similar to the ordinance the City of Mountain View adopted November 10, 2015, but due to timing would have a later implementation date of July 2016, with a schedule of \$11 on July 1, 2016, \$13 on January 1, 2017 and \$15 on January 1, 2018.

AMENDMENT: Councilmember Whittum moved to amend the motion to allow small businesses with 55 employees or less to have an extra year to phase-in. The motion to amend died for lack of second.

AMENDMENT: Councilmember Whittum moved to amend and Councilmember Hendricks seconded the motion to allow businesses to extend a youth training period of 160 hours for new hires, therefore exempting them from the wage for the first 160 hours.

The motion to amend failed by the following vote:

Yes: 2 - Councilmember Whittum
Councilmember Hendricks

No: 5 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Meyering
Councilmember Davis
Councilmember Larsson

The main motion carried by the following vote:

Yes: 5 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Meyering
Councilmember Davis
Councilmember Larsson

No: 2 - Councilmember Whittum
Councilmember Hendricks

MOTION: Mayor Griffith moved and Councilmember Davis seconded the motion to send a letter to Mountain View to request they consider amending their ordinance such that instead of calculating this year by year, they calculate it using 2018 as a base year and doing all of the CPI adjustments based on that, in order to correct both the rounding issue and the problem with down years, followed by the City of Sunnyvale revisiting this and possibly editing our ordinance if they choose to go that way.

The motion carried by the following vote:

Yes: 5 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Meyering
Councilmember Davis
Councilmember Larsson

No: 2 - Councilmember Whittum
Councilmember Hendricks

3 [15-0980](#) Direct Staff to Proceed with LED Streetlights Citywide
Conversion Project and Approve Budget Modification No. 14

Director of Public Works Manuel Pineda provided the staff report. Director of Finance Grace Leung provided additional information.

Public Hearing opened at 7:25 p.m.

Kirk Vartan spoke regarding the benefits of switching to LED and requested inclusion of sensor technology in the lamp heads for providing an ongoing open data source.

Public Hearing closed at 7:30 p.m.

MOTION: Councilmember Davis moved and Councilmember Hendricks seconded

the motion to approve Alternative 1: Direct Staff to proceed with the LED Streetlights Citywide Conversion Project to convert all remaining HPS streetlights in the City and approve Budget Modification No. 14.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

- 4** [15-1005](#) Amend the Salary Resolution to Revise the Paid Time Off and Paid Medical Leave Provisions for Unrepresented Classified Confidential Employees

Human Resources Manager Doug Baker provided the staff report.

Public Hearing opened at 9:38 p.m.

No speakers.

Public Hearing closed at 9:38 p.m.

MOTION: Councilmember Hendricks moved and Councilmember Larsson seconded the motion to approve Alternative 1: Adopt a Resolution Amending Resolution 190-05, the City's Salary Resolution, to Revise Section 3.110(g) (Paid Time Off Leave (PTO) and Paid Medical Leave Confidential Employees) to Require 120 hours of Paid Time Off prior to Paid Medical Leave Eligibility for Unrepresented Classified Confidential Employees.

The motion carried by the following vote:

Yes: 7 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Meyering
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 0

- 5 [15-1007](#) Amend the Schedule of Pay in the Salary Resolution to provide Salary Increases, effective retroactive to July 5, 2015, for Pay Plan Category C (Classified Public Safety Officers and Lieutenants) and Pay Plan Category D/E (Public Safety Captains and Public Safety Deputy Chiefs) pursuant to the City's current MOUs with the PSOA and PSMA

Human Resources Manager Doug Baker provided the staff report.

Public Hearing opened at 9:41 p.m.

No speakers.

Public Hearing closed at 9:41 p.m.

MOTION: Councilmember Davis moved and Councilmember Hendricks seconded the motion to Adopt a Resolution Amending the City's Salary Resolution to Amend the Schedule of Pay for Pay Plan Categories C (Classified Public Safety Officers and Lieutenants) and D/E (Public Safety Captains and Public Safety Deputy Chiefs) pursuant to the City's current MOUs with the PSOA and PSMA.

The motion carried by the following vote:

Yes: 6 - Mayor Griffith
Vice Mayor Martin-Milius
Councilmember Whittum
Councilmember Davis
Councilmember Hendricks
Councilmember Larsson

No: 1 - Councilmember Meyering

COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS

Councilmember Whittum reported his attendance at a meeting of the El Camino Real Bus Rapid Transit Policy Advisory Board Committee.

Whittum stated he will miss the next VTA Board meeting due to the December 10 special City Council meeting.

Councilmember Davis reported his attendance at a meeting of the ABAG Executive Board.

Mayor Griffith reported his attendance at a meeting of the Santa Clara County Clean Energy Coalition in which Community Choice Energy (CCE) was discussed.

NON-AGENDA ITEMS & COMMENTS

-Council

Councilmember Meyering requested information regarding the December 10 special Council meeting.

-City Manager

City Manager Santana reported the City of Cupertino voted unanimously tonight to participate in the Community Choice Energy JPA.

INFORMATION ONLY REPORTS/ITEMS

- | | |
|--------------------------------|---|
| <u>15-0743</u> | Tentative Council Meeting Agenda Calendar |
| <u>15-0918</u> | Information/Action Items |
| <u>15-0934</u> | New Transportation Demand Management (TDM) Program Guidelines (Information Only) |
| <u>15-1037</u> | Board/Commission Resignations (Information Only) |
| <u>15-0368</u> | Study Session Summary of November 17, 2015 - Discussion of Council 2016 Intergovernmental Relations Assignments |

ADJOURNMENT

Mayor Griffith adjourned the meeting at 10:07 p.m.



City of Sunnyvale

Agenda Item

15-0999

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

BACKGROUND

Pursuant to Sunnyvale Charter Section 802(6), the City Manager has approved for payment claims and bills on the following list(s); and checks have been issued.

| List No. | Date | Total Disbursements |
|----------|---------------------------|---------------------|
| 791 | 11/15/15 through 11/21/15 | \$4,643,215.59 |
| 792 | 11/22/15 through 11/28/15 | \$569,971.36 |

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve the list(s) of claims and bills.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. List(s) of Claims and Bills Approved for Payment

12/1/2015

City of Sunnyvale

LIST # 791

Page 1

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|-------------------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| 100274867 | 11/18/15 | ACCLAMATION INSURANCE MANAGEMENT | 107876 | Workers' Compensation - Administration | 24,583.33 | 0.00 | 24,583.33 | \$24,583.33 |
| 100274868 | 11/18/15 | ACE FIRE EQUIPMENT & SERVICE CO INC | 3057 | Facilities Maint & Repair - Labor | 191.32 | 0.00 | 191.32 | \$286.29 |
| | | | 3057 | Facilities Maint & Repair - Materials | 94.97 | 0.00 | 94.97 | |
| 100274869 | 11/18/15 | ACUSHNET CO | 901521932 | Inventory Purchase | 168.08 | 3.30 | 164.78 | \$329.56 |
| | | | 901535622 | Inventory Purchase | 168.08 | 3.30 | 164.78 | |
| 100274870 | 11/18/15 | ADAMSON POLICE PRODUCTS | INV190369 | Clothing, Uniforms & Access | 27.20 | 0.00 | 27.20 | \$27.20 |
| 100274871 | 11/18/15 | ADVANCED PC CONCEPTS | 1305 | City Training Program | 900.00 | 0.00 | 900.00 | \$900.00 |
| 100274872 | 11/18/15 | APPLEONE EMPLOYMENT SERVICES | 01-3834205 | Contracts/Service Agreements | 6,579.84 | 0.00 | 6,579.84 | \$6,579.84 |
| 100274873 | 11/18/15 | ARNE SIGN & DECAL CO INC | 14-8783 | Services Maintain Land Improv | 1,325.39 | 0.00 | 1,325.39 | \$1,325.39 |
| 100274875 | 11/18/15 | BAUER COMPRESSORS INC | 0000200440 | Clothing, Uniforms & Access | 254.69 | 0.00 | 254.69 | \$254.69 |
| 100274876 | 11/18/15 | BAY PRO LANDSCAPE SERVICES INC | E1562 | Services Maintain Land Improv | 750.00 | 0.00 | 750.00 | \$750.00 |
| 100274877 | 11/18/15 | BAY-VALLEY PEST CONTROL INC | 0197886 | Facilities Maint & Repair - Labor | 59.00 | 0.00 | 59.00 | \$875.00 |
| | | | 0197892 | Facilities Maint & Repair - Labor | 59.00 | 0.00 | 59.00 | |
| | | | 0197893 | Facilities Maint & Repair - Labor | 59.00 | 0.00 | 59.00 | |
| | | | 0197894 | Facilities Maint & Repair - Labor | 59.00 | 0.00 | 59.00 | |
| | | | 0197895 | Facilities Maint & Repair - Labor | 59.00 | 0.00 | 59.00 | |
| | | | 0197897 | Facilities Maint & Repair - Labor | 32.00 | 0.00 | 32.00 | |
| | | | 0197898 | Facilities Maint & Repair - Labor | 56.00 | 0.00 | 56.00 | |
| | | | 0197900 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197901 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197902 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197903 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197904 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197905 | Facilities Maint & Repair - Labor | 42.00 | 0.00 | 42.00 | |
| | | | 0197927 | Facilities Maint & Repair - Labor | 120.00 | 0.00 | 120.00 | |
| | | | 0197942 | Facilities Maint & Repair - Labor | 120.00 | 0.00 | 120.00 | |
| 100274879 | 11/18/15 | BENCHMARK ENVIRONMENTAL ENGINEERING | E15-1515 | Customer Loans Disbursed | 160.00 | 0.00 | 160.00 | \$320.00 |
| | | | E15-1621 | Customer Loans Disbursed | 160.00 | 0.00 | 160.00 | |

List of All Claims and Bills Approved for Payment

For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--|--------------------|---|-----------------------|-----------------------|--------------------|----------------------|
| 100274880 | 11/18/15 | BOUND TREE MEDICAL LLC | 81918533 | Supplies, First Aid | 2,981.09 | 0.00 | 2,981.09 | \$2,981.09 |
| 100274881 | 11/18/15 | BROWNING FERRIS INDUSTRIES OF CA INC | 4278-100001669 | Recycling Services | 10,970.15 | 0.00 | 10,970.15 | \$22,675.78 |
| | | | 4278-100001788 | Recycling Services | 11,705.63 | 0.00 | 11,705.63 | |
| 100274882 | 11/18/15 | BUCKLES-SMITH ELECTRIC CO | 1464899-00 | Electrical Parts & Supplies | 3,224.99 | 32.25 | 3,192.74 | \$3,192.74 |
| 100274883 | 11/18/15 | CALIFORNIA COOKING INC | 9600 | Miscellaneous Services | 150.08 | 0.00 | 150.08 | \$366.49 |
| | | | 9601 | Equipment Rental/Lease | 216.41 | 0.00 | 216.41 | |
| 100274884 | 11/18/15 | CALIFORNIA PRODUCT STEWARDSHIP COUNCIL | 0013-SV | General Supplies | 1,242.02 | 0.00 | 1,242.02 | \$1,242.02 |
| 100274885 | 11/18/15 | CENTURY GRAPHICS | 43284 | Clothing, Uniforms & Access | 348.44 | 0.00 | 348.44 | \$348.44 |
| 100274886 | 11/18/15 | CHRISTINA AYALA | 819734-4906662 | DED Services/Training - Books | 69.96 | 0.00 | 69.96 | \$69.96 |
| 100274887 | 11/18/15 | COAST PERSONNEL SERVICES INC | 241067 | Contracts/Service Agreements | 832.00 | 0.00 | 832.00 | \$4,565.60 |
| | | | 241068 | Contracts/Service Agreements | 967.20 | 0.00 | 967.20 | |
| | | | 241069 | Contracts/Service Agreements | 967.20 | 0.00 | 967.20 | |
| | | | 241125 | Contracts/Service Agreements | 832.00 | 0.00 | 832.00 | |
| | | | 241126 | Contracts/Service Agreements | 967.20 | 0.00 | 967.20 | |
| 100274888 | 11/18/15 | COSCO FIRE PROTECTION INC | 1000296034 | Facilities Maint & Repair - Labor | 1,000.00 | 0.00 | 1,000.00 | \$2,000.00 |
| | | | 1000296042 | Facilities Maint & Repair - Labor | 1,000.00 | 0.00 | 1,000.00 | |
| 100274889 | 11/18/15 | CROP PRODUCTION SERVICES INC | 28621214 | Materials - Land Improve | 6,903.02 | 0.00 | 6,903.02 | \$6,903.02 |
| 100274890 | 11/18/15 | CUBE SOLUTIONS | 17716 | Occupational Health and Safety Services | 225.36 | 0.00 | 225.36 | \$2,918.92 |
| | | | 17717 | Occupational Health and Safety Services | 484.53 | 0.00 | 484.53 | |
| | | | 17718 | Occupational Health and Safety Services | 438.71 | 0.00 | 438.71 | |
| | | | 17719 | Occupational Health and Safety Services | 416.49 | 0.00 | 416.49 | |
| | | | 17720 | Occupational Health and Safety Services | 480.15 | 0.00 | 480.15 | |
| | | | 17721 | Occupational Health and Safety Services | 299.96 | 0.00 | 299.96 | |
| | | | 17722 | Occupational Health and Safety Services | 535.53 | 0.00 | 535.53 | |
| | | | 17728 | Occupational Health and Safety Services | 38.19 | 0.00 | 38.19 | |
| 100274891 | 11/18/15 | CYBERSOURCE CORP | 235950184670 | Software As a Service | 75.00 | 0.00 | 75.00 | \$75.00 |
| 100274892 | 11/18/15 | DAPPER TIRE CO INC | 42561230 | Inventory Purchase | 1,427.40 | 0.00 | 1,427.40 | \$1,427.40 |
| 100274893 | 11/18/15 | DAVES MOBILE CRANE SERVICE | 4184 | Misc Equip Maint & Repair - Labor | 800.00 | 0.00 | 800.00 | \$800.00 |
| 100274894 | 11/18/15 | DEPARTMENT OF JUSTICE | 128895 | Contracts/Service Agreements | 825.00 | 0.00 | 825.00 | \$825.00 |
| 100274895 | 11/18/15 | DU-ALL SAFETY | 17361 | Occupational Health and Safety Services | 2,500.00 | 0.00 | 2,500.00 | \$2,500.00 |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--|--------------------|---|-----------------------|-----------------------|--------------------|----------------------|
| 100274896 | 11/18/15 | EQUIFAX INFORMATION SERVICES LLC | 9418577 | Investigation Expense | 116.64 | 0.00 | 116.64 | \$118.47 |
| | | | 9418591 | Financial Services | 1.83 | 0.00 | 1.83 | |
| 100274897 | 11/18/15 | FISHER SCIENTIFIC CO LLC | 5160417 | General Supplies | 34.61 | 0.00 | 34.61 | \$163.34 |
| | | | 5671887 | General Supplies | 128.73 | 0.00 | 128.73 | |
| 100274898 | 11/18/15 | FOSTER BROS SECURITY SYSTEMS INC | 274344 | Bldg Maint Matls & Supplies | 35.67 | 0.00 | 35.67 | \$35.67 |
| 100274899 | 11/18/15 | FOXIT CORP | V151105U011 | Software Licensing & Support | 3,600.00 | 0.00 | 3,600.00 | \$3,600.00 |
| 100274900 | 11/18/15 | GARY M BAUM | 00038 | Legal Services | 636.00 | 0.00 | 636.00 | \$636.00 |
| 100274901 | 11/18/15 | GEORGE HILLS CO INC | INV1009827 | Liability Claims Adjustor | 4,726.40 | 0.00 | 4,726.40 | \$4,726.40 |
| 100274902 | 11/18/15 | GOODYEAR COMMERCIAL TIRE & SERVICE CTR | 189-1089413 | Inventory Purchase | 4,270.00 | 0.00 | 4,270.00 | \$4,270.00 |
| 100274903 | 11/18/15 | GRANITE CONSTRUCTION CO | 901366 | Materials - Land Improve | 2,658.28 | 0.00 | 2,658.28 | \$2,658.28 |
| 100274904 | 11/18/15 | HACH CO INC | 9639849 | General Supplies | 117.02 | 0.00 | 117.02 | \$117.02 |
| 100274905 | 11/18/15 | HARRIS DESIGN | 13.02.12 | Engineering Services | 6,382.92 | 0.00 | 6,382.92 | \$6,382.92 |
| 100274906 | 11/18/15 | HI-TECH OPTICAL INC | 638500 | Benefits and Incentives - Prescription Safety Glasses | 200.00 | 0.00 | 200.00 | \$1,075.00 |
| | | | 639013 | Benefits and Incentives - Prescription Safety Glasses | 78.00 | 0.00 | 78.00 | |
| | | | 640026 | Benefits and Incentives - Prescription Safety Glasses | 184.50 | 0.00 | 184.50 | |
| | | | 640027 | Benefits and Incentives - Prescription Safety Glasses | 100.00 | 0.00 | 100.00 | |
| | | | 640031 | Benefits and Incentives - Prescription Safety Glasses | 100.00 | 0.00 | 100.00 | |
| | | | 640186 | Benefits and Incentives - Prescription Safety Glasses | 112.50 | 0.00 | 112.50 | |
| | | | 641577 | Benefits and Incentives - Prescription Safety Glasses | 300.00 | 0.00 | 300.00 | |
| 100274907 | 11/18/15 | HUGHES ASSOC INC | INV-1579317 | Miscellaneous Services | 14,661.64 | 0.00 | 14,661.64 | \$32,796.91 |
| | | | INV-1585678 | Miscellaneous Services | 18,135.27 | 0.00 | 18,135.27 | |
| 100274908 | 11/18/15 | HYBRID COMMERCIAL PRINTING INC | 25580 | Printing & Related Services | 89.18 | 0.00 | 89.18 | \$2,137.16 |
| | | | 25585 | Printing & Related Services | 1,988.17 | 0.00 | 1,988.17 | |
| | | | 25586 | Printing & Related Services | 59.81 | 0.00 | 59.81 | |
| 100274909 | 11/18/15 | IDEXX DISTRIBUTION GROUP | 294477628 | General Supplies | 1,439.27 | 0.00 | 1,439.27 | \$1,439.27 |

List of All Claims and Bills Approved for Payment
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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| 100274910 | 11/18/15 | INSERT CO INC | 54629 | Facilities Maint & Repair - Labor | 1,436.59 | 0.00 | 1,436.59 | \$1,436.59 |
| 100274911 | 11/18/15 | KELLY PAPER CO | 7597688 | General Supplies | 1,109.86 | 0.00 | 1,109.86 | \$1,109.86 |
| 100274912 | 11/18/15 | KIDZ LOVE SOCCER | 2015FA-A15 | Rec Instructors/Officials | 11,580.40 | 0.00 | 11,580.40 | \$11,580.40 |
| 100274913 | 11/18/15 | L N CURTIS & SONS INC | 1366361-00 | Clothing, Uniforms & Access | 43.50 | 0.00 | 43.50 | \$14,712.79 |
| | | | 1366611-06 | Clothing, Uniforms & Access | 3,475.65 | 0.00 | 3,475.65 | |
| | | | 1366611-07 | Clothing, Uniforms & Access | 4,906.80 | 0.00 | 4,906.80 | |
| | | | 1371328-00 | Clothing, Uniforms & Access | 3,680.10 | 0.00 | 3,680.10 | |
| | | | 1371328-01 | Clothing, Uniforms & Access | 2,606.74 | 0.00 | 2,606.74 | |
| 100274914 | 11/18/15 | LANGUAGE LINE SERVICES | 3703312 | Miscellaneous Services | 983.15 | 0.00 | 983.15 | \$983.15 |
| 100274915 | 11/18/15 | LAW ENFORCEMENT PSYCHOLOGICAL SERV INC | 1511253 | Investigation Expense | 1,125.00 | 0.00 | 1,125.00 | \$1,125.00 |
| 100274916 | 11/18/15 | LAW FOUNDATION OF SILICON VALLEY | FH2015/16-1 | Contracts/Service Agreements | 10,587.05 | 0.00 | 10,587.05 | \$10,587.05 |
| 100274917 | 11/18/15 | MCMaster CARR SUPPLY CO | 43015325 | Miscellaneous Equipment Parts & Supplies | 30.50 | 0.00 | 30.50 | \$1,227.51 |
| | | | 43155127 | Hand Tools | 89.34 | 0.00 | 89.34 | |
| | | | 43155128 | Miscellaneous Equipment Parts & Supplies | 505.23 | 0.00 | 505.23 | |
| | | | 43240952 | Bldg Maint Matls & Supplies | 19.75 | 0.00 | 19.75 | |
| | | | 43278975 | Miscellaneous Equipment Parts & Supplies | 39.07 | 0.00 | 39.07 | |
| | | | 43298567 | Miscellaneous Equipment Parts & Supplies | 398.96 | 0.00 | 398.96 | |
| | | | 43379923 | Miscellaneous Equipment Parts & Supplies | 144.66 | 0.00 | 144.66 | |
| 100274918 | 11/18/15 | MEDIWASTE DISPOSAL LLC | 0000004101 | HazMat Disposal - Hazardous Waste Disposal | 50.00 | 0.00 | 50.00 | \$50.00 |
| 100274919 | 11/18/15 | MELROSE METAL PRODUCTS INC | 13558 | Miscellaneous Equipment Parts & Supplies | 902.63 | 0.00 | 902.63 | \$902.63 |
| 100274920 | 11/18/15 | MICHAEL BERNICK | OCT2015 | Contracts/Service Agreements | 2,750.00 | 0.00 | 2,750.00 | \$2,750.00 |
| 100274921 | 11/18/15 | MIDWEST TAPE | 93384585 | Library Acquis, Audio/Visual | 926.97 | 0.00 | 926.97 | \$2,045.79 |
| | | | 93384587 | Library Acquis, Audio/Visual | 630.68 | 0.00 | 630.68 | |
| | | | 93394228 | Library Acquis, Audio/Visual | 265.25 | 0.00 | 265.25 | |
| | | | 93395460 | Library Acquis, Audio/Visual | 43.49 | 0.00 | 43.49 | |
| | | | 93399500 | Library Acquis, Audio/Visual | 179.40 | 0.00 | 179.40 | |
| 100274922 | 11/18/15 | MOUNTAIN VIEW LOS ALTOS ADULT SCHOOL | 110515 | DED Services/Training - Training | 315.00 | 0.00 | 315.00 | \$315.00 |
| 100274923 | 11/18/15 | NET TRANSCRIPTS INC | 0004840-IN | Investigation Expense | 103.48 | 0.00 | 103.48 | \$103.48 |
| 100274924 | 11/18/15 | OPTO 22 | 434748 | Electrical Parts & Supplies | 896.81 | 0.00 | 896.81 | \$896.81 |

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|--------------------|---------------------|------------------------------------|--------------------|---------------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| 100274925 | 11/18/15 | PACIFIC CRANE INSPECTIONS | 0616 | Auto Maint & Repair - Labor | 350.00 | 0.00 | 350.00 | \$350.00 |
| 100274926 | 11/18/15 | PACIFIC ECO-RISK | 11311 | Water Lab Services | 2,840.00 | 0.00 | 2,840.00 | \$5,680.00 |
| | | | 11353 | Water Lab Services | 2,840.00 | 0.00 | 2,840.00 | |
| 100274927 | 11/18/15 | PETERSON POWER SYSTEMS INC | SW240127129 | Misc Equip Maint & Repair - Labor | 34,040.00 | 0.00 | 34,040.00 | \$69,863.50 |
| | | | SW240127129 | Misc Equip Maint & Repair - Materials | 35,823.50 | 0.00 | 35,823.50 | |
| 100274928 | 11/18/15 | PINE CONE LUMBER CO INC | 617075 | Inventory Purchase | 609.55 | 0.00 | 609.55 | \$552.30 |
| | | | 617352 | Inventory Purchase | 557.88 | 5.58 | 552.30 | |
| | | | 617365 | Inventory Purchase | -609.55 | 0.00 | -609.55 | |
| 100274929 | 11/18/15 | R & R PRODUCTS INC | CD1960792 | Parts, Vehicles & Motor Equip | 418.43 | 0.00 | 418.43 | \$418.43 |
| 100274930 | 11/18/15 | RANKIN STOCK HEABERLIN | 33108 | Legal Services | 1,297.95 | 0.00 | 1,297.95 | \$11,246.45 |
| | | | 33109 | Legal Services | 9,334.69 | 0.00 | 9,334.69 | |
| | | | 33110 | Legal Services | 613.81 | 0.00 | 613.81 | |
| 100274931 | 11/18/15 | READYREFRESH BY NESTLE | 15K5715636006 | General Supplies | 86.31 | 0.00 | 86.31 | \$332.03 |
| | | | 15K5740132005 | Miscellaneous Services | 14.01 | 0.00 | 14.01 | |
| | | | 15K5740146005 | Miscellaneous Services | 231.71 | 0.00 | 231.71 | |
| 100274932 | 11/18/15 | SCBA SAFETY CHECK INC | 7808 | Safety Equipment Maintenance & Repair | 236.77 | 0.00 | 236.77 | \$236.77 |
| 100274933 | 11/18/15 | SCS FIELD SERVICES INC | 0263641 | Engineering Services | 6,601.30 | 0.00 | 6,601.30 | \$7,926.30 |
| | | | 0266382 | Services Maintain Land Improv | 1,325.00 | 0.00 | 1,325.00 | |
| 100274934 | 11/18/15 | SAFEWAY INC | 432019-111215 | Food Products | 64.18 | 0.00 | 64.18 | \$560.92 |
| | | | 435691-110515 | General Supplies | 29.72 | 0.00 | 29.72 | |
| | | | 436661-110715 | Food Products | 251.64 | 0.00 | 251.64 | |
| | | | 720649-111115 | General Supplies | 41.94 | 0.00 | 41.94 | |
| | | | 800502-110915 | Food Products | 37.00 | 0.00 | 37.00 | |
| | | | 801099-111015 | Food Products | 11.98 | 0.00 | 11.98 | |
| | | | 801099-111015 | General Supplies | 4.33 | 0.00 | 4.33 | |
| | | | 801633-111115 | Food Products | 3.99 | 0.00 | 3.99 | |
| | | | 802201-111215 | Food Products | 28.48 | 0.00 | 28.48 | |
| | | | 803120-111415 | Food Products | 10.99 | 0.00 | 10.99 | |
| | | | 807072-110915 | Food Products | 76.67 | 0.00 | 76.67 | |
| 100274935 | 11/18/15 | SAN FRANCISCO BAY BIRD OBSERVATORY | 874 | Water Lab Services | 1,569.00 | 0.00 | 1,569.00 | \$1,569.00 |
| 100274936 | 11/18/15 | SANDERSON SAFETY SUPPLY CO | | | | | | \$41.27 |

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|--------------------|---------------------|--------------------------------------|--------------------|-----------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 8085705-01 | Inventory Purchase | 135.06 | 0.00 | 135.06 | |
| | | | 8503365-000108 | Inventory Purchase | -18.76 | 0.00 | -18.76 | |
| | | | 8503367-000108 | Inventory Purchase | -30.01 | 0.00 | -30.01 | |
| | | | 8503770-000108 | Inventory Purchase | -45.02 | 0.00 | -45.02 | |
| 100274937 | 11/18/15 | SECURITY CONTRACTOR SERVICES INC | 0229204-IN | Equipment Rental/Lease | 131.25 | 0.00 | 131.25 | \$131.25 |
| 100274938 | 11/18/15 | SILICON VALLEY POLYTECHNIC INSTITUTE | 11092015-284 | DED Services/Training - Training | 2,700.00 | 0.00 | 2,700.00 | \$5,400.00 |
| | | | 11092015-285 | DED Services/Training - Training | 2,700.00 | 0.00 | 2,700.00 | |
| 100274939 | 11/18/15 | STATCOMM INC | 105684 | Facilities Maint & Repair - Labor | 884.00 | 0.00 | 884.00 | \$2,570.00 |
| | | | 105719 | Facilities Maint & Repair - Labor | 1,686.00 | 0.00 | 1,686.00 | |
| 100274940 | 11/18/15 | STUDIO EM GRAPHIC DESIGN | 15903 | Graphics Services | 1,305.00 | 0.00 | 1,305.00 | \$1,305.00 |
| 100274941 | 11/18/15 | SUNBELT RENTALS INC | 55210861-001 | Equipment Rental/Lease | 7,421.97 | 0.00 | 7,421.97 | \$12,710.98 |
| | | | 55210861-002 | Equipment Rental/Lease | 6,207.24 | 0.00 | 6,207.24 | |
| | | | 55210861-003 | Equipment Rental/Lease | -918.23 | 0.00 | -918.23 | |
| 100274942 | 11/18/15 | SUNNYVALE BUILDING MAINTENANCE | 98374 | Professional Services | 1,280.00 | 0.00 | 1,280.00 | \$1,425.00 |
| | | | 98375 | Professional Services | 145.00 | 0.00 | 145.00 | |
| 100274943 | 11/18/15 | THOMSON REUTERS WEST | 832811029 | Books & Publications | 1,433.82 | 0.00 | 1,433.82 | \$2,156.77 |
| | | | 832922843 | Books & Publications | 722.95 | 0.00 | 722.95 | |
| 100274944 | 11/18/15 | USA BLUEBOOK | 793770 | General Supplies | 1,001.13 | 0.00 | 1,001.13 | \$1,001.13 |
| 100274945 | 11/18/15 | UNITED PARCEL SERVICE | 0000966608455 | Mailing & Delivery Services | 477.26 | 0.00 | 477.26 | \$477.26 |
| 100274946 | 11/18/15 | UNITED SITE SERVICES INC | 114-3465480 | Equipment Rental/Lease | 159.81 | 0.00 | 159.81 | \$159.81 |
| 100274947 | 11/18/15 | UNIVAR USA INC | SJ716641 | Chemicals | 3,731.48 | 0.00 | 3,731.48 | \$3,731.48 |
| 100274948 | 11/18/15 | VWR INTERNATIONAL LLC | 8043060397 | General Supplies | 538.62 | 0.00 | 538.62 | \$538.62 |
| 100274949 | 11/18/15 | VERIZON WIRELESS | 9000016123 | Communication Equipment | 40.36 | 0.00 | 40.36 | \$80.72 |
| | | | 9000016124 | Communication Equipment | 40.36 | 0.00 | 40.36 | |
| 100274950 | 11/18/15 | VIASYN | 25578 | Utilities - Electric | 2,750.00 | 0.00 | 2,750.00 | \$2,750.00 |
| 100274951 | 11/18/15 | WEST COAST SECURITY INC | 11062015-16 | Alarm Services | 150.00 | 0.00 | 150.00 | \$150.00 |
| 100274952 | 11/18/15 | WONDRIES FLEET GROUP | 34126680 | Vehicles & Motorized Equip | 32,621.79 | 0.00 | 32,621.79 | \$65,243.58 |
| | | | 34126681 | Vehicles & Motorized Equip | 32,621.79 | 0.00 | 32,621.79 | |
| 100274953 | 11/18/15 | ITEAM RESOURCES INC | 122283 | Software Licensing & Support | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| 100274954 | 11/18/15 | WAITER.COM INC | F1110679874 | Food Products | 93.55 | 0.00 | 93.55 | \$93.55 |
| 100274956 | 11/18/15 | GRAINGER | 9857077136 | Bldg Maint Matls & Supplies | 237.14 | 0.00 | 237.14 | \$11,790.63 |

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| | | | 9857201009 | Electrical Parts & Supplies | 185.15 | 0.00 | 185.15 | |
| | | | 9857201017 | Electrical Parts & Supplies | 51.12 | 0.00 | 51.12 | |
| | | | 9857201025 | Electrical Parts & Supplies | 107.28 | 0.00 | 107.28 | |
| | | | 9858037014 | Parts, Vehicles & Motor Equip | 7.83 | 0.00 | 7.83 | |
| | | | 9858045520 | Miscellaneous Equipment Parts & Supplies | 221.94 | 0.00 | 221.94 | |
| | | | 9858045538 | Supplies, Safety | 54.95 | 0.00 | 54.95 | |
| | | | 9858268460 | Electrical Parts & Supplies | 470.78 | 0.00 | 470.78 | |
| | | | 9858969919 | Laundry & Cleaning Services | 99.24 | 0.00 | 99.24 | |
| | | | 9859421423 | Bldg Maint Matls & Supplies | 155.98 | 0.00 | 155.98 | |
| | | | 9859467046 | Hand Tools | 339.10 | 0.00 | 339.10 | |
| | | | 9860288498 | Electrical Parts & Supplies | 26.65 | 0.00 | 26.65 | |
| | | | 9860288506 | Bldg Maint Matls & Supplies | 97.44 | 0.00 | 97.44 | |
| | | | 9860326843 | Hand Tools | 377.58 | 0.00 | 377.58 | |
| | | | 9860344929 | Hand Tools | 161.36 | 0.00 | 161.36 | |
| | | | 9860790931 | Bldg Maint Matls & Supplies | 69.17 | 0.00 | 69.17 | |
| | | | 9860790949 | Bldg Maint Matls & Supplies | 115.22 | 0.00 | 115.22 | |
| | | | 9861465640 | Miscellaneous Equipment Parts & Supplies | -159.21 | 0.00 | -159.21 | |
| | | | 9861465657 | Hand Tools | -326.42 | 0.00 | -326.42 | |
| | | | 9861860030 | Bldg Maint Matls & Supplies | 240.98 | 0.00 | 240.98 | |
| | | | 9862020279 | Miscellaneous Equipment Parts & Supplies | 370.31 | 0.00 | 370.31 | |
| | | | 9862907848 | Miscellaneous Equipment Parts & Supplies | 472.01 | 0.00 | 472.01 | |
| | | | 9864054433 | Bldg Maint Matls & Supplies | 621.68 | 0.00 | 621.68 | |
| | | | 9864231437 | Supplies, Safety | 30.06 | 0.00 | 30.06 | |
| | | | 9865247853 | General Supplies | 21.00 | 0.00 | 21.00 | |
| | | | 9865252366 | Bldg Maint Matls & Supplies | 70.79 | 0.00 | 70.79 | |
| | | | 9865352364 | Bldg Maint Matls & Supplies | 153.66 | 0.00 | 153.66 | |
| | | | 9865417050 | Miscellaneous Equipment Parts & Supplies | 347.83 | 0.00 | 347.83 | |
| | | | 9866316475 | Bldg Maint Matls & Supplies | 131.82 | 0.00 | 131.82 | |
| | | | 9866337604 | Miscellaneous Equipment Parts & Supplies | 86.30 | 0.00 | 86.30 | |
| | | | 9866493878 | Bldg Maint Matls & Supplies | 16.47 | 0.00 | 16.47 | |
| | | | 9866977334 | Bldg Maint Matls & Supplies | -535.20 | 0.00 | -535.20 | |

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| | | | 9867757743 | Hand Tools | 25.75 | 0.00 | 25.75 | |
| | | | 9867850456 | Hand Tools | 247.19 | 0.00 | 247.19 | |
| | | | 9867850464 | Electrical Parts & Supplies | 8.09 | 0.00 | 8.09 | |
| | | | 9867850472 | Miscellaneous Equipment Parts & Supplies | 33.24 | 0.00 | 33.24 | |
| | | | 9868455446 | Miscellaneous Equipment Parts & Supplies | 88.68 | 0.00 | 88.68 | |
| | | | 9868814733 | Bldg Maint Matls & Supplies | 133.76 | 0.00 | 133.76 | |
| | | | 9868842619 | Materials - Land Improve | 23.29 | 0.00 | 23.29 | |
| | | | 9869297300 | Electrical Parts & Supplies | 19.44 | 0.00 | 19.44 | |
| | | | 9869611054 | Financial Services | 172.97 | 0.00 | 172.97 | |
| | | | 9869752965 | Bldg Maint Matls & Supplies | 252.19 | 0.00 | 252.19 | |
| | | | 9869752973 | Bldg Maint Matls & Supplies | 13.19 | 0.00 | 13.19 | |
| | | | 9870509172 | Parts, Vehicles & Motor Equip | 60.09 | 0.00 | 60.09 | |
| | | | 9870654085 | Bldg Maint Matls & Supplies | 79.82 | 0.00 | 79.82 | |
| | | | 9870683878 | Supplies, Safety | 37.71 | 0.00 | 37.71 | |
| | | | 9870904472 | Electrical Parts & Supplies | 13.05 | 0.00 | 13.05 | |
| | | | 9871055621 | Bldg Maint Matls & Supplies | 80.38 | 0.00 | 80.38 | |
| | | | 9871092756 | Supplies, Safety | 20.25 | 0.00 | 20.25 | |
| | | | 9871170453 | Chemicals | 129.42 | 0.00 | 129.42 | |
| | | | 9872112298 | Materials - Land Improve | 125.32 | 0.00 | 125.32 | |
| | | | 9873526769 | Hand Tools | 53.74 | 0.00 | 53.74 | |
| | | | 9873526777 | Miscellaneous Equipment Parts & Supplies | 139.98 | 0.00 | 139.98 | |
| | | | 9873526785 | Supplies, Safety | 61.64 | 0.00 | 61.64 | |
| | | | 9874036917 | Bldg Maint Matls & Supplies | 115.71 | 0.00 | 115.71 | |
| | | | 9875414956 | Bldg Maint Matls & Supplies | 98.39 | 0.00 | 98.39 | |
| | | | 9875529951 | Bldg Maint Matls & Supplies | 98.39 | 0.00 | 98.39 | |
| | | | 9875700990 | Electrical Parts & Supplies | 39.15 | 0.00 | 39.15 | |
| | | | 9876932519 | Miscellaneous Equipment Parts & Supplies | 17.88 | 0.00 | 17.88 | |
| | | | 9876994238 | Bldg Maint Matls & Supplies | 535.20 | 0.00 | 535.20 | |
| | | | 9876994246 | Bldg Maint Matls & Supplies | 1,038.46 | 0.00 | 1,038.46 | |
| | | | 9877811365 | Electrical Parts & Supplies | 59.78 | 0.00 | 59.78 | |
| | | | 9877811373 | Materials - Land Improve | 102.50 | 0.00 | 102.50 | |

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| | | | 9878078279 | Bldg Maint Matls & Supplies | 637.71 | 0.00 | 637.71 | |
| | | | 9878310466 | Parts, Vehicles & Motor Equip | 8.22 | 0.00 | 8.22 | |
| | | | 9879320969 | Clothing, Uniforms & Access | 606.57 | 0.00 | 606.57 | |
| | | | 9879520006 | Miscellaneous Equipment Parts & Supplies | 539.66 | 0.00 | 539.66 | |
| | | | 9880479150 | Supplies, Safety | 150.46 | 0.00 | 150.46 | |
| | | | 9880479168 | Clothing, Uniforms & Access | 350.18 | 0.00 | 350.18 | |
| | | | 9880479176 | General Supplies | 112.48 | 0.00 | 112.48 | |
| | | | 9880479184 | Electrical Parts & Supplies | 178.46 | 0.00 | 178.46 | |
| | | | 9880479192 | Supplies, Safety | 424.78 | 0.00 | 424.78 | |
| | | | 9881573365 | Electrical Parts & Supplies | 537.45 | 0.00 | 537.45 | |
| 100274962 | 11/18/15 | PACIFIC GAS & ELECTRIC CO | 11059228291015 | Utilities - Electric | 77.60 | 0.00 | 77.60 | \$107,710.36 |
| | | | 11059229931015 | Utilities - Electric | 83.56 | 0.00 | 83.56 | |
| | | | 12847684121015 | Utilities - Electric | 10.91 | 0.00 | 10.91 | |
| | | | 22868920921015 | Utilities - Electric | 112.25 | 0.00 | 112.25 | |
| | | | 32725920071015 | Utilities - Electric | 14.14 | 0.00 | 14.14 | |
| | | | 32725920351015 | Utilities - Gas | 7.84 | 0.00 | 7.84 | |
| | | | 32725920631015 | Utilities - Electric | 195.23 | 0.00 | 195.23 | |
| | | | 32725921321015 | Utilities - Electric | 183.39 | 0.00 | 183.39 | |
| | | | 32725921481015 | Utilities - Electric | 254.88 | 0.00 | 254.88 | |
| | | | 32725921491015 | Utilities - Electric | 11.24 | 0.00 | 11.24 | |
| | | | 32725921601015 | Utilities - Gas | 19.43 | 0.00 | 19.43 | |
| | | | 32725921801015 | Utilities - Electric | 18.96 | 0.00 | 18.96 | |
| | | | 32725921981015 | Utilities - Electric | 767.36 | 0.00 | 767.36 | |
| | | | 32725922051015 | Utilities - Electric | 33.46 | 0.00 | 33.46 | |
| | | | 32725922091015 | Utilities - Electric | 2,139.58 | 0.00 | 2,139.58 | |
| | | | 32725922411015 | Utilities - Electric | 1,440.32 | 0.00 | 1,440.32 | |
| | | | 32725922521015 | Utilities - Electric | 435.93 | 0.00 | 435.93 | |
| | | | 32725923331015 | Utilities - Gas | 21.18 | 0.00 | 21.18 | |
| | | | 32725923351015 | Utilities - Electric | 162.42 | 0.00 | 162.42 | |
| | | | 32725923401015 | Utilities - Electric | 22.69 | 0.00 | 22.69 | |
| | | | 32725923711015 | Utilities - Electric | 11.82 | 0.00 | 11.82 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 32725923771015 | Utilities - Electric | 537.85 | 0.00 | 537.85 | |
| | | | 32725924171015 | Utilities - Electric | 69.77 | 0.00 | 69.77 | |
| | | | 32725924971015 | Utilities - Electric | 14.92 | 0.00 | 14.92 | |
| | | | 32725925001015 | Utilities - Electric | 821.59 | 0.00 | 821.59 | |
| | | | 32725925231015 | Utilities - Electric | 329.66 | 0.00 | 329.66 | |
| | | | 32725925371015 | Utilities - Electric | 216.72 | 0.00 | 216.72 | |
| | | | 32725925631015 | Utilities - Electric | 785.72 | 0.00 | 785.72 | |
| | | | 32725925891015 | Utilities - Electric | 1,336.72 | 0.00 | 1,336.72 | |
| | | | 32725925921015 | Utilities - Electric | 420.94 | 0.00 | 420.94 | |
| | | | 32725926211015 | Utilities - Electric | 279.17 | 0.00 | 279.17 | |
| | | | 32725926441015 | Utilities - Electric | 1,284.61 | 0.00 | 1,284.61 | |
| | | | 32725926471015 | Utilities - Electric | 1,123.65 | 0.00 | 1,123.65 | |
| | | | 32725926951015 | Utilities - Electric | 33.45 | 0.00 | 33.45 | |
| | | | 32725927041015 | Utilities - Electric | 11.89 | 0.00 | 11.89 | |
| | | | 32725927341015 | Utilities - Electric | 698.92 | 0.00 | 698.92 | |
| | | | 32725927361015 | Utilities - Gas | 17.43 | 0.00 | 17.43 | |
| | | | 32725927381015 | Utilities - Electric | 128.86 | 0.00 | 128.86 | |
| | | | 32725927401015 | Utilities - Electric | 72.46 | 0.00 | 72.46 | |
| | | | 32725927511015 | Utilities - Electric | 694.78 | 0.00 | 694.78 | |
| | | | 32725928251015 | Utilities - Electric | 20.48 | 0.00 | 20.48 | |
| | | | 32725928591015 | Utilities - Electric | 204.31 | 0.00 | 204.31 | |
| | | | 32725929221015 | Utilities - Electric | 570.18 | 0.00 | 570.18 | |
| | | | 32725929281015 | Utilities - Electric | 41.82 | 0.00 | 41.82 | |
| | | | 32725929751015 | Utilities - Electric | 133.65 | 0.00 | 133.65 | |
| | | | 35642590101015 | Utilities - Electric | 68.92 | 0.00 | 68.92 | |
| | | | 35642590151015 | Utilities - Electric | 55.14 | 0.00 | 55.14 | |
| | | | 35642590201015 | Utilities - Electric | 58.37 | 0.00 | 58.37 | |
| | | | 35642590251015 | Utilities - Electric | 136.66 | 0.00 | 136.66 | |
| | | | 35642590301015 | Utilities - Electric | 84.93 | 0.00 | 84.93 | |
| | | | 35642590351015 | Utilities - Electric | 72.98 | 0.00 | 72.98 | |
| | | | 35642590401015 | Utilities - Electric | 89.86 | 0.00 | 89.86 | |

List of All Claims and Bills Approved for Payment
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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 35642590451015 | Utilities - Electric | 73.15 | 0.00 | 73.15 | |
| | | | 35642590501015 | Utilities - Electric | 61.57 | 0.00 | 61.57 | |
| | | | 35642590651015 | Utilities - Electric | 64.83 | 0.00 | 64.83 | |
| | | | 35642590701015 | Utilities - Electric | 61.93 | 0.00 | 61.93 | |
| | | | 35642590751015 | Utilities - Electric | 97.33 | 0.00 | 97.33 | |
| | | | 35642590801015 | Utilities - Electric | 85.77 | 0.00 | 85.77 | |
| | | | 35642590851015 | Utilities - Electric | 53.78 | 0.00 | 53.78 | |
| | | | 35642590951015 | Utilities - Electric | 18.03 | 0.00 | 18.03 | |
| | | | 35642591001015 | Utilities - Electric | 120.65 | 0.00 | 120.65 | |
| | | | 35642591051015 | Utilities - Electric | 58.03 | 0.00 | 58.03 | |
| | | | 35642591101015 | Utilities - Electric | 56.84 | 0.00 | 56.84 | |
| | | | 35642591151015 | Utilities - Electric | 73.18 | 0.00 | 73.18 | |
| | | | 35642591251015 | Utilities - Electric | 83.23 | 0.00 | 83.23 | |
| | | | 35642591301015 | Utilities - Electric | 38.97 | 0.00 | 38.97 | |
| | | | 35642591351015 | Utilities - Electric | 105.67 | 0.00 | 105.67 | |
| | | | 35642591401015 | Utilities - Electric | 73.68 | 0.00 | 73.68 | |
| | | | 35642591451015 | Utilities - Electric | 55.31 | 0.00 | 55.31 | |
| | | | 35642591501015 | Utilities - Electric | 43.91 | 0.00 | 43.91 | |
| | | | 35642591551015 | Utilities - Electric | 48.67 | 0.00 | 48.67 | |
| | | | 35642591601015 | Utilities - Electric | 57.02 | 0.00 | 57.02 | |
| | | | 35642591651015 | Utilities - Electric | 83.39 | 0.00 | 83.39 | |
| | | | 35642591701015 | Utilities - Electric | 75.89 | 0.00 | 75.89 | |
| | | | 35642591751015 | Utilities - Electric | 69.60 | 0.00 | 69.60 | |
| | | | 35642591801015 | Utilities - Electric | 57.86 | 0.00 | 57.86 | |
| | | | 35642591851015 | Utilities - Electric | 56.50 | 0.00 | 56.50 | |
| | | | 35642591901015 | Utilities - Electric | 51.39 | 0.00 | 51.39 | |
| | | | 35642591951015 | Utilities - Electric | 71.31 | 0.00 | 71.31 | |
| | | | 35642592001015 | Utilities - Electric | 82.72 | 0.00 | 82.72 | |
| | | | 35642592051015 | Utilities - Electric | 76.06 | 0.00 | 76.06 | |
| | | | 35642592101015 | Utilities - Electric | 66.55 | 0.00 | 66.55 | |
| | | | 35642592151015 | Utilities - Electric | 73.35 | 0.00 | 73.35 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 35642592201015 | Utilities - Electric | 75.55 | 0.00 | 75.55 | |
| | | | 35642592251015 | Utilities - Electric | 29.78 | 0.00 | 29.78 | |
| | | | 35642592301015 | Utilities - Electric | 53.29 | 0.00 | 53.29 | |
| | | | 35642592351015 | Utilities - Electric | 8.87 | 0.00 | 8.87 | |
| | | | 35642592401015 | Utilities - Electric | 91.06 | 0.00 | 91.06 | |
| | | | 35642592451015 | Utilities - Electric | 46.98 | 0.00 | 46.98 | |
| | | | 35642592501015 | Utilities - Electric | 55.65 | 0.00 | 55.65 | |
| | | | 35642592551015 | Utilities - Electric | 70.96 | 0.00 | 70.96 | |
| | | | 35642592601015 | Utilities - Electric | 72.50 | 0.00 | 72.50 | |
| | | | 35642592651015 | Utilities - Electric | 96.15 | 0.00 | 96.15 | |
| | | | 35642592701015 | Utilities - Electric | 69.43 | 0.00 | 69.43 | |
| | | | 35642592751015 | Utilities - Electric | 54.63 | 0.00 | 54.63 | |
| | | | 35642592801015 | Utilities - Electric | 104.82 | 0.00 | 104.82 | |
| | | | 35642592851015 | Utilities - Electric | 59.38 | 0.00 | 59.38 | |
| | | | 35642592901015 | Utilities - Electric | 57.69 | 0.00 | 57.69 | |
| | | | 35642592951015 | Utilities - Electric | 72.17 | 0.00 | 72.17 | |
| | | | 35642593001015 | Utilities - Electric | 62.62 | 0.00 | 62.62 | |
| | | | 35642593051015 | Utilities - Electric | 89.17 | 0.00 | 89.17 | |
| | | | 35642593101015 | Utilities - Electric | 64.66 | 0.00 | 64.66 | |
| | | | 35642593201015 | Utilities - Electric | 70.96 | 0.00 | 70.96 | |
| | | | 35642593251015 | Utilities - Electric | 12.60 | 0.00 | 12.60 | |
| | | | 35642593301015 | Utilities - Electric | 76.74 | 0.00 | 76.74 | |
| | | | 35642593351015 | Utilities - Electric | 64.49 | 0.00 | 64.49 | |
| | | | 35642593401015 | Utilities - Electric | 79.47 | 0.00 | 79.47 | |
| | | | 35642593451015 | Utilities - Electric | 61.60 | 0.00 | 61.60 | |
| | | | 35642593501015 | Utilities - Electric | 74.70 | 0.00 | 74.70 | |
| | | | 35642593551015 | Utilities - Electric | 58.20 | 0.00 | 58.20 | |
| | | | 35642593601015 | Utilities - Electric | 85.43 | 0.00 | 85.43 | |
| | | | 35642593651015 | Utilities - Electric | 78.79 | 0.00 | 78.79 | |
| | | | 35642593701015 | Utilities - Electric | 77.60 | 0.00 | 77.60 | |
| | | | 35642593751015 | Utilities - Electric | 53.07 | 0.00 | 53.07 | |

List of All Claims and Bills Approved for Payment
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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 35642593801015 | Utilities - Electric | 59.55 | 0.00 | 59.55 | |
| | | | 35642593851015 | Utilities - Electric | 10.19 | 0.00 | 10.19 | |
| | | | 35642593901015 | Utilities - Electric | 60.22 | 0.00 | 60.22 | |
| | | | 35642593951015 | Utilities - Electric | 56.81 | 0.00 | 56.81 | |
| | | | 35642594001015 | Utilities - Electric | 67.03 | 0.00 | 67.03 | |
| | | | 35642594051015 | Utilities - Electric | 40.31 | 0.00 | 40.31 | |
| | | | 35642594101015 | Utilities - Electric | 41.67 | 0.00 | 41.67 | |
| | | | 35642594151015 | Utilities - Electric | 55.80 | 0.00 | 55.80 | |
| | | | 35642594251015 | Utilities - Electric | 99.52 | 0.00 | 99.52 | |
| | | | 35642594301015 | Utilities - Electric | 66.69 | 0.00 | 66.69 | |
| | | | 35642594351015 | Utilities - Electric | 68.56 | 0.00 | 68.56 | |
| | | | 35642594401015 | Utilities - Electric | 56.48 | 0.00 | 56.48 | |
| | | | 35642594451015 | Utilities - Electric | 69.40 | 0.00 | 69.40 | |
| | | | 35642594501015 | Utilities - Electric | 45.42 | 0.00 | 45.42 | |
| | | | 35642594551015 | Utilities - Electric | 87.45 | 0.00 | 87.45 | |
| | | | 35642594601015 | Utilities - Electric | 89.50 | 0.00 | 89.50 | |
| | | | 35642594651015 | Utilities - Electric | 91.87 | 0.00 | 91.87 | |
| | | | 35642594701015 | Utilities - Electric | 86.09 | 0.00 | 86.09 | |
| | | | 35642594751015 | Utilities - Electric | 70.78 | 0.00 | 70.78 | |
| | | | 35642594801015 | Utilities - Electric | 80.81 | 0.00 | 80.81 | |
| | | | 35642594851015 | Utilities - Electric | 50.71 | 0.00 | 50.71 | |
| | | | 35642594901015 | Utilities - Electric | 63.64 | 0.00 | 63.64 | |
| | | | 35642594951015 | Utilities - Electric | 83.54 | 0.00 | 83.54 | |
| | | | 35642595001015 | Utilities - Electric | 71.63 | 0.00 | 71.63 | |
| | | | 35642595051015 | Utilities - Electric | 68.58 | 0.00 | 68.58 | |
| | | | 35642595101015 | Utilities - Electric | 62.79 | 0.00 | 62.79 | |
| | | | 35642595151015 | Utilities - Electric | 58.36 | 0.00 | 58.36 | |
| | | | 35642595201015 | Utilities - Electric | 76.74 | 0.00 | 76.74 | |
| | | | 35642595251015 | Utilities - Electric | 53.45 | 0.00 | 53.45 | |
| | | | 35642595301015 | Utilities - Electric | 68.72 | 0.00 | 68.72 | |
| | | | 35642595351015 | Utilities - Electric | 58.69 | 0.00 | 58.69 | |

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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 35642595401015 | Utilities - Electric | 59.55 | 0.00 | 59.55 | |
| | | | 35642595451015 | Utilities - Electric | 108.22 | 0.00 | 108.22 | |
| | | | 35642595501015 | Utilities - Electric | 45.08 | 0.00 | 45.08 | |
| | | | 35642595551015 | Utilities - Electric | 49.87 | 0.00 | 49.87 | |
| | | | 35642595601015 | Utilities - Electric | 49.01 | 0.00 | 49.01 | |
| | | | 35642595651015 | Utilities - Electric | 52.72 | 0.00 | 52.72 | |
| | | | 35642595701015 | Utilities - Electric | 60.23 | 0.00 | 60.23 | |
| | | | 35642595751015 | Utilities - Electric | 63.64 | 0.00 | 63.64 | |
| | | | 35642595801015 | Utilities - Electric | 54.61 | 0.00 | 54.61 | |
| | | | 35642595851015 | Utilities - Electric | 99.04 | 0.00 | 99.04 | |
| | | | 35642595901015 | Utilities - Electric | 51.72 | 0.00 | 51.72 | |
| | | | 35642595951015 | Utilities - Electric | 100.59 | 0.00 | 100.59 | |
| | | | 35642596001015 | Utilities - Electric | 91.21 | 0.00 | 91.21 | |
| | | | 35642596051015 | Utilities - Electric | 69.09 | 0.00 | 69.09 | |
| | | | 35642596101015 | Utilities - Electric | 61.26 | 0.00 | 61.26 | |
| | | | 35642596151015 | Utilities - Electric | 51.73 | 0.00 | 51.73 | |
| | | | 35642596201015 | Utilities - Electric | 61.62 | 0.00 | 61.62 | |
| | | | 35642596251015 | Utilities - Electric | 52.25 | 0.00 | 52.25 | |
| | | | 35642596301015 | Utilities - Electric | 66.71 | 0.00 | 66.71 | |
| | | | 35642596351015 | Utilities - Electric | 49.68 | 0.00 | 49.68 | |
| | | | 35642596401015 | Utilities - Electric | 45.28 | 0.00 | 45.28 | |
| | | | 35642596451015 | Utilities - Electric | 97.48 | 0.00 | 97.48 | |
| | | | 35642596501015 | Utilities - Electric | 52.41 | 0.00 | 52.41 | |
| | | | 35642598241015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892570121015 | Utilities - Electric | 14.18 | 0.00 | 14.18 | |
| | | | 56892570471015 | Utilities - Electric | 11.53 | 0.00 | 11.53 | |
| | | | 56892570611015 | Utilities - Electric | 13.41 | 0.00 | 13.41 | |
| | | | 56892570851015 | Utilities - Electric | 8.87 | 0.00 | 8.87 | |
| | | | 56892571501015 | Utilities - Electric | 10.47 | 0.00 | 10.47 | |
| | | | 56892572231015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892573211015 | Utilities - Electric | 11.92 | 0.00 | 11.92 | |

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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 56892573281015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892573341015 | Utilities - Electric | 11.23 | 0.00 | 11.23 | |
| | | | 56892573451015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892574541015 | Utilities - Electric | 11.63 | 0.00 | 11.63 | |
| | | | 56892574611015 | Utilities - Electric | 11.90 | 0.00 | 11.90 | |
| | | | 56892574691015 | Utilities - Electric | 11.68 | 0.00 | 11.68 | |
| | | | 56892574721015 | Utilities - Electric | 11.51 | 0.00 | 11.51 | |
| | | | 56892574931015 | Utilities - Electric | 11.38 | 0.00 | 11.38 | |
| | | | 56892575241015 | Utilities - Electric | 11.57 | 0.00 | 11.57 | |
| | | | 56892575251015 | Utilities - Electric | 12.00 | 0.00 | 12.00 | |
| | | | 56892575561015 | Utilities - Electric | 11.95 | 0.00 | 11.95 | |
| | | | 56892575841015 | Utilities - Electric | 13.32 | 0.00 | 13.32 | |
| | | | 56892576281015 | Utilities - Electric | 11.71 | 0.00 | 11.71 | |
| | | | 56892576481015 | Utilities - Electric | 12.34 | 0.00 | 12.34 | |
| | | | 56892576591015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892576691015 | Utilities - Electric | 11.89 | 0.00 | 11.89 | |
| | | | 56892577221015 | Utilities - Electric | 11.57 | 0.00 | 11.57 | |
| | | | 56892577391015 | Utilities - Electric | 12.05 | 0.00 | 12.05 | |
| | | | 56892578181015 | Utilities - Electric | 10.12 | 0.00 | 10.12 | |
| | | | 56892578671015 | Utilities - Electric | 11.42 | 0.00 | 11.42 | |
| | | | 56892578891015 | Utilities - Electric | 11.53 | 0.00 | 11.53 | |
| | | | 56892579011015 | Utilities - Electric | 9.52 | 0.00 | 9.52 | |
| | | | 56892579641015 | Utilities - Electric | 11.63 | 0.00 | 11.63 | |
| | | | 56892579811015 | Utilities - Electric | 11.60 | 0.00 | 11.60 | |
| | | | 60225900041015 | Utilities - Electric | 49,739.69 | 0.00 | 49,739.69 | |
| | | | 60225900081015 | Utilities - Electric | 8,174.79 | 0.00 | 8,174.79 | |
| | | | 60225900141015 | Utilities - Electric | 37.93 | 0.00 | 37.93 | |
| | | | 60225900151015 | Utilities - Electric | 24.44 | 0.00 | 24.44 | |
| | | | 60225900161015 | Utilities - Electric | 14.03 | 0.00 | 14.03 | |
| | | | 60225900171015 | Utilities - Electric | 10.91 | 0.00 | 10.91 | |
| | | | 60225900221015 | Utilities - Electric | 803.25 | 0.00 | 803.25 | |

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Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 60225900261015 | Utilities - Electric | 41.85 | 0.00 | 41.85 | |
| | | | 60225900451015 | Utilities - Electric | 246.48 | 0.00 | 246.48 | |
| | | | 60225900551015 | Utilities - Electric | 679.22 | 0.00 | 679.22 | |
| | | | 60225900761015 | Utilities - Electric | 862.11 | 0.00 | 862.11 | |
| | | | 60225901001015 | Utilities - Electric | 9.53 | 0.00 | 9.53 | |
| | | | 60225901011015 | Utilities - Electric | 300.89 | 0.00 | 300.89 | |
| | | | 60225901101015 | Utilities - Gas | 49.70 | 0.00 | 49.70 | |
| | | | 60225901311015 | Utilities - Electric | 12.84 | 0.00 | 12.84 | |
| | | | 60225901981015 | Utilities - Electric | 74.84 | 0.00 | 74.84 | |
| | | | 60225902291015 | Utilities - Electric | 25.60 | 0.00 | 25.60 | |
| | | | 60225902531015 | Utilities - Electric | 1,856.44 | 0.00 | 1,856.44 | |
| | | | 60225902641015 | Utilities - Electric | 49.95 | 0.00 | 49.95 | |
| | | | 60225902901015 | Utilities - Electric | 338.01 | 0.00 | 338.01 | |
| | | | 60225902951015 | Utilities - Electric | 21.37 | 0.00 | 21.37 | |
| | | | 60225903551015 | Utilities - Electric | 275.42 | 0.00 | 275.42 | |
| | | | 60225904171015 | Utilities - Electric | 12.54 | 0.00 | 12.54 | |
| | | | 60225904241015 | Utilities - Electric | 11.60 | 0.00 | 11.60 | |
| | | | 60225904581015 | Utilities - Electric | 95.88 | 0.00 | 95.88 | |
| | | | 60225905101015 | Utilities - Electric | 4.54 | 0.00 | 4.54 | |
| | | | 60225905411015 | Utilities - Electric | 27.49 | 0.00 | 27.49 | |
| | | | 60225905571015 | Utilities - Electric | 95.93 | 0.00 | 95.93 | |
| | | | 60225905581015 | Utilities - Electric | 12.48 | 0.00 | 12.48 | |
| | | | 60225905591015 | Utilities - Electric | 12.48 | 0.00 | 12.48 | |
| | | | 60225905601015 | Utilities - Electric | 6,716.36 | 0.00 | 6,716.36 | |
| | | | 60225906091015 | Utilities - Electric | 6,977.82 | 0.00 | 6,977.82 | |
| | | | 60225906211015 | Utilities - Electric | 4.54 | 0.00 | 4.54 | |
| | | | 60225906511015 | Utilities - Electric | 1,224.75 | 0.00 | 1,224.75 | |
| | | | 60225906591015 | Utilities - Electric | 954.77 | 0.00 | 954.77 | |
| | | | 60225906601015 | Utilities - Electric | 103.85 | 0.00 | 103.85 | |
| | | | 60225906781015 | Utilities - Electric | 2,571.52 | 0.00 | 2,571.52 | |
| | | | 60225907691015 | Utilities - Electric | 163.50 | 0.00 | 163.50 | |

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|--------------------|---------------------|---|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | 60225907731015 | Utilities - Electric | 26.88 | 0.00 | 26.88 | |
| | | | 60225908171015 | Utilities - Electric | 24.87 | 0.00 | 24.87 | |
| | | | 60225908581015 | Utilities - Electric | 58.77 | 0.00 | 58.77 | |
| | | | 60225908611015 | Utilities - Electric | 30.72 | 0.00 | 30.72 | |
| | | | 60225908941015 | Utilities - Electric | 54.68 | 0.00 | 54.68 | |
| | | | 60225909051015 | Utilities - Electric | 13.90 | 0.00 | 13.90 | |
| | | | 60225909411015 | Utilities - Electric | 102.06 | 0.00 | 102.06 | |
| | | | 60225909721015 | Utilities - Electric | 11.46 | 0.00 | 11.46 | |
| | | | 60225909831015 | Utilities - Electric | 93.54 | 0.00 | 93.54 | |
| | | | 74408230821015 | Utilities - Electric | 63.30 | 0.00 | 63.30 | |
| | | | 81008625371015 | Utilities - Electric | 149.53 | 0.00 | 149.53 | |
| 100274982 | 11/18/15 | UNITED STATES POSTAL SERVICE | P#584-112015 | Postage | 1,196.18 | 0.00 | 1,196.18 | \$1,196.18 |
| 100274983 | 11/18/15 | AMS CONSTRUCTION | BL069982-2015 | Business License Tax | 36.99 | 0.00 | 36.99 | \$36.99 |
| 100274984 | 11/18/15 | AMY MONBOURQUETTE | 293666 | Refund Recreation Fees | 13.00 | 0.00 | 13.00 | \$13.00 |
| 100274985 | 11/18/15 | CONSUELO MARQUEZ | 292658 | Refund Recreation Fees | 350.00 | 0.00 | 350.00 | \$350.00 |
| 100274986 | 11/18/15 | GAIL CLEMENTE | BL065066-2016 | Business License Tax | 35.14 | 0.00 | 35.14 | \$35.14 |
| 100274987 | 11/18/15 | GARZA ELECTRIC, INC. | BL069697-2015 | Business License Tax | 28.45 | 0.00 | 28.45 | \$28.45 |
| 100274988 | 11/18/15 | HUI WU | 372405 | Lib - Lost & Damaged Circulation | 3.56 | 0.00 | 3.56 | \$3.56 |
| 100274989 | 11/18/15 | MOUNTAIN VIEW PARENT NURSERY SCHOOL | 293539 | Refund Recreation Fees | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| 100274990 | 11/18/15 | PACIFIC ENERGY ADVISORS INC | BL070158-2015 | Business License Tax | 28.45 | 0.00 | 28.45 | \$28.45 |
| 100274991 | 11/18/15 | TEAMWRKX CONSTRUCTION, INC | BL070143-2015 | Business License Tax | 28.45 | 0.00 | 28.45 | \$28.45 |
| 100274992 | 11/18/15 | YU MA | 292831 | Refund Recreation Fees | 22.00 | 0.00 | 22.00 | \$22.00 |
| 100274993 | 11/20/15 | 3M | UM31526 | Library Periodicals/Databases | 6,892.89 | 0.00 | 6,892.89 | \$6,892.89 |
| 100274994 | 11/20/15 | 4LEAF INC | J1963C | Miscellaneous Services | 19,268.25 | 0.00 | 19,268.25 | \$19,268.25 |
| 100274995 | 11/20/15 | AT&T | 11/11-12/10/15 | Comm Equip Maintain & Repair - Materials 2 | 721.01 | 0.00 | 721.01 | \$721.01 |
| 100274996 | 11/20/15 | AMERICAN RED CROSS | 10410103 | Supplies, First Aid | 162.00 | 0.00 | 162.00 | \$162.00 |
| 100274997 | 11/20/15 | AMFASOFT CORP | RICKUP-01 | DED Services/Training - Training | 5,220.00 | 0.00 | 5,220.00 | \$5,220.00 |
| 100274998 | 11/20/15 | ASSOCIATED INFRASTRUCTURE MGMT SERVICES | 2015-020 | Consultants | 5,785.29 | 0.00 | 5,785.29 | \$5,785.29 |
| 100274999 | 11/20/15 | BADGER METER INC | 1066772 | Water Meters | 59.50 | 0.00 | 59.50 | \$59.50 |

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|--------------------|---------------------|-----------------------------|--------------------|-----------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| 100275000 | 11/20/15 | BAKER & TAYLOR | 4011377807 | Library Acquisitions, Books | 482.26 | 0.00 | 482.26 | \$2,115.91 |
| | | | 4011377807 | Library Materials Preprocessing | 15.54 | 0.00 | 15.54 | |
| | | | 4011392539 | Library Acquisitions, Books | 265.87 | 0.00 | 265.87 | |
| | | | 4011392539 | Library Materials Preprocessing | 10.60 | 0.00 | 10.60 | |
| | | | 4011400704 | Library Acquisitions, Books | 953.77 | 0.00 | 953.77 | |
| | | | 4011400704 | Library Materials Preprocessing | 41.97 | 0.00 | 41.97 | |
| | | | 4011408840 | Library Acquisitions, Books | 334.36 | 0.00 | 334.36 | |
| | | | 4011408840 | Library Materials Preprocessing | 11.54 | 0.00 | 11.54 | |
| 100275001 | 11/20/15 | BARTLE WELLS ASSOC | 1013 | Professional Services | 1,215.00 | 0.00 | 1,215.00 | \$1,980.00 |
| | | | 1014 | Professional Services | 765.00 | 0.00 | 765.00 | |
| 100275002 | 11/20/15 | BAY-VALLEY PEST CONTROL INC | 0197880 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | \$551.00 |
| | | | 0197881 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | |
| | | | 0197882 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | |
| | | | 0197883 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | |
| | | | 0197884 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | |
| | | | 0197885 | Facilities Maint & Repair - Labor | 43.00 | 0.00 | 43.00 | |
| | | | 0197896 | Facilities Maint & Repair - Labor | 64.00 | 0.00 | 64.00 | |
| | | | 0197906 | Facilities Maint & Repair - Labor | 86.00 | 0.00 | 86.00 | |
| | | | 0197930 | Facilities Maint & Repair - Labor | 58.00 | 0.00 | 58.00 | |
| | | | 0198246 | Facilities Maint & Repair - Labor | 85.00 | 0.00 | 85.00 | |
| 100275004 | 11/20/15 | BOOPSIE INC | 25052 | Library Technology Services | 5,995.00 | 0.00 | 5,995.00 | \$5,995.00 |
| 100275005 | 11/20/15 | BOUND TREE MEDICAL LLC | 81912983 | Supplies, First Aid | 2,268.87 | 0.00 | 2,268.87 | \$6,436.78 |
| | | | 81962363 | Supplies, First Aid | 1,705.37 | 0.00 | 1,705.37 | |
| | | | 81963742 | Supplies, First Aid | 133.11 | 0.00 | 133.11 | |
| | | | 81971251 | Inventory Purchase | 2,329.43 | 0.00 | 2,329.43 | |
| 100275006 | 11/20/15 | BRAND MECHANICS INC | SUN/002 | Consultants | 5,537.38 | 0.00 | 5,537.38 | \$5,537.38 |
| 100275007 | 11/20/15 | BRODART CO | 416749 | General Supplies | 1,617.09 | 0.00 | 1,617.09 | \$1,617.09 |
| 100275008 | 11/20/15 | BUCKLES-SMITH ELECTRIC CO | 1462775-00 | Electrical Parts & Supplies | 44.54 | 0.00 | 44.54 | \$793.71 |
| | | | 1463348-00 | Electrical Parts & Supplies | 716.92 | 0.00 | 716.92 | |
| | | | 1464899-00 | Electrical Parts & Supplies | 32.25 | 0.00 | 32.25 | |
| 100275009 | 11/20/15 | CALCON SYSTEMS INC | 36572 | Contracts/Service Agreements | 525.00 | 0.00 | 525.00 | \$525.00 |

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| 100275010 | 11/20/15 | CAPITOL BUILDERS HARDWARE INC | 203738 | Bldg Maint Matls & Supplies | 547.05 | 0.00 | 547.05 | \$547.05 |
| 100275011 | 11/20/15 | CENTRAL LABOR COUNCIL PARTNERSHIP | OCT2015 | DED Services/Training - Training | 10,530.00 | 0.00 | 10,530.00 | \$94,697.89 |
| | | | OCT2015 | DED Services/Training - Books | 113.34 | 0.00 | 113.34 | |
| | | | OCT2015 | Contracts/Service Agreements | 84,054.55 | 0.00 | 84,054.55 | |
| 100275012 | 11/20/15 | CHIYANG CHIN | 0024-9354-6590 | DED Services/Training - Support Services | 180.00 | 0.00 | 180.00 | \$180.00 |
| 100275013 | 11/20/15 | CITY OF MOUNTAIN VIEW | WNT15/SPR2016 | Advertising Services | 505.00 | 0.00 | 505.00 | \$505.00 |
| 100275014 | 11/20/15 | CITY OF SANTA CLARA MUNICIPAL UTILITIES | NOV2015 | Utilities - Electric | 519.38 | 0.00 | 519.38 | \$519.38 |
| 100275015 | 11/20/15 | CONSTANT CONTACT INC | S7Z7NDDAB31715 | Professional Services | 378.00 | 0.00 | 378.00 | \$378.00 |
| 100275016 | 11/20/15 | CORIX WATER PRODUCTS (US) INC | 17513027886 | Water Meter Boxes, Vaults, and Lids | 676.87 | 0.00 | 676.87 | \$24,996.16 |
| | | | 17513027886 | Construction Services | 5,722.97 | 0.00 | 5,722.97 | |
| | | | 17513031602 | Construction Services | 17,323.13 | 0.00 | 17,323.13 | |
| | | | 17513032456 | Materials - Land Improve | 1,273.19 | 0.00 | 1,273.19 | |
| 100275017 | 11/20/15 | DAPPER TIRE CO INC | 42576711 | Inventory Purchase | 277.14 | 0.00 | 277.14 | \$277.14 |
| 100275018 | 11/20/15 | DARYL WILLIAMS | 579481-9625844 | DED Services/Training - Books | 49.97 | 0.00 | 49.97 | \$49.97 |
| 100275019 | 11/20/15 | EBSCO SUBSCRIPTION SERVICES | 0484324 | Library Periodicals/Databases | 14,633.45 | 0.00 | 14,633.45 | \$14,633.45 |
| 100275020 | 11/20/15 | EMPIRE SAFETY & SUPPLY | 0076559-IN | Inventory Purchase | 1,439.31 | 0.00 | 1,439.31 | \$1,439.31 |
| 100275021 | 11/20/15 | FCI INTERNATIONAL LTD | 1098499 | Misc Equip Maint & Repair - Labor | 3,209.00 | 0.00 | 3,209.00 | \$3,209.00 |
| 100275022 | 11/20/15 | FEDERAL EXPRESS CORP | 5-193-63494 | Mailing & Delivery Services | 5.09 | 0.00 | 5.09 | \$20.10 |
| | | | 5-208-69237 | Water Meters | 9.21 | 0.00 | 9.21 | |
| | | | 5-222-69995 | Mailing & Delivery Services | 5.80 | 0.00 | 5.80 | |
| 100275023 | 11/20/15 | FERGUSON ENTERPRISES INC | 1121118 | Water Meter Boxes, Vaults, and Lids | 20,149.25 | 0.00 | 20,149.25 | \$46,501.44 |
| | | | 1122478 | Inventory Purchase | 959.18 | 8.82 | 950.36 | |
| | | | 1122559 | Construction Services | 4,659.95 | 0.00 | 4,659.95 | |
| | | | 1126945 | Water Meter Boxes, Vaults, and Lids | 20,741.88 | 0.00 | 20,741.88 | |
| 100275024 | 11/20/15 | FITGUARD INC | 0000107006 | Professional Services | 258.98 | 0.00 | 258.98 | \$258.98 |
| 100275025 | 11/20/15 | FREMONT UNION HIGH SCHOOL DISTRICT | 16-127 | Professional Services | 2,137.75 | 0.00 | 2,137.75 | \$2,137.75 |
| 100275026 | 11/20/15 | GALE ASSOC INC | 1509395 | Engineering Services | 90.00 | 0.00 | 90.00 | \$90.00 |
| 100275027 | 11/20/15 | GALE/CENGAGE LEARNING | 56643741 | Library Acquisitions, Books | 31.31 | 0.00 | 31.31 | \$31.31 |
| 100275028 | 11/20/15 | GARDENLAND POWER EQUIPMENT | 331187 | Materials - Land Improve | 210.05 | 0.00 | 210.05 | \$1,207.97 |

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| | | | 331220 | Misc Equip Maint & Repair - Materials | 643.09 | 0.00 | 643.09 | |
| | | | 331220 | Hand Tools | 354.83 | 0.00 | 354.83 | |
| 100275029 | 11/20/15 | GOOSEBUSTERS | 20 | Services Maintain Land Improv | 1,440.00 | 0.00 | 1,440.00 | \$1,440.00 |
| 100275030 | 11/20/15 | GRANITEROCK CO | 925533 | Materials - Land Improve | 1,213.30 | 0.00 | 1,213.30 | \$1,213.30 |
| 100275031 | 11/20/15 | HANSON ASSOC | 1526 | Consultants | 2,247.50 | 0.00 | 2,247.50 | \$4,930.00 |
| | | | 1527 | Consultants | 2,682.50 | 0.00 | 2,682.50 | |
| 100275032 | 11/20/15 | HOWARD ROME MARTIN & RIDLEY LLP | 34178 | Legal Services | 6,643.87 | 0.00 | 6,643.87 | \$6,643.87 |
| 100275033 | 11/20/15 | HULA HALAU'O P'ILANI | 103015 | Rec Instructors/Officials | 1,106.00 | 0.00 | 1,106.00 | \$1,106.00 |
| 100275034 | 11/20/15 | HYDROSCIENCE ENGINEERS INC | 262013015 | Engineering Services | 12,930.00 | 0.00 | 12,930.00 | \$12,930.00 |
| 100275035 | 11/20/15 | IMPERIAL SPRINKLER SUPPLY | 2434395-00 | Materials - Land Improve | 70.45 | 0.00 | 70.45 | \$107.65 |
| | | | 2436437-00 | Materials - Land Improve | 37.20 | 0.00 | 37.20 | |
| 100275036 | 11/20/15 | INDEPENDENT ELECTRIC SUPPLY INC | S102530431.001 | Electrical Parts & Supplies | 289.01 | 0.00 | 289.01 | \$749.57 |
| | | | S102547794.001 | Electrical Parts & Supplies | 442.76 | 0.00 | 442.76 | |
| | | | S102552281.001 | Electrical Parts & Supplies | 17.80 | 0.00 | 17.80 | |
| 100275037 | 11/20/15 | IRVINE & JACHENS INC | 1125 | Clothing, Uniforms & Access | 1,423.93 | 0.00 | 1,423.93 | \$2,611.87 |
| | | | 1165 | Clothing, Uniforms & Access | 1,187.94 | 0.00 | 1,187.94 | |
| 100275038 | 11/20/15 | JEFFERSON UNION HIGH SCHOOL DISTRICT | SEPT2015 | Contracts/Service Agreements | 19,404.47 | 0.00 | 19,404.47 | \$19,404.47 |
| 100275039 | 11/20/15 | KMVT COMMUNITY TELEVISION | 6765 | Engineering Services | 3,750.00 | 0.00 | 3,750.00 | \$3,750.00 |
| 100275040 | 11/20/15 | KELLY PAPER CO | 7605675 | General Supplies | 423.80 | 0.00 | 423.80 | \$423.80 |
| 100275042 | 11/20/15 | KOFFLER ELECTRICAL | 0079741-IN | Electrical Parts & Supplies | 448.05 | 0.00 | 448.05 | \$448.05 |
| 100275043 | 11/20/15 | LEILANI OSTROM | 22692632130 | DED Services/Training - Support Services | 106.25 | 0.00 | 106.25 | \$106.25 |
| 100275044 | 11/20/15 | MARK SNYDER ELECTRIC | 115-0831 | Professional Services | 425.00 | 0.00 | 425.00 | \$425.00 |
| 100275045 | 11/20/15 | MEYERS NAVE | 2015060812 | Legal Services | 97.50 | 0.00 | 97.50 | \$3,360.50 |
| | | | 2015060813 | Legal Services | 260.00 | 0.00 | 260.00 | |
| | | | 2015100158 | Legal Services | 3,003.00 | 0.00 | 3,003.00 | |
| 100275046 | 11/20/15 | OVERDRIVE INC | 0910-171920070 | Library Periodicals/Databases | 502.65 | 0.00 | 502.65 | \$1,010.63 |
| | | | 0910-172309907 | Library Periodicals/Databases | 507.98 | 0.00 | 507.98 | |
| 100275047 | 11/20/15 | PAYFLEX SYSTEMS USA INC | 128934-755228 | Insurances - Depend Care & Health Care | 640.00 | 0.00 | 640.00 | \$859.92 |
| | | | | Rmb Admin Fees | | | | |
| | | | 130534-743952 | Professional Services | 199.92 | 0.00 | 199.92 | |
| | | | 130536-743954 | Professional Services | 20.00 | 0.00 | 20.00 | |

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| 100275048 | 11/20/15 | PRN ERGONOMIC SERVICES | 9913 | Occupational Health and Safety Services | 2,365.00 | 0.00 | 2,365.00 | \$2,365.00 |
| 100275049 | 11/20/15 | RANDALL J BLACK | NOV/6/15 | Misc Equip Maint & Repair - Labor | 270.00 | 0.00 | 270.00 | \$270.00 |
| 100275050 | 11/20/15 | RICHARDS WATSON & GERSHON | 204085 | Legal Services | 4,231.00 | 0.00 | 4,231.00 | \$4,231.00 |
| 100275051 | 11/20/15 | ROGER D HIGDON | 2015-4884G | Consultants | 975.00 | 0.00 | 975.00 | \$975.00 |
| 100275052 | 11/20/15 | SSA LANDSCAPE ARCHITECTS INC | 5227 | Engineering Services | 3,788.35 | 0.00 | 3,788.35 | \$3,788.35 |
| 100275053 | 11/20/15 | SWRCB FEES | WD-0108687 | Permit Fees | 7,424.00 | 0.00 | 7,424.00 | \$7,424.00 |
| 100275054 | 11/20/15 | SAFEWAY INC | 723615-111915 | General Supplies | 100.58 | 0.00 | 100.58 | \$100.58 |
| 100275055 | 11/20/15 | SUREPATH FINANCIAL SOLUTIONS | 063014-375 | Professional Services | 175.00 | 0.00 | 175.00 | \$175.00 |
| 100275056 | 11/20/15 | SYNAGRO-WWT INC | 30-103696 | Miscellaneous Services | 80,175.90 | 0.00 | 80,175.90 | \$80,171.95 |
| | | | 30-103696REV | Miscellaneous Services | -3.95 | 0.00 | -3.95 | |
| 100275057 | 11/20/15 | TIBURON INC | PA0000461 | Computer Software | 24,000.00 | 0.00 | 24,000.00 | \$48,000.00 |
| | | | PA0000462 | Computer Software | 24,000.00 | 0.00 | 24,000.00 | |
| 100275058 | 11/20/15 | TINT OF CLASS | 151111 | Facilities Maint & Repair - Labor | 210.00 | 0.00 | 210.00 | \$285.04 |
| | | | 151111 | Facilities Maint & Repair - Materials | 75.04 | 0.00 | 75.04 | |
| 100275059 | 11/20/15 | TRICOR AMERICA INC | M622820 | Contracts/Service Agreements | 704.00 | 0.00 | 704.00 | \$704.00 |
| 100275060 | 11/20/15 | US BANK VOYAGER FLEET SYSTEMS INC | 869323279539 | Fuel, Oil & Lubricants | 44.52 | 0.00 | 44.52 | \$44.52 |
| 100275062 | 11/20/15 | GRAINGER | 9856018289 | Miscellaneous Equipment Parts & Supplies | 5,593.33 | 0.00 | 5,593.33 | \$16,239.75 |
| | | | 9857215074 | Miscellaneous Equipment Parts & Supplies | 165.98 | 0.00 | 165.98 | |
| | | | 9860176123 | Miscellaneous Equipment Parts & Supplies | 80.21 | 0.00 | 80.21 | |
| | | | 9860176131 | Miscellaneous Equipment Parts & Supplies | 63.58 | 0.00 | 63.58 | |
| | | | 9860176149 | Miscellaneous Equipment Parts & Supplies | 80.21 | 0.00 | 80.21 | |
| | | | 9860729533 | Bldg Maint Matls & Supplies | 84.83 | 0.00 | 84.83 | |
| | | | 9860902866 | Hand Tools | 43.98 | 0.00 | 43.98 | |
| | | | 9862460038 | Electrical Parts & Supplies | 139.29 | 0.00 | 139.29 | |
| | | | 9862961563 | Electrical Parts & Supplies | 72.93 | 0.00 | 72.93 | |
| | | | 9862961571 | Electrical Parts & Supplies | -139.29 | 0.00 | -139.29 | |
| | | | 9863220811 | Hand Tools | 21.26 | 0.00 | 21.26 | |
| | | | 9863220829 | Hand Tools | 224.91 | 0.00 | 224.91 | |
| | | | 9866443006 | Supplies, Safety | 33.34 | 0.00 | 33.34 | |
| | | | 9867442601 | General Supplies | 11.11 | 0.00 | 11.11 | |
| | | | 9867733140 | Miscellaneous Equipment Parts & Supplies | 534.57 | 0.00 | 534.57 | |

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| | | | 9868705204 | Hand Tools | 824.00 | 0.00 | 824.00 | |
| | | | 9871038445 | Miscellaneous Equipment Parts & Supplies | 376.89 | 0.00 | 376.89 | |
| | | | 9871079472 | Supplies, Safety | 441.09 | 0.00 | 441.09 | |
| | | | 9873295084 | Hand Tools | 89.88 | 0.00 | 89.88 | |
| | | | 9873295092 | Equipment Rental/Lease | 763.86 | 0.00 | 763.86 | |
| | | | 9873698345 | Equipment Rental/Lease | -381.93 | 0.00 | -381.93 | |
| | | | 9874029904 | Supplies, Safety | 445.44 | 0.00 | 445.44 | |
| | | | 9874479430 | Hand Tools | 226.53 | 0.00 | 226.53 | |
| | | | 9875496789 | Supplies, Safety | 54.81 | 0.00 | 54.81 | |
| | | | 9875496797 | Fuel, Oil & Lubricants | 213.37 | 0.00 | 213.37 | |
| | | | 9875496797 | Hand Tools | 12.82 | 0.00 | 12.82 | |
| | | | 9875496805 | Bldg Maint Matls & Supplies | 14.46 | 0.00 | 14.46 | |
| | | | 9875496813 | Hand Tools | 136.81 | 0.00 | 136.81 | |
| | | | 9877716416 | Miscellaneous Equipment Parts & Supplies | 851.80 | 0.00 | 851.80 | |
| | | | 9877716424 | Miscellaneous Equipment Parts & Supplies | 253.87 | 0.00 | 253.87 | |
| | | | 9879048354 | Miscellaneous Equipment Parts & Supplies | 172.92 | 0.00 | 172.92 | |
| | | | 9879048362 | Hand Tools | 37.66 | 0.00 | 37.66 | |
| | | | 9879048370 | Miscellaneous Equipment Parts & Supplies | 923.43 | 0.00 | 923.43 | |
| | | | 9879455062 | Miscellaneous Equipment Parts & Supplies | 552.73 | 0.00 | 552.73 | |
| | | | 9879795301 | Miscellaneous Equipment Parts & Supplies | 1,879.04 | 0.00 | 1,879.04 | |
| | | | 9881221726 | Miscellaneous Equipment Parts & Supplies | 866.52 | 0.00 | 866.52 | |
| | | | 9881574900 | Hand Tools | 473.51 | 0.00 | 473.51 | |
| 100275066 | 11/20/15 | KIRBY CANYON RECYCLING & DISPOSAL FAC | OCT2015 | Landfill Fees to be Allocated | 874,946.80 | 0.00 | 874,946.80 | \$874,946.80 |
| 100275069 | 11/20/15 | MIA DESSENBERGER | NOV/28/2015 | Special Events | 2,034.13 | 0.00 | 2,034.13 | \$2,034.13 |
| 100275070 | 11/20/15 | OFFICEMAX CONTRACT INC | 00367410082015 | Supplies, Office 1 | 183.81 | 0.00 | 183.81 | \$20,580.86 |
| | | | 00502010082015 | Supplies, Office 1 | 242.06 | 0.00 | 242.06 | |
| | | | 00555710092015 | Supplies, Office 1 | 52.20 | 0.00 | 52.20 | |
| | | | 00843410092015 | Supplies, Office 1 | 81.07 | 0.00 | 81.07 | |
| | | | 01220510092015 | Supplies, Office 1 | 215.28 | 0.00 | 215.28 | |
| | | | 01828110092015 | Supplies, Office 1 | 31.05 | 0.00 | 31.05 | |

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| | | | 02265010122015 | Supplies, Office 1 | 819.00 | 0.00 | 819.00 | |
| | | | 02265510122015 | Supplies, Office 1 | 14.66 | 0.00 | 14.66 | |
| | | | 02302310092015 | Supplies, Office 1 | -15.97 | 0.00 | -15.97 | |
| | | | 02434210122015 | Supplies, Office 1 | 14.05 | 0.00 | 14.05 | |
| | | | 02455510122015 | Supplies, Office 1 | 82.20 | 0.00 | 82.20 | |
| | | | 02748310122015 | Supplies, Office 1 | 185.77 | 0.00 | 185.77 | |
| | | | 03516110132015 | Supplies, Office 1 | 72.28 | 0.00 | 72.28 | |
| | | | 03693910132015 | Supplies, Office 1 | 12.38 | 0.00 | 12.38 | |
| | | | 03961310132015 | Supplies, Office 1 | 135.55 | 0.00 | 135.55 | |
| | | | 03969410132015 | Supplies, Office 1 | 30.02 | 0.00 | 30.02 | |
| | | | 04276210152015 | Supplies, Office 1 | 130.77 | 0.00 | 130.77 | |
| | | | 04346510132015 | Supplies, Office 1 | 80.78 | 0.00 | 80.78 | |
| | | | 04493910132015 | Supplies, Office 1 | 93.56 | 0.00 | 93.56 | |
| | | | 04769910142015 | Supplies, Office 1 | 171.70 | 0.00 | 171.70 | |
| | | | 05041610142015 | Supplies, Office 1 | 90.07 | 0.00 | 90.07 | |
| | | | 05047410142015 | Supplies, Office 1 | 7.64 | 0.00 | 7.64 | |
| | | | 05144210142015 | Supplies, Office 1 | 161.76 | 0.00 | 161.76 | |
| | | | 05147310142015 | Supplies, Office 1 | 66.94 | 0.00 | 66.94 | |
| | | | 05367510142015 | Supplies, Office 1 | 308.54 | 0.00 | 308.54 | |
| | | | 06255210152015 | Supplies, Office 1 | 234.40 | 0.00 | 234.40 | |
| | | | 06416210162015 | Supplies, Office 1 | 263.24 | 0.00 | 263.24 | |
| | | | 07094510152015 | Supplies, Office 1 | 183.71 | 0.00 | 183.71 | |
| | | | 07100010152015 | Supplies, Office 1 | 192.67 | 0.00 | 192.67 | |
| | | | 07394510162015 | Supplies, Office 1 | 320.84 | 0.00 | 320.84 | |
| | | | 07587410162015 | Supplies, Office 1 | 113.88 | 0.00 | 113.88 | |
| | | | 07748410162015 | Supplies, Office 1 | 52.86 | 0.00 | 52.86 | |
| | | | 07759210162015 | Supplies, Office 1 | 26.50 | 0.00 | 26.50 | |
| | | | 08381810162015 | Supplies, Office 1 | 175.80 | 0.00 | 175.80 | |
| | | | 08811110192015 | Inventory Purchase | 3,739.26 | 0.00 | 3,739.26 | |
| | | | 08907910192015 | Supplies, Office 1 | 74.29 | 0.00 | 74.29 | |
| | | | 08947410192015 | Supplies, Office 1 | 60.36 | 0.00 | 60.36 | |

List of All Claims and Bills Approved for Payment

For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|----------------|-----------------|-------------|----------------|--------------------|----------------|----------------|-------------|---------------|
| | | | 09067810192015 | Supplies, Office 1 | 258.36 | 0.00 | 258.36 | |
| | | | 09203210192015 | Supplies, Office 1 | 25.82 | 0.00 | 25.82 | |
| | | | 09238510192015 | Supplies, Office 1 | 41.30 | 0.00 | 41.30 | |
| | | | 09358310212015 | Supplies, Office 1 | 24.04 | 0.00 | 24.04 | |
| | | | 09651710192015 | Supplies, Office 1 | 145.11 | 0.00 | 145.11 | |
| | | | 09689410192015 | Supplies, Office 1 | 81.47 | 0.00 | 81.47 | |
| | | | 09753810202015 | Supplies, Office 1 | 755.83 | 0.00 | 755.83 | |
| | | | 10221510202015 | Supplies, Office 1 | 431.30 | 0.00 | 431.30 | |
| | | | 10290310202015 | Supplies, Office 1 | 131.60 | 0.00 | 131.60 | |
| | | | 10352710222015 | Supplies, Office 1 | 21.19 | 0.00 | 21.19 | |
| | | | 10550610282015 | Supplies, Office 1 | -12.91 | 0.00 | -12.91 | |
| | | | 11082410202015 | Supplies, Office 1 | 71.00 | 0.00 | 71.00 | |
| | | | 11148810202015 | Supplies, Office 1 | 138.18 | 0.00 | 138.18 | |
| | | | 11230810212015 | Supplies, Office 1 | 53.26 | 0.00 | 53.26 | |
| | | | 12147110212015 | Supplies, Office 1 | 369.47 | 0.00 | 369.47 | |
| | | | 12427010212015 | Supplies, Office 1 | 104.25 | 0.00 | 104.25 | |
| | | | 12521710212015 | Supplies, Office 1 | 13.25 | 0.00 | 13.25 | |
| | | | 12603210212015 | Supplies, Office 1 | 63.95 | 0.00 | 63.95 | |
| | | | 12762010222015 | Supplies, Office 1 | 139.11 | 0.00 | 139.11 | |
| | | | 13229210222015 | Supplies, Office 1 | 73.01 | 0.00 | 73.01 | |
| | | | 13232910222015 | Supplies, Office 1 | 466.39 | 0.00 | 466.39 | |
| | | | 13856510222015 | Supplies, Office 1 | 74.47 | 0.00 | 74.47 | |
| | | | 13968810302015 | Supplies, Office 1 | 117.34 | 0.00 | 117.34 | |
| | | | 13968910282015 | Supplies, Office 1 | 30.54 | 0.00 | 30.54 | |
| | | | 14424410232015 | Supplies, Office 1 | 75.14 | 0.00 | 75.14 | |
| | | | 14427810232015 | Supplies, Office 1 | 50.50 | 0.00 | 50.50 | |
| | | | 15627910262015 | Supplies, Office 1 | 66.74 | 0.00 | 66.74 | |
| | | | 15807810262015 | Supplies, Office 1 | 326.05 | 0.00 | 326.05 | |
| | | | 15833410262015 | Supplies, Office 1 | 298.38 | 0.00 | 298.38 | |
| | | | 15842110262015 | Supplies, Office 1 | 115.01 | 0.00 | 115.01 | |
| | | | 15970710262015 | Supplies, Office 1 | 430.51 | 0.00 | 430.51 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 16276310262015 | Supplies, Office 1 | 159.87 | 0.00 | 159.87 | |
| | | | 16971610272015 | Supplies, Office 1 | 60.56 | 0.00 | 60.56 | |
| | | | 17000610272015 | Supplies, Office 1 | 29.15 | 0.00 | 29.15 | |
| | | | 17052510282015 | Supplies, Office 1 | 336.34 | 0.00 | 336.34 | |
| | | | 17206710272015 | Supplies, Office 1 | 35.14 | 0.00 | 35.14 | |
| | | | 17485910272015 | Supplies, Office 1 | 61.45 | 0.00 | 61.45 | |
| | | | 17590210302015 | Supplies, Office 1 | -63.52 | 0.00 | -63.52 | |
| | | | 17837010292015 | Supplies, Office 1 | 44.24 | 0.00 | 44.24 | |
| | | | 17855110272015 | Supplies, Office 1 | 39.83 | 0.00 | 39.83 | |
| | | | 18216010282015 | Supplies, Office 1 | 112.57 | 0.00 | 112.57 | |
| | | | 18418810282015 | Supplies, Office 1 | 52.41 | 0.00 | 52.41 | |
| | | | 18435810282015 | Supplies, Office 1 | 8.82 | 0.00 | 8.82 | |
| | | | 18464710282015 | Supplies, Office 1 | 20.01 | 0.00 | 20.01 | |
| | | | 18648910282015 | Supplies, Office 1 | 12.28 | 0.00 | 12.28 | |
| | | | 19155010282015 | Supplies, Office 1 | 357.37 | 0.00 | 357.37 | |
| | | | 19160910282015 | Supplies, Office 1 | 33.22 | 0.00 | 33.22 | |
| | | | 20007010292015 | Supplies, Office 1 | 61.87 | 0.00 | 61.87 | |
| | | | 20141710052015 | Supplies, Office 1 | 54.40 | 0.00 | 54.40 | |
| | | | 20348510292015 | Supplies, Office 1 | 71.72 | 0.00 | 71.72 | |
| | | | 20942610302015 | Supplies, Office 1 | 11.42 | 0.00 | 11.42 | |
| | | | 20945610302015 | Supplies, Office 1 | 91.67 | 0.00 | 91.67 | |
| | | | 20947410302015 | Supplies, Office 1 | 397.70 | 0.00 | 397.70 | |
| | | | 20958810302015 | Supplies, Office 1 | 147.22 | 0.00 | 147.22 | |
| | | | 21132810302015 | Supplies, Office 1 | 207.15 | 0.00 | 207.15 | |
| | | | 21255610302015 | Supplies, Office 1 | 105.36 | 0.00 | 105.36 | |
| | | | 21256410302015 | Supplies, Office 1 | 50.20 | 0.00 | 50.20 | |
| | | | 21393110302015 | Supplies, Office 1 | 161.46 | 0.00 | 161.46 | |
| | | | 32353010142015 | Supplies, Office 1 | 7.62 | 0.00 | 7.62 | |
| | | | 58450410262015 | Supplies, Office 1 | 5.99 | 0.00 | 5.99 | |
| | | | 59484310262015 | Supplies, Office 1 | 388.21 | 0.00 | 388.21 | |
| | | | 62929810132015 | Supplies, Office 1 | -8.70 | 0.00 | -8.70 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|--------------------|--------------------|--------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 67474210302015 | Supplies, Office 1 | 10.80 | 0.00 | 10.80 | |
| | | | 72878610072015 | Supplies, Office 1 | 26.11 | 0.00 | 26.11 | |
| | | | 78353010282015 | Supplies, Office 1 | -53.60 | 0.00 | -53.60 | |
| | | | 84779710072015 | Supplies, Office 1 | 26.11 | 0.00 | 26.11 | |
| | | | 85633010072015 | Supplies, Office 1 | 26.11 | 0.00 | 26.11 | |
| | | | 88949910212015 | Supplies, Office 1 | 19.41 | 0.00 | 19.41 | |
| | | | 88961810012015 | Supplies, Office 1 | 172.90 | 0.00 | 172.90 | |
| | | | 91172810072015 | Supplies, Office 1 | 15.85 | 0.00 | 15.85 | |
| | | | 92075110072015 | Supplies, Office 1 | 26.11 | 0.00 | 26.11 | |
| | | | 92635310012015 | Supplies, Office 1 | 91.31 | 0.00 | 91.31 | |
| | | | 93178210012015 | Supplies, Office 1 | 597.93 | 0.00 | 597.93 | |
| | | | 93768910022015 | Supplies, Office 1 | 359.95 | 0.00 | 359.95 | |
| | | | 93772110022015 | Supplies, Office 1 | 31.31 | 0.00 | 31.31 | |
| | | | 94404510022015 | Supplies, Office 1 | 141.48 | 0.00 | 141.48 | |
| | | | 94429110302015 | Supplies, Office 1 | 192.47 | 0.00 | 192.47 | |
| | | | 94429310222015 | Supplies, Office 1 | 91.65 | 0.00 | 91.65 | |
| | | | 94429410022015 | Supplies, Office 1 | 7.46 | 0.00 | 7.46 | |
| | | | 94565410022015 | Supplies, Office 1 | 123.83 | 0.00 | 123.83 | |
| | | | 94590310022015 | Supplies, Office 1 | 254.93 | 0.00 | 254.93 | |
| | | | 94591110022015 | Supplies, Office 1 | 111.63 | 0.00 | 111.63 | |
| | | | 94592110022015 | Supplies, Office 1 | 18.46 | 0.00 | 18.46 | |
| | | | 94639610162015 | Supplies, Office 1 | -81.10 | 0.00 | -81.10 | |
| | | | 94915310022015 | Supplies, Office 1 | 251.00 | 0.00 | 251.00 | |
| | | | 95009210082015 | Supplies, Office 1 | -32.74 | 0.00 | -32.74 | |
| | | | 95400210052015 | Supplies, Office 1 | 32.74 | 0.00 | 32.74 | |
| | | | 95598910052015 | Supplies, Office 1 | 63.75 | 0.00 | 63.75 | |
| | | | 96141810062015 | Supplies, Office 1 | 84.06 | 0.00 | 84.06 | |
| | | | 96515610062015 | Supplies, Office 1 | 13.60 | 0.00 | 13.60 | |
| | | | 96674410062015 | Supplies, Office 1 | 82.23 | 0.00 | 82.23 | |
| | | | 96774710062015 | Supplies, Office 1 | 367.58 | 0.00 | 367.58 | |
| | | | 97000510062015 | Supplies, Office 1 | 131.48 | 0.00 | 131.48 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|---------------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 97146010072015 | Supplies, Office 1 | 72.10 | 0.00 | 72.10 | |
| | | | 97229910062015 | Supplies, Office 1 | 24.54 | 0.00 | 24.54 | |
| | | | 97333210052015 | Supplies, Office 1 | -3.27 | 0.00 | -3.27 | |
| | | | 98235510072015 | Supplies, Office 1 | 40.92 | 0.00 | 40.92 | |
| | | | 98441110072015 | Supplies, Office 1 | 46.91 | 0.00 | 46.91 | |
| | | | 98553610152015 | Supplies, Office 1 | 28.33 | 0.00 | 28.33 | |
| | | | 98643810132015 | Supplies, Office 1 | -63.75 | 0.00 | -63.75 | |
| | | | 98647810072015 | Supplies, Office 1 | 63.75 | 0.00 | 63.75 | |
| | | | 99237710072015 | Supplies, Office 1 | -24.54 | 0.00 | -24.54 | |
| | | | 99459610082015 | Supplies, Office 1 | 277.61 | 0.00 | 277.61 | |
| | | | 99771310082015 | Supplies, Office 1 | 52.49 | 0.00 | 52.49 | |
| | | | 99966510082015 | Supplies, Office 1 | 123.29 | 0.00 | 123.29 | |
| 100275082 | 11/20/15 | PACIFIC GAS & ELECTRIC CO | 0007485197-3 | Utilities - Electric | 2,500.00 | 0.00 | 2,500.00 | \$154,151.96 |
| | | | 03142830051115 | Utilities - Electric | 47,053.75 | 0.00 | 47,053.75 | |
| | | | 11059220091015 | Utilities - Electric | 4,754.52 | 0.00 | 4,754.52 | |
| | | | 11059220251015 | Utilities - Gas | 841.41 | 0.00 | 841.41 | |
| | | | 11059220401015 | Utilities - Gas | 164.76 | 0.00 | 164.76 | |
| | | | 11059220451015 | Utilities - Gas | 438.93 | 0.00 | 438.93 | |
| | | | 11059220501015 | Utilities - Gas | 15.11 | 0.00 | 15.11 | |
| | | | 11059220551015 | Utilities - Electric | 931.81 | 0.00 | 931.81 | |
| | | | 11059220601015 | Utilities - Gas | 2,329.72 | 0.00 | 2,329.72 | |
| | | | 11059220751015 | Utilities - Gas | 149.70 | 0.00 | 149.70 | |
| | | | 11059220811015 | Utilities - Electric | 374.55 | 0.00 | 374.55 | |
| | | | 11059220901015 | Utilities - Gas | 46.02 | 0.00 | 46.02 | |
| | | | 11059221021015 | Utilities - Electric | 232.45 | 0.00 | 232.45 | |
| | | | 11059221051015 | Utilities - Gas | 38.08 | 0.00 | 38.08 | |
| | | | 11059221061015 | Utilities - Electric | 1,027.45 | 0.00 | 1,027.45 | |
| | | | 11059221081015 | Utilities - Electric | 672.99 | 0.00 | 672.99 | |
| | | | 11059221151015 | Utilities - Gas | 54.72 | 0.00 | 54.72 | |
| | | | 11059221181015 | Utilities - Electric | 10,519.51 | 0.00 | 10,519.51 | |
| | | | 11059221251015 | Utilities - Gas | 75.58 | 0.00 | 75.58 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|------------------------|-------------------------|---------------------------------------|--------------------|---|-----------------------|-----------------------|--------------------|-----------------------|
| | | | 11059221351015 | Utilities - Gas | 33.81 | 0.00 | 33.81 | |
| | | | 11059221401015 | Utilities - Gas | 572.67 | 0.00 | 572.67 | |
| | | | 11059221601015 | Utilities - Gas | 45.06 | 0.00 | 45.06 | |
| | | | 11059221701015 | Utilities - Gas | 52.06 | 0.00 | 52.06 | |
| | | | 11059221731015 | Utilities - Electric | 2,311.76 | 0.00 | 2,311.76 | |
| | | | 11059221851015 | Utilities - Gas | 7.84 | 0.00 | 7.84 | |
| | | | 11059221931015 | Utilities - Electric | 15,010.94 | 0.00 | 15,010.94 | |
| | | | 11059221981015 | Utilities - Electric | 686.63 | 0.00 | 686.63 | |
| | | | 11059222631015 | Utilities - Electric | 2,143.68 | 0.00 | 2,143.68 | |
| | | | 11059222721015 | Utilities - Electric | 777.79 | 0.00 | 777.79 | |
| | | | 11059224061015 | Utilities - Electric | 14,249.39 | 0.00 | 14,249.39 | |
| | | | 11059224271015 | Utilities - Electric | 9.53 | 0.00 | 9.53 | |
| | | | 11059225291015 | Utilities - Electric | 643.31 | 0.00 | 643.31 | |
| | | | 11059225651015 | Utilities - Gas | 1,186.39 | 0.00 | 1,186.39 | |
| | | | 11059226381015 | Utilities - Electric | 8,385.20 | 0.00 | 8,385.20 | |
| | | | 11059227031015 | Utilities - Electric | 631.19 | 0.00 | 631.19 | |
| | | | 11059227231015 | Utilities - Electric | 8,477.00 | 0.00 | 8,477.00 | |
| | | | 11059227791015 | Utilities - Electric | 151.68 | 0.00 | 151.68 | |
| | | | 11059228051015 | Utilities - Electric | 9,082.35 | 0.00 | 9,082.35 | |
| | | | 11059228581015 | Utilities - Electric | 16,859.90 | 0.00 | 16,859.90 | |
| | | | 61266000051015 | Utilities - Gas | 612.72 | 0.00 | 612.72 | |
| 100275086 | 11/20/15 | SAMANTHA RUPEL | 55989 | Deposits Payable - Facility Rental | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| 100275087 | 11/20/15 | DANIEL PEDRINI | 178855-72828 | Refund Utility Account Credit | 232.94 | 0.00 | 232.94 | \$232.94 |
| 100275088 | 11/20/15 | FLEGELS CONSTRUCTION CO INC | BL065552-2015 | Business License Tax | 116.48 | 0.00 | 116.48 | \$116.48 |
| 100275089 | 11/20/15 | MATHEW SURESH | 163871-12414 | Refund Utility Account Credit | 199.30 | 0.00 | 199.30 | \$199.30 |
| 100275090 | 11/20/15 | SHAMBHAVIS INTERNATIONAL SCHOOL | 55982 | Deposits Payable - Facility Rental | 450.00 | 0.00 | 450.00 | \$450.00 |
| 950002433 | 11/17/15 | PUBLIC EMPLOYEES RETIREMENT SYSTEM | 950002433 | Retirement Benefits - Deferred Comp - City Portion | 1,208.32 | 0.00 | 1,208.32 | \$1,154,687.75 |
| | | | 950002433 | Retirement Benefits - Misc Tier 1 & 2 Employer Required Cont. | 457,946.21 | 0.00 | 457,946.21 | |
| | | | 950002433 | Retirement Benefits - Misc Tier 1&2 Employer Paid Member Cont. | 74,160.86 | 0.00 | 74,160.86 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/15/2015 through 11/21/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|-----------------------------------|-------------------------|------------------------|--------------------|--|-----------------------|-----------------------|--------------------|------------------------------|
| | | | 950002433 | Retirement Benefits - Misc PEPRA Employer Required Cont. | 74,459.90 | 0.00 | 74,459.90 | |
| | | | 950002433 | Retirement Benefits - Safety Tier 1&2 Employer Required Cont. | 428,137.49 | 0.00 | 428,137.49 | |
| | | | 950002433 | Retirement Benefits - Safety Tier 1&2 Emplyr Paid Member Cont | 95,505.27 | 0.00 | 95,505.27 | |
| | | | 950002433 | Retirement Benefits - Safety PEPRA Employer Required Cont. | 23,269.70 | 0.00 | 23,269.70 | |
| 950100549 | 11/16/15 | SFPUC WATER DEPARTMENT | 100115-110215 | Water for Resale | 1,302,705.00 | 0.00 | 1,302,705.00 | \$1,432,129.00 |
| | | | 100115-110215 | Purchased Water Related Expenses - Meter Charges | 22,939.00 | 0.00 | 22,939.00 | |
| | | | 100115-110215 | BAWSCA Surcharge | 106,485.00 | 0.00 | 106,485.00 | |
| Grand Total Payment Amount | | | | | | | | <u>\$4,643,215.59</u> |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/22/2015 through 11/28/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| 2106723 | 11/25/15 | AIMEE FOSBENNER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 206.99 | 0.00 | 206.99 | \$206.99 |
| 2106724 | 11/25/15 | ALEX MICHAELIS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106725 | 11/25/15 | ANNABEL YURUTUCU | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 421.96 | 0.00 | 421.96 | \$421.96 |
| 2106726 | 11/25/15 | BYRON K PIPKIN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 920.12 | 0.00 | 920.12 | \$920.12 |
| 2106727 | 11/25/15 | CATHY E MERRILL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 206.99 | 0.00 | 206.99 | \$206.99 |
| 2106728 | 11/25/15 | CATHY HAYNES | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,100.30 | 0.00 | 1,100.30 | \$1,100.30 |
| 2106729 | 11/25/15 | CHARLES J SCHWABE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106730 | 11/25/15 | CHERYL BUNNELL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 707.02 | 0.00 | 707.02 | \$707.02 |
| 2106731 | 11/25/15 | CHRIS CARRION | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 707.02 | 0.00 | 707.02 | \$707.02 |
| 2106732 | 11/25/15 | CORYN CAMPBELL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 369.62 | 0.00 | 369.62 | \$369.62 |
| 2106733 | 11/25/15 | DAN HAMMONS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,135.86 | 0.00 | 1,135.86 | \$1,135.86 |
| 2106734 | 11/25/15 | DAVID A LEWIS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 828.28 | 0.00 | 828.28 | \$828.28 |
| 2106735 | 11/25/15 | DAVID KAHN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 977.43 | 0.00 | 977.43 | \$977.43 |
| 2106736 | 11/25/15 | DAVID L NIETO | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 421.96 | 0.00 | 421.96 | \$421.96 |
| 2106737 | 11/25/15 | DAVID L VERBRUGGE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,693.18 | 0.00 | 1,693.18 | \$1,693.18 |
| 2106738 | 11/25/15 | DAVID LEWIS | | | | | | \$271.17 |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/22/2015 through 11/28/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--------------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 271.17 | 0.00 | 271.17 | |
| 2106739 | 11/25/15 | DAVID M GOTT | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 369.62 | 0.00 | 369.62 | \$369.62 |
| 2106740 | 11/25/15 | DEE SCHABOT | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,135.86 | 0.00 | 1,135.86 | \$1,135.86 |
| 2106741 | 11/25/15 | DON JOHNSON | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 585.28 | 0.00 | 585.28 | \$585.28 |
| 2106742 | 11/25/15 | DONALD R OLSEN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106743 | 11/25/15 | DONNA A SCOTT | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106744 | 11/25/15 | DOUGLAS MELLO | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 559.62 | 0.00 | 559.62 | \$559.62 |
| 2106745 | 11/25/15 | ENCARNACION HERNANDEZ | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 271.17 | 0.00 | 271.17 | \$271.17 |
| 2106746 | 11/25/15 | ERWIN YOUNG | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,157.24 | 0.00 | 1,157.24 | \$1,157.24 |
| 2106747 | 11/25/15 | ESTRELLA AGRAVIADOR KAWCZYNSKI | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 592.45 | 0.00 | 592.45 | \$592.45 |
| 2106748 | 11/25/15 | EUGENE J WADDELL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 559.62 | 0.00 | 559.62 | \$559.62 |
| 2106749 | 11/25/15 | FRANK CURTIS BLACK | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 475.44 | 0.00 | 475.44 | \$475.44 |
| 2106750 | 11/25/15 | FRANK P BELLUCCI | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106751 | 11/25/15 | GABRIEL A SILVA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106752 | 11/25/15 | GARY K CARLS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 318.43 | 0.00 | 318.43 | \$318.43 |
| 2106753 | 11/25/15 | GARY LUEBBERS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 369.62 | 0.00 | 369.62 | \$369.62 |
| 2106754 | 11/25/15 | GLENN FORTIN | | | | | | \$570.12 |

List of All Claims and Bills Approved for Payment
For Payments Dated 11/22/2015 through 11/28/2015

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | |
| 2106755 | 11/25/15 | GREGORY E KEVIN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | \$570.12 |
| 2106756 | 11/25/15 | HIRA L RAINA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 318.43 | 0.00 | 318.43 | \$318.43 |
| 2106757 | 11/25/15 | IRWIN I BAKIN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106758 | 11/25/15 | JAMES A BRICE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106759 | 11/25/15 | JAMES BOUZIANE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 723.60 | 0.00 | 723.60 | \$723.60 |
| 2106760 | 11/25/15 | JAMES R RAND | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106761 | 11/25/15 | JAMES WEBB JR | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 716.75 | 0.00 | 716.75 | \$716.75 |
| 2106762 | 11/25/15 | JEROME P AMMERMAN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 707.02 | 0.00 | 707.02 | \$707.02 |
| 2106763 | 11/25/15 | JERRY D BAKER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106764 | 11/25/15 | JERRY RONDEAU | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106765 | 11/25/15 | JOHN ADDEO | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106766 | 11/25/15 | JOHN DEBATTISTA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 707.02 | 0.00 | 707.02 | \$707.02 |
| 2106767 | 11/25/15 | JOHN HOWE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 421.96 | 0.00 | 421.96 | \$421.96 |
| 2106768 | 11/25/15 | JOHN S WITTHAUS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,693.18 | 0.00 | 1,693.18 | \$1,693.18 |
| 2106769 | 11/25/15 | KAREN D WILLES | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 398.09 | 0.00 | 398.09 | \$398.09 |
| 2106770 | 11/25/15 | KAREN L DAVIS | | | | | | \$53.20 |

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Sorted by Payment Number

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|--------------------|---------------------|------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 53.20 | 0.00 | 53.20 | |
| 2106771 | 11/25/15 | KAREN WOBLESKY | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 828.28 | 0.00 | 828.28 | \$828.28 |
| 2106772 | 11/25/15 | KATHERINE B CHAPPELEAR | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106773 | 11/25/15 | KATHRYN BERRY | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,135.86 | 0.00 | 1,135.86 | \$1,135.86 |
| 2106774 | 11/25/15 | KELLY FITZGERALD | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | \$570.12 |
| 2106775 | 11/25/15 | KELLY MENEHAN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 53.20 | 0.00 | 53.20 | \$53.20 |
| 2106776 | 11/25/15 | KENNETH C HOWELL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106777 | 11/25/15 | LELAND W VANDIVER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106778 | 11/25/15 | LISA G ROSENBLUM | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 0.47 | 0.00 | 0.47 | \$0.47 |
| 2106779 | 11/25/15 | MARIO R NAPPI | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106780 | 11/25/15 | MARK G PETERSEN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,293.33 | 0.00 | 1,293.33 | \$1,293.33 |
| 2106781 | 11/25/15 | MARK STIVERS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 920.12 | 0.00 | 920.12 | \$920.12 |
| 2106782 | 11/25/15 | MARVIN A ROSE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,693.18 | 0.00 | 1,693.18 | \$1,693.18 |
| 2106783 | 11/25/15 | MICHAEL A CHAN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,693.18 | 0.00 | 1,693.18 | \$1,693.18 |
| 2106784 | 11/25/15 | MICHAEL CURRAN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 559.62 | 0.00 | 559.62 | \$559.62 |
| 2106785 | 11/25/15 | MICHAEL N JONES | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106786 | 11/25/15 | MYRIAM CASTANEDA | | | | | | \$887.01 |

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|--------------------|---------------------|-----------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 887.01 | 0.00 | 887.01 | |
| 2106787 | 11/25/15 | NANCY BOLGARD STEWARD | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 828.28 | 0.00 | 828.28 | \$828.28 |
| 2106788 | 11/25/15 | NANCY F JACKSON | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106789 | 11/25/15 | OSCAR J BARBA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106790 | 11/25/15 | PATRICIA E CASTILLO | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106791 | 11/25/15 | RAE BARBARA WALDMAN | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106792 | 11/25/15 | RAYMOND C WILLIAMSON | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 369.62 | 0.00 | 369.62 | \$369.62 |
| 2106793 | 11/25/15 | RICHARD C GURNEY | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 828.28 | 0.00 | 828.28 | \$828.28 |
| 2106794 | 11/25/15 | ROBERT PATERNOSTER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 293.99 | 0.00 | 293.99 | \$293.99 |
| 2106795 | 11/25/15 | ROMOLA GEORGIA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106796 | 11/25/15 | RONALD DALBA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | \$570.12 |
| 2106797 | 11/25/15 | SIMON C LEMUS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 2,586.66 | 0.00 | 2,586.66 | \$2,586.66 |
| 2106798 | 11/25/15 | SONJA GUPTA | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106799 | 11/25/15 | STEVEN D PIGOTT | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 480.69 | 0.00 | 480.69 | \$480.69 |
| 2106800 | 11/25/15 | TAMMY PARKHURST | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 723.60 | 0.00 | 723.60 | \$723.60 |
| 2106801 | 11/25/15 | THEODORE R BRESLER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106802 | 11/25/15 | THERESE BALBO | | | | | | \$834.64 |

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|--------------------|---------------------|-------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 834.64 | 0.00 | 834.64 | |
| 2106803 | 11/25/15 | THOMAS A BAISLEY | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106804 | 11/25/15 | TIM CARLYLE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | \$570.12 |
| 2106805 | 11/25/15 | TIM JOHNSON | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 570.12 | 0.00 | 570.12 | \$570.12 |
| 2106806 | 11/25/15 | TONY J PEREZ | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 559.62 | 0.00 | 559.62 | \$559.62 |
| 2106807 | 11/25/15 | WILLIAM BIELINSKI | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 585.28 | 0.00 | 585.28 | \$585.28 |
| 2106808 | 11/25/15 | WILLIAM F POWERS | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 2106809 | 11/25/15 | WILLIAM L DISQUE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 372.42 | 0.00 | 372.42 | \$372.42 |
| 100275091 | 11/25/15 | A T & T | OCT2015 | Utilities - Telephone | 109.62 | 0.00 | 109.62 | \$109.62 |
| 100275092 | 11/25/15 | ABODE SERVICES | TBRA2015/16-1 | Contracts/Service Agreements | 3,607.70 | 0.00 | 3,607.70 | \$39,684.70 |
| | | | TBRA2015/16-1 | Outside Group Funding | 36,077.00 | 0.00 | 36,077.00 | |
| 100275093 | 11/25/15 | ACUSHNET CO | 901566705 | Inventory Purchase | 258.00 | 4.80 | 253.20 | \$253.20 |
| 100275094 | 11/25/15 | AD CLUB | 276061 | Advertising Services | 355.00 | 0.00 | 355.00 | \$355.00 |
| 100275095 | 11/25/15 | ADAMSON POLICE PRODUCTS | INV181281REV | Clothing, Uniforms & Access | -621.54 | 0.00 | -621.54 | \$1,955.07 |
| | | | INV182181 | Clothing, Uniforms & Access | 621.54 | 0.00 | 621.54 | |
| | | | INV185171 | Clothing, Uniforms & Access | 131.04 | 0.00 | 131.04 | |
| | | | INV195190 | Clothing, Uniforms & Access | 88.05 | 0.00 | 88.05 | |
| | | | INV195202 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195207 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195209 | Clothing, Uniforms & Access | 101.10 | 0.00 | 101.10 | |
| | | | INV195210 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195212 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195214 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195215 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |

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|-------------|--------------|---|-------------------|---|----------------|----------------|-------------|--------------------|
| | | | INV195242 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| | | | INV195288 | Clothing, Uniforms & Access | 204.36 | 0.00 | 204.36 | |
| 100275097 | 11/25/15 | ALAMEDA CTY INFORMATION TECHNOLOGY DEPT | 112-1510059 | Software As a Service | 1,539.80 | 0.00 | 1,539.80 | \$1,539.80 |
| 100275098 | 11/25/15 | AMERICAN RED CROSS | 10411725 | Supplies, First Aid | 27.00 | 0.00 | 27.00 | \$27.00 |
| 100275099 | 11/25/15 | AMFASOFT CORP | FELCHU-02 | DED Services/Training - Training | 332.50 | 0.00 | 332.50 | \$1,497.50 |
| | | | JEANMOLI-02 | DED Services/Training - Training | 590.00 | 0.00 | 590.00 | |
| | | | MARYGRAN-02 | DED Services/Training - Training | 127.50 | 0.00 | 127.50 | |
| | | | SHERGAL-02 | DED Services/Training - Training | 127.50 | 0.00 | 127.50 | |
| | | | WASHAD-02 | DED Services/Training - Training | 320.00 | 0.00 | 320.00 | |
| 100275100 | 11/25/15 | ANDERSON PACIFIC ENGINEERING | PO005158-001 | Facilities Maint & Repair - Labor | 16,000.00 | 0.00 | 16,000.00 | \$16,000.00 |
| 100275101 | 11/25/15 | ASSETWORKS LLC | 604-1215A | Computer Software | 410.00 | 0.00 | 410.00 | \$410.00 |
| 100275102 | 11/25/15 | ASTRA RADIO COMMUNICATIONS | 78535 | Clothing, Uniforms & Access | 449.82 | 0.00 | 449.82 | \$449.82 |
| 100275103 | 11/25/15 | ATLAS COPCO COMPRESSORS LLC | 574717 | Fuel, Oil & Lubricants | 89.49 | 0.00 | 89.49 | \$89.49 |
| 100275104 | 11/25/15 | AUTOSCRIBE CORP | 147207 | Financial Services | 1,283.12 | 0.00 | 1,283.12 | \$1,283.12 |
| 100275105 | 11/25/15 | BAUER COMPRESSORS INC | 0000202703 | General Supplies | 29,140.88 | 0.00 | 29,140.88 | \$29,140.88 |
| 100275106 | 11/25/15 | BAY AREA NEWS GROUP DIGITAL FIRST MEDIA | 0005599423 | Court & Litigation Costs | 114.00 | 0.00 | 114.00 | \$114.00 |
| 100275107 | 11/25/15 | BUCKLES-SMITH ELECTRIC CO | 1462031-00 | Computer Hardware | 2,493.81 | 0.00 | 2,493.81 | \$2,582.76 |
| | | | 1466732-00 | Electrical Parts & Supplies | 88.95 | 0.00 | 88.95 | |
| 100275108 | 11/25/15 | CSAC EXCESS INSURANCE AUTHORITY | 16100465 | Workers' Compensation - Insurance | 56,927.00 | 0.00 | 56,927.00 | \$56,927.00 |
| 100275109 | 11/25/15 | CALIFORNIANS AGAINST WASTE | 167 | Membership Fees | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| 100275110 | 11/25/15 | CHANG TAI DO KARATE & FITNESS | 2015-05 | Rec Instructors/Officials | 3,497.24 | 0.00 | 3,497.24 | \$3,497.24 |
| 100275111 | 11/25/15 | CHRISP CO | SNYVLBKLNES #R | Construction Project Contract Retainage | 7,309.17 | 0.00 | 7,309.17 | \$7,309.17 |
| 100275112 | 11/25/15 | CORIX WATER PRODUCTS (US) INC | 17513032063 | Materials - Land Improve | 551.25 | 0.00 | 551.25 | \$1,087.14 |
| | | | 17513033209 | Inventory Purchase | 225.59 | 2.07 | 223.52 | |
| | | | 17513033210 | Inventory Purchase | 104.67 | 0.96 | 103.71 | |
| | | | 17513033211 | Inventory Purchase | 210.60 | 1.94 | 208.66 | |
| 100275113 | 11/25/15 | DEMIKA MONTJOY | BAUTW1XT | DED Services/Training - Books | 26.64 | 0.00 | 26.64 | \$26.64 |
| 100275114 | 11/25/15 | DORIS KRAMER | 11764-1 | DED Services/Training - Books | 50.00 | 0.00 | 50.00 | \$80.41 |
| | | | 28486456996269 | DED Services/Training - Books | 30.41 | 0.00 | 30.41 | |

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|--------------------|---------------------|--|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| 100275116 | 11/25/15 | EMERSON NETWORK POWER | 1122314 | Misc Equip Maint & Repair - Labor | 18,776.00 | 0.00 | 18,776.00 | \$18,776.00 |
| 100275117 | 11/25/15 | ENVIRONMENTAL RESOURCE ASSOC | 773322 | General Supplies | 172.85 | 0.00 | 172.85 | \$172.85 |
| 100275118 | 11/25/15 | EVOQUA WATER TECHNOLOGIES LLC | 902393960 | Misc Equip Maint & Repair - Materials | 162.00 | 0.00 | 162.00 | \$162.00 |
| 100275119 | 11/25/15 | FERGUSON ENTERPRISES INC | 1126877 | Miscellaneous Equipment Parts & Supplies | 211.20 | 0.00 | 211.20 | \$2,583.86 |
| | | | 1130944 | Inventory Purchase | 2,394.68 | 22.02 | 2,372.66 | |
| 100275120 | 11/25/15 | FISHER SCIENTIFIC CO LLC | 6013565 | General Supplies | 35.02 | 0.00 | 35.02 | \$391.84 |
| | | | 6804158 | General Supplies | 245.89 | 0.00 | 245.89 | |
| | | | 7135639 | General Supplies | 110.93 | 0.00 | 110.93 | |
| 100275121 | 11/25/15 | FOOTHILL COLLEGE CENTER FOR TRAINING & | TS16NOV02 | City Training Program | 3,350.00 | 0.00 | 3,350.00 | \$3,350.00 |
| 100275122 | 11/25/15 | GEOFEEDIA INC | 2395 | Miscellaneous Services | 5,000.00 | 0.00 | 5,000.00 | \$5,000.00 |
| 100275123 | 11/25/15 | GEOSYNTEC CONSULTANTS INC | 16151410 | Engineering Services | 18,712.65 | 0.00 | 18,712.65 | \$18,712.65 |
| 100275124 | 11/25/15 | GRANITEROCK CO | 916602 | Materials - Land Improve | 187.92 | 0.00 | 187.92 | \$187.92 |
| 100275125 | 11/25/15 | HDR ENGINEERING INC | 19 | Consultants | 11,183.42 | 0.00 | 11,183.42 | \$11,183.42 |
| 100275126 | 11/25/15 | HACH CO INC | 9652452 | General Supplies | 66.41 | 0.00 | 66.41 | \$2,017.49 |
| | | | 9656312 | General Supplies | 72.92 | 0.00 | 72.92 | |
| | | | 9663203 | General Supplies | 1,878.16 | 0.00 | 1,878.16 | |
| 100275127 | 11/25/15 | HEXAGON TRANSPORTATION CONSULTANTS INC | 9327 | Consultants | 15,000.00 | 0.00 | 15,000.00 | \$15,000.00 |
| 100275128 | 11/25/15 | HYBRID COMMERCIAL PRINTING INC | 25612 | Printing & Related Services | 190.31 | 0.00 | 190.31 | \$190.31 |
| 100275129 | 11/25/15 | IDEXX DISTRIBUTION GROUP | 294721331 | General Supplies | 3,581.75 | 0.00 | 3,581.75 | \$3,581.75 |
| 100275130 | 11/25/15 | IMAGEX | 203329 | Printing & Related Services | 2,052.28 | 0.00 | 2,052.28 | \$2,353.72 |
| | | | 203612 | Printing & Related Services | 301.44 | 0.00 | 301.44 | |
| 100275131 | 11/25/15 | INFOSEND INC | 98027 | Professional Services | 375.00 | 0.00 | 375.00 | \$6,804.91 |
| | | | 98404 | Mailing & Delivery Services | 1,440.95 | 0.00 | 1,440.95 | |
| | | | 98405 | Postage | 3,157.00 | 0.00 | 3,157.00 | |
| | | | 98770 | Financial Services | 1,831.96 | 0.00 | 1,831.96 | |
| 100275132 | 11/25/15 | INFRASTRUCTURE ENGINEERING CORP | 8588 | Engineering Services | 14,845.00 | 0.00 | 14,845.00 | \$14,845.00 |
| 100275133 | 11/25/15 | INGRAM LIBRARY SERVICES INC | 90025316 | Library Acquisitions, Books | 6,233.17 | 0.00 | 6,233.17 | \$20,298.87 |
| | | | 90025316 | Library Materials Preprocessing | 431.21 | 0.00 | 431.21 | |
| | | | 90025317 | Library Acquisitions, Books | 9,387.46 | 0.00 | 9,387.46 | |
| | | | 90025317 | Library Materials Preprocessing | 613.12 | 0.00 | 613.12 | |

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| | | | 90025318 | Library Acquisitions, Books | 2,722.31 | 0.00 | 2,722.31 | |
| | | | 90025318 | Library Materials Preprocessing | 191.58 | 0.00 | 191.58 | |
| | | | 90025319 | Library Acquisitions, Books | 683.04 | 0.00 | 683.04 | |
| | | | 90025319 | Library Materials Preprocessing | 36.98 | 0.00 | 36.98 | |
| 100275134 | 11/25/15 | JAMES CIARICO | 605093-0389922 | DED Services/Training - Books | 34.49 | 0.00 | 34.49 | \$34.49 |
| 100275135 | 11/25/15 | KPM CONSULTING LLC | OCT15R-STA5 | Construction Services | 79.93 | 0.00 | 79.93 | \$12,379.93 |
| | | | OCT15-STA5 | Construction Services | 12,300.00 | 0.00 | 12,300.00 | |
| 100275136 | 11/25/15 | KENNEDY JENKS CONSULTANTS | 95920 | Engineering Services | 4,960.49 | 0.00 | 4,960.49 | \$11,344.54 |
| | | | 96612 | Engineering Services | 6,384.05 | 0.00 | 6,384.05 | |
| 100275138 | 11/25/15 | KING BUSINESS SERVICES | 2015-031 | Investigation Expense | 319.00 | 0.00 | 319.00 | \$319.00 |
| 100275139 | 11/25/15 | KOHLWEISS AUTO PARTS INC | 01OM7292REV | Parts, Vehicles & Motor Equip | -30.57 | 0.00 | -30.57 | \$907.47 |
| | | | 01OM7297 | Parts, Vehicles & Motor Equip | 30.57 | 0.00 | 30.57 | |
| | | | 01ON8199 | Inventory Purchase | 488.72 | 9.77 | 478.95 | |
| | | | 01ON8207 | Inventory Purchase | 5.57 | 0.11 | 5.46 | |
| | | | 01ON8458 | Inventory Purchase | 177.48 | 3.55 | 173.93 | |
| | | | 01ON9343 | Inventory Purchase | 11.68 | 0.00 | 11.68 | |
| | | | 01ON9375 | Inventory Purchase | 2.78 | 0.06 | 2.72 | |
| | | | 01ON9826 | Inventory Purchase | 234.73 | 0.00 | 234.73 | |
| 100275140 | 11/25/15 | LC ACTION POLICE SUPPLY | 340196 | Clothing, Uniforms & Access | 565.50 | 0.00 | 565.50 | \$565.50 |
| 100275141 | 11/25/15 | LEXISNEXIS RISK DATA MANAGEMENT INC | 1409790-151031 | Financial Services | 140.00 | 0.00 | 140.00 | \$140.00 |
| 100275142 | 11/25/15 | MACIAS GINI AND OCONNELL LLP | 213424 | Financial Services | 16,136.41 | 0.00 | 16,136.41 | \$16,136.41 |
| 100275143 | 11/25/15 | MALLORY SAFETY & SUPPLY LLC | 3998792 | Inventory Purchase | 198.36 | 0.00 | 198.36 | \$198.36 |
| 100275144 | 11/25/15 | MAZE & ASSOC | 16518 | Professional Services | 1,995.00 | 0.00 | 1,995.00 | \$1,995.00 |
| 100275145 | 11/25/15 | MCMaster CARR SUPPLY CO | 43500689 | Electrical Parts & Supplies | 195.08 | 0.00 | 195.08 | \$257.60 |
| | | | 43551153 | Miscellaneous Equipment Parts & Supplies | 62.52 | 0.00 | 62.52 | |
| 100275146 | 11/25/15 | METROPOLITAN PLANNING GROUP | 2159 | Professional Services | 31,928.75 | 0.00 | 31,928.75 | \$31,928.75 |
| 100275147 | 11/25/15 | MEYERS NAVE | 2015100157 | Legal Services | 77.00 | 0.00 | 77.00 | \$77.00 |
| 100275148 | 11/25/15 | MIDWEST TAPE | 93427791 | Library Acquis, Audio/Visual | 96.76 | 0.00 | 96.76 | \$96.76 |
| 100275149 | 11/25/15 | MORRISONS SCHOOL SUPPLY | 37264-0 | General Supplies | 45.51 | 0.00 | 45.51 | \$60.67 |
| | | | 37348-0 | General Supplies | 15.16 | 0.00 | 15.16 | |

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|--------------------|---------------------|--------------------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| 100275150 | 11/25/15 | MOUNTAIN VIEW LOS ALTOS ADULT SCHOOL | 11315 | DED Services/Training - Training | 315.00 | 0.00 | 315.00 | \$315.00 |
| 100275151 | 11/25/15 | ON ASSIGNMENT LAB SUPPORT | LAB550127006 | Salaries - Contract Personnel | 1,800.00 | 0.00 | 1,800.00 | \$4,657.50 |
| | | | LAB550127333 | Salaries - Contract Personnel | 127.50 | 0.00 | 127.50 | |
| | | | LAB550127334 | Salaries - Contract Personnel | 390.00 | 0.00 | 390.00 | |
| | | | LAB550129229 | Salaries - Contract Personnel | 1,687.50 | 0.00 | 1,687.50 | |
| | | | LAB550129512 | Salaries - Contract Personnel | 652.50 | 0.00 | 652.50 | |
| 100275152 | 11/25/15 | OPTO 22 | 434887 | Miscellaneous Equipment Parts & Supplies | 165.73 | 0.00 | 165.73 | \$165.73 |
| 100275153 | 11/25/15 | OVERDRIVE INC | 0910-135747617 | Library Periodicals/Databases | 2,987.61 | 0.00 | 2,987.61 | \$3,431.61 |
| | | | MR-0019869 | Library Periodicals/Databases | 444.00 | 0.00 | 444.00 | |
| 100275155 | 11/25/15 | PMC | 44354 | Professional Services | 4,486.25 | 0.00 | 4,486.25 | \$9,694.68 |
| | | | 44365 | Professional Services | 3,249.00 | 0.00 | 3,249.00 | |
| | | | 44636 | Project Contingencies | 1,959.43 | 0.00 | 1,959.43 | |
| 100275156 | 11/25/15 | PACIFIC WEST SECURITY INC | 1004889-IN | Alarm Services | 200.00 | 0.00 | 200.00 | \$895.00 |
| | | | 1006052 | Facilities Maint & Repair - Labor | 116.00 | 0.00 | 116.00 | |
| | | | 1006054 | Facilities Maint & Repair - Labor | 121.00 | 0.00 | 121.00 | |
| | | | 1006055 | Facilities Maint & Repair - Labor | 167.00 | 0.00 | 167.00 | |
| | | | 1006056 | Facilities Maint & Repair - Labor | 92.00 | 0.00 | 92.00 | |
| | | | 106053 | Facilities Maint & Repair - Labor | 199.00 | 0.00 | 199.00 | |
| 100275157 | 11/25/15 | PENINSULA BATTERY INC | 114121 | Inventory Purchase | 498.77 | 0.00 | 498.77 | \$811.97 |
| | | | 114209 | Inventory Purchase | 313.20 | 0.00 | 313.20 | |
| 100275158 | 11/25/15 | PINE CONE LUMBER CO INC | 618321 | Materials - Land Improve | 125.16 | 0.00 | 125.16 | \$125.16 |
| 100275159 | 11/25/15 | PITNEY BOWES INC | 775047 | Equipment Rental/Lease | 208.80 | 0.00 | 208.80 | \$208.80 |
| 100275160 | 11/25/15 | POLYDYNE INC | 1007737 | Chemicals | 36,516.48 | 0.00 | 36,516.48 | \$36,516.48 |
| 100275161 | 11/25/15 | PROFORCE LAW ENFORCEMENT | 252416 | General Supplies | 4,719.95 | 0.00 | 4,719.95 | \$4,719.95 |
| 100275162 | 11/25/15 | QUALITY TRAFFIC DATA LLC | 2015250-1 | Consultants | 2,300.00 | 0.00 | 2,300.00 | \$2,300.00 |
| 100275163 | 11/25/15 | QUICKSTART INTELLIGENCE | IN-PO-40019 | Training and Conferences | 1,326.50 | 0.00 | 1,326.50 | \$9,849.00 |
| | | | IN-PO-40148.1 | Training and Conferences | 1,956.50 | 0.00 | 1,956.50 | |
| | | | IN-PO-40251 | Training and Conferences | 1,956.50 | 0.00 | 1,956.50 | |
| | | | IN-PO-40252 | Training and Conferences | 1,326.50 | 0.00 | 1,326.50 | |
| | | | IN-PO-40253 | Training and Conferences | 1,326.50 | 0.00 | 1,326.50 | |

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| | | | IN-PO-40254 | Training and Conferences | 1,956.50 | 0.00 | 1,956.50 | |
| 100275164 | 11/25/15 | R2 ENGINEERING INC | 117244 | Miscellaneous Equipment Parts & Supplies | 834.79 | 0.00 | 834.79 | \$834.79 |
| 100275165 | 11/25/15 | RASH CURTIS & ASSOC | 662700000230 | Financial Services | 53.07 | 0.00 | 53.07 | \$53.07 |
| 100275166 | 11/25/15 | READYREFRESH BY NESTLE | 05K0028805083 | General Supplies | 18.39 | 0.00 | 18.39 | \$461.18 |
| | | | 05K0029664380 | Food Products | 181.11 | 0.00 | 181.11 | |
| | | | 15K0023249071 | General Supplies | 36.95 | 0.00 | 36.95 | |
| | | | 15K0024199309 | Miscellaneous Services | 84.71 | 0.00 | 84.71 | |
| | | | 15K002819772 | General Supplies | 42.71 | 0.00 | 42.71 | |
| | | | 15K5727863002 | General Supplies | 6.51 | 0.00 | 6.51 | |
| | | | 15K5736476002 | General Supplies | 18.39 | 0.00 | 18.39 | |
| | | | 15K5740153001 | General Supplies | 53.03 | 0.00 | 53.03 | |
| | | | 15K5740154009 | General Supplies | 10.69 | 0.00 | 10.69 | |
| | | | 15K5740156004 | General Supplies | 8.69 | 0.00 | 8.69 | |
| 100275167 | 11/25/15 | REED & GRAHAM INC | 849386 | Materials - Land Improve | 47.50 | 0.00 | 47.50 | \$4,451.80 |
| | | | 849891 | Materials - Land Improve | 1,720.16 | 0.00 | 1,720.16 | |
| | | | 850022 | Materials - Land Improve | 2,558.00 | 0.00 | 2,558.00 | |
| | | | 850150 | Materials - Land Improve | 126.14 | 0.00 | 126.14 | |
| 100275168 | 11/25/15 | RENNE SLOAN HOLTZMAN SAKAI LLP | 29230 | Legal Services | 154.00 | 0.00 | 154.00 | \$9,926.80 |
| | | | 29231 | Legal Services | 1,635.66 | 0.00 | 1,635.66 | |
| | | | 29232 | Legal Services | 77.00 | 0.00 | 77.00 | |
| | | | 29233 | Legal Services | 231.00 | 0.00 | 231.00 | |
| | | | 29376 | Legal Services | 4,999.98 | 0.00 | 4,999.98 | |
| | | | 29377 | Legal Services | 2,559.66 | 0.00 | 2,559.66 | |
| | | | 29378 | Legal Services | 115.50 | 0.00 | 115.50 | |
| | | | 29382 | Legal Services | 154.00 | 0.00 | 154.00 | |
| 100275169 | 11/25/15 | SAFEWAY INC | 802362-111315 | General Supplies | 48.92 | 0.00 | 48.92 | \$48.92 |
| 100275170 | 11/25/15 | SHIMADZU SCIENTIFIC INSTRUMENTS | P4025607 | Misc Equip Maint & Repair - Labor | 2,303.70 | 0.00 | 2,303.70 | \$2,303.70 |
| 100275171 | 11/25/15 | SMART & FINAL INC | 106484-111215 | General Supplies | 60.86 | 0.00 | 60.86 | \$556.47 |
| | | | 107228-111315 | Food Products | 39.33 | 0.00 | 39.33 | |
| | | | 109392-1116201 | Food Products | 212.52 | 0.00 | 212.52 | |
| | | | 109394-111615 | General Supplies | 3.14 | 0.00 | 3.14 | |

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| | | | 109395-111615 | Food Products | 45.48 | 0.00 | 45.48 | |
| | | | 109395-111615 | General Supplies | 4.33 | 0.00 | 4.33 | |
| | | | 110022-111715 | Food Products | 82.47 | 0.00 | 82.47 | |
| | | | 111377-111915 | Food Products | 53.37 | 0.00 | 53.37 | |
| | | | 111377-111915 | General Supplies | 54.97 | 0.00 | 54.97 | |
| 100275172 | 11/25/15 | SOUTH SAN FRANCISCO SCAVENGER CO INC | 0000377131 | Recycling Services | 700.00 | 0.00 | 700.00 | \$700.00 |
| 100275173 | 11/25/15 | SPARTAN TOOL LLC | 503056 | Inventory Purchase | 152.95 | 0.00 | 152.95 | \$152.95 |
| 100275174 | 11/25/15 | SPECIAL SERVICES GROUP LLC | 8972 | Investigation Expense | 1,800.00 | 0.00 | 1,800.00 | \$1,800.00 |
| 100275175 | 11/25/15 | TJKM | 0044725 | Consultants | 845.00 | 0.00 | 845.00 | \$845.00 |
| 100275176 | 11/25/15 | TANKO STREETLIGHTING SERVICES INC | 6417 | Electrical Parts & Supplies | 1,305.00 | 0.00 | 1,305.00 | \$1,305.00 |
| 100275177 | 11/25/15 | THOMSON REUTERS ELITE | 1020432 | Computer Software | 120.00 | 0.00 | 120.00 | \$120.00 |
| 100275178 | 11/25/15 | TOGOS EATERY | 0093-11/12/15 | Food Products | 185.00 | 0.00 | 185.00 | \$185.00 |
| 100275179 | 11/25/15 | UC REGENTS UNIVERSITY EXTENSION | 56585 | DED Services/Training - Training | 537.00 | 0.00 | 537.00 | \$18,820.50 |
| | | | 56950 | DED Services/Training - Training | 4,900.50 | 0.00 | 4,900.50 | |
| | | | 56952 | DED Services/Training - Training | 4,423.50 | 0.00 | 4,423.50 | |
| | | | 56958 | DED Services/Training - Training | 4,387.50 | 0.00 | 4,387.50 | |
| | | | 56967 | DED Services/Training - Training | 4,572.00 | 0.00 | 4,572.00 | |
| 100275180 | 11/25/15 | USA BLUEBOOK | 795152 | General Supplies | 44.67 | 0.00 | 44.67 | \$44.67 |
| 100275182 | 11/25/15 | VWR INTERNATIONAL LLC | 8043075585 | General Supplies | 22.26 | 0.00 | 22.26 | \$159.60 |
| | | | 8043088985 | General Supplies | 22.08 | 0.00 | 22.08 | |
| | | | 8043139003 | General Supplies | 25.50 | 0.00 | 25.50 | |
| | | | 8043166036 | General Supplies | 89.76 | 0.00 | 89.76 | |
| 100275183 | 11/25/15 | WAXIE SANITARY SUPPLY | 75626567 | Inventory Purchase | 411.28 | 0.00 | 411.28 | \$430.14 |
| | | | 75627100 | Inventory Purchase | 18.86 | 0.00 | 18.86 | |
| 100275184 | 11/25/15 | WEATHERSHIELD ROOF SYSTEMS INC | 7222 | Facilities Maint & Repair - Labor | 1,181.25 | 0.00 | 1,181.25 | \$1,181.25 |
| 100275185 | 11/25/15 | WINSUPPLY OF SILICON VALLEY | 650668 00 | Bldg Maint Matls & Supplies | 131.17 | 0.00 | 131.17 | \$185.66 |
| | | | 651384 00 | Miscellaneous Equipment Parts & Supplies | 54.49 | 0.00 | 54.49 | |
| 100275186 | 11/25/15 | WAITER.COM INC | F1117696250 | Food Products | 141.76 | 0.00 | 141.76 | \$141.76 |
| 100275187 | 11/25/15 | ALBERT J SCOTT | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 80.12 | 0.00 | 80.12 | \$80.12 |
| 100275188 | 11/25/15 | ANN DURKES | | | | | | \$0.86 |

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| | | | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 0.86 | 0.00 | 0.86 | |
| 100275189 | 11/25/15 | CHARLES S EANEFF JR | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 828.28 | 0.00 | 828.28 | \$828.28 |
| 100275190 | 11/25/15 | DEAN CHU | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 850.09 | 0.00 | 850.09 | \$850.09 |
| 100275191 | 11/25/15 | DEAN S RUSSELL | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,382.09 | 0.00 | 1,382.09 | \$1,382.09 |
| 100275192 | 11/25/15 | FAST WATER HEATER | 136953 | Permit - Building | 27.50 | 0.00 | 27.50 | \$129.50 |
| | | | 137465 | Permit - Plumbing & Gas | 84.00 | 0.00 | 84.00 | |
| | | | 137465 | Technology Surcharge | 18.00 | 0.00 | 18.00 | |
| 100275193 | 11/25/15 | FELICIA MANULLANG | 294442 | Refund Recreation Fees | 70.00 | 0.00 | 70.00 | \$70.00 |
| 100275194 | 11/25/15 | GAIL SWEGLES | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 138.38 | 0.00 | 138.38 | \$138.38 |
| 100275195 | 11/25/15 | JANICE KIMMEL | 293821 | Refund Recreation Fees | 157.00 | 0.00 | 157.00 | \$157.00 |
| 100275196 | 11/25/15 | KAROLYN HIGHSMITH | 293818 | Refund Recreation Fees | 37.00 | 0.00 | 37.00 | \$37.00 |
| 100275197 | 11/25/15 | KINGS ACADEMY | 294170 | Refund Recreation Fees | 500.00 | 0.00 | 500.00 | \$500.00 |
| 100275198 | 11/25/15 | KLAUS DAEHNE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 681.52 | 0.00 | 681.52 | \$681.52 |
| 100275199 | 11/25/15 | LING RENDON | 372865 | Lib - Lost & Damaged Circulation | 18.80 | 0.00 | 18.80 | \$18.80 |
| 100275200 | 11/25/15 | LUCILLE YBARRA | 293821 | Refund Recreation Fees | 157.00 | 0.00 | 157.00 | \$157.00 |
| 100275201 | 11/25/15 | MANISH DOSHI | 294138 | Refund Recreation Fees | 6.00 | 0.00 | 6.00 | \$27.00 |
| | | | 294139 | Refund Recreation Fees | 6.00 | 0.00 | 6.00 | |
| | | | 294140 | Refund Recreation Fees | 15.00 | 0.00 | 15.00 | |
| 100275202 | 11/25/15 | MENLO EQUITIES LLC | JUNIPERCAMP US | Miscellaneous Payment | 230.00 | 0.00 | 230.00 | \$230.00 |
| 100275203 | 11/25/15 | MARK ROGGE | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 206.99 | 0.00 | 206.99 | \$206.99 |
| 100275204 | 11/25/15 | MARSHA POLLAK | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 15.64 | 0.00 | 15.64 | \$15.64 |
| 100275205 | 11/25/15 | ROBERT A WALKER | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,693.18 | 0.00 | 1,693.18 | \$1,693.18 |

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| 100275206 | 11/25/15 | SANTA CLARA COUNTY SUPERIOR COURT | 7-14-TR-298466 | Deposits Payable - Warrants | 208.00 | 0.00 | 208.00 | \$208.00 |
| 100275207 | 11/25/15 | SCOTT MORTON | DECEMBER 2015 | Insurances - Retiree Medical - Retiree Reimbursement | 1,135.69 | 0.00 | 1,135.69 | \$1,135.69 |
| 100275209 | 11/25/15 | UNITED STATES POSTAL SERVICE | P#112-112415 | Mailing & Delivery Services | 710.00 | 0.00 | 710.00 | \$710.00 |
| 950100550 | 11/24/15 | STATE BOARD OF EQUAL DIRECT DEPOSIT | 21835061056 | Use Tax Payable | 3,533.08 | 0.00 | 3,533.08 | \$3,533.08 |
| 950900980 | 11/23/15 | ACCLAMATION INSURANCE MANAGEMENT | 2015-1116 | Workers' Compensation - Claims | 44,914.18 | 0.00 | 44,914.18 | \$44,914.18 |
| 950900981 | 11/23/15 | EMPLOYMENT DEVELOPMENT DEPT | L09775348416 | Insurances - Unemployment | 9,938.00 | 0.00 | 9,938.00 | \$9,938.00 |
| Grand Total Payment Amount | | | | | | | | <u>\$596,971.36</u> |



City of Sunnyvale

Agenda Item

15-1003

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Contract for Three Service Trucks for the Departments of Environmental Services and Public Works (F16-46)

REPORT IN BRIEF

Council approval is requested to award a contract to Oroville Ford, in the amount of \$111,727, for three service trucks to be used by the Departments of Public Works and Environmental Services for materials transport and maintenance work. A total of six trucks were bid, with the ability to award to a single or multiple bidders based upon pricing. Bids were received from three firms but pricing was only provided for 5 of the 6 trucks. Should Council approve this recommendation, three of the trucks will be purchased from Oroville Ford. The two remaining trucks will be purchased from Frontier Ford of Santa Clara under the City Manager's contract award authority (the bid amount is \$74,297). The sixth truck will be re-bid.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Municipal Code, Council approval is required to approve contracts greater than \$100,000, and to award an Invitation for Bids to the lowest responsive and responsible bidder(s).

ENVIRONMENTAL REVIEW

N/A

BACKGROUND AND DISCUSSION

The replacement of City vehicles is based on hours of operation, miles traveled, equipment condition, maintenance costs and budgeted replacement funding. Six service trucks used by the Departments of Public Works and Environmental Services are scheduled for replacement this fiscal year. These vehicles are 10-13 years old and have accumulated between 90,000 and 115,000 miles.

An Invitation for Bids (IFB No. F16-46) to replace the six trucks was issued in October 2015 through the City's Onvia DemandStar public procurement network. Sealed bids were received and opened publicly on October 28. Three responsive bids were received as shown in Attachment 1, Bid Tabulation.

The IFB was structured to allow the award of a contract to a single bidder for the entire procurement or to multiple bidders by line item. Staff has determined that awarding contracts on a line-item basis provides the lowest cost to the City. Therefore it is recommended that Council award a contract to Oroville Ford for three of the vehicles (Items 1, 4 and 6, which include a one-ton extended cab, cargo minivan and 3/4 ton regular cab) from Attachment 1. A separate contract will be issued under the City Manager's contract award authority to Frontier Ford for two of the vehicles (Items 2 and 5, which

include a 1 ½ ton regular cab and a cargo van). No bids were submitted for Item 3, a dump truck. Therefore, staff will request quotes from other dealerships for this vehicle.

FISCAL IMPACT

The total cost for the three service trucks is \$111,727. This consists of \$102,710 for the vehicles, tire fees in the amount of \$30 and \$8,987 in sales tax. Budgeted funding for all six trucks is available in the Fleet Equipment Replacement Account.

Funding Source

The City's fleet vehicles are funded by the City's General Services Fund, Fleet Services Sub-Fund which provides for ongoing fleet equipment replacement. Contributions are made incrementally over time to this fund for replacement of vehicles from the various city operating programs and their corresponding funding sources.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Award a contract in the amount of \$111,727 to Oroville Ford for three service trucks, in substantially the same form as draft purchase order attached to the report.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Grace K. Leung, Director of Finance
Reviewed by: Manuel Pineda, Director of Public Works
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Tabulation
2. Draft Purchase Order

ATTACHMENT 1

City of Sunnyvale, California
IFB No. F16-46
SIX (6) Service Trucks
Bid Tabulation

| | | | | | | | | |
|-------------|---|------------|---------------------------------|---------------|---------------------------|---------------|-------------------------------|---------------|
| | Bidder | | Frontier Ford | | Towne Ford Sales | | Oroville Ford | |
| | Address | | 3701 Stevens Creek Blvd | | 1601 El Camino Real | | 1350 Oro Dam Blvd. | |
| | | | Santa Clara, CA 95051-7396 | | Redwood City, CA 94063 | | Oroville, CA 95965 | |
| | Contact | | Virginia Harper | | Lloyd Pratt | | Chris Goodhue | |
| Item | Pricing | Qty | Unit Cost | Amount | Unit Cost | Amount | Unit Cost | Amount |
| 1 | 1 ton extended cab with service body (unit 632) | 1 | 56,200.00 | 56,200.00 | 64,040.14 | 64,040.14 | 50,485.96 | 50,485.96 |
| | Make/Model/Year | | 2016 Ford F350 Chassis - F3G | | 2016 Ford F350 | | 2016 Ford F350 Supercab, Body | |
| 2 | 1-1/2 ton regular cab stake truck, 2WD DRW (unit 701) | 1 | 46,600.00 | 46,600.00 | 52,527.80 | 52,527.80 | | |
| | Make/Model/Year | | 2016 Ford F450 Chassis - F4G | | 2016 Ford F550 | | NO BID | NO BID |
| 3 | 5-6 cubic yard dump truck 2WD DRW (unit 715) | 1 | | | | | | |
| | Make/Model/Year | | NO BID | NO BID | NO BID | NO BID | NO BID | NO BID |
| 4 | Cargo minivan, Transit Connect XL or equal (unit 691) | 1 | 20,700.00 | 20,700.00 | 22,432.29 | 22,432.29 | 20,337.39 | 20,337.39 |
| | Make/Model/Year | | 2016 Ford Transit Connect - S7E | | 2016 Ford Transit Connect | | 2016 Transit Connect | |
| 5 | Cargo van, full size, equal to Ford Transit (unit 471) | 1 | 21,700.00 | 21,700.00 | 23,489.06 | 23,489.06 | 22,135.13 | 22,135.13 |
| | Make/Model/Year | | 2016 Ford Transit - E1C | | 2016 Ford Transit | | 2016 Ford Transit | |
| 6 | 3/4 ton regular cab chassis (with refurbished City provided flatbed) 2WD SRW (unit 617) | 1 | 38,900.00 | 38,900.00 | 47,222.47 | 47,222.47 | 31,887.22 | 31,887.22 |
| | Make/Model/Year | | 2016 Ford F250 - F2A | | 2016 Ford F350 | | 2016 Ford F250 | |
| 7 | Tire Fee/Qty | | 29@1.75 | 50.75 | 31@1.75 | 54.25 | 22@1.75 | 38.50 |
| | | | | | | | | |
| | | | | | | | | |
| | Prompt Payment Terms | | | Net 30 days | | Net 30 days | | Net 30 days |
| | Delivery | | | 150-220 days | | 180 days | | 90 days |



| | | |
|---|--|--|
| ORDERED FROM 21406 - 001 (530) 533-3313 Oroville Ford 1350 Oro Dam Blvd Oroville CA 95965 | ORDER DATE 11/05/2015 | BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707 |
| | DELIVERY DATE 11/06/2016 | |
| | PAYMENT TERMS N/30 | |
| | BID NO/RFQ NO | |
| DELIVER TO DPW/Ops - Fleet Services 221 Commercial St Sunnyvale CA 94085 Phone: (408) 730-7570 | FOB POINT DEST | FREIGHT CHARGES Destination, freight included in price |
| | REQ. NO RQ015237 | REQUISITIONER: NDIETZ |
| | CHARGE/OBJ CODE(S): 020700 5135 \$102,740.32 | |

| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|---|----------|------|-----------|-------------|
| 1 | One-time purchase order to provide service trucks in accordance with specifications, terms and conditions of Invitation for Bids F16-46, which is incorporated herein by this reference. Line Item #1 - 1 ton extended cab with service body 2016 Ford F350 Supercab, Body Awarded by Council _____, RTC no. 15-1003 Requisition Number: RQ015237 | 50485.96 | DLR | \$1.0000 | \$50,485.96 |
| 2 | Line Item #4 - cargo minivan, Transit Connect XL or equal 2016 Transit Connect | 20337.39 | DLR | \$1.0000 | \$20,337.39 |
| 3 | Line Item #6 - 3/4 ton regular cab chassis (with refurbished City provided flatbed) 2WD SRW 2016 Ford F250 | 31887.22 | DLR | \$1.0000 | \$31,887.22 |



| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|------------------------|-------|------|-----------|---------|
| 4 | Tire Fee (17 x \$1.75) | 29.75 | DLR | \$1.0000 | \$29.75 |

Amount does not reflect applicable taxes.

TOTAL \$102,740.32

BUYER:

Pizano, Michael

PHONE (408) 730-7612

FAX (408) 730-7710



City of Sunnyvale

Agenda Item

15-1017

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Contract for Self-Contained Breathing Air (SCBA) Compressors at Fire Stations 1 and 2 (F16-42)

REPORT IN BRIEF

Approval is requested to award a contract in an amount not to exceed \$130,322, including sales tax, delivery and installation charges, to Bauer Compressors, Inc. of Livermore to furnish and install self-contained breathing air (SCBA) compressor systems at fire stations 1 and 2.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, the purchase of materials such as SCBA compressors is conducted through the issuance of an Invitation for Bids (IFB), with a contract awarded to the lowest responsive and responsible bidder, and contracts greater than \$100,000 require Council approval.

ENVIRONMENTAL REVIEW

N/A.

BACKGROUND AND DISCUSSION

Two self-contained breathing air (SCBA) compressors located at fire stations 1 and 2 and used to fill the air bottles utilized by safety staff in emergency situations have reached the end of their useful lives and require replacement. An Invitation for Bids for this equipment was issued in March 2015, but resulted in rejection of the bids received because the low bid did not meet specifications and the second low bid exceeded budgeted amounts (RTC No. 15-0594).

Purchasing staff issued a new Invitation for Bids (F16-42) on September 29, 2015. The invitation was mailed directly to the firms that had participated in the bid process conducted earlier this year, and was broadcast to potential suppliers through the Onvia DemandStar public procurement network. Three bids were received and publicly opened on October 28, 2015. The bid summary is contained in Attachment 1.

The equipment specified by the low bidder, Mallory Safety & Supply, was determined not to meet specifications. The 14 horsepower motor in the unit designated for fire station 1 cannot be supported by the building's electrical service and would require extensive electrical work at additional cost for installation. The units being supplied by Bauer Compressors, the second low bidder, were determined to meet specifications. The total cost of the second low bid is \$211 higher than the low bid.

FISCAL IMPACT

The total cost of the compressors, including sales tax, delivery, and installation labor, is \$130,322. Budgeted funds are available in the Public Safety Equipment account.

Funding Source

The Public Safety Equipment account is funded by the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Award a contract in the amount of \$130,322 to Bauer Compressors for SCBA compressors at fire stations 1 and 2 in substantially the same form as the draft purchase order attached to the report.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Frank Grgurina, Chief, Public Safety

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary

2. Draft Purchase Order

City of Sunnyvale, California
Invitation for Bids No. F16-42
Self-Contained Breathing Air Compressors
Bid Summary

| <i>Vendor</i> <i>Address</i> <i>Phone</i> <i>Contact</i> | | | | Bauer Compressors 267 E. Airway Blvd. Livermore, CA 94551 925-449-7210 Tim McGuire | L.N. Curtis & Sons 1800 Peralta St. Oakland, CA 94607 800-443-3556 Jeffrey Curtis |
|---|--|------------|-------------|--|---|
| Bid Item | Description | Qty | Unit | Unit Price | Unit Price |
| 1 | Self-contained Breathing Air Compressor, Station 1 | 1 | EA | 49,340.00 | 51,137.00 |
| | Make/Model | | | Bauer Unicus III 13H E1 | Eagel T210F1 Talon BAC |
| 1 | Self-contained Breathing Air Compressor, Station 2 | 1 | EA | 63,747.00 | 66,620.00 |
| | Make/Model | | | Bauer Unicus III 25H E3 | Eagel T220G Talon BAC |
| | Subtotal | | | \$113,087.00 | \$117,757.00 |
| | Installation Labor | 1 | EA | \$1,920.00 | |
| | Sales Tax @ 8.75% | 1 | LOT | 9,895.11 | 10,303.74 |
| | Delivery charges | 1 | LOT | 5,420.00 | 2,320.00 |
| | TOTAL COST | | | \$130,322.11 | \$130,380.74 |
| | | | | | |
| | | | | | |

Note: A third bid in the amount of \$130,111 was received from Mallory Safety & Supply, but it was deemed to be non-responsive because it did not meet the City's specifications.



| | | | | | |
|--|---|---|--|--|--|
| ORDERED FROM 03453 - 001 (925) 449-7210 Bauer Compressors Inc 267 E Airway Blvd Livermore CA 94551 | ORDER DATE 11/18/2015 | BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707 | | | |
| | DELIVERY DATE 01/29/2016 | | | | |
| | PAYMENT TERMS | | | | |
| | BID NO/RFQ NO | | | | |
| DELIVER TO DPS/Fire Services 700 All America Wy Sunnyvale CA 94086 Phone: (408) 730-7220 | FOB POINT | FREIGHT CHARGES | | | |
| | REQ. NO RQ015208 | REQUISITIONER: NTHOME | | | |
| | CHARGE/OBJ CODE(S): 020901 5235 \$120,427.00 | | | | |

| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|---|-----------|------|-----------|--------------|
| 1 | Furnish and install two (2) self-contained breathing air (SCBA) compressors at fire stations 1 and 2 in accordance with Invitation for Bids No. F16-42 and vendor's response, attached and incorporated herein by this reference. Compressor, Fire Station 1, Bauer Unicus III 13H E1 \$49,340.00 Compressor, Fire Station 2, Bauer Unicus III 25H E3 \$63,747.00 | 113087.00 | DLR | \$1.0000 | \$113,087.00 |
| 2 | Installation labor, two units | 1920.00 | DLR | \$1.0000 | \$1,920.00 |



| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|--|---------|------|-----------|------------|
| 3 | Delivery charges Awarded by Council _____, RTC 15-1017. | 5420.00 | DLR | \$1.0000 | \$5,420.00 |

Amount does not reflect applicable taxes.

TOTAL \$120,427.00

Document Terms:

Invoices must be sent directly to Accounts Payable by mail to the address above or by e-mail to accountspayable@sunnyvale.ca.gov and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 10/8/2010, a copy of which is attached and incorporated by reference (Form #TCPO-G).

BUYER:

Dietz, Noel

PHONE (408) 730-7399

FAX (408) 730-7710



City of Sunnyvale

Agenda Item

15-1025

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Contract for Annual Maintenance of the Computer Aided Dispatch, Mobile Data Computing and Records Management Systems (F16-59)

REPORT IN BRIEF

Approval is requested to award a contract in the amount of \$102,534 to Tiburon, Inc. of San Diego, CA for the annual support and maintenance for the Department of Public Safety's (DPS) Computer Aided Dispatch (CAD), Mobile Data Computing (MDC), and Records Management (RMS) systems. Approval is also requested to delegate authority to the City Manager to renew the annual support agreement for up to five (5) additional one-year periods, subject to available funding and acceptable pricing and service.

These systems and associated costs are shared with the Town of Los Gatos under a cost sharing agreement approved in 2011 (RTC No. 11-085). The Los Gatos cost share portion for the new contract is \$23,153.

EXISTING POLICY

Pursuant to chapter 2.08 of the Sunnyvale Municipal Code, Council approval is required for transactions that exceed \$100,000.

Section 2.08.070(b) of the Sunnyvale Municipal Code exempts from competitive bidding those situations where the City's requirements can be met solely by a single patented article or process. In this case, the software is proprietary to Tiburon and they are the only supplier from whom ongoing maintenance and support is available.

ENVIRONMENTAL REVIEW

N/A

BACKGROUND AND DISCUSSION

DPS requires these critical applications to effectively serve the emergency needs of the community. DPS uses CAD and RMS to accept and track emergency calls and to dispatch public safety personnel to respond to requests for assistance. RMS is also used by Police for records processing and crime reporting, and MDC is used by both Police and Fire field personnel to communicate with dispatchers, query law enforcement and fire data services, and receive calls for service.

In April 2011, the City Council awarded a contract to Tiburon in the amount of \$416,121 to upgrade each of these systems, and approved the cost sharing agreement with Los Gatos, whose contribution share was \$70,000 (RTC 11-085). The resulting annual maintenance costs were under the \$100,000 threshold that requires Council approval. The current maintenance contract with Tiburon, which

expires December 31, 2015, was awarded under the City Manager's contract authority in the amount of \$97,650. Tiburon has increased pricing by 5% to \$102,534 for 2016.

FISCAL IMPACT

The total contract cost for 2016 is \$102,534. Of this amount, \$23,153 will be reimbursed to the City by the Town of Los Gatos. Therefore, the total cost to the City will be \$79,381. Budgeted funds are available in operating program 746 (IT Services and Support).

Funding Source

The funding source for this contract is the Technology and Communications Services Sub-fund of the General Services Fund. Contributions to the General Services Fund for this system come from the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Award a contract, in substantially the same form as the draft Purchase Order attached to the report and in the amount of \$102,534, including taxes, to Tiburon, Inc. for annual maintenance and support for CAD, MDC and RMS; and 2) delegate authority to the City Manager to renew the contract for up to five (5) additional one-year periods, subject to available funding and acceptable pricing and service.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: David Jensen, Director, Information Technology

Reviewed by: Frank Grgurina, Director, Public Safety

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft Purchase Order

2. Schedule of Annual Fees, Charges and Services



City of Sunnyvale
California

Draft Purchase Order NO

MT001110

| | | |
|--|---|--|
| ORDERED FROM 17367 - 001 (858) 799-7000 Tiburon Inc 9477 Waples St Ste 100 San Diego CA 92121 | ORDER DATE 11/11/2015 | BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707 |
| | DELIVERY DATE 12/30/2015 | |
| | PAYMENT TERMS N/30 | |
| | BID NO/RFQ NO | |
| DELIVER TO ITD/Information Technology Services 650 W Olive Ave Sunnyvale CA 94086 Phone: (408) 730-7557 | FOB POINT | FREIGHT CHARGES |
| | REQ. NO RQ015369 | REQUISITIONER: JLONGACRE |
| | CHARGE/OBJ CODE(S): 746410 5085 \$102,534.00 | |

| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|---|-----------|------|-----------|--------------|
| 1 | Purchase Order to renew Software Maintenance & Support to Tiburon for Computer Aided Dispatch (CAD), Records Management (PRMS/ARS), and related modules, as needed by the City of Sunnyvale and the Town of Los Gatos. The Town of Los Gatos reimburses the City of Sunnyvale for their portion of charges. This is for a one-year period, 1/1/16-12/31/16. Pricing is per the "Support Fee Estimate for 2016," attached. Client No.: M801-16 City of Sunnyvale: CommandCAD \$36,383.00 MobileCOM \$12,128.00 LawRECORDS \$30,870.00 Town of Los Gatos: CommandCAD \$19,845.00 MobileCOM \$ 3,308.00 Purchase Order Total: \$102,534.00 This purchase order replaces MT001010. | 102534.00 | DLR | \$1.0000 | \$102,534.00 |



| ITEM | DESCRIPTION | QTY | UNIT | UNIT COST | TOTAL |
|------|--|-----|------|-----------|-------|
| | Awarded by City Council 12/15/15, RTC _____. | | | | |

Amount does not reflect applicable taxes.

TOTAL \$102,534.00

BUYER:

Vo, Lisa

PHONE (408) 730-7608

FAX (408) 730-7710

EXHIBIT B

SCHEDULE OF SERVICES AND CHARGES

Support and Maintenance provided to the CLIENT listed in Exhibit A shall be pursuant to the terms and conditions of the Agreement for Extended Service dated April 20, 2000 (the "Agreement").

Upon CLIENT's payment of the amount set forth on Exhibit A to the Agreement, this Exhibit B shall be attached to, and become part of the Agreement. Any changes to the services options selected in this Exhibit B shall be reflected in a new Exhibit B which, upon payment of any additional amounts due, shall be attached to, and become part of, the Agreement.

BASIC SERVICES

Tiburon will provide basic services as defined in the Statement of Work contained in Section 2 of the Extended Service Agreement for the software systems as defined in Exhibit A.

Support for Computer Aided Dispatch, Message Switch and Corrections Management Systems is 24 hours per day, 7 days per week. Support for other products is from 8:00 a.m. to 5:30 p.m. Pacific Time, excluding weekends and normal Tiburon holidays, unless the "24/7" Service Option is selected. In all cases, call-out charges will apply as described below.

The following is paraphrased from the recently adopted Bylaws.

Voting membership in the Tiburon User Group, as set forth herein, is included in the Basic Service. The quantity of voting members is based on the number of Tiburon products installed, with the appropriate software licenses, at the CLIENT. For purposes of establishing voting memberships, a product is defined as SS/2000 – Computer Aided Dispatch, Police Records Management, Fire Records Management, Correction Management System, and Mobile Data System. The Tiburon User Group Conference is held annually at a location to be determined.

~~"24/7" SERVICE OPTION~~
Not required

~~\$7,000 per year/per system~~

~~(initial)~~

Products not normally covered by 24-hour support may optionally be supported with 24-hour coverage (including Tiburon holidays). Applicable call-out charges continue to apply. If this option is not in force, technical support requests outside of covered hours are charged at technical service rates as defined below.

NEW PRODUCTS

Additional Tiburon software systems, subsystems and Tiburon provided third-party products, such as hardware, and networking software may be acquired under this Agreement. Tiburon installation, special tailoring, license fees and third-party peripherals required shall be charged at the then current Technical Services Rate or as quoted by Tiburon or the third party.

TECHNICAL SERVICE RATES

1. Technical Service Rates

Technical Services Rates shall be invoiced to CLIENT as incurred at the rates then in effect.

A minimum of four (4) hours per occurrence will be charged for work conducted at Tiburon facilities and a minimum of eight (8) hours at CLIENT site for Technical Services not covered under Basic Services or "24/7" Service Option as described previously.

2. Materials, Travel and Per Diem Expenses

When applicable, all special materials, plus travel and per diem expenses shall be charged to CLIENT at cost.

3. Call-Out Charges

Systems not covered under 24/7 support, call-outs will be billed at \$250 per call. After the first hour, the rate is \$250 per hour with a two-hour minimum.

If CLIENT's systems are covered under the 24/7 support, the off-hour call-out fee is \$50.

4. Remote Access

All charges in this Agreement are predicated on CLIENT providing the required hardware, software, and operating environment for dial-in service. If CLIENT does not provide this support for dial-in service, the following additional charge will apply:

\$500 per month per system supported

In addition, travel and per diem expenses for on-site support required due to lack of remote access will be charged as defined in Exhibit B, page 2, item 1.



City of Sunnyvale

Agenda Item

15-1053

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW16-09 for the Federally-funded Safe Routes to School 2014 Project for Bike and Pedestrian Improvements, and Finding of CEQA Categorical Exemption

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$438,787 to St. Francis Electric LLC of San Leandro for Safe Routes to School 2014, Public Works Project No. TR-13/02-14. Approval is also requested for a 15% construction contingency in the amount of \$65,818.

EXISTING POLICY

Section 1309 of the City Charter requires construction contracts to be awarded to the lowest responsive and responsible bidder.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exemption pursuant to Class 1, Section 15301(c), for existing facilities.

BACKGROUND AND DISCUSSION

The Federal Safe Routes to School (SRTS) Program administered by the California Department of Transportation (Caltrans) began statewide in August 2005. The program enables and encourages students in kindergarten through eighth grade (K-8), including students with disabilities, to safely walk and bicycle to school by facilitating the planning, design, and implementation of improvement projects in and around school neighborhoods.

In 2011, the City received \$820,000 in SRTS funding to design and construct improvements identified in the City's Pedestrian and Safety Opportunities Study, as well as the Neighborhood Guided Bike Routes Project developed as a Bicycle and Pedestrian Advisory Commission Study Issue. The project design was completed in February 2015 by a combination of in-house staff from the Transportation and Traffic Division with consultant assistance provided by Bellecci & Associates (RTC No. 13-151). The necessary authorization to proceed to construction was approved by Caltrans in May 2015. The project consists of establishing guided bicycle routes along various streets throughout the entire City, installing signage and striping at eleven various street intersections, installing crosswalk In-Road Warning Lights (IRWLs) at four locations and speed feedback signs at five locations citywide. See Attachment 1 which summarizes the locations of various improvements.

The original scope of the project also included 73 ADA curb ramps; however, during the consultant negotiation process these were removed from the project because the City was advised that there would not be enough money in the grant for design and construction (estimated at \$400k).

The project was advertised for competitive bidding in The Sunnyvale Sun on October 9, 2015,

distributed to eighteen Bay Area Builder's Exchanges, and published on the City's website through the Demandstar public procurement network. Twelve contractors requested bid documents. Sealed bids were opened on November 4, 2015, with three responsive bids being received (Attachment 1).

The lowest responsive and responsible bid was submitted by St. Francis Electric LLC of San Leandro, in the amount of \$438,787. The Bid Summary is attached. Staff is requesting a 15% contingency because there are multiple project sites located city-wide and additional coordination and re-scheduling may be required due to other construction projects (City, utilities, private development etc.) going on throughout the City.

FISCAL IMPACT

The original grant in the amount of \$820,000 was appropriated to Capital Project 829370 (Safe Routes to School and Neighborhood Guided Bike Routes). Approximately \$717,000 in funding remains; \$103,000 was utilized for design purposes.

Of the \$717,000 budgeted in the current fiscal year, \$59,000 will be needed for City staff support services during construction. Should staff expend the entire amount approved under this construction contract (bid price plus the contingency), approximately \$153,395 in federal grant funding will remain. Staff is working with Caltrans to determine whether the remaining funding can be utilized for a separate ADA ramp project, re-purposed to other safe routes to school work or if it must be returned.

Funding Source

Funding is provided by the Federal Safe Routes to School (SRTS) Program administered by Caltrans.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to Class 1 Section 15301(c) for existing facilities; 2) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$438,787 to St. Francis Electric LLC; and 3) approve a 15% construction contingency in the amount of \$65,818.

Prepared by: Pete Gonda, Purchasing Officer
Reviewed by: Grace K. Leung, Director, Finance
Reviewed by: Manuel Pineda, Director, Public Works
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract

Invitation for Bids No. PW16-09
 Safe Routes to School 2014
 Project No. TR-13/02-14

| | | | | <i>St. Francis Electric</i> 975 Carden Street San Leandro, CA 94577 Guy Smith | | <i>Columbia Electric Inc.</i> 1980 Davis Street San Leandro, CA 94577 JoAnne Scruggs | | <i>Tennyson Electric Inc.</i> 7275 National Drive Livermore, CA 94550 Michael Tennyson | |
|-----|---|-----|-----|--|----------------|---|----------------|---|----------------|
| No. | Bid Item | UOM | QTY | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
| 1 | Mobilization | LS | 1 | \$ 20,000.00 | \$ 20,000.00 | \$ 25,416.00 | \$ 25,416.00 | \$ 28,000.00 | \$ 28,000.00 |
| 2 | Temporary Traffic Control | LS | 1 | \$ 12,000.00 | \$ 12,000.00 | \$ 7,000.00 | \$ 7,000.00 | \$ 48,400.00 | \$ 48,400.00 |
| 3 | Signing, Striping and Markings: Morse Ave at Glendale Ave (S1) | LS | 1 | \$ 3,815.00 | \$ 3,815.00 | \$ 2,716.00 | \$ 2,716.00 | \$ 2,989.00 | \$ 2,989.00 |
| 4 | Signing, Striping and Markings: Duane Ave at Bayview Ave (S2) | LS | 1 | \$ 7,700.00 | \$ 7,700.00 | \$ 8,237.60 | \$ 8,237.60 | \$ 8,459.00 | \$ 8,459.00 |
| 5 | Signing, Striping and Markings: Lakehave Drive at Lakewood Ave (S3) | LS | 1 | \$ 6,870.00 | \$ 6,870.00 | \$ 7,268.80 | \$ 7,268.80 | \$ 7,465.00 | \$ 7,465.00 |
| 6 | Signing, Striping and Markings: Washington Ave at Sunset Ave (S4) | LS | 1 | \$ 4,942.00 | \$ 4,942.00 | \$ 5,521.60 | \$ 5,521.60 | \$ 5,670.00 | \$ 5,670.00 |
| 7 | Signing, Striping and Markings: Pastoria Ave at McKinley Ave (S5) | LS | 1 | \$ 4,200.00 | \$ 4,200.00 | \$ 5,432.00 | \$ 5,432.00 | \$ 5,577.00 | \$ 5,577.00 |
| 8 | Signing, Striping and Markings: Remington Drive at Mango Ave (S6) | LS | 1 | \$ 6,870.00 | \$ 6,870.00 | \$ 4,183.20 | \$ 4,183.20 | \$ 4,300.00 | \$ 4,300.00 |
| 9 | Signing, Striping and Markings: Marion Way at Norman Drive & Dunford Way at Oriole Ave (S7) | LS | 1 | \$ 9,220.00 | \$ 9,220.00 | \$ 10,248.00 | \$ 10,248.00 | \$ 10,525.00 | \$ 10,525.00 |
| 10 | Signing, Striping and Markings: Dunford Way at Partridge Ave (S8) | LS | 1 | \$ 6,200.00 | \$ 6,200.00 | \$ 6,328.00 | \$ 6,328.00 | \$ 6,500.00 | \$ 6,500.00 |
| 11 | Signing, Striping and Markings: Dunford Way at Lochinvar Ave (S9) | LS | 1 | \$ 5,110.00 | \$ 5,110.00 | \$ 4,592.00 | \$ 4,592.00 | \$ 4,715.00 | \$ 4,715.00 |
| 12 | Signing, Striping and Markings: Remington Drive at Mary Ave (S10) | LS | 1 | \$ 10,700.00 | \$ 10,700.00 | \$ 14,285.60 | \$ 14,285.60 | \$ 14,670.00 | \$ 14,670.00 |
| 13 | Guided Bicycle Routing Sign | LS | 1 | \$ 38,900.00 | \$ 38,900.00 | \$ 33,196.80 | \$ 33,196.80 | \$ 38,000.00 | \$ 38,000.00 |
| 14 | Speed Feedback Sign - West Remington Drive | LS | 1 | \$ 18,215.00 | \$ 18,215.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 18,800.00 | \$ 18,800.00 |
| 15 | Speed Feedback Sign - Ponderosa Ave | LS | 1 | \$ 18,215.00 | \$ 18,215.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 18,800.00 | \$ 18,800.00 |
| 16 | Speed Feedback Sign - Washington Ave (Eastbound) | LS | 1 | \$ 18,215.00 | \$ 18,215.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 18,800.00 | \$ 18,800.00 |
| 17 | Speed Feedback Sign - Washington Ave (Westbound) | LS | 1 | \$ 18,215.00 | \$ 18,215.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 18,645.00 | \$ 18,645.00 |
| 18 | Speed Feedback Sign - Duane Ave | LS | 1 | \$ 21,965.00 | \$ 21,965.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 18,645.00 | \$ 18,645.00 |

| | | | | | | | | | |
|-------------|---|----|---|--------------|---------------|--------------|---------------|--------------|---------------|
| 19 | In-Road Warning Light System - Lakehaven Drive at Silverlake Drive | LS | 1 | \$ 44,170.00 | \$ 44,170.00 | \$ 65,000.00 | \$ 65,000.00 | \$ 68,444.00 | \$ 68,444.00 |
| 20 | In-Road Warning Light System - Old San Francisco Road at Central Ave | EA | 1 | \$ 49,190.00 | \$ 49,190.00 | \$ 65,400.00 | \$ 65,400.00 | \$ 72,444.00 | \$ 72,444.00 |
| 21 | In-Road Warning Light System - Cezanne Drive, between El Camino Real and Old San Francisco Road | LS | 1 | \$ 53,615.00 | \$ 53,615.00 | \$ 71,500.00 | \$ 71,500.00 | \$ 73,444.00 | \$ 73,444.00 |
| 22 | In-Road Warning Light System - Dunford Way at Quail Ave | LS | 1 | \$ 49,210.00 | \$ 49,210.00 | \$ 67,650.00 | \$ 67,650.00 | \$ 68,444.00 | \$ 68,444.00 |
| 23 | Curb Ramps | EA | 2 | \$ 5,625.00 | \$ 11,250.00 | \$ 6,048.00 | \$ 12,096.00 | \$ 5,200.00 | \$ 10,400.00 |
| Bid Totals: | | | | | \$ 438,787.00 | | \$ 516,071.60 | | \$ 572,136.00 |

| | | | |
|----------|--|---|---|
| Surety: | 10% Bid Bond | 10% Bid Bond | 10% Bid Bond |
| License: | A, C-10 | A | A, C-10 |
| Subs: | Curb Ramps, Golden Bay Constr. Signs/Striping, Bayside Stripe & Seal | Curb Ramps, Sposeto Egr. Signs/Striping, Chrisp Co. | Curb Ramps, Golden Bay Constr. Signs/Striping, Chrisp Co. |

**DRAFT
GENERAL CONSTRUCTION CONTRACT**

THIS CONTRACT dated _____ is by and between the CITY OF SUNNYVALE, a municipal corporation of the State of California ("Owner") and ST. FRANCIS ELECTRIC, a limited liability company ("Contractor").

RECITALS:

The parties to this Contract have mutually covenanted and agreed, as follows:

1. **The Contract Documents.** The complete Contract consists of the following documents: Notice Inviting Bids; Instructions to Bidders; Performance Bond and Payment Bond; Guaranty; City of Sunnyvale Standard Specifications for Public Works Construction, 2006 Edition; City of Sunnyvale Standard Details for Public Works Construction, 2006 Edition; Plans and Specifications, " Safe Routes to School 2014, Project No. TR-13/02-14, Federal Aid Project No. SRTSL-5213(044), Invitation for Bids No. PW16-09", including two (2) Addenda; OSHA, and other standards and codes as outlined in the Specifications. These documents are all incorporated by reference. The documents comprising the complete contract are collectively referred to as the Contract Documents.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to work together so that any work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all documents.

2. **The Work.** Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete the project in a good and workmanlike manner. The work consist(s) of installation of signs for guided bike routes and pedestrian safety improvements including signing, striping, speed feedback signs, and in-pavement warning light crosswalk system; complete in place and suitable for their intended use; as called for, and in the manner designated in, and in strict conformity with, the Plans and Specifications prepared by Bellecci & Associates and adopted by the Owner. These Plans and Specifications are entitled respectively, Safe Routes to School 2014, Project No. TR-13/02-14.

It is understood and agreed that the work will be performed and completed as required in the Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner, or its representatives. The Owner hereby designates as its representative for the purpose of this contract the Senior Civil Engineer for Construction or an employee of the Owner who will be designated in writing by the Director of Public Works.

3. **Contract Price.** The Owner agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the sum of Four Hundred Thirty Eight Thousand Seven Hundred Eighty Seven and No/100 Dollars (\$438,787.00) subject to final determination of the work performed and materials furnished at unit prices per "Exhibit A" attached hereto and incorporated by this reference, and subject to additions

and deductions in accordance, as provided in the Documents and in accordance with Contract Documents.

4. Permits; Compliance with Law. Contractor shall, at its expense, obtain all necessary permits and licenses, easements, etc., for the construction of the project, give all necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public health and safety.

5. Inspection by Owner. Contractor shall at all times maintain proper facilities and provide safe access for inspection by the Owner to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely notice to the Owner of its readiness for inspection and without the approval thereof or consent thereto by the latter. Should any such work be covered up without such notice, approval, or consent, it must, if required by Owner, be uncovered for examination at the Contractor's expense.

6. Extra or Additional Work and Changes. Should Owner at any time during the progress of the work request any alterations, deviations, additions or omissions from the Specifications or Plans or other Contract Documents it shall be at liberty to do so, and the same shall in no way affect or make void the contract, but will be added to or deducted from the amount of the contract price, as the case may be, by a fair and reasonable valuation, agreed to in writing between the parties hereto. No extra work shall be performed or change be made unless in pursuance of a written order from the Director of Public Works or authorized representative, stating that the extra work or change is authorized and no claim for an addition to the contract sum shall be valid unless so ordered.

7. Time for Completion. All work under this contract shall be completed before the expiration Eighty (80) working days from the date specified in the Notice to Proceed.

If Contractor shall be delayed in the work by the acts or neglect of Owner, or its employees or those under it by contract or otherwise, or by changes ordered in the work, or by strikes, lockouts by others, fire, unusual delay in transportation, unavoidable casualties or any causes beyond the Contractor's control, or by delay authorized by the Owner, or by any cause which the Owner shall decide to justify the delay, then the time of completion shall be extended for such reasonable time as the Owner may decide.

This provision does not exclude the recovery of damages for delay by either party under other provisions.

8. Inspection and Testing of Materials. Contractor shall notify Owner a sufficient time in advance of the manufacture or production of materials, to be supplied under this contract, in order that the Owner may arrange for mill or factory inspection and testing of same, if Owner requests such notice from Contractor.

9. Termination for Breach, etc. If Contractor should file a bankruptcy petition and/or be judged bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency, or if Contractor or any subcontractors should violate any of the provisions of the Contract,

Owner may serve written notice upon Contractor and its surety of Owner's intention to terminate the Contract. The notice shall contain the reasons for such intention to terminate the Contract, and, unless within ten days after serving such notice, such violation shall cease and satisfactory arrangements for correction thereof be made, upon the expiration of the ten days, the Contract shall cease and terminate. In the event of any such termination, Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided, however that, if the surety within fifteen days after the serving upon it of notice of termination does not give Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty days from the date of the serving of such notice, Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to Owner for any excess cost occasioned Owner thereby, and in such event Owner may without liability for so doing take possession of and utilize in completing the work, such materials, appliances, plant and other property belonging to Contractor as may be on the site of the work and necessary therefor.

10. Owner's Right to Withhold Certain Amounts and Make Application Thereof. In addition to the amount which Owner may retain under Paragraph 21 until the final completion and acceptance of all work covered by the Contract, Owner may withhold from payment to Contractor such amount or amounts as in its judgment may be necessary to pay just claims against Contractor or any subcontractors for labor and services rendered and materials furnished in and about the work. Owner may apply such withheld amount or amounts to the payment of such claims in its discretion. In so doing Owner shall be deemed the agent of Contractor and any payment so made by Owner shall be considered as a payment made under the Contract by Owner to the Contractor and Owner shall not be liable to Contractor for any such payment made in good faith. Such payment may be made without prior judicial determination of the claim or claims.

11. Notice and Service Thereof. All notices required pursuant to this Contract shall be communicated in writing, and shall be delivered in person, by commercial courier or by first class or priority mail delivered by the United States Postal Service. Transmission of notice by facsimile or by telephone may be deemed sufficient if the requirement for written notice is waived, in writing, by the receiving party. Notices delivered in person shall be deemed communicated as of actual receipt. Notices sent by mail or courier service shall be deemed communicated as of three days after mailing or dispatch, unless that date is a date on which there is no mail or delivery service, in which case communication shall be deemed to occur the next mail service or delivery day. The burden of proof of compliance with this requirement for written notice shall be on the sending party. All notices sent pursuant to this Contract shall be addressed as follows:

| | |
|--------|-------------------------------------|
| Owner: | City of Sunnyvale |
| | Department of Public Works |
| | Construction Contract Administrator |
| | P. O. Box 3707 |
| | Sunnyvale, CA 94088-3707 |

Contractor: St. Francis Electric LLC
Attn: Andrew Amador, Vice President
975 Carden Street
San Leandro, CA 94577

12. Assignment of Contract. Neither the Contract, nor any part thereof, nor moneys due or to become due thereunder may be assigned by Contractor without the prior written approval of Owner.

13. Compliance with Specifications of Materials. Whenever in the Specifications, any material or process is indicated or specified by patent or proprietary name, or by name of manufacturer, such Specifications must be met by Contractor, unless Owner agrees in writing to some other material, process or article offered by Contractor which is equal in all respects to the one specified.

14. Contract Security. Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies, or teams, used in, upon, for or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond. Bonds shall be issued by an admitted surety insurer authorized to operate in the state of California.

15. Insurance. Contractor shall not commence work under this Contract until all insurance required under this paragraph has been obtained and such insurance has been approved by the Owner, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract and particularly Paragraph 16 hereof. Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy. Insurance carrier shall be California-admitted.

(a) Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the life of this Contract Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Contract, Contractor makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

(b) General and Automobile Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the period covered by the Contract in the amount of Two Million Dollars (\$2,000,000.00) per occurrence and \$4,000,000 annual aggregate combined single limit coverage. Such coverage shall include, but shall not be limited to, protection against claims arising therefrom, and damage to property resulting from activities contemplated under this Contract, use of owned automobiles, products and completed operations, including U, C and X. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to the Owner and shall provide that notice must be given to Owner at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement. Broad form property damage endorsement must be attached. Owner is to be named as an additional insured on any contracts of insurance under this paragraph (b). Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by Owner.

16. Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless Owner and all its officers, employees, and agents, against any and all liability, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the active negligence or willful misconduct of Owner, or of Owner's officials, agents, employees, servants, or independent contractors who are directly responsible to Owner. Contractor shall make good and reimburse Owner for any expenditures, including reasonable attorneys' fees, Owner may make by reason of such claim or litigation, and, if requested by Owner, Contractor shall defend any such suits at the sole cost and expense of Contractor.

17. Hours of Work. Eight hours of labor during any one calendar day and forty hours of labor during any one calendar week shall constitute the maximum hours of service upon all work done hereunder, and it is expressly stipulated that no laborer, worker, or mechanic employed at any time by the Contractor or by any subcontractor or

subcontractors under this Contract, upon the work or upon any part of the work contemplated by this Contract, shall be required or permitted to work thereon more than eight hours during any one calendar day and forty hours during any one calendar week, except, as provided by Section 1815 of the Labor Code of the State of California, work performed by employees of contractors in excess of eight hours per day and forty hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. It is further expressly stipulated that for each and every violation of Sections 1811-1815, inclusive, of the Labor Code of the State of California, all the provisions whereof are deemed to be incorporated herein, Contractor shall forfeit, as a penalty to Owner, fifty dollars (\$50.00) for each laborer, worker, or mechanic employed in the execution of this Contract by Contractor, or by any subcontractor under this Contract, for each calendar day during which the laborer, worker, or mechanic is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Sections of the Labor Code.

Contractor, and each subcontractor, shall, in accordance with California Labor Code Section 1776 or as the same may be later amended, keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with work under this agreement. Each payroll record shall contain or be verified by a written declaration under penalty of perjury, in accordance with Labor Code Section 1776(a). Such payroll records shall be made available at all reasonable times at the Contractor's principal office to the persons authorized to inspect such records pursuant to Labor Code Section 1776. A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations, as well as to the Owner's representative. In the event the Contractor or a Subcontractor fails to comply in a timely manner within ten days to a written notice requesting the records, such contractor or subcontractor shall forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, in accordance with Labor Code Section 1776(g).

18. Wage Rates. Pursuant to the Labor Code of the State of California, or any applicable local law, Owner has ascertained the general prevailing rate per diem wages and rates for holidays, and overtime work in the city, for each craft, classification or type of laborer, worker, or mechanic needed to execute this Contract. Owner has adopted, by reference, the general prevailing rate of wages applicable to the work to be done under the Contract, as adopted and published by the Division of Labor Standards Enforcement and Labor Statistics and Research of the State of California, Department of Industrial Relations, to which reference is hereby made for a full and detailed description. A copy of the prevailing wage rates may be reviewed in the office of the Director of Public Works, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, California. Wage rates can also be obtained through the California Department of Industrial Relations website at:

<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

Neither the notice inviting bids nor this Contract shall constitute a representation of fact as to the prevailing wage rates upon which the Contractor or any subcontractor may base any claim against Owner.

It shall be mandatory upon Contractor and upon any subcontractor to pay not less than the specified rates to all laborers, workers, and mechanics employed in the execution of the Contract. It is further expressly stipulated that Contractor shall, as a penalty to Owner, forfeit fifty dollars (\$50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic paid less than the stipulated prevailing rates for any work done under this Contract by Contractor or by any subcontractor; and Contractor agrees to comply with all provisions of Section 1775 of the Labor Code.

In case it becomes necessary for Contractor or any subcontractor to employ on the project under this Contract any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, Contractor shall immediately notify Owner who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish Contractor with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.

19. Accident Prevention. Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

20. Contractor's Guarantee. Owner shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to the building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before acceptance. Contractor unqualifiedly guarantees the first-class quality of all workmanship and of all materials, apparatus, and equipment used or installed by Contractor or by any subcontractor or supplier in the project which is the subject of this Contract, unless a lesser quality is expressly authorized in the Plans and Specifications, in which event Contractor unqualifiedly guarantees such lesser quality; and that the work as performed by Contractor will conform with the Plans and Specifications or any written authorized deviations therefrom. In case of any defect in work, materials, apparatus or equipment, whether latent or patent, revealed to Owner within one year of the date of acceptance of completion of this Contract by Owner, Contractor will forthwith remedy such defect or defects without cost to Owner.

21. Liquidated Damages. Time shall be the essence of this Contract. If Contractor fails to complete, within the time fixed for such completion, the entire work mentioned and described and contracted to be done and performed, Contractor shall become liable to Owner for liquidated damages in the sum of Five Hundred and No/100 Dollars (\$500.00) for each and every calendar day during which work shall remain uncompleted beyond such time fixed for completion or any lawful extension thereof. The

amount specified as liquidated damages is presumed to be the amount of damage sustained by Owner since it would be impracticable or extremely difficult to fix the actual damage; and the amount of liquidated damages may be deducted by Owner from moneys due Contractor hereunder, or its assigns and successors at the time of completion, and Contractor, or its assigns and successors at the time of completion, and its sureties shall be liable to Owner for any excess.

22. Additional Provisions.

None.

_____/_____/_____
City Attorney Date

EXHIBIT A
BID SCHEDULE

| Item No. | Item Description | Qty | Unit | Unit Price |
|----------|---|-----|------|-------------|
| 1 | Mobilization (Shall not exceed 5% of total base bid) | 1 | LS | \$20,000.00 |
| 2 | Temporary Traffic Control | 1 | LS | \$12,000.00 |
| 3 | Signing, Striping & Markings: Morse Ave At Glendale Ave (S1) | 1 | LS | \$3,815.00 |
| 4 | Signing, Striping & Markings: Duane Ave At Bayview Ave (S2) | 1 | LS | \$7,700.00 |
| 5 | Signing, Striping & Markings: Lakehaven Drive At Lakewood Drive (S3) | 1 | LS | \$6,870.00 |
| 6 | Signing, Striping & Markings: Washington Ave At Sunset Ave (S4) | 1 | LS | \$4,942.00 |
| 7 | Signing, Striping & Markings: Pastoria Ave At Mckinley Ave (S5) | 1 | LS | \$4,200.00 |
| 8 | Signing, Striping & Markings: Remington Drive At Mango Ave (S6) | 1 | LS | \$6,870.00 |
| 9 | Signing, Striping & Markings: Marion Way At Norman Drive & Dunford Way At Oriole Ave (S7) | 1 | LS | \$9,220.00 |
| 10 | Signing, Striping & Markings: Dunford Way At Partridge Ave (S8) | 1 | LS | \$6,200.00 |
| 11 | Signing, Striping & Markings: Dunford Way At Lochinvar Ave (S9) | 1 | LS | \$5,110.00 |
| 12 | Signing, Striping & Markings: Remington Drive At Mary Avenue (S10) | 1 | LS | \$10,700.00 |
| 13 | Guided Bicycle Route Signing | 1 | LS | \$38,900.00 |
| 14 | Speed Feedback Sign - West Remington Drive | 1 | LS | \$18,215.00 |

| | | | | |
|----|---|---|----|-------------|
| 15 | Speed Feedback Sign - Ponderosa Avenue | 1 | LS | \$18,215.00 |
| 16 | Speed Feedback Sign - Washington Avenue (Eastbound) | 1 | LS | \$18,215.00 |
| 17 | Speed Feedback Sign - Washington Avenue (Westbound) | 1 | LS | \$18,215.00 |
| 18 | Speed Feedback Sign - Duane Avenue | 1 | LS | \$21,965.00 |
| 19 | In-Road Warning Light System - Lakehaven Drive At Silverlake Drive | 1 | LS | \$44,170.00 |
| 20 | In-Road Warning Light System - Old San Francisco Road At Central Avenue | 1 | LS | \$49,190.00 |
| 21 | In-Road Warning Light System - Cezanne Drive, Between El Camino Real And Old San Francisco Road | 1 | LS | \$53,615.00 |
| 22 | In-Road Warning Light System - Dunford Way At Quail Avenue | 1 | LS | \$49,210.00 |
| 23 | Curb Ramps | 2 | EA | \$5,625.00 |

REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONSTRUCTION CONTRACTS

(FHWA-1273 -- Revised May 1, 2012)

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as

amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the

procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities:

The contractor must be familiar with the requirements for and comply with the Americans

with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment:

The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and

women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure

privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4).

Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed

classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required

by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b. (1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security

number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2)

of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed.

In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination.

Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions

of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;

(2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

(4) the prime contractor remains ultimately responsible for the payment of predetermined

minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety,

health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available

to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.
2. That the contractor agrees to include or

cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the

General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local)

terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors

and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

**Certification Regarding Debarment,
Suspension, Ineligibility and Voluntary
Exclusion--Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

**XI. CERTIFICATION REGARDING USE OF
CONTRACT FUNDS FOR LOBBYING**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an

employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

**ATTACHMENT A - EMPLOYMENT AND
MATERIALS PREFERENCE FOR
APPALACHIAN DEVELOPMENT HIGHWAY
SYSTEM OR APPALACHIAN LOCAL
ACCESS ROAD CONTRACTS**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian

counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent

of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

LIST OF SUBCONTRACTORS

| <u>Name and Address</u> | <u>Description of Portion of Work Subcontracted</u> |
|--|---|
| Golden Bay Construction: 3826 Depot Rd Hayward CA.94545 | 2 Partial, 23 |
| Bayside Stripe & Seal PO Box 703 Petaluma, CA.94953 | 2 (Traffic Control), 3-13 19-22 Partial |

(THE BIDDER'S EXECUTION ON THE SIGNATURE PORTION OF THIS
PROPOSAL SHALL ALSO CONSTITUTE AN ENDORSEMENT AND
EXECUTION OF THOSE CERTIFICATIONS WHICH ARE A PART OF THIS
PROPOSAL)

BIDDER'S LIST OF SUBCONTRACTORS (DBE and NON-DBE)- PART I

The bidder shall list all subcontractors (both DBE and non-DBE) in accordance with Section 2-1.054 of the Standard Specifications and per Title 49, Section 26.11 of the Code of Federal Regulations. This listing is required in addition to listing DBE Subcontractors elsewhere in the proposal. **Photocopy this form for additional firms.**

| Firm Name/ Address/ City, State, ZIP | Phone/ Fax | Annual Gross Receipts | Description of Portion of Work to be Performed | Local Agency Use Only (Certified DBE?) |
|--|--------------------------------|--|--|---|
| Name <i>Logistical</i> | Phone <i>(559) 392-1124</i> | <input type="checkbox"/> < \$1 million | <i>Traffic Gear & Material</i> | YES |
| Address <i>4658 Weathermaker Ave</i> | Fax <i>(559) 347-0500</i> | <input type="checkbox"/> < \$5 million | | NO |
| City State ZIP <i>Fresno CA 93703</i> | | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | <i>39438</i> |
| | | > \$15 million | | Age of Firm (Yrs.) |
| Name | Phone | < \$1 million | | YES |
| | | < \$5 million | | NO |
| Address | Fax | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | Age of Firm (Yrs.) |
| City State ZIP | | > \$15 million | | |
| Name | Phone | < \$1 million | | YES |
| | | < \$5 million | | NO |
| Address | Fax | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | Age of Firm (Yrs.) |
| City State ZIP | | > \$15 million | | |
| Name | Phone | < \$1 million | | YES |
| | | < \$5 million | | NO |
| Address | Fax | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | Age of Firm (Yrs.) |
| City State ZIP | | > \$15 million | | |

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BIDDER'S LIST OF SUBCONTRACTORS (DBE and NON-DBE)- PART II

The bidder shall list all subcontractors who provided a quote or bid but were not selected to participate as a subcontractor on this project. This is required for compliance with Title 49, Section 26 of the Code of Federal Regulations. Photocopy this form for additional firms.

| Firm Name/ Address/ City, State, ZIP | Phone/ Fax | Annual Gross Receipts | Description of Portion of Work to be Performed | Local Agency Use Only (Certified DBE?) |
|--|----------------|---|--|---|
| Name | Phone | <input type="checkbox"/> < \$1 million | | YES |
| Address | | <input type="checkbox"/> < \$5 million | | NO |
| | City State ZIP | <input type="checkbox"/> < \$10 million | | If YES list DBE #: |
| | | <input type="checkbox"/> < \$15 million | | Age of Firm (Yrs.) |
| | | > \$15 million | | |
| Name | Phone | < \$1 million | | YES |
| Address | | < \$5 million | | NO |
| | City State ZIP | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | Age of Firm (Yrs.) |
| | | > \$15 million | | |
| Name | Phone | < \$1 million | | YES |
| Address | | < \$5 million | | NO |
| | City State ZIP | < \$10 million | | If YES list DBE #: |
| | | < \$15 million | | Age of Firm (Yrs.) |
| | | > \$15 million | | |
| Name | Phone | <input type="checkbox"/> < \$1 million | | YES |
| Address | | <input type="checkbox"/> < \$5 million | | NO |
| | City State ZIP | <input type="checkbox"/> < \$10 million | | If YES list DBE #: |
| | | <input type="checkbox"/> < \$15 million | | Age of Firm (Yrs.) |
| | | <input type="checkbox"/> > \$15 million | | |

Distribution: 1) Original – Local Agency File

EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The bidder St. Francis Electric,
proposed subcontractor _____, hereby
certifies that he ~~has~~ _____, has not X, participated in a previous contract or subcontract
subject to the equal opportunity clauses, as required by Executive Orders 10925, 11114, or
11246, and that, where required, he has filed with the Joint Reporting Committee, the Director of
the Office of Federal Contract Compliance, a Federal Government contracting or administering
agency, or the former President's Committee on Equal Employment Opportunity, all reports due
under the applicable filing requirements.

Note: The above certification is required by the Equal Employment Opportunity Regulations of
the Secretary of Labor (41 CFR 60-1.7(b) (1)), and must be submitted by bidders and
proposed subcontractors only in connection with contracts and subcontracts which are
subject to the equal opportunity clause. Contracts and subcontracts which are exempt
from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally only
contracts or subcontracts of \$10,000 or under are exempt.)

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive
Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous
contract or subcontract subject to the Executive Orders and have not filed the required
reports should note that 41 CFR 60-1.7(b) (1) prevents the award of contracts and
subcontracts unless such contractor submits a report covering the delinquent period or
such other period specified by the Federal Highway Administration or by the Director,
Office of Federal Contract Compliance, U.S. Department of Labor.

PUBLIC CONTRACT CODE

Public Contract Code Section 10285.1 Statement

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the bidder hereby declares under penalty of perjury under the laws of the State of California that the bidder has , has not X been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or Federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "bidder" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as referred to in Section 10285.1.

Note: The bidder must place a check mark after "has" or "has not" in one of the blank spaces provided. The above Statement is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

Public Contract Code Section 10162 Questionnaire

In conformance with Public Contract Code Section 10162, the Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the bidder, any officer of the bidder, or any employee of the bidder who has a proprietary interest in the bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes _____ No X

If the answer is yes, explain the circumstances in the following space.

Public Contract Code 10232 Statement

In conformance with Public Contract Code Section 10232, the Contractor, hereby states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

Note: The above Statement and Questionnaire are part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement and Questionnaire.
Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

Noncollusion Affidavit
(Title 23 United States Code Section 112 and
Public Contract Code Section 7106)

To the CITY of SUNNYVALE
DEPARTMENT OF PUBLIC WORKS.

In conformance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Noncollusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Noncollusion Affidavit.
Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

DEBARMENT AND SUSPENSION CERTIFICATION

TITLE 49, CODE OF FEDERAL REGULATIONS, PART 29

The bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Certification.

NONLOBBYING CERTIFICATION FOR FEDERAL-AID CONTRACTS

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in conformance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

| | | |
|--|---|---|
| 1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance | 2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award | 3. Report Type: <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____ |
| 4. Name and Address of Reporting Entity <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known Congressional District, if known _____ | | 5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known _____ |
| 6. Federal Department/Agency: <i>none</i> | | 7. Federal Program Name/Description: CFDA Number, if applicable _____ |
| 8. Federal Action Number, if known: | | 9. Award Amount, if known: |
| 10. a. Name and Address of Lobby Entity (If individual, last name, first name, MI) | | b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI) |
| (attach Continuation Sheet(s) if necessary) | | |
| 11. Amount of Payment (check all that apply) \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned | | 13. Type of Payment (check all that apply) <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____ |
| 12. Form of Payment (check all that apply): <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____ | | |
| 14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11: (attach Continuation Sheet(s) if necessary) | | |
| 15. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input type="checkbox"/> | | |
| 16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when his transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. | | Signature: _____ Print Name: <u>Andrew Amador</u> Title: <u>Vice President</u> Telephone No.: <u>(510) 639-0639</u> Date: <u>11/2/15</u> |

Federal Use Only:

Authorized for Local Reproduction
Standard Form - LLL

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to title 31 U.S.C. section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence, the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last, previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee" then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influenced the covered Federal action.
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform and the date(s) of any services rendered. Include all preparatory and related activity not just time spent in actual contact with Federal officials. Identify the Federal

15. Check whether or not a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503

SF-LLL-Instructions Rev. 06-04-90«ENDIF»

Accompanying this proposal is Bidders Bond

(NOTICE: INSERT THE WORDS "CASH(\$ _____)," "CASHIER'S CHECK,"
"CERTIFIED CHECK," OR "BIDDER'S BOND," AS THE CASE MAY BE.)

in amount equal to at least ten percent of the total of the bid.

The names of all persons interested in the foregoing proposal as principals are as follows:

IMPORTANT NOTICE

If bidder or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer, and manager thereof; if a copartnership, state true name of firm, also names of all individual copartners composing firm; if bidder or other interested person is an individual, state first and last names in full.

St. Francis Electric: Robert Spinardi, Guy Smith
and Andrew Amador

Licensed in conformance with an act providing for the registration of Contractors,

License No. 1003811 Classification(s) C10, A

ADDENDA -

This Proposal is submitted with respect to the changes to the contract included in addenda number/s 1, 2

(Fill in addenda numbers if addenda have been received and insert, in this Proposal, any Engineer's Estimate sheets that were received as part of the addenda.)

By my signature on this proposal I certify, under penalty of perjury under the laws of the State of California, that the foregoing questionnaire and statements of Public Contract Code Sections 10162, 10232 and 10285.1 are true and correct and that the bidder has complied with the requirements of Section 8103 of the Fair Employment and Housing Commission Regulations (Chapter 5, Title 2 of the California Administrative Code). By my signature on this proposal I further certify, under penalty of perjury under the laws of the State of California and the United States of America, that the Noncollusion Affidavit required by Title 23 United States Code, Section 112 and Public Contract Code Section 7106; and the Title 49 Code of Federal Regulations, Part 29 Debarment and Suspension Certification are true and correct.

Date: 11/10/15

Sign



Here

Guy Smith
[Signature]
Vice President

Signature and Title of Bidder

Business Address 975 Carden St
Place of Business San Leandro
Place of Residence San Leandro



The Guarantee Company of North America USA

25800 Northwestern Highway, Suite 720

Southfield, Michigan 48075

Phone: 248-281-0281 Fax: 248-750-0431

BID BOND

BOND NO. N/A

KNOW ALL MEN BY THESE PRESENTS, That we, ST. FRANCIS ELECTRIC, LLC
_____ as Principal, and The Guarantee Company of North America
USA, a corporation duly organized under the laws of the State of Michigan, as Surety, are held and firmly bound unto
SUNNYVALE CITY HALL ANNEX
_____ as Obligee, in the sum of TEN PERCENT OF THE TOTAL AMOUNT BID
(\$ 10%) Dollars for the payment of which Principal and Surety bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally.

WHEREAS, Principal has submitted a bid for SAFE ROUTES TO SCHOOL 2014 - PROJECT NUMBER: TR-13/02-14, the
Project.

NOW, THEREFORE, if the Obligee accepts the bid of the Principal and the Principal enters into a Contract with the
Obligee for the Project; or, if the Principal pays the Obligee the amount of this Bond or the difference between Principal's
bid and the next lowest bid for the Project, whichever is less: this obligation is null and void, otherwise to remain in full
force and effect.

Signed and sealed this 3RD day of NOVEMBER, 2015.

ST. FRANCIS ELECTRIC, LLC

BY: _____

Principal

ANDY AMADOR, VICE PRESIDENT

ITS:

The Guarantee Company of North America USA

BY: _____

Attorney-In-Fact

KELI WHEATLEY

Witness

Witness

ACKNOWLEDGMENT

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

State of California
County of Alameda)

On 11/5/15 before me, Loren Marie Johnson, Notary Public
(insert name and title of the officer)

personally appeared Andrew Amador,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

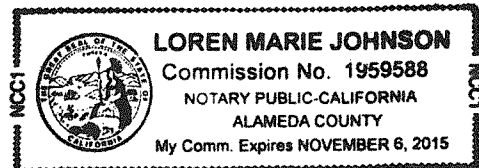
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)





The Guarantee Company of North America USA
Southfield, Michigan

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS: That THE GUARANTEE COMPANY OF NORTH AMERICA USA, a corporation organized and existing under the laws of the State of Michigan, having its principal office in Southfield, Michigan, does hereby constitute and appoint

Robert W. Babcock, Mollie Whalen, Kristin Robertson, Katherine Christine Babcock, Abolanle Felock, Megan Montano, Daniel Joseph Mastrantonio, James Lawrence Ronhaar, Annie Van, Keli Wheatley
R. W. Babcock Insurance Brokerage, Inc.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

The execution of such instrument(s) in pursuance of these presents, shall be as binding upon THE GUARANTEE COMPANY OF NORTH AMERICA USA as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at the principal office.

The Power of Attorney is executed and may be certified so, and may be revoked, pursuant to and by authority of Article IX, Section 9.03 of the By-Laws adopted by the Board of Directors of THE GUARANTEE COMPANY OF NORTH AMERICA USA at a meeting held on the 31st day of December, 2003. The President, or any Vice President, acting with any Secretary or Assistant Secretary, shall have power and authority:

1. To appoint Attorney(s)-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof; and
2. To revoke, at any time, any such Attorney-in-fact and revoke the authority given, except as provided below
3. In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.
4. In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner - Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of the Company adopted at a meeting duly called and held on the 6th day of December 2011, of which the following is a true excerpt:

RESOLVED that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, contracts of indemnity and other writings obligatory in the nature thereof, and such signature and seal when so used shall have the same force and effect as though manually affixed.



IN WITNESS WHEREOF, THE GUARANTEE COMPANY OF NORTH AMERICA USA has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 23rd day of February, 2012.

THE GUARANTEE COMPANY OF NORTH AMERICA USA

Stephen C. Ruschak, President & Chief Operating Officer

Randall Musselman, Secretary

STATE OF MICHIGAN
County of Oakland

On this 23rd day of February, 2012 before me came the individuals who executed the preceding instrument, to me personally known, and being by me duly sworn, said that each is the herein described and authorized officer of The Guarantee Company of North America USA; that the seal affixed to said instrument is the Corporate Seal of said Company; that the Corporate Seal and each signature were duly affixed by order of the Board of Directors of



Cynthia A. Takai
Notary Public, State of Michigan
County of Oakland
My Commission Expires February 27, 2018
Acting in Oakland County

IN WITNESS WHEREOF, I have hereunto set my hand at The Guarantee Company of North America USA offices the day and year above written.

I, Randall Musselman, Secretary of THE GUARANTEE COMPANY OF NORTH AMERICA USA, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by THE GUARANTEE COMPANY OF NORTH AMERICA USA, which is still in full force and effect.



IN WITNESS WHEREOF, I have thereunto set my hand and attached the seal of said Company this 3RD day of NOVEMBER, 2015:

Randall Musselman, Secretary

ACKNOWLEDGMENT

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

State of California
County of Alameda)

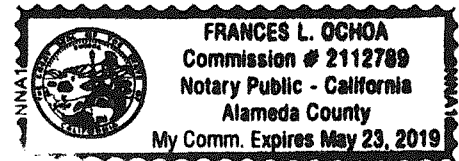
On NOVEMBER 3, 2015 before me, FRANCES L. OCHOA, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared KELI WHEATLEY,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Frances L Ochoa (Seal)



LOCAL ASSISTANCE PROCEDURES MANUAL
EXHIBIT 15-G CONSTRUCTION CONTRACT DBE COMMITMENT

1. Local Agency: City of Sunnyvale 2. Contract DBE Goal: 7%
3. Project Description: Safe Routes to School
4. Project Location: Various locations
5. Bidder's Name: St. Francis Electric 6. Prime Certified DBE: ☐ 7. Bid Amount: 438,787.00
8. Total Dollar Amount for ALL Subcontractors: 118,263.00 9. Total Number of ALL Subcontractors: 2

| 10. Bid Item Number | 11. Description of Work, Service, or Materials Supplied | 12. DBE Certification Number | 13. DBE Contact Information (Must be certified on the date bids are opened) | 14. DBE Dollar Amount |
|---|---|------------------------------|--|-----------------------|
| 14-22 | Traffic Gear & Material | 39438 | 4658 Weathermaker Fresno, CA. 93703 | 141,464 |
| | | | | * .60 |
| | | | | 84,878.40 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Local Agency to Complete this Section | | | 15. TOTAL CLAIMED DBE PARTICIPATION | \$84,878.40 |
| 21. Local Agency Contract Number: | | | | 19.3 % |
| 22. Federal-Aid Project Number: | | | | |
| 23. Bid Opening Date: | | | | |
| 24. Contract Award Date: | | | IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Names of the First Tier DBE Subcontractors and their respective item(s) of work listed above must be consistent, where applicable with the names and items of the work in the "Subcontractor List" submitted with your bid. Written confirmation of each listed DBE is required. | |
| Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate. | | | | |
| 25. Local Agency Representative's Signature | | 26. Date | 16. Preparer's Signature | 17. Date |
| 27. Local Agency Representative's Name | | 28. Phone | Andrew Amador (510) 639-0639 | |
| 29. Local Agency Representative's Title | | | 18. Preparer's Name | 19. Phone |
| | | | Vice President | |
| | | | 20. Preparer's Title | |

DISTRIBUTION: 1. Original - Local Agency
2. Copy - Caltrans District Local Assistance Engineer (DLAE). Failure to submit to DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract. Include additional copy with award package.

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654 3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.



City of Sunnyvale

Agenda Item

15-1062

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW16-16 for Duane Avenue Bicycle Lanes, Make a Finding of CEQA Categorical Exemption, and Approve Budget Modification No. 16 to Appropriate \$28,304 in Transportation Impact Fees (TIF) to Provide Additional Project Funding

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$105,315 to Chrisp Company of Fremont to construct bicycle lanes along Duane Avenue between Fair Oaks Avenue and Stewart Drive (Public Works Project No. TR-14/05-16). Approval is also requested for a 15% construction contingency in the amount of \$15,797, and for Budget Modification No. 16 to appropriate an additional \$28,304 in Transportation Impact Fees (TIF) to supplement the \$94,203 in grant funding budgeted for this capital project.

A 15% construction contingency is being requested because this project is responsible for striping portions of Duane Avenue that have several other projects under construction which include: Duane Avenue Pavement Rehabilitation, Traffic Signal at Duane & Britton, and Slurry Seal 2016. This will require more coordination than normal and there may be a need for multiple mobilizations in order to complete the striping and meet the needs of the other projects.

EXISTING POLICY

Section 1309 of the City Charter requires construction contracts to be awarded to the lowest responsive and responsible bidder.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exemption pursuant to Class 1, Section 15301(c), for existing facilities.

BACKGROUND AND DISCUSSION

On September 10, 2013 City Council approved the Duane Avenue Space Allocation Study (RTC 13-183) which reduced the number of lanes on Duane Ave. as well as removed on street parking in some areas. The Duane Avenue Bicycle Lane Project will consist of restriping the roadway and adding appropriate signage to accommodate a six foot bike lane in both the westbound and eastbound directions on Duane Avenue between Fair Oaks Avenue and Stewart Drive. The striping modifications will provide a designated path of travel for bicyclists with the intention of slowing vehicle speeds and providing a safer environment for pedestrians and cyclists.

The Duane Avenue Bicycle Lane Project is the result of a recommendation contained in the City's Bicycle Mobility Plan. In the development of the City's Bicycle Mobility Plan extensive public outreach was conducted and this stretch of Duane Avenue was identified as a candidate for

installation of bike lanes.. This project is also consistent with the City's Non-Motorized Transportation Plan, making bicycling more convenient and building a comprehensive citywide bicycle network.

The project was originally advertised in the Sunnyvale Sun for bid in September 2015 but no bids were received. The project was re-bid in late October and staff conducted additional outreach to potential vendors to increase interest in the project. The re-bid project was advertised in the Sunnyvale Sun on October 23, 2015 and published on the City's website through the Demandstar public procurement network. Four contractors requested plans. One sealed, responsive bid was received and opened on November 11, 2015. The sole bid was submitted by Chrisp Company of Fremont in the amount of \$105,315. The Bid Summary is attached.

FISCAL IMPACT

Project costs consist of the base bid of \$105,315 and a 15% contingency in the amount of \$15,797, and incidentals of \$1,395 for a total of \$122,507. The majority of the funding, \$94,203, is available in capital project 829590 from a grant through the Transportation Development Act (TDA) with the remaining \$28,304 to be funded through Traffic Impact Fees (TIF). Budget Modification No. 16 has been prepared to appropriate the additional TIF funds required to complete this project, as follows:

Funding Source

This project is funded by a grant through the Transportation Development Act (TDA) and Transportation Impact Fees (TIF).

BUDGET MODIFICATION NO. 16 FISCAL YEAR 2015/16

| | <u>Current</u> | <u>Increase (Decrease)</u> | <u>Revised</u> |
|---|----------------|--------------------------------|----------------|
| Capital Projects Fund – Traffic Impact Fees Sub-Fund | | | |
| <u>Reserves:</u> | | | |
| Capital Reserve | \$25,103,103 | (\$28,304) | \$25,074,799 |
| Capital Projects Fund – General Assets Sub-Fund | | | |
| <u>Expenditure:</u> | | | |
| Project 829590 – Duane Avenue Bicycle Lanes | \$94,203 | \$28,304 | \$122,507 |

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to Class 1 Section 15301(c) for existing

facilities; (2) approve Budget Modification No. 16 to provide \$28,304 in additional project funding; (3) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$105,315 to Chrisp Company; and (4) approve a 15% construction contingency in the amount of \$15,797.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract

Invitation for Bids No. PW16-16
Duane Avenue Bicycle Lanes Re-bid
Project No. TR-14/05-16

Chrisp Company
PO Box 1368
Fremont, CA 94538
David Morris

| No. | Bid Item | UOM | QTY | Unit Price | Extended Price |
|------------|---|-----|-----|--------------|----------------|
| 1 | Traffic Control | LS | 1 | \$ 15,000.00 | \$ 15,000.00 |
| 2 | Sign and Post | EA | 60 | \$ 265.00 | \$ 15,900.00 |
| 3 | Traffic Striping, Markings, and Pavement Markers Remove and Install (Thermoplastic) | LS | 1 | \$ 57,680.00 | \$ 57,680.00 |
| 4 | Traffic Striping, Markings, and Pavement Markers Remove and Install (Paint) | LS | 1 | \$ 16,735.00 | \$ 16,735.00 |
| Bid Total: | | | | | \$ 105,315.00 |

| | |
|----------|---------------|
| Surety: | 10% Bid Bond |
| License: | A, C-13, C-32 |
| Subs: | None |

**DRAFT
GENERAL CONSTRUCTION CONTRACT**

THIS CONTRACT dated _____ is by and between the CITY OF SUNNYVALE, a municipal corporation of the State of California ("Owner") and CHRISP COMPANY, a California Corporation ("Contractor").

RECITALS:

The parties to this Contract have mutually covenanted and agreed, as follows:

1. **The Contract Documents.** The complete Contract consists of the following documents: Notice Inviting Bids; Instructions to Bidders; Performance Bond and Payment Bond; Guaranty; City of Sunnyvale Standard Specifications for Public Works Construction, 2006 Edition; City of Sunnyvale Standard Details for Public Works Construction, 2006 Edition; Plans and Specifications, " Duane Avenue Bicycle Lanes Project - Rebid, Project No. TR-14/05-16, Invitation for Bids No. PW16-16"; OSHA, and other standards and codes as outlined in the Specifications. These documents are all incorporated by reference. The documents comprising the complete contract are collectively referred to as the Contract Documents.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to work together so that any work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all documents.

2. **The Work.** Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete the project in a good and workmanlike manner. The work consist(s) of furnishing transportation, labor, materials, and equipment for the removal and reinstallation of the striping, signs, and markings located on Duane Avenue from Fair Oaks Avenue to Stewart Drive, as required, ready for use in accordance with City Standards and specifications as called for, and in the manner designated in, and in strict conformity with, the Plans and Specifications prepared by the City of Sunnyvale and adopted by the Owner. These Plans and Specifications are entitled respectively, Duane Avenue Bicycle Lanes Project - Rebid, Project No. TR-14/05-16.

It is understood and agreed that the work will be performed and completed as required in the Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner, or its representatives. The Owner hereby designates as its representative for the purpose of this contract the Senior Civil Engineer for Construction or an employee of the Owner who will be designated in writing by the Director of Public Works.

3. Contract Price. The Owner agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the sum of One Hundred Five Thousand Three Hundred Fifteen and No/100 Dollars (\$105,315.00) subject to final determination of the work performed and materials furnished at unit prices per "Exhibit A" attached hereto and incorporated by this reference, and subject to additions and deductions in accordance, as provided in the Documents and in accordance with Contract Documents.

4. Permits; Compliance with Law. Contractor shall, at its expense, obtain all necessary permits and licenses, easements, etc., for the construction of the project, give all necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public health and safety.

5. Inspection by Owner. Contractor shall at all times maintain proper facilities and provide safe access for inspection by the Owner to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely notice to the Owner of its readiness for inspection and without the approval thereof or consent thereto by the latter. Should any such work be covered up without such notice, approval, or consent, it must, if required by Owner, be uncovered for examination at the Contractor's expense.

6. Extra or Additional Work and Changes. Should Owner at any time during the progress of the work request any alterations, deviations, additions or omissions from the Specifications or Plans or other Contract Documents it shall be at liberty to do so, and the same shall in no way affect or make void the contract, but will be added to or deducted from the amount of the contract price, as the case may be, by a fair and reasonable valuation, agreed to in writing between the parties hereto. No extra work shall be performed or change be made unless in pursuance of a written order from the Director of Public Works or authorized representative, stating that the extra work or change is authorized and no claim for an addition to the contract sum shall be valid unless so ordered.

7. Time for Completion. All work under this contract shall be completed before the expiration Fifty (50) working days from the date specified in the Notice to Proceed.

If Contractor shall be delayed in the work by the acts or neglect of Owner, or its employees or those under it by contract or otherwise, or by changes ordered in the work, or by strikes, lockouts by others, fire, unusual delay in transportation, unavoidable casualties or any causes beyond the Contractor's control, or by delay authorized by the Owner, or by any cause which the Owner shall decide to justify the delay, then the time of completion shall be extended for such reasonable time as the Owner may decide.

This provision does not exclude the recovery of damages for delay by either party under other provisions.

8. Inspection and Testing of Materials. Contractor shall notify Owner a sufficient time in advance of the manufacture or production of materials, to be supplied under this contract, in order that the Owner may arrange for mill or factory inspection and testing of same, if Owner requests such notice from Contractor.

9. Termination for Breach, etc. If Contractor should file a bankruptcy petition and/or be judged bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency, or if Contractor or any subcontractors should violate any of the provisions of the Contract, Owner may serve written notice upon Contractor and its surety of Owner's intention to terminate the Contract. The notice shall contain the reasons for such intention to terminate the Contract, and, unless within ten days after serving such notice, such violation shall cease and satisfactory arrangements for correction thereof be made, upon the expiration of the ten days, the Contract shall cease and terminate. In the event of any such termination, Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided, however that, if the surety within fifteen days after the serving upon it of notice of termination does not give Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty days from the date of the serving of such notice, Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to Owner for any excess cost occasioned Owner thereby, and in such event Owner may without liability for so doing take possession of and utilize in completing the work, such materials, appliances, plant and other property belonging to Contractor as may be on the site of the work and necessary therefor.

10. Owner's Right to Withhold Certain Amounts and Make Application Thereof. In addition to the amount which Owner may retain under Paragraph 21 until the final completion and acceptance of all work covered by the Contract, Owner may withhold from payment to Contractor such amount or amounts as in its judgment may be necessary to pay just claims against Contractor or any subcontractors for labor and services rendered and materials furnished in and about the work. Owner may apply such withheld amount or amounts to the payment of such claims in its discretion. In so doing Owner shall be deemed the agent of Contractor and any payment so made by Owner shall be considered as a payment made under the Contract by Owner to the Contractor and Owner shall not be liable to Contractor for any such payment made in good faith. Such payment may be made without prior judicial determination of the claim or claims.

11. Notice and Service Thereof. All notices required pursuant to this Contract shall be communicated in writing, and shall be delivered in person, by commercial courier or by first class or priority mail delivered by the United States Postal Service. Transmission of notice by facsimile or by telephone may be deemed sufficient if the requirement for written notice is waived, in writing, by the receiving party. Notices delivered in person shall be deemed communicated as of actual receipt. Notices sent

by mail or courier service shall be deemed communicated as of three days after mailing or dispatch, unless that date is a date on which there is no mail or delivery service, in which case communication shall be deemed to occur the next mail service or delivery day. The burden of proof of compliance with this requirement for written notice shall be on the sending party. All notices sent pursuant to this Contract shall be addressed as follows:

Owner: City of Sunnyvale
Department of Public Works
Construction Contract Administrator
P. O. Box 3707
Sunnyvale, CA 94088-3707

Contractor: Chrisp Company
Attn: David Morris, Vice President
43650 Osgood Road
Fremont, CA 94538

12. Assignment of Contract. Neither the Contract, nor any part thereof, nor moneys due or to become due thereunder may be assigned by Contractor without the prior written approval of Owner.

13. Compliance with Specifications of Materials. Whenever in the Specifications, any material or process is indicated or specified by patent or proprietary name, or by name of manufacturer, such Specifications must be met by Contractor, unless Owner agrees in writing to some other material, process or article offered by Contractor which is equal in all respects to the one specified.

14. Contract Security. Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies, or teams, used in, upon, for or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond. Bonds shall be issued by an admitted surety insurer authorized to operate in the state of California.

15. Insurance. Contractor shall not commence work under this Contract until all insurance required under this paragraph has been obtained and such insurance has been approved by the Owner, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner

with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract and particularly Paragraph 16 hereof. Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy. Insurance carrier shall be California-admitted.

(a) Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the life of this Contract Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Contract, Contractor makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

(b) General and Automobile Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the period covered by the Contract in the amount of Two Million Dollars (\$2,000,000.00) per occurrence and \$4,000,000 annual aggregate combined single limit coverage. Such coverage shall include, but shall not be limited to, protection against claims arising therefrom, and damage to property resulting from activities contemplated under this Contract, use of owned automobiles, products and completed operations, including U, C and X. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to the Owner and shall provide that notice must be given to Owner at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement. Broad form property damage endorsement must be attached. Owner is to be named as an additional insured on any contracts of insurance under this paragraph (b). Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of

Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by Owner.

16. Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless Owner and all its officers, employees, and agents, against any and all liability, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the active negligence or willful misconduct of Owner, or of Owner's officials, agents, employees, servants, or independent contractors who are directly responsible to Owner. Contractor shall make good and reimburse Owner for any expenditures, including reasonable attorneys' fees, Owner may make by reason of such claim or litigation, and, if requested by Owner, Contractor shall defend any such suits at the sole cost and expense of Contractor.

17. Hours of Work. Eight hours of labor during any one calendar day and forty hours of labor during any one calendar week shall constitute the maximum hours of service upon all work done hereunder, and it is expressly stipulated that no laborer, worker, or mechanic employed at any time by the Contractor or by any subcontractor or subcontractors under this Contract, upon the work or upon any part of the work contemplated by this Contract, shall be required or permitted to work thereon more than eight hours during any one calendar day and forty hours during any one calendar week, except, as provided by Section 1815 of the Labor Code of the State of California, work performed by employees of contractors in excess of eight hours per day and forty hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. It is further expressly stipulated that for each and every violation of Sections 1811-1815, inclusive, of the Labor Code of the State of California, all the provisions whereof are deemed to be incorporated herein, Contractor shall forfeit, as a penalty to Owner, fifty dollars (\$50.00) for each laborer, worker, or mechanic employed in the execution of this Contract by Contractor, or by any subcontractor under this Contract, for each calendar day during which the laborer, worker, or mechanic is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Sections of the Labor Code.

Contractor, and each subcontractor, shall, in accordance with California Labor Code Section 1776 or as the same may be later amended, keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with work under this agreement. Each payroll record shall contain or be verified by a written declaration under penalty of perjury, in accordance with Labor Code Section 1776(a). Such payroll records shall be made available at all reasonable times at the Contractor's principal office to the persons authorized to inspect such records pursuant to

Labor Code Section 1776. A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations, as well as to the Owner's representative. In the event the Contractor or a Subcontractor fails to comply in a timely manner within ten days to a written notice requesting the records, such contractor or subcontractor shall forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, in accordance with Labor Code Section 1776(g).

18. Wage Rates. Pursuant to the Labor Code of the State of California, or any applicable local law, Owner has ascertained the general prevailing rate per diem wages and rates for holidays, and overtime work in the city, for each craft, classification or type of laborer, worker, or mechanic needed to execute this Contract. Owner has adopted, by reference, the general prevailing rate of wages applicable to the work to be done under the Contract, as adopted and published by the Division of Labor Standards Enforcement and Labor Statistics and Research of the State of California, Department of Industrial Relations, to which reference is hereby made for a full and detailed description. A copy of the prevailing wage rates may be reviewed in the office of the Director of Public Works, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, California. Wage rates can also be obtained through the California Department of Industrial Relations website at:
<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

Neither the notice inviting bids nor this Contract shall constitute a representation of fact as to the prevailing wage rates upon which the Contractor or any subcontractor may base any claim against Owner.

It shall be mandatory upon Contractor and upon any subcontractor to pay not less than the specified rates to all laborers, workers, and mechanics employed in the execution of the Contract. It is further expressly stipulated that Contractor shall, as a penalty to Owner, forfeit fifty dollars (\$50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic paid less than the stipulated prevailing rates for any work done under this Contract by Contractor or by any subcontractor; and Contractor agrees to comply with all provisions of Section 1775 of the Labor Code.

In case it becomes necessary for Contractor or any subcontractor to employ on the project under this Contract any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, Contractor shall immediately notify Owner who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish Contractor with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.

19. Accident Prevention. Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

20. Contractor's Guarantee. Owner shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to the building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before acceptance. Contractor unqualifiedly guarantees the first-class quality of all workmanship and of all materials, apparatus, and equipment used or installed by Contractor or by any subcontractor or supplier in the project which is the subject of this Contract, unless a lesser quality is expressly authorized in the Plans and Specifications, in which event Contractor unqualifiedly guarantees such lesser quality; and that the work as performed by Contractor will conform with the Plans and Specifications or any written authorized deviations therefrom. In case of any defect in work, materials, apparatus or equipment, whether latent or patent, revealed to Owner within one year of the date of acceptance of completion of this Contract by Owner, Contractor will forthwith remedy such defect or defects without cost to Owner.

21. Liquidated Damages. Time shall be the essence of this Contract. If Contractor fails to complete, within the time fixed for such completion, the entire work mentioned and described and contracted to be done and performed, Contractor shall become liable to Owner for liquidated damages in the sum of Two Hundred and No/100 (\$200.00) for each and every calendar day during which work shall remain uncompleted beyond such time fixed for completion or any lawful extension thereof. The amount specified as liquidated damages is presumed to be the amount of damage sustained by Owner since it would be impracticable or extremely difficult to fix the actual damage; and the amount of liquidated damages may be deducted by Owner from moneys due Contractor hereunder, or its assigns and successors at the time of completion, and Contractor, or its assigns and successors at the time of completion, and its sureties shall be liable to Owner for any excess.

22. Additional Provisions.

None.

_____/_____/_____
City Attorney Date

EXHIBIT A
Bid Schedule

| No. | Description | QTY | Unit of Measure | Unit Cost |
|------------|---|------------|------------------------|------------------|
| 1 | Traffic Control | 1 | LS | \$15,000.00 |
| 2 | Sign and Post | 60 | EA | \$265.00 |
| 3 | Traffic Striping, Markings, and Pavement Markers Remove and install (Thermoplastic) | 1 | LS | \$57,680.00 |
| 4 | Traffic Striping, Markings, and Pavement Markers Remove and install (Thermoplastic) | 1 | LS | \$16,735.00 |



City of Sunnyvale

Agenda Item

15-1076

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW16-13 for Fair Oaks Park Auxiliary Restroom and Parking Lot Renovation, and Finding of CEQA Categorical Exemption

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$685,738 (based bid in the amount of \$617,383 and two additive alternates for \$68,355) to Redgwick Construction Company of Oakland, for the Fair Oaks Park New Auxiliary Restroom and Parking Lot Renovation (Public Works Project No. PR-14/10-16). The two additive alternates include landscaping/irrigation modifications and the abandonment of a sanitary sewer pipe that is no longer needed. These items were part of the original project but listed as an additive alternate in case bids came in too high. Since the low bid is within budget staff is recommending awarding the two additive alternates to maximize the use of grant funding.

Approval is also requested for a 15% construction contingency in the amount of \$102,861. A construction contingency higher than the customary 10% is being requested because of the potential unforeseen conditions associated with the underground work required to install new sewer, water, storm drain and electrical utility lines. Staff and the consultant team have designed for all known underground conflicts based on all available information and potholing. However, it has been staff's experience that when building underground utilities in older parts of the city unexpected items sometimes arise.

EXISTING POLICY

Section 1309 of the City Charter requires construction contracts to be awarded to the lowest responsive and responsible bidder.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exemption pursuant to Class 2, section 15302 for replacement of existing structures and facilities, and Class 4, section 15304(b) for replacement of existing landscaping with water efficient landscaping.

BACKGROUND AND DISCUSSION

Council adopted a resolution on April 7, 2015 authorizing the receipt of \$973,525 in Housing-Related Program (HRP) grant funds from the state Department of Housing and Community Development (HCD) to design and construct the improvements at Fair Oaks Park (RTC 15-0299). Council also adopted Budget Modification No. 42 to appropriate the grant funding, and awarded a contract in the amount of \$144,883 to Harris Design of Berkeley to design the project and provide construction

support services. The design has been completed and the construction project was recently advertised for bid.

The scope of the construction provides for a new modular auxiliary restroom/storage building, including new sewer, water and electrical services; renovation of the parking lot, including upgrade of storm drainage and new pavement striping; removal of an existing restroom; and minor landscape renovation.

The project was advertised for competitive bidding in The Sunnyvale Sun on October 30, 2015, distributed to eighteen Bay Area Builder's Exchanges, and published on the City's website through the Demandstar public procurement network. Twelve contractors requested bid documents. Sealed bids were opened on November 18, 2015, with a total of six bids received. The bid summary is contained in Attachment 1.

Two of the bids were non-responsive: One bid was submitted on an incorrect bid form which had different bid quantities and one bid had significant math errors which materially affected the bid price (the sum total of the 35 bid line items was \$84,200 higher than the stated total). Of the four responsive bids, two of these contained math errors as well, but these did not materially affect the bid price relative to the other bids (the minor errors were corrected on the bid summary).

The lowest responsive and responsible bid was submitted by Redgwick Construction Company of Oakland, in the amount of \$617,383. The lowest bid contained no math errors. Staff recommends accepting the bid from Redgwick. Also recommended is the award of additive alternates 1 and 2, in the amounts of \$58,375 and \$9,980 respectively, which maximizes the use of the grant funding.

FISCAL IMPACT

Project costs are as follows:

| | |
|--------------------------------|------------------|
| Construction | \$617,383 |
| Additive Alternate A1 | \$58,375 |
| Additive Alternate A2 | \$9,980 |
| Construction Contingency (15%) | <u>\$102,861</u> |
| Total Cost | \$788,599 |

Budgeted funds are available in Capital Project 831430 (Fair Oaks Park: New Auxiliary Restroom and Parking Lot Renovation).

Funding Source

This project is funded by a Housing-Related Park Program (HRP) grant provided by the California Department of Housing and Community Development. Sunnyvale qualified for the grant because of the nearby development of low cost housing on the site of the old National Guard Armory.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public

Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website. Public workshops were held on May 21, 2015 and June 11, 2015 in the Fair Oaks Park Community Room and presented to the Parks and Recreation Commission on August 12, 2015.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to Class 2 Section 15302 for replacement of existing structures and facilities, and Class 4 Section 15304(b) for replacement of existing landscaping with water efficient landscaping; 2) award a contract, in substantially the same format as Attachment 2 to the report and in the amount of \$685,738 to Redgwick Construction Company; and 3) approve a 15% construction contingency in the amount of \$102,861.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Department of Finance

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract

| | | | | | | | | | | | |
|--|---|-----|--------|---------------------------|--------------|------------------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|
| Invitation for Bids No . PW16-13 | | | | Redgwick Construction Co. | | Integra ConstructionServices, Inc. | | Calstate Construction, Inc. | | Galeb Paving Inc. | |
| Fair Oaks Park: New Auxiliary Restroom & Parking Lot Renovation | | | | 21 Hegenberger Ct. | | 4133 Mohr Ave Ste. D | | 4165 Busniess Center Dr. | | 12340 Saratoga Sunnyvale Rd | |
| Public Works Project No. PR-14/10-16 | | | | Oakland, Ca 94621 | | Pleasanton, CA 94566 | | Fremont, CA 94538 | | Saratoga, CA 95070 | |
| | | | | Bob Rahebi | | Alexander Giammona | | Andrew Borrego | | Toyo Galeb | |
| Item # | BID ITEMS | UOM | QTY | Unit Price | Total | Unit Price | Total | Unit Price | Total | Unit Price | Total |
| 1 | Mobilization Demobilization and Bonds (Shall Not Exceed 5% of Total Base Bid) | LS | 1 | \$15,000.00 | \$15,000.00 | \$33,210.00 | \$33,210.00 | \$35,000.00 | \$35,000.00 | \$16,920.00 | \$16,920.00 |
| 2 | Traffic Control | LS | 1 | \$42,400.00 | \$42,400.00 | \$3,000.00 | \$3,000.00 | \$2,000.00 | \$2,000.00 | \$9,833.00 | \$9,833.00 |
| 3 | Water Pollution Control | LS | 1 | \$1,200.00 | \$1,200.00 | \$2,600.00 | \$2,600.00 | \$10,000.00 | \$10,000.00 | \$5,898.00 | \$5,898.00 |
| 4 | Clearing & Grubbing, Demolition, and Earthwork | LS | 1 | \$39,450.00 | \$39,450.00 | \$13,500.00 | \$13,500.00 | \$122,700.00 | \$122,700.00 | \$243,548.00 | \$243,548.00 |
| 5 | Restroom Demolition | LS | 1 | \$18,000.00 | \$18,000.00 | \$15,600.00 | \$15,600.00 | \$8,600.00 | \$8,600.00 | \$23,220.00 | \$23,220.00 |
| 6 | 3" Grind and 3" Inlay | SF | 27,230 | \$3.10 | \$84,413.00 | \$5.83 | \$158,750.90 | \$3.27 | \$89,042.10 | \$3.47 | \$94,488.10 |
| 7 | AC Digouts and Full Depth AC Repairs | SF | 3,766 | \$6.00 | \$22,596.00 | \$6.79 | \$25,571.14 | \$7.84 | \$29,525.44 | \$5.65 | \$21,277.90 |
| 8 | Remove and Replace Concrete Curb and Gutter (incl. Full Depth AC) | LF | 100 | \$130.00 | \$13,000.00 | \$50.00 | \$5,000.00 | \$57.50 | \$5,750.00 | \$31.46 | \$3,146.00 |
| 9 | Restriping, Signs, & Wheel Stops | LS | 1 | \$4,800.00 | \$4,800.00 | \$4,000.00 | \$4,000.00 | \$72,115.00 | \$72,115.00 | \$8,200.00 | \$8,200.00 |
| 10 | Detectable Domes | SF | 50 | \$40.00 | \$2,000.00 | \$55.00 | \$2,750.00 | \$46.00 | \$2,300.00 | \$35.93 | \$1,796.50 |
| 11 | Prefabricated Restroom Building | LS | 1 | \$160,000.00 | \$160,000.00 | \$165,000.00 | \$165,000.00 | \$174,600.00 | \$174,600.00 | \$158,766.00 | \$158,766.00 |
| 12 | Restroom Aggregate Base Pad (including sand stockpiling) | LS | 1 | \$6,500.00 | \$6,500.00 | \$12,600.00 | \$12,600.00 | \$10,000.00 | \$10,000.00 | \$8,153.00 | \$8,153.00 |
| 13 | Site Electrical | LS | 1 | \$40,000.00 | \$40,000.00 | \$25,380.00 | \$25,380.00 | \$40,000.00 | \$40,000.00 | \$40,000.00 | \$40,000.00 |
| 14 | 2" Water Service | LF | 200 | \$68.00 | \$13,600.00 | \$30.00 | \$6,000.00 | \$148.78 | \$29,756.00 | \$65.44 | \$13,088.00 |
| 15 | 1.5" Water Meter and Box | EA | 1 | \$3,600.00 | \$3,600.00 | \$4,800.00 | \$4,800.00 | \$3,500.00 | \$3,500.00 | \$2,500.00 | \$2,500.00 |
| 16 | 1.5" Domestic Backflow Preventer | EA | 1 | \$3,500.00 | \$3,500.00 | \$13,000.00 | \$13,000.00 | \$5,200.00 | \$5,200.00 | \$3,948.00 | \$3,948.00 |
| 17 | Storm Drain Inlets | EA | 6 | \$1,400.00 | \$8,400.00 | \$500.00 | \$3,000.00 | \$5,117.50 | \$30,705.00 | \$2,048.00 | \$12,288.00 |
| 17a. | 12" Area Drain Inlets | EA | 2 | \$1,000.00 | \$2,000.00 | \$600.00 | \$1,200.00 | \$707.00 | \$1,414.00 | \$1,092.00 | \$2,184.00 |
| 18 | 6" PVC SDR-26 Sanitary Sewer Lateral | LF | 111 | \$100.00 | \$11,100.00 | \$65.00 | \$7,215.00 | \$251.35 | \$27,899.85 | \$145.88 | \$16,192.68 |
| 19 | Sanitary Sewer Cleanout | EA | 4 | \$500.00 | \$2,000.00 | \$1,000.00 | \$4,000.00 | \$1,275.00 | \$5,100.00 | \$600.00 | \$2,400.00 |
| 20 | 8" PVC SDR-26 Storm Drain Pipe | LF | 308 | \$105.00 | \$32,340.00 | \$32.00 | \$9,856.00 | \$21.49 | \$6,618.92 | \$90.00 | \$27,720.00 |
| 21 | 12" PVC SDR-26 Storm Drain Pipe | LF | 13 | \$180.00 | \$2,340.00 | \$120.00 | \$1,560.00 | \$319.62 | \$4,155.06 | \$90.00 | \$1,170.00 |
| 22 | Install New Storm Drain Manhole and Replace Manhole Cover | EA | 1 | \$7,500.00 | \$7,500.00 | \$4,000.00 | \$4,000.00 | \$10,900.00 | \$10,900.00 | \$8,611.00 | \$8,611.00 |
| 23 | Potholing | EA | 7 | \$400.00 | \$2,800.00 | \$1,000.00 | \$7,000.00 | \$1,100.00 | \$7,700.00 | \$570.00 | \$3,990.00 |
| 24 | Landscape Maintenance | LS | 1 | \$2,500.00 | \$2,500.00 | \$2,800.00 | \$2,800.00 | \$3,500.00 | \$3,500.00 | \$3,000.00 | \$3,000.00 |
| 25 | Concrete Paving (including aggregate base) | SF | 1,017 | \$25.00 | \$25,425.00 | \$23.60 | \$24,001.20 | \$11.00 | \$11,187.00 | \$13.40 | \$13,627.80 |
| 26 | Landscape Irrigation | LS | 1 | \$14,700.00 | \$14,700.00 | \$20,000.00 | \$20,000.00 | \$13,600.00 | \$13,600.00 | \$20,000.00 | \$20,000.00 |
| 27 | Planting, excluding Trees | LS | 1 | \$18,700.00 | \$18,700.00 | \$40,000.00 | \$40,000.00 | \$19,700.00 | \$19,700.00 | \$37,000.00 | \$37,000.00 |

| | | | | | | | | | | | |
|---|--|----|----------|--|--------------|---|--------------|--|--------------|--|--------------|
| 28 | Planting - 24-inch Box Tree | EA | 1 | \$750.00 | \$750.00 | \$1,000.00 | \$1,000.00 | \$800.00 | \$800.00 | \$500.00 | \$500.00 |
| 29 | Planting - Relocate Existing Tree | EA | 2 | \$1,100.00 | \$2,200.00 | \$1,000.00 | \$2,000.00 | \$1,500.00 | \$3,000.00 | \$1,000.00 | \$2,000.00 |
| 30 | Landscape Soil Preparation | LS | 1 | \$2,800.00 | \$2,800.00 | \$6,000.00 | \$6,000.00 | \$3,500.00 | \$3,500.00 | \$2,000.00 | \$2,000.00 |
| 31 | AC Pavement Overlay Flush with Curb at ADA Parking | SF | 930 | \$5.00 | \$4,650.00 | \$8.00 | \$7,440.00 | \$2.90 | \$2,697.00 | \$4.70 | \$4,371.00 |
| 32 | Temporary Construction Fencing Construction Staking | LF | 1,709 | \$1.00 | \$1,709.00 | \$4.00 | \$6,836.00 | \$4.10 | \$7,006.90 | \$3.50 | \$5,981.50 |
| 33 | Construction Staking | LS | 1 | \$2,000.00 | \$2,000.00 | \$5,000.00 | \$5,000.00 | \$3,500.00 | \$3,500.00 | \$2,880.00 | \$2,880.00 |
| 34 | Concrete Paving Removal and Replacement at Path of Travel (Revocable) | SF | 200 | \$17.00 | \$3,400.00 | \$9.66 | \$1,932.00 | \$23.00 | \$4,600.00 | \$14.67 | \$2,934.00 |
| 35 | Project Management Software Training and Use (Revocable Item) | LS | 1 | \$10.00 | \$10.00 | \$0.00 | \$0.00 | \$1,500.00 | \$1,500.00 | \$340.00 | \$340.00 |
| | Total Base Bid | | | | \$617,383.00 | | \$645,602.24 | | \$809,172.27 | | \$823,972.48 |
| | | | | | | | | | | | |
| A1. | Work in Area A including but not limited to removal of existing sod, addition of mulch, boulders, composite wood header, irrigation for existing trees and modifications to existing lawn irrigation system. | LS | 1 | \$58,375.00 | \$58,375.00 | \$31,574.00 | \$31,574.00 | \$38,000.00 | \$38,000.00 | \$31,900.00 | \$31,900.00 |
| A2. | Abandonment of existing 12" Sanitary Sewer Pipe from Skate Park east to manhole at creek | LS | 1 | \$9,980.00 | \$9,980.00 | \$3,000.00 | \$3,000.00 | \$5,000.00 | \$5,000.00 | \$5,400.00 | \$5,400.00 |
| | Total Additives | | | | \$68,355.00 | | \$34,574.00 | | \$43,000.00 | | \$37,300.00 |
| | | | | | | | | | | | |
| | | | Surety: | 10% Bid bond | | 10% Bid bond | | 10% Bid bond | | 10% Bid bond | |
| | | | License: | Class A | | Class A | | Class A & B | | Class A | |
| | | | Subs: | Restrooms, Public Restroom Co.; Striping, Sierra Traffic Marking; Concrete, Luminart Conrete; Electrical, St. Francis Electric; Landscaping, RMT Landscape | | Restrooms, Public Restroom Co.; Grading & Paving, Earthtek; Electrical, NIK Electric; Concrete, Forseth Masonry; Landscaping, Poms Landscaping; Underground, Walberg Inc.; Fencing, CFI | | Restrooms, Public Restroom Co.; Grading & Paving, McKim Co.; Striping; Chrisp Co.; Electrical, Adept Co.; Landscaping, RMT; Underground utilities, Pioneer Underground | | Restrooms, Public Restroom Co.; Landscaping, Lonestar Landscape Co.; Electrical, Beltramo Electric; Striping, Chrisp Co.; Concrete, Luminart | |
| Notes: | | | | | | | | | | | |
| 1. The shaded line items for the Integra and Calstate are corrected entries, as the original bids contained minor math errors for these line items. | | | | | | | | | | | |
| 2. Two other bids were received, from Golden Bay Construction and Guerra Construction, but these were determined to be non-responsive. The Golden Bay bid could not be accepted because it was submitted on an incorrect bid form without the correct bid quantities. The Guerra bid contained significant math errors which materially affected the bid pricing. | | | | | | | | | | | |

DRAFT
GENERAL CONSTRUCTION CONTRACT

THIS CONTRACT dated _____ is by and between the CITY OF SUNNYVALE, a municipal corporation of the State of California ("Owner") and REDGWICK CONSTRUCTION COMPANY, a California corporation ("Contractor").

RECITALS:

The parties to this Contract have mutually covenanted and agreed, as follows:

1. **The Contract Documents.** The complete Contract consists of the following documents: Notice Inviting Bids; Instructions to Bidders; Performance Bond and Payment Bond; Guaranty; City of Sunnyvale Standard Specifications for Public Works Construction, 2006 Edition; City of Sunnyvale Standard Details for Public Works Construction, 2006 Edition; Plans and Specifications, " Fair Oaks Park: New Auxiliary Restroom and Parking Lot Renovation, Project No. PR-14/10-16, Invitation for Bids No. PW16-13", including One (1) Addendum; OSHA, and other standards and codes as outlined in the Specifications. These documents are all incorporated by reference. The documents comprising the complete contract are collectively referred to as the Contract Documents.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to work together so that any work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all documents.

2. **The Work.** Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete the project in a good and workmanlike manner. The work consist(s) of a new modular auxiliary restroom/storage building, including new utilities; renovation of the parking lot, including upgrade of storm drainage and new pavement striping; removal of an existing restroom; minor landscape renovation as called for, and in the manner designated in, and in strict conformity with, the Plans and Specifications prepared by Harris Design and adopted by the Owner. These Plans and Specifications are entitled respectively, Fair Oaks Park: New Auxiliary Restroom and Parking Lot Renovation, Project No. PR-14/10-16.

It is understood and agreed that the work will be performed and completed as required in the Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner, or its representatives. The Owner hereby designates as its representative for the purpose of this contract the Senior Civil Engineer for Construction or an employee of the Owner who will be designated in writing by the Director of Public Works.

3. Contract Price. The Owner agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the sum of Six Hundred Eighty Five Thousand Seven Hundred Thirty Eight and NO/100 Dollars (\$685,738.00) subject to final determination of the work performed and materials furnished at unit prices per "Exhibit A" attached hereto and incorporated by this reference, and subject to additions and deductions in accordance, as provided in the Documents and in accordance with Contract Documents. The sum includes base bid and accepted Additive Alternate(s) Number(s) A1 and A2.

4. Permits; Compliance with Law. Contractor shall, at its expense, obtain all necessary permits and licenses, easements, etc., for the construction of the project, give all necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public health and safety.

5. Inspection by Owner. Contractor shall at all times maintain proper facilities and provide safe access for inspection by the Owner to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely notice to the Owner of its readiness for inspection and without the approval thereof or consent thereto by the latter. Should any such work be covered up without such notice, approval, or consent, it must, if required by Owner, be uncovered for examination at the Contractor's expense.

6. Extra or Additional Work and Changes. Should Owner at any time during the progress of the work request any alterations, deviations, additions or omissions from the Specifications or Plans or other Contract Documents it shall be at liberty to do so, and the same shall in no way affect or make void the contract, but will be added to or deducted from the amount of the contract price, as the case may be, by a fair and reasonable valuation, agreed to in writing between the parties hereto. No extra work shall be performed or change be made unless in pursuance of a written order from the Director of Public Works or authorized representative, stating that the extra work or change is authorized and no claim for an addition to the contract sum shall be valid unless so ordered.

7. Time for Completion. All work under this contract, including punchlist items, shall be completed before the expiration One Hundred and Five (105) working days from the date specified in the Notice to Proceed or before May 30, 2016, whichever is earlier.

If Contractor shall be delayed in the work by the acts or neglect of Owner, or its employees or those under it by contract or otherwise, or by changes ordered in the work, or by strikes, lockouts by others, fire, unusual delay in transportation, unavoidable casualties or any causes beyond the Contractor's control, or by delay authorized by the Owner, or by any cause which the Owner shall decide to justify the delay, then the time of completion shall be extended for such reasonable time as the Owner may decide.

This provision does not exclude the recovery of damages for delay by either party under other provisions.

8. Inspection and Testing of Materials. Contractor shall notify Owner a sufficient time in advance of the manufacture or production of materials, to be supplied under this contract, in order that the Owner may arrange for mill or factory inspection and testing of same, if Owner requests such notice from Contractor.

9. Termination for Breach, etc. If Contractor should file a bankruptcy petition and/or be judged bankrupt, or if Contractor should make a general assignment for the benefit of creditors, or if a receiver should be appointed on account of insolvency, or if Contractor or any subcontractors should violate any of the provisions of the Contract, Owner may serve written notice upon Contractor and its surety of Owner's intention to terminate the Contract. The notice shall contain the reasons for such intention to terminate the Contract, and, unless within ten days after serving such notice, such violation shall cease and satisfactory arrangements for correction thereof be made, upon the expiration of the ten days, the Contract shall cease and terminate. In the event of any such termination, Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided, however that, if the surety within fifteen days after the serving upon it of notice of termination does not give Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty days from the date of the serving of such notice, Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be liable to Owner for any excess cost occasioned Owner thereby, and in such event Owner may without liability for so doing take possession of and utilize in completing the work, such materials, appliances, plant and other property belonging to Contractor as may be on the site of the work and necessary therefor.

10. Owner's Right to Withhold Certain Amounts and Make Application Thereof. In addition to the amount which Owner may retain under Paragraph 21 until the final completion and acceptance of all work covered by the Contract, Owner may withhold from payment to Contractor such amount or amounts as in its judgment may be necessary to pay just claims against Contractor or any subcontractors for labor and services rendered and materials furnished in and about the work. Owner may apply such withheld amount or amounts to the payment of such claims in its discretion. In so doing Owner shall be deemed the agent of Contractor and any payment so made by Owner shall be considered as a payment made under the Contract by Owner to the Contractor and Owner shall not be liable to Contractor for any such payment made in good faith. Such payment may be made without prior judicial determination of the claim or claims.

11. Notice and Service Thereof. All notices required pursuant to this Contract shall be communicated in writing, and shall be delivered in person, by commercial courier or by first class or priority mail delivered by the United States Postal Service.

Transmission of notice by facsimile or by telephone may be deemed sufficient if the requirement for written notice is waived, in writing, by the receiving party. Notices delivered in person shall be deemed communicated as of actual receipt. Notices sent by mail or courier service shall be deemed communicated as of three days after mailing or dispatch, unless that date is a date on which there is no mail or delivery service, in which case communication shall be deemed to occur the next mail service or delivery day. The burden of proof of compliance with this requirement for written notice shall be on the sending party. All notices sent pursuant to this Contract shall be addressed as follows:

Owner: City of Sunnyvale
Department of Public Works
Construction Contract Administrator
P. O. Box 3707
Sunnyvale, CA 94088-3707

Contractor: Redgwick Construction Company
Attn: Bob Rahebi, President
21 Hegenberger Court
Oakland, CA 94621

12. Assignment of Contract. Neither the Contract, nor any part thereof, nor moneys due or to become due thereunder may be assigned by Contractor without the prior written approval of Owner.

13. Compliance with Specifications of Materials. Whenever in the Specifications, any material or process is indicated or specified by patent or proprietary name, or by name of manufacturer, such Specifications must be met by Contractor, unless Owner agrees in writing to some other material, process or article offered by Contractor which is equal in all respects to the one specified.

14. Contract Security. Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies, or teams, used in, upon, for or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond. Bonds shall be issued by an admitted surety insurer authorized to operate in the state of California.

15. Insurance. Contractor shall not commence work under this Contract until all insurance required under this paragraph has been obtained and such insurance has been approved by the Owner, nor shall Contractor allow any subcontractor to

commence work on a subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract and particularly Paragraph 16 hereof. Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy. Insurance carrier shall be California-admitted.

(a) Compensation Insurance and Employer's Liability Insurance. Contractor shall take out and maintain during the life of this Contract Workers' Compensation Insurance and Employer's Liability Insurance for all of employees employed at the site of the project and, in case any work is sublet, Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance and Employer's Liability Insurance for all of the latter's employees unless such employees are covered by the protection afforded by Contractor.

In signing this Contract, Contractor makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

(b) General and Automobile Liability Insurance. Contractor, at its own cost and expense, shall maintain personal injury liability and property damage insurance for the period covered by the Contract in the amount of Two Million Dollars (\$2,000,000.00) per occurrence and \$4,000,000 annual aggregate combined single limit coverage. Such coverage shall include, but shall not be limited to, protection against claims arising therefrom, and damage to property resulting from activities contemplated under this Contract, use of owned automobiles, products and completed operations, including U, C and X. Such insurance shall be with insurers and under forms of policies satisfactory in all respects to the Owner and shall provide that notice must be given to Owner at least thirty (30) days prior to cancellation or material change. The following endorsements shall be attached to the policy:

Policy shall cover on an "occurrence" basis. Policy must cover personal injuries as well as bodily injuries. Exclusion of contractual liability must be eliminated from personal injury endorsement. Broad form property damage endorsement must be attached. Owner is to be named as an additional insured on any contracts of insurance under this paragraph (b). Coverage shall not extend to any indemnity coverage for the active

negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code. The policies of insurance shall be considered primary insurance before any policies of insurance maintained by Owner.

16. Hold Harmless. Contractor agrees to defend, save, indemnify and hold harmless Owner and all its officers, employees, and agents, against any and all liability, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the active negligence or willful misconduct of Owner, or of Owner's officials, agents, employees, servants, or independent contractors who are directly responsible to Owner. Contractor shall make good and reimburse Owner for any expenditures, including reasonable attorneys' fees, Owner may make by reason of such claim or litigation, and, if requested by Owner, Contractor shall defend any such suits at the sole cost and expense of Contractor.

17. Hours of Work. Eight hours of labor during any one calendar day and forty hours of labor during any one calendar week shall constitute the maximum hours of service upon all work done hereunder, and it is expressly stipulated that no laborer, worker, or mechanic employed at any time by the Contractor or by any subcontractor or subcontractors under this Contract, upon the work or upon any part of the work contemplated by this Contract, shall be required or permitted to work thereon more than eight hours during any one calendar day and forty hours during any one calendar week, except, as provided by Section 1815 of the Labor Code of the State of California, work performed by employees of contractors in excess of eight hours per day and forty hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. It is further expressly stipulated that for each and every violation of Sections 1811-1815, inclusive, of the Labor Code of the State of California, all the provisions whereof are deemed to be incorporated herein, Contractor shall forfeit, as a penalty to Owner, fifty dollars (\$50.00) for each laborer, worker, or mechanic employed in the execution of this Contract by Contractor, or by any subcontractor under this Contract, for each calendar day during which the laborer, worker, or mechanic is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Sections of the Labor Code.

Contractor, and each subcontractor, shall, in accordance with California Labor Code Section 1776 or as the same may be later amended, keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with work under this agreement. Each payroll record shall contain or be verified by a written declaration under penalty of perjury, in accordance with Labor Code Section

1776(a). Such payroll records shall be made available at all reasonable times at the Contractor's principal office to the persons authorized to inspect such records pursuant to Labor Code Section 1776. A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations, as well as to the Owner's representative. In the event the Contractor or a Subcontractor fails to comply in a timely manner within ten days to a written notice requesting the records, such contractor or subcontractor shall forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, in accordance with Labor Code Section 1776(g).

18. Wage Rates. Pursuant to the Labor Code of the State of California, or any applicable local law, Owner has ascertained the general prevailing rate per diem wages and rates for holidays, and overtime work in the city, for each craft, classification or type of laborer, worker, or mechanic needed to execute this Contract. Owner has adopted, by reference, the general prevailing rate of wages applicable to the work to be done under the Contract, as adopted and published by the Division of Labor Standards Enforcement and Labor Statistics and Research of the State of California, Department of Industrial Relations, to which reference is hereby made for a full and detailed description. A copy of the prevailing wage rates may be reviewed in the office of the Director of Public Works, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, California. Wage rates can also be obtained through the California Department of Industrial Relations website at:

<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

Neither the notice inviting bids nor this Contract shall constitute a representation of fact as to the prevailing wage rates upon which the Contractor or any subcontractor may base any claim against Owner.

It shall be mandatory upon Contractor and upon any subcontractor to pay not less than the specified rates to all laborers, workers, and mechanics employed in the execution of the Contract. It is further expressly stipulated that Contractor shall, as a penalty to Owner, forfeit fifty dollars (\$50.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic paid less than the stipulated prevailing rates for any work done under this Contract by Contractor or by any subcontractor; and Contractor agrees to comply with all provisions of Section 1775 of the Labor Code.

In case it becomes necessary for Contractor or any subcontractor to employ on the project under this Contract any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, Contractor shall immediately notify Owner who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish Contractor with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.

19. Accident Prevention. Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

20. Contractor's Guarantee. Owner shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to the building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before acceptance. Contractor unqualifiedly guarantees the first-class quality of all workmanship and of all materials, apparatus, and equipment used or installed by Contractor or by any subcontractor or supplier in the project which is the subject of this Contract, unless a lesser quality is expressly authorized in the Plans and Specifications, in which event Contractor unqualifiedly guarantees such lesser quality; and that the work as performed by Contractor will conform with the Plans and Specifications or any written authorized deviations therefrom. In case of any defect in work, materials, apparatus or equipment, whether latent or patent, revealed to Owner within one year of the date of acceptance of completion of this Contract by Owner, Contractor will forthwith remedy such defect or defects without cost to Owner.

21. Liquidated Damages. Time shall be the essence of this Contract. If Contractor fails to complete, within the time fixed for such completion, the entire work mentioned and described and contracted to be done and performed, Contractor shall become liable to Owner for liquidated damages in the sum of Five Hundred Dollars and No/100 (\$500.00) for each and every calendar day during which work shall remain uncompleted beyond such time fixed for completion or any lawful extension thereof. The amount specified as liquidated damages is presumed to be the amount of damage sustained by Owner since it would be impracticable or extremely difficult to fix the actual damage; and the amount of liquidated damages may be deducted by Owner from moneys due Contractor hereunder, or its assigns and successors at the time of completion, and Contractor, or its assigns and successors at the time of completion, and its sureties shall be liable to Owner for any excess.

22. Additional Provisions.

None.

_____/_____/_____
City Attorney Date

**EXHIBIT A
Bid Schedule**

| Item No. | Description | QTY | Unit of Measure | Unit Cost |
|-----------------|---|------------|------------------------|------------------|
| 1. | Mobilization Demobilization and Bonds (Shall Not Exceed 5% of Total Base Bid) | 1 | LS | \$15,000.00 |
| 2. | Traffic Control | 1 | LS | \$42,400.00 |
| 3. | Water Pollution Control | 1 | LS | \$1,200.00 |
| 4. | Clearing & Grubbing, Demolition, and Earthwork | 1 | LS | \$39,450.00 |
| 5. | Restroom Demolition | 1 | LS | \$18,000.00 |
| 6. | 3" Grind and 3" Inlay | 27,230 | SF | \$3.10 |
| 7. | AC Digouts and Full Depth AC Repairs | 3,766 | SF | \$6.00 |
| 8. | Remove and Replace Concrete Curb and Gutter (incl. Full Depth AC) | 100 | LF | \$130.00 |
| 9. | Restriping, Signs, & Wheel Stops | 1 | LS | \$4,800.00 |
| 10. | Detectable Domes | 50 | SF | \$40.00 |
| 11. | Prefabricated Restroom Building | 1 | LS | \$160,000.00 |
| 12. | Restroom Aggregate Base Pad (including sand stockpiling) | 1 | LS | \$6,500.00 |
| 13. | Site Electrical | 1 | LS | \$40,000.00 |
| 14. | 2" Water Service | 200 | LF | \$68.00 |
| 15. | 1.5" Water Meter and Box | 1 | EA | \$3,600.00 |
| 16. | 1.5" Domestic Backflow Preventer | 1 | EA | \$3,500.00 |
| 17. | Storm Drain Inlets | 6 | EA | \$1,400.00 |
| 17a. | 12" Area Drain Inlets | 2 | EA | \$1,000.00 |
| 18. | 6" PVC SDR-26 Sanitary Sewer Lateral | 111 | LF | \$100.00 |
| 19. | Sanitary Sewer Cleanout | 4 | EA | \$500.00 |

| | | | | |
|-----|---|-------|----|-------------|
| 20. | 8" PVC SDR-26 Storm Drain Pipe | 308 | LF | \$105.00 |
| 21. | 12" PVC SDR-26 Storm Drain Pipe | 13 | LF | \$180.00 |
| 22. | Install New Storm Drain Manhole and Replace Manhole Cover | 1 | EA | \$7,500.00 |
| 23. | Potholing | 7 | EA | \$400.00 |
| 24. | Landscape Maintenance | 1 | LS | \$2,500.00 |
| 25. | Concrete Paving (including aggregate base) | 1,017 | SF | \$25.00 |
| 26. | Landscape Irrigation | 1 | LS | \$14,700.00 |
| 27. | Planting, excluding Trees | 1 | LS | \$18,700.00 |
| 28. | Planting - 24-inch Box Tree | 1 | EA | \$750.00 |
| 29. | Planting - Relocate Existing Tree | 2 | EA | \$1,100.00 |
| 30. | Landscape Soil Preparation | 1 | LS | \$2,800.00 |
| 31. | AC Pavement Overlay Flush with Curb at ADA Parking | 930 | SF | \$5.00 |
| 32. | Temporary Construction Fencing Construction Staking | 1,709 | LF | \$1.00 |
| 33. | Construction Staking | 1 | LS | \$2,000.00 |
| 34. | Concrete Paving Removal and Replacement at Path of Travel (Revocable) | 200 | SF | \$17.00 |
| 35. | Program Management Software Training and Use (Revocable Item) | 1 | LS | \$10.00 |

A. Bid Additive Alternate - Fair Oaks Park: New Auxiliary Restroom and Parking Lot Renovation

| Item No. | Item Description | QTY | Unit | Unit Price |
|-----------|--|-----|------|-------------|
| A1 | Work in Area A including but not limited to removal of existing sod, addition of mulch, boulders, composite wood header, irrigation for existing trees and modifications to existing lawn irrigation system. | 1 | LS | \$58,375.00 |
| A2 | Abandonment of existing 12" Sanitary Sewer Pipe from Skate Park east to manhole at creek | 1 | LS | \$9,980.00 |



City of Sunnyvale

Agenda Item

15-0985

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Receive and File FY 2014/15 Annual Status Report on Receipt and Use of Development Impact Fees

BACKGROUND

In order to ensure that mitigation fees are spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB 1600 (The Mitigation Fee Act). This bill applies to developer fees which were increased or imposed on or after January 1, 1989.

The Mitigation Fee Act (California Government Code, § 66000 et seq.) requires local agencies that impose development impact fees to present an annual, consolidated report showing the receipt and use of those fees. The Annual Status Report must be reviewed by Council within 180 days after the close of the fiscal year represented.

The City assesses four development impact fees - the Housing Mitigation Fee; the Sense of Place Fee; the Transportation Impact Fee; and the Park Dedication Fee. The first three are subject to the Mitigation Fee Act, while only a portion of the City's Park Dedication Fee is subject to the Mitigation Fee Act. Specifically, Park Dedication Fees assessed pursuant to the Quimby Act (California Government Code §66477) and codified by the City in the Sunnyvale Municipal Code, Chapter 18.10 (Subdivisions - Parks and Open Space Dedication) are exempt from the reporting requirements included in the Mitigation Fee Act. Park Dedication Fees assessed pursuant to Sunnyvale Municipal Code, Chapter 19.74 (Zoning - Park Dedication Fees for Rental Housing Projects) are subject to the reporting requirements included in the Mitigation Fee Act. Therefore, only the details of the non-exempt Park Dedication Fees are included in the report.

In addition to these four active fees, the City maintained a fund balance in FY 2014/15 resulting from Traffic Mitigation Fees. Traffic Mitigation Fees have not been assessed by the City since 2004. It is important to note that the Traffic Mitigation Fee and the Transportation Impact Fee are exclusive of one another and monies associated with each are segregated in separate sub-funds. The Traffic Mitigation Fee was created in 2000 as a key component of the Transportation Strategic Program to provide an interim revenue mechanism to fund needed upgrades to the transportation system resulting from new development. In 2004, the City stopped assessing Traffic Mitigation Fees and began assessing Transportation Impact Fees. Both the Traffic Mitigation Fees and the Transportation Impact Fees are subject to the Mitigation Fee Act and are included in the report.

The Mitigation Fee Act also specifies that every five years, findings are required to specify the intended use of any unexpended impact fees. Council made the required findings for the Housing Mitigation Fees, Park Dedication Fees, and Traffic Mitigation Fees for FY 2010/11. The next findings for those fees will be required for FY 2015/16. The required findings for the Transportation Impact Fees and Sense of Place Fees were made for FY 2013/14 and will be needed again next for the FY

2018/19 Status Report. If findings are not presented as scheduled, it is possible that the City may be obligated to refund either all or a portion of the fees collected under the authority of the Act.

EXISTING POLICY

Sunnyvale Municipal Code Chapters 3.50, 18.10, 19.22, and 19.74.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

As prescribed by the Mitigation Fee Act, the Annual Status Report must include the following information for each development impact fee:

- A brief description of the fee and the fund into which the fee was deposited;
- The amount of the fee;
- The associated fund's beginning and ending balances for the fiscal year;
- The total amount of fees collected and interest earned;
- Identification of each public improvement on which impact fees were expended and amount of expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with impact fees;
- Identification of approximate date by which construction of a public improvement will begin;
- Determination that sufficient funds have been collected to complete financing on an incomplete public improvement;
- Description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the loaned funds will be expended, and in the case of an inter-fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and
- Amount of any refunds made due to inability to expend impact fees once a determination is made that sufficient impact fees have been collected to finance a public improvement, and the improvement remains incomplete, and the City has not determined an approximate date by which construction will begin.

This information is presented in the attached FY 2014/15 Annual Status Report on Receipt and Use of Development Impact Fees (Attachment 1).

FISCAL IMPACT

In FY 2014/15, the City received \$12,040,915 in newly collected development impact fees. Of that total amount \$8,780,081 was reportable under the Mitigation Fee Act and \$3,260,834 was exempt from reporting requirements (park dedication in lieu fees collected from subdivisions pursuant to the Quimby Act). The fee revenue will be used to fund public improvements necessary to meet the demand for services resulting from commercial and residential development in the City. The specifics of how these monies are programmed for expenditure are included in the status report, as well as in the FY 2014/15 Adopted Budget and Resource Allocation Plan.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public

Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

The Mitigation Fee Act stipulates a 15-day public review period for the Annual Status Report. The Annual Status Report was available for public inspection on November 30, 2015.

RECOMMENDATION

Receive and file the FY 2014/15 Annual Status Report on receipt and use of development impact fees.

Prepared by: Brice McQueen, Senior Management Analyst
Reviewed by: Grace K. Leung, Director, Finance
Reviewed by: Trudi Ryan, Director, Community Development
Reviewed by: Manuel Pineda, Director, Public Works
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. FY 2014/15 Annual Status Report on Receipt and Use of Development Impact Fees

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Fee: **Housing Mitigation Fee**

Fee Description: Fees paid by developers of high intensity industrial projects that result in new floor area ratios to mitigate demand for affordable housing.
(Sunnyvale Municipal Code Chapter 19.22)

Amount of Fee: \$9.74 per applicable square foot

Fund: Housing Mitigation Fund/Housing Mitigation Sub-fund
(070/100)

FY 2014/2015 Receipt and Use:

| | |
|---------------------------------------|------------------|
| Beginning Balance | \$ 16,863,301 |
| Resources | |
| New Fees Collected | 2,833,200 |
| Other Revenues - Loan Repayments | 1,265,104 |
| Other Revenues - Rental Income/Grants | 13,109 |
| Interest | 105,831 |
| | <hr/> |
| Total Resources | \$ 21,080,545 |

Expenditures

| | |
|--|---------------|
| 235330 Affordable Housing Capital Project Management | \$ 104,935 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 10/11 |
| Planned Completion Year: | On-going |
| 235340/41 Management, Supervision, and Administration | 149,928 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 10/11 |
| Planned Completion Year: | On-going |
| 825930 City Owned Properties – Downtown/388 Charles Street | 3,141 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 05/06 |
| Planned Completion Year: | FY 16/17 |
| 826530 County-Wide Homeless Count | 8,732 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 06/07 |
| Planned Completion Year: | Ongoing |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

| | |
|--|----------------------|
| 828100 First-Time Homebuyer Loans (81-120% AMI) | 151,353 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 09/10 |
| Planned Completion Year: | On-going |
| 828110 Housing Trust Fund (HTFSCC) Contribution | 200,000 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 09/10 |
| Planned Completion Year: | FY 13/14 |
| 829580 Homestead Park (Final Phase) | 3,504,176 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 14/15 |
| 830130 Housing Mitigation Fund - Fee Restructure | 31,960 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 14/15 |
| Transfers | |
| General Fund In-Lieu | \$ 62,104 |
| Origination Year: | On-going |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | General Fund |
| Total Expenditures/Transfers | <u>\$ 4,216,329</u> |
| Ending Balance | <u>\$ 16,864,216</u> |

Note: No interfund loans or refunds were made during FY 2014/2015.

Description of Projects:

235330 Affordable Housing Capital Project Management — This operational function provides staff time to support the provision of affordable housing within the City.

235340 Management, Supervision, and Administration — This operational function provides staff time to support the provision of affordable housing within the City.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

825930 City Owned Properties – Downtown/388 Charles Street — This project provides funding for the roofing, flooring, plumbing, electrical system repairs and general maintenance and administration for the property on 388 Charles Street, which is owned by the Housing Mitigation Fund. On October 14, 2014, City Council considered whether or not to declare these properties surplus and took no action. The property is to be maintained until Council revisits disposition of all existing city-owned parcels on Charles and Mathilda Avenue. It is not known when these properties will be sold or vacated; however, the current budget assumes it may occur in FY 2016/17.

826530 County-Wide Homeless Count -- This project paid for the City's share of conducting a biennial- county-wide homeless count and survey. This homeless count and survey is a federally mandated initiative for the County of Santa Clara. As agreed, each jurisdiction within the county shall contribute a pro-rata share of the cost to conduct the survey based on population. The estimated cost share for each jurisdiction has been figured using the 2010 Census results. For the 2015 count, the City's pro-rata share was 16.76% of the countywide population, net of San Jose which does not participate in this contract, based on 2010 Census population data.

828100 First-Time Homebuyer Loans (81-120% AMI) – This project provides funding for the First Time Homebuyer Program, to be used for down-payment assistance loans to eligible moderate-income households.

828110 Housing Trust Fund (HTFSCC) Contribution - This project provides contributions of Housing Mitigation funds to the Housing Trust Fund of Santa Clara County for investment in city-approved housing projects located in Sunnyvale. Funds will be used for affordable multi-family rental housing construction, rehabilitation, and/or preservation, and/or down-payment assistance programs for low and/or moderate income first-time buyers. The Housing Trust Fund seeks monies from various public agencies in the county and other donors, and uses these funds to seek matching funds from the State and federal governments, corporations, and other donors.

829580 Homestead Park (Final Phase) This project allocates \$5,000,000 in Housing Mitigation Loan funds to MidPen Housing Corporation, a non-profit housing developer for support of the rehabilitation of Homestead Park Apartments located at 1601 Tenaka Place, to improve and preserve affordable rental housing for very low-income households. The project completely rehabilitated the exteriors of 10 buildings (approximately 90 units) with an urgent need for rehabilitation, and completely renovated the interiors of all 211 units. This project was scheduled for conclusion in July 2015.

830130 Housing Mitigation Fund - Fee Restructure This project allocated \$75,000 in Housing Mitigation funds for consultant services to study raising and/or restructuring the Housing Mitigation Fee Program. The consultant has reviewed the existing housing mitigation fee structure, rate, and applicability, and considered possibly expanding it to a wider range of development types.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

General Fund In-Lieu — Transfer to the General Fund to cover the indirect costs realized during the course of managing Housing activities not directly associated with a specific capital improvement project.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Fee: **Sense of Place Fee**

Fee Description: Fees paid by developers in areas where planned public improvements exceed the requirements of other areas of the City, including those with special land use or public improvement plans.

Amount of Fee: \$1,128.51 per unit in the applicable areas.

Fund: Capital Projects Fund/Sense of Place Fees Sub-fund
(385/970)

FY 2014/2015 Receipt and Use:

| | | |
|--------------------|----|-----------|
| Beginning Balance | \$ | 1,238,338 |
| Resources | | |
| New Fees Collected | \$ | 63,609 |
| Interest | | 8,334 |
| Total Resources | \$ | 1,310,281 |

Transfers

| | | |
|---|----------|----|
| 831110 Fair Oaks Ave Bike Lanes and Streetscape | | 41 |
| % Funded by Fee: | 5 % | |
| Origination Year: | FY 14/15 | |
| Planned Completion Year: | FY 17/18 | |

| | | |
|------------------------------|----|-----------|
| Total Expenditures/Transfers | \$ | 41 |
| Ending Balance | \$ | 1,310,240 |

Note: No interfund loans, refunds, or transfers were made during FY 2014/2015.

831110 Fair Oaks Ave Bike Lanes and Streetscape - This project will reconfigure the roadway striping and median islands on three separate sections of Fair Oaks Avenue: construct median, reconfigure roadway geometry, restrict parking and stripe bike lane from Old San Francisco Road to Evelyn Avenue, and from Wolfe Road to Ahwanee Avenue. The project will also reconfigure roadway geometry and stripe bike lanes from California Avenue to Arques Avenue. The scope of work includes grinding existing striping, seal coat roadway, installation of new roadway striping, installation of hardscape median islands, and signage. The purpose of this project is to provide bike lanes where none currently exist, a buffer between auto traffic and pedestrians, and hardscape medians. All improvements are consistent with the City's Bicycle Plan and Bicycle Capital Improvement Program.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Fee: **Transportation Impact Fee**

Fee Description: Fees adopted pursuant to the Transportation Strategic Program to fund major transportation projects necessary to support land use plans. (Sunnyvale Municipal Code, Chap. 3.50)

| | | | |
|------------------------------|--|--|-------------|
| <u>Amount of Fee:</u> | | A. Impact Fee — Area South of State Route 237 | |
| | | • Single Family detached, per dwelling unit | \$ 2,087.00 |
| | | • Multi-family attached, per dwelling unit | \$ 1,281.00 |
| | | • Office, per 1,000 square feet | \$ 3,078.00 |
| | | • Retail, per 1,000 square feet | \$ 3,863.00 |
| | | • Industrial, per 1,000 square feet | \$ 1,529.00 |
| | | • Research and Development, per 1,000 square feet | \$ 2,025.00 |
| | | • Hotel, per room | \$ 1,260.00 |
| | | • Uses not enumerated, per trip | \$ 2,087.00 |
| | | B. Impact Fee — Industrial Area North of State Route 237 | |
| | | • Industrial, per 1,000 square feet | \$ 4,129.00 |
| | | • Research and Development, per 1,000 square feet | \$ 5,459.00 |
| | | • Destination Retail, per 1,000 square feet | \$13,087.00 |
| | | • Neighborhood Retail, per 1,000 square feet | \$ 6,543.00 |
| | | • Hotel, per room | \$ 4,269.00 |
| | | • Uses not enumerated, per trip | \$ 5,635.00 |

Fund: Capital Projects Fund/Transportation Impact Fees Sub-fund
(385/960)

FY 2014/2015 Receipt and Use:

| | |
|---|----------------------|
| Beginning Balance | \$ 20,082,963 |
| Resources | |
| New Fees Collected | 2,929,329 |
| Other sources: 826890 Mathilda/237/101 Interchange Improvements | 460,958 |
| Interest | 143,601 |
| Total Resources | <u>\$ 23,616,851</u> |

Expenditures

| | |
|---|-----------|
| 825530 Computerized Transportation Model Update | \$ 29,085 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 05/06 |
| Planned Completion Year: | On-going |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

| | |
|--|----------|
| 826890 Mathilda/237/101 Interchange Improvements | 460,958 |
| % Funded by Fee: | 50% |
| Origination Year: | FY 07/08 |
| Planned Completion Year: | FY 19/20 |

Transfers

| | |
|--------------------------|--------------|
| General Fund In-Lieu | \$ 13,110 |
| Origination Year: | On-going |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | General Fund |

| | |
|------------------------------|----------------------|
| Total Expenditures/Transfers | <u>\$ 503,153</u> |
| Ending Balance | <u>\$ 23,113,698</u> |

Note: No interfund loans or refunds were made during FY 2014/2015.

Description of Projects:

825530 Computerized Transportation Model Update — This project provides funding for the Transportation Model Update. The City's Transportation Impact Fee is based upon long range projections of roadway capacity needs from a computerized Transportation Model. Updating the Transportation Model provides the City with a basis for upholding a fair valuation of the Transportation Impact Fee. This important source of transportation improvement revenue benefits residents, travelers, and developers in the City by allocating a fair share of the cost of transportation system expansion to the land development contributing to the need for the improvements. This model update is necessary every five years over the life of the General Plan.

826890 Mathilda/237/101 Interchange Improvements — This project involves preparation of Caltrans required Project Initiation Document (PID); environmental documents; and Plans, Specifications, and Estimate (PS&E) for a roadway improvement to reconstruct the interchanges of Mathilda Avenue with SR 237 and US 101. The intent of improvement is to simplify weaving operations, improve queuing at signals, and provide more efficient traffic flow. The project under study involves re-design of traffic signals and re-routing of a frontage road and freeway ramps. The purpose of the project is to provide for safe and efficient movement of traffic at one of the busiest and most complex roadway systems in the region. This will support planned growth as called for in the General Plan.

General Fund In-Lieu — Transfer to the General Fund to cover the indirect costs realized during the course of managing transportation related activities not directly associated with a specific capital improvement project.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Fund: Traffic Mitigation Fee

Fee Description: Specific fee amounts assessed as a condition of development to mitigate increased demands for traffic improvements. This fee was superseded by the Transportation Impact Fee (TIF) in FY 2003/2004.

Amount of Fee: Occasionally received for development projects approved prior to adoption of the TIF in FY 2003/2004. Amount is subject to the Fee Schedule that was in effect at the time the development project was approved.

Fund: Capital Projects Fund/Traffic Mitigation Sub-fund
(385/950)

FY 2014/2015 Receipt and Use:

| | |
|-----------------------------|---------------------|
| Beginning Balance | \$ 2,125,794 |
| Resources | |
| New Fees Collected | -- |
| Interest | 11,449 |
| Contribution from Developer | -- |
| Federal Grant | -- |
| Total Resources | <u>\$ 2,137,243</u> |

Expenditures

| | |
|--|-----------|
| 816000 Future Traffic Signal Construction/Modification | \$ 27,105 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 07/08 |
| Planned Completion Year: | On-going |

Transfers

| | |
|--|----------------------------|
| 828900 Hendy Avenue – Complete Street | 171,106 |
| % Funded by Fee: | 15.7% |
| Origination Year: | FY 10/11 |
| Planned Completion Year: | FY 14/15 |
| Interfund Transfer To: | Cap.Proj. – General Assets |
| 829270 Remington Drive/Bernardo Ave Traffic Signal | - 21,443 ¹ |
| % Funded by Fee: | 14.3% |
| Origination Year: | FY 11/12 |
| Planned Completion Year: | FY 14/15 |
| Interfund Transfer To: | Cap.Proj. – General Assets |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

| | |
|---|----------------------------|
| 829910 Mathilda Avenue/Maude Avenue Safety Improvements | - 4,226 ¹ |
| % Funded by Fee: | 21.16% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 15/16 |
| Interfund Transfer To: | Cap.Proj. – General Assets |
| 829920 Sunnyvale-Saratoga Rd/Fremont Avenue Safety Improvements | - 8,345 ¹ |
| % Funded by Fee: | 21.16% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 14/15 |
| Interfund Transfer To: | Cap.Proj. – General Assets |
| 831240 Sunnyvale Bicycle Lanes | 19,267 |
| % Funded by Fee: | 13.00% |
| Origination Year: | FY 14/15 |
| Planned Completion Year: | FY 15/16 |
| Interfund Transfer To: | Cap.Proj. – General Assets |
| Total Expenditures/Transfers | \$ 183,464 |
| Ending Balance | <u>\$ 1,953,779</u> |

Note: No interfund loans or refunds were made during FY 2014/2015.

¹ *Negative amounts represent a reversal of a portion of the City matching funds applied in prior years for Federal aid transportation projects. Federal reimbursement rates are adjusted throughout the project life as costs estimates are revised, and then applied retroactively.*

Description of Projects:

816000 Future Traffic Signal Construction/Modification — This project provides funding for major signal modifications and/or installing new traffic signals as necessitated by traffic conditions.

828900 Hendy Avenue Complete Street Project – This project is to reconstruct Hendy Avenue from Sunnyvale Avenue to Fair Oaks Avenue. This project has been included as part of City, County, and Regional long-range Traffic and Transportation Plans for many years. It is part of the City's Bicycle Capital Improvement Program, Santa Clara County's Bicycle Expenditure Program, and the Valley Transportation Authority's (VTA) Bicycle Plan. The condition of the roadway in this area is exceptionally poor and it is missing or has substandard sidewalks, bikeways, and lighting. Drainage facilities are also inadequate. This project will essentially reconstruct the entire roadway section to provide for all travel modes, upgrade lighting and streetscape to downtown standards, and provide additional on-street parking in the vicinity of the Northrop Grumman facility.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

829270 Remington Drive/Bernardo Ave Traffic Signal - This project will construct a new traffic signal and communications equipment at the intersection of Remington Drive and Bernardo Avenue to improve traffic operations and safety at this location.

829910 Mathilda Avenue/Maude Avenue Safety Improvements - This project provides for traffic safety improvements at the intersection of Mathilda Avenue and Maude Avenue. Rear-end and sideswipe collisions at the intersection will be mitigated with projects such as improved traffic signal visibility and timing, advance changeable message warning signs, Light Emitting Diode (LED) safety lighting, and accessible pedestrian signals.

829920 Sunnyvale-Saratoga Road/Fremont Avenue Safety Improvements - This project provides for traffic safety improvements at the intersection of Sunnyvale-Saratoga Road and Fremont Avenue. Rear-end and sideswipe collisions at the intersection will be mitigated with projects such as improved traffic signal visibility and timing, advance changeable message warning signs, Light Emitting Diode (LED) safety lighting, and accessible pedestrian signals.

831240 Sunnyvale Bicycle Lanes

The project is consolidated four bicycle lane projects within the City into one new project. The bicycle lane work will be performed at locations throughout the City of Sunnyvale. Locations include: El Camino Real (between Sunnyvale Ave. and Remington/Fair Oaks); Mathilda Ave (from Maude to California); Wildwood (from Lawrence to the Santa Clara city limit); and Moffett Park Drive (between Enterprise Way and Mathilda). The project consists of removal of the existing striping, installation of the designated roadside signs, thermoplastic traffic striping, thermoplastic pavement marking, and slurry seal.

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Fee: **Park Dedication Fee**

Fee Description: Fee assessed on certain residential subdivisions to purchase land, buy equipment, or construct improvements in neighborhood and district parks and recreational facilities serving the subdivision.
(Sunnyvale Municipal Code, Chap. 19.74 — Non-exempt from Mitigation Fee Act reporting requirements.)

Amount of Fee: \$96.00 per square foot.

Fund: Park Dedication Fund – Multi-Family Residential
(141/200)

FY 2014/2015 Receipt and Use:

The City of Sunnyvale has two different types of Park Dedication Fees. The first was established pursuant to the Quimby Act (California Government Code §66477), listed in the Subdivision Map Act, and codified by the City in the Sunnyvale Municipal Code, Chapter 18.10. These particular Park Dedication Fees are assessed only on residential units in subdivisions and may be used to purchase land, buy equipment or construct improvements in neighborhood parks, district parks, and recreational facilities serving the residential subdivision. The fees collected for this type of development are exempt from reporting requirements, and details are not included in this report.

The second type of Park Dedication Fee was established pursuant to the Mitigation Fee Act (California Government Code §66000(b)) and codified by the City in the Sunnyvale Municipal Code, Chapter 19.74. These Park Dedication Fees are assessed only on multi-family residential units and may be used to purchase land, buy equipment or construct improvements in neighborhood parks, district parks, and recreational facilities serving the multi-family residential unit. The fees collected for this type of development are subject to the reporting requirements included in the Mitigation Fee Act.

| | |
|--------------------|---------------------|
| Beginning Balance | \$ 20,810 |
| Resources | |
| New Fees Collected | \$ 2,953,943 |
| Interest | 10,265 |
| Total Resources | <u>\$ 2,985,018</u> |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

Transfers

| | |
|--|----------------------------|
| 808352 Seven Seas Park Development | \$ 335,551 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 90/91 |
| Planned Completion Year: | FY 15/16 |
| Interfund Transfer To: | Cap.Proj. – General Assets |
| 818550 Park Buildings – Rehabilitation | 133,274 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 96/97 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 818600 Senior Center Buildings – Rehabilitation | 5,211 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 96/97 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 820240 Park Tennis/Basketball Court Reconstruction | 167,549 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 98/99 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 820270 Playground Equipment Replacement | 19,525 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 98/99 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 820280 Park Furniture and Fixtures Replacement | 76,731 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 98/99 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 825850 Swim Pools Infrastructure | 15,905 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 05/06 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

| | |
|--|---------------------------|
| 828400 Golf Buildings Renovations | 63,436 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 09/10 |
| Planned Completion Year: | FY 17/18 |
| Interfund Transfer To: | Infrast. – Comm Rec |
| 828420 Tennis Center Buildings Infrastructure | 17,473 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 09/10 |
| Planned Completion Year: | FY 14/15 |
| Interfund Transfer To: | Infrast. – Comm Rec |
| 829150 Swim Buildings Infrastructure | 13,886 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 11/12 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 829160 Golf Course Tree Trimming and Removal | 71,620 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 07/08 |
| Planned Completion Year: | FY 13/14 |
| Interfund Transfer To: | Infrast. – Comm Rec |
| 829190 Community Center Comprehensive Infrastructure | 142,832 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 11/12 |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Infrast. – General Assets |
| 829570 Orchard Gardens Park Expansion | 532,027 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 15/16 |
| Interfund Transfer To: | Cap Proj – General Assets |
| 830280 Sunnyvale Baylands Park Infrastructure | 178,669 |
| % Funded by Fee: | 100% |
| Origination Year: | FY 09/10 |
| Planned Completion Year: | FY 23/24 |
| Interfund Transfer To: | Infrast. – General Assets |
| 830370 Lakewood Park Renovation and Enhancement | 33,266 |
| % Funded by Fee: | 100% |

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

| | |
|--------------------------|---------------------------|
| Origination Year: | FY 13/14 |
| Planned Completion Year: | FY 16/17 |
| Interfund Transfer To: | Infrast. – General Assets |

| | |
|--|-------|
| 830530 Capital Improvement Program Management System | 7,554 |
|--|-------|

| | |
|--------------------------|-----------------------|
| % Funded by Fee: | 9.00% |
| Origination Year: | FY 12/13 |
| Planned Completion Year: | FY 16/17 |
| Interfund Transfer To: | Gen Serv. – Proj Mgmt |

| | |
|---|---------|
| 830560 Fremont Pool house Infrastructure Improvements | 774,980 |
|---|---------|

| | |
|--------------------------|---------------------------|
| % Funded by Fee: | 100% |
| Origination Year: | FY12/13 |
| Planned Completion Year: | Ongoing |
| Interfund Transfer To: | Infrast. – General Assets |

| | |
|---|---------|
| 830800 Las Palmas Dog Park Improvements | 100,305 |
|---|---------|

| | |
|--------------------------|------------------------|
| % Funded by Fee: | 100% |
| Origination Year: | FY13/14 |
| Planned Completion Year: | FY14/15 |
| Interfund Transfer To: | General Fund - General |

| | |
|---|-----|
| 831000 Las Palmas Park/Tennis Center Auxiliary Restroom | 180 |
|---|-----|

| | |
|--------------------------|---------------------------|
| % Funded by Fee: | |
| Origination Year: | FY14/15 |
| Planned Completion Year: | FY15/16 |
| Interfund Transfer To: | Cap Proj – General Assets |

| | |
|--------------------------------|---------|
| Project Administration In-Lieu | 166,260 |
|--------------------------------|---------|

| | |
|--------------------------|------------------------|
| Origination Year: | On-going |
| Planned Completion Year: | On-going |
| Interfund Transfer To: | Internal Services Fund |

| | |
|-----------------|--------------|
| Total Transfers | \$ 2,856,236 |
| Ending Balance | \$ 128,782 |

Note: No interfund loans or refunds were made during FY 2014/2015.

Exempt Park Dedication Fees:

During FY 2014/2015, the City collected \$4,335,298 in new exempt Park Dedication Fees, with \$96,838 in interest earned. These fees were assessed on the number of residential units in

City of Sunnyvale
Annual Status Report on Receipt and Use of Development Impact Fees
FY 2014/15

subdivisions. The City has specified 5 capital projects for parks and common use spaces that serve the residents. Descriptions of the projects are included in *Volume III* of the *FY 2014/2015 Adopted Budget and Resource Allocation Plan*. As previously noted, these fees are exempt from reporting requirements, and therefore, details are not included in this report.

Description of Projects:

808352 Seven Seas Park Development - This project provides development of a 5.3 acre parcel on Morse Avenue as a neighborhood park. This property was purchased to provide a park for this neighborhood and was previously leased for private industrial use (Fair Oaks Industrial Park).

818550 Park Buildings – Rehabilitation – This project provides for renovations and upgrades to Park Buildings for a multitude of reasons, including compliance with code requirements and Americans with Disabilities Act (ADA) guidelines, safety improvements, and repairs to aging infrastructure.

818600 Senior Center Buildings - Rehabilitation – This project provides for infrastructure repairs and renovations to existing park buildings. This may include repair/replacement of flooring, window coverings, fixtures, HVAC, roofs, and other work required to keep existing structures in a safe, usable, and attractive condition. These projects are evaluated and prioritized according to applicable codes, safety issues, and relationships to other rehabilitation projects that may trigger work to the buildings such as playground renovations or ADA upgrades to restrooms.

820240 Park Tennis/Basketball Court Construction -- This project provides for the reconstruction of 32 City-owned tennis and basketball courts and does not include the 16 tennis courts at the Sunnyvale Tennis Center, which are included in a separate project. Based on historical data, usage, and current surveys, major reconstruction and repair for each court is required approximately every 30 years. Reconstruction will include surfacing, fencing, and hardware as appropriate.

820270 Playground Equipment Replacement - This project provides for the replacement of parks playground equipment and resilient surfacing on a 20-year cycle.

820280 Park Furniture and Fixtures Replacement - This project provides for the replacement of picnic tables, park benches, drinking fountains, trash containers, retaining walls and other fixtures.

825850 Swim Pools Infrastructure - This project covers infrastructure needs for three community swimming pools – the City-owned Washington Pool, and the leased pools at Columbia Middle School and Sunnyvale Middle School.

City of Sunnyvale
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828400 Golf Buildings Renovations - This project provides for the repair/renovation of existing golf building components at both Sunnyvale and Sunken Gardens golf courses to bring them into compliance with current building codes and ADA requirements. Components include flooring, electrical/lighting systems (including practice range), HVAC systems, plumbing, interior/exterior painting, stairs and ramp ways, and cabinetry

828420 Tennis Center Buildings Infrastructure - This project provides for the repair or replacement of building infrastructure at the Tennis Center including electrical, plumbing, HVAC systems, walls, roofs, and foundations. Needed work is determined by inspections conducted by staff of Parks and Facilities Services. Cost estimates are based upon recent work completed as part of the Park Building Infrastructure project. Funds in FY 2014/15 are for the replacement of roofs, and repair of dry rot and termite damage.

829150 Swim Buildings Infrastructure - This project provides for infrastructure renovation and repair of two community swimming pool buildings: the City-owned Washington Pool and the pool at Columbia Middle School. Facilities at Washington include the bleacher/pool equipment and locker room buildings. Facilities at Columbia include the office and pool equipment/park maintenance buildings.

829160 Golf Course Tree Trimming and Removal- This project provides for the pruning and removal of mature trees at Sunnyvale and Sunken Gardens Golf Courses. The vast majority of the trees have reached maturity and are dead/dying or have safety issues that must be addressed. Pruning from the ground can no longer be done, so now these trees must be pruned either by climbing or by the use of bucket trucks to ensure employee health and safety. The required work has grown cumulatively over the last 10 years and has surpassed the ability of the operating funds to adequately address it.

829190 Community Center Comprehensive Infrastructure - This project provides for infrastructure repairs and renovations to buildings at the Community Center. The scope of the project includes roof replacement and repair, HVAC (heating, ventilation, and air conditioning) system replacement and repair, fire protection systems, and waterproofing.

829570 Orchard Gardens Park Expansion

The expansion of Orchard Gardens Park includes the demolition of three City-owned homes adjacent to the park on Garner Drive. This area will be replaced with landscaping, benches, lighting, and concrete pathways and serve as the western “gateway” to the John W. Christian Greenbelt. The City has purchased all adjacent parcels necessary for the park expansion. Funds in 2013/14 were for design and FY 2014/15 funds were for demolition of the vacant houses and construction of new park amenities and landscaping to expand the park. The expansion provides for more open space for this neighborhood and is likely to reduce vandalism to the existing park building by creating more visibility into the park's interior from the street. The project represents an enhancement of existing open space.

City of Sunnyvale
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830280 Sunnyvale Baylands Park Infrastructure

The City has a 25 year lease (with an automatic 10 year extension) that commenced in 2010 with Santa Clara County for the operation of this facility. This project provides for the repair and/or replacement of infrastructure including irrigation systems, playground equipment, drainage systems, buildings, and asphalt surfaces at Sunnyvale Baylands Park.

830370 Lakewood Park Renovation and Enhancement - This project will provide a major renovation of the facility, originally built in 1964, to ensure its sustainability for the future by enhancing recreational usability, increasing attractiveness, and reducing the use of utilities. Public input meetings will be held during the design phase to gather feedback from neighbors, park users, and other stake holders. The input will be utilized to assist in determining the scope of work. The current scope includes replacement of the athletic field with synthetic turf and bleachers/fencing; renovation of recreation, maintenance, and restroom buildings; replacement of the concession shack with a modular restroom/concession structure; replacement of park and building lighting systems with energy efficient fixtures; renovation of the water play feature; replacement of playgrounds; renovation of the mini-skatepark; replacement of portions of landscaped and ornamental grass areas and the associated irrigation/pump system; replacement of park fixtures, including benches and tables, with recycled plastic equipment; replacement of portions of drainage systems; replacement of portions of concrete pathways; overlay of the asphalt parking lot; and the additional work required to connect interlinking areas.

830530 Capital Improvement Program Management System - This project will provide the Engineering Division a capital improvement management system that will integrate project phases, schedules, budgets, funding, payments, and stakeholders. The system will be an essential tool to deliver the capital program in a timely and efficient manner.

830560 Fremont Pool House Infrastructure Improvements - Fremont Union High School District (FUHSD) and the City entered into an agreement for maintenance of the pool house in 2002. This project provides for major infrastructure improvements to the Fremont High School pool house building that are more extensive than normal routine maintenance. The repairs will address deficient shower drains, inadequate air flow inside the two locker rooms, and damages to building infrastructure as a result of the deficiencies.

830800 Las Palmas Dog Park Improvements - This project will provide for improvements to the existing 0.5 acre dog park including natural grass surfacing, a separate fenced area for small dogs and related site amenities.

831000 Las Palmas Park/Tennis Center Auxiliary Restroom - This project will provide for the design and construction of a modular auxiliary restroom building to be located between Las Palmas Park and the Tennis Center. Building amenities include separate Men's and Women's areas with the Men's side having one toilet stall and one urinal and the Women's side having two toilet stalls (one for handicapped and one for regular use). A separate area would be utilized by Parks staff for storing maintenance tools and supplies. General standards for park restrooms

City of Sunnyvale
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FY 2014/15

would be met and features will include LED lighting, automatic shut-off low water use fixtures and be compliant with all accessibility requirements.

Project Administration In-Lieu — Transfer to the Project Management Services General Service Fund to cover the indirect costs realized during the course of managing park related related capital projects.



City of Sunnyvale

Agenda Item

15-1054

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Delegation of Contract Award Authority to the City Manager for the Purchase of Citywide Office Supplies

REPORT IN BRIEF

Approval is requested to delegate authority to the City Manager to establish contracts for citywide office supplies at amounts greater than \$100,000, if necessary and as further explained below. Staff recommends this approach due to the consolidation of the largest nationwide suppliers OfficeMax/Office Depot/Staples, service declines with the current provider (Office Depot), and increasing market competitiveness and options with other suppliers.

EXISTING POLICY

Per Chapter 2.08 of the Sunnyvale Municipal Code, Council approval is required to award contracts greater than \$100,000 and/or to delegate authority to the City Manager for such purpose.

ENVIRONMENTAL REVIEW

N/A

BACKGROUND AND DISCUSSION

Over the past several years, the City has utilized a series of cooperative procurement contracts with OfficeMax to purchase citywide office supplies, allowing the City to leverage discounts typically offered only to high volume purchasers. Key advantages have included discounted pricing, electronic commerce incentives, next day desktop delivery and annual cash rebates. The City spends approximately \$220,000 per year under this contract.

In 2013, Office Depot acquired OfficeMax. Since that time, the City has experienced a decline in both service and advantageous pricing. The next day desktop delivery process has been inconsistent, sometimes taking up to four days for products to be delivered. Additionally, staff has been able to find the same product cheaper through other vendors. To further complicate matters, Staples is now poised to merge with Office Depot amid antitrust concerns. While the Federal Trade Commission has expressed concern over the effect of the merger on physical locations, the primary focus is on how a combined mega-office supply store could restrict competition when it comes to commercial customers such as the City. Staples and Office Depot are currently the top two office suppliers in the U.S.

Staff believes that any previous advantage to an exclusive contract with the mega-office supply store are no longer evident and continuation of the agreement will likely put the City at a disadvantage with a continued decline in service and increasing market competitiveness from other suppliers.

In order to optimize competitive pricing and service delivery, more flexibility in the choice of vendor should be available to City staff. Staff is not recommending discontinuing its business relationship with Office Depot, rather providing individual purchasers the ability to choose the best price and delivery options from a variety of vendors at the time the item is needed. Multiple options are being considered, including business account(s) through Amazon.com (staff often finds printer toner at discounts of up to 30% relative to Office Depot pricing), increased use of Purchasing Cards (staff will be conducting a pilot through the State's US Bank/CAL-Card contract which offers cash rebates not available through the City's current provider), and awarding smaller contracts to other suppliers who offer competitive pricing and service.

On average, the City had been spending \$220,000 annually on the Office Depot contract, but this amount is trending downward as staff finds better pricing and service through other suppliers. Staff anticipates awarding a smaller contract to Office Depot under the City Manager's award authority while other options are fully researched, but the need may arise to increase this contract, or others, to amounts greater than \$100,000. Therefore delegated contract award authority is recommended for this purpose.

FISCAL IMPACT

City departments spent a total of approximately \$265,000 on office supplies in FY 2014/15. Each department budgets for its expected office supply needs individually. It is anticipated that allowing staff to purchase from a variety of vendors based on best pricing and service will keep spending at or below current levels.

Funding Source

Funding for office supplies is spread across multiple City funds dependent on the primary business activity of the operating program purchasing supplies.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Delegate authority to the City Manager to award office supply contracts greater than \$100,000 should the need arise, not-to-exceed budgeted amounts.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace Leung, Director, Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager



City of Sunnyvale

Agenda Item

15-1079

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Adopt a Resolution Authorizing the City Manager to Grant an Easement to PG&E for Utility Purposes on a City-owned Property Located at 620 E. Maude Avenue

BACKGROUND

The subject City property, Assessor's Parcel Number 205-29-032, is under a long-term lease to MidPen Housing Corp. (June 25, 2013; RTC 13-145) for development of an affordable "homeless housing" project initiated by the City as part of the Base Realignment and Closure (BRAC) process. The City also provided MidPen with \$5.4 million in financing for development of this housing project, from the City's Housing Mitigation and HOME funds. The project includes 57 apartment units for very low income households, including 29 reserved for homeless applicants, and a manager's unit. Construction of the planned housing development began on December 8, 2014 and is scheduled for completion by March 2016. A vicinity and site map showing the location of the project is provided in Attachment 1.

EXISTING POLICY

Housing Element

Goal A Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

Policy A.2 Facilitate the development of affordable housing through regulatory incentives and concessions, and/or financial assistance.

Goal C Minimize the impact of governmental constraints on the maintenance, improvement and development of housing.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

MidPen Housing was recently informed by Pacific Gas and Electric Company (PG&E) that it now requires the City, as property owner, to grant PG&E a utility easement over a small corner portion of the MidPen leasehold estate, in order to provide permanent power to the new MidPen Housing development. A draft of the proposed easement deed, in substantial form, and related exhibits is provided in Attachment 2.

The requested easement area is located at the northeast corner of the property, along the frontage with Maude and the property line with the adjoining property (Parkside Studios). It is approximately 14 feet by 11 feet, for a total area of approximately 154 square feet. PG&E has existing power and gas facilities within this small area. In addition, a second area of approximately 276 square feet running in a southwardly strip from the Maude Avenue frontage, is also required, primarily to allow

PG&E access to the gas meters on the site. Attachment 1 shows the location of the requested easements on the property; details of both of the areas are shown on Exhibits "B-1" and "B-2" of Attachment 2 (two pages).

The requested easement area has no significant impact on the property or the new housing development. Other than any initial work needed to connect power to the new housing project, PG&E would access the easement area only occasionally to read meters or otherwise attend to their facilities as needed.

A draft resolution authorizing this easement deed is provided in Attachment 3.

FISCAL IMPACT

The recommended action is not expected to have any fiscal impact on the City. The property is currently leased to MidPen Housing for a 90-year term, and the recommended action is needed for MidPen to complete the affordable housing project. If the need for the easement ceases in the future, the easement can be extinguished.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Adopt a resolution authorizing the City Manager or his/her designee to grant the requested easement deed to PG&E and to sign any related escrow documents in final form as approved by the City Attorney.

Prepared by: Suzanne Isé, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Manuel Pineda, Director, Public Works Department

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Vicinity/Site Map
2. Easement Deed
3. Resolution

Construction Contractor agrees that in accordance with generally accepted construction practices, construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property; that this requirement shall be made to apply continuously and not be limited to normal working hours, and construction contractor further agrees to defend, indemnify and hold design professional harmless from any and all liability, real or alleged in connection with the performance of work on this project, excepting liability arising from the sole negligence of design professional.

UNAUTHORIZED CHANGES & USES: The engineer preparing these plans will not be responsible for, or liable for, unauthorized changes to or uses of these plans. All changes to the plans must be in writing and must be approved by the preparer of these plans.

"EXHIBIT B"



| | | | | | | | | | | | | | | | | | |
|--|---|-------|--|--|------------------|--|------------------|-----------------------|-----------|------------|-----------------|------|-------------|----|--|--|--|
| JOB NO. 1904 | 1 | SHEET | | 1101 S. WINCHESTER BLVD. SUITE 111-1184 SAN JOSE, CA 95128 TEL: 408-261-8800 FAX: 408-261-0595 E-MAIL: Robert@carroll-engineering.com | DATE: 11/25/2015 | | EASEMENT EXHIBIT | 620 East Maude Avenue | Sunnyvale | California | | | | | | | |
| | | | | | SCALE: 1"=20' | | | | | | DRAWN BY: PCW | | | | | | |
| | | | | | DESIGNED BY: | | | | | | CHECKED BY: RVH | | | | | | |
| COPYRIGHT 2015, CARROLL ENGINEERING ALL RIGHTS RESERVED | | | | | | | | | | | MARK | DATE | DESCRIPTION | BY | | | |
| | | | | | | | | | | | | | REVISIONS | | | | |

RECORDING REQUESTED BY & RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
San Jose Land Services Office
111 Almaden Blvd, Rm 814
San Jose, CA 95113

APN: 205-29-032

(DOCUMENT WILL ONLY BE RETURNED TO NAME & ADDRESS IDENTIFIED ABOVE)

(SPACE ABOVE FOR RECORDER'S USE)

RECORD WITHOUT FEE UNDER
GOVERNMENT CODE SECTION 6103

APN # 205-29-032

EASEMENT DEED
(PG&E UTILITY EASEMENT)

CITY OF SUNNYVALE, a Municipal Corporation of the State of California ("Grantor"), hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation, its successors and assigns ("Grantee"), and collectively known as the "parties", the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, within the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situated in the City of Sunnyvale, County of Santa Clara, State of California described as:

The parcel of land described in the lease from City of Sunnyvale to Midpen Housing Corporation dated June 26, 2013 and recorded as Document No. 22579163, Santa Clara County Records,.

Said facilities and Easement Area are described as follows:

Such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as Grantee deems necessary for the distribution of electric energy and for communication purposes; and one or more underground pipes with suitable

service pipes and connections, as Grantee deems necessary for the conveyance of gas; all to be located within the strip(s)/parcel(s) of land described in Exhibit "A-1" and "A-2" and shown outlined by heavy dashed lines on Exhibit "B-1" and "B-2".

Grantor further grants to Grantee the right, from time to time, to trim or to cut down any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor shall not erect or construct any building or other structure or drill or operate any well within said Easement Area.

Grantee shall indemnify Grantor against any loss and damage which shall be caused by any negligent act or omission of Grantee or of its agents or employees which may arise out of or occur by the performance or work by Grantee, its contractors and agents within the easement area, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

When the easement is no longer needed, parties shall cooperate to create and execute documents and instruments necessary to terminate this easement for its intended purposes.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Executed this _____ day of _____, 2015.

Owners: CITY OF SUNNYVALE, a Municipal Corporation of the State of California

By: _____
Deanna Santana, City Manager

Executed in the presence of:

By: _____
Kathleen Franco Simmons, City Clerk

I here certify that a resolution was adopted on the _____ day of _____, 2015, by the authorizing the foregoing grant of easement.

EXHIBIT A-1: LEGAL DESCRIPTION FOR A PG&E EASEMENT

AN EASEMENT FOR A GAS METER AND UNDERGROUND GAS LINE

ALL OF THAT PROPERTY SITUATE IN THE CITY OF SUNNYVALE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF NORTH FAIROAKS AVENUE AND EAST MAUDE AVENUE, AS SAID INTERSECTION IS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, AND THENCE ALONG THE CENTERLINE OF SAID EAST MAUDE AVENUE SOUTH 67°32'00"EAST 135.08 FEET TO A POINT ON SAID CENTERLINE; THENCE LEAVING SAID CENTERLINE SOUTH 14°52'00"WEST 30.31 FEET TO THE NORTHWEST CORNER OF THE PROPERTY DESCRIBED IN THAT MEMORANDUM OF LEASE BETWEEN THE CITY OF SUNNYVALE AND MIDPEN HOUSING CORPORATION RECORDED AS DOCUMENT NUMBER 22579163 ON APRIL 29, 2014, SANTA CLARA COUNTY RECORDS; THENCE ALONG THE NORTHERLY LINE OF SAID PROPERTY (DOC NO 22579163), SAID NORTHERLY LINE ALSO BEING THE SOUTHERLY LINE OF EAST MAUDE AVENUE, SOUTH 67°32'00"EAST 34.42 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE FROM SAID POINT OF BEGINNING, LEAVING SAID SOUTHERLY LINE OF EAST MAUDE AVENUE, AT RIGHT ANGLES TO THE PRECEDING LINE, SOUTH 22°28'00"WEST 46.25 FEET;

THENCE AT RIGHT ANGLES TO THE PRECEDING LINE, SOUTH 67°32'00"EAST 6.00 FEET;

THENCE, AT RIGHT ANGLES TO THE PRECEDING LINE, NORTH 22°28'00"EAST 46.25 FEET TO SAID SOUTHERLY LINE OF EAST MAUDE AVENUE;

THENCE ALONG SAID SOUTHERLY LINE NORTH 67°32'00"WEST 6.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 277.50 S.F., MORE OR LESS.

THE BEARING SOUTH 67°32'00"EAST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION.

PHILIP C WOOTTON
PLS 8398
November 16, 2015

EXHIBIT A-2: LEGAL DESCRIPTION FOR A PG&E EASEMENT

AN EASEMENT FOR AN ELECTRICAL TRANSFORMER AND UNDERGROUND ELECTRICAL LINES

ALL OF THAT PROPERTY SITUATE IN THE CITY OF SUNNYVALE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF NORTH FAIROAKS AVENUE AND EAST MAUDE AVENUE, AS SAID INTERSECTION IS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, AND THENCE ALONG THE CENTERLINE OF SAID EAST MAUDE AVENUE SOUTH 67°32'00"EAST 319.71 FEET TO A POINT ON SAID CENTERLINE; THENCE LEAVING SAID CENTERLINE SOUTH 14°52'00"WEST 30.31 FEET TO THE NORTHEAST CORNER OF THE PROPERTY DESCRIBED IN THAT MEMORANDUM OF LEASE BETWEEN THE CITY OF SUNNYVALE AND PARKSIDE STUDIOS, L.P. RECORDED AS DOCUMENT NUMBER 22522133 ON FEBRUARY 19, 2014, SANTA CLARA COUNTY RECORDS; THENCE ALONG THE NORTHERLY LINE OF SAID PROPERTY (DOC NO 22522133), SAID NORTHERLY LINE ALSO BEING THE SOUTHERLY RIGHT-OF-WAY OF EAST MAUDE AVENUE, SOUTH 67°32'00"EAST 37.07 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 40.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°09'52" AN ARC DISTANCE OF 35.72 FEET TO THE BEGINNING OF A REVERSE CURVE, TANGENT TO THE PRECEDING CURVE AND HAVING A RADIUS OF 660.00 FEET, SAID REVERSE CURVE ALSO BEING COINCIDENT WITH THE SOUTHWESTERLY LINE OF NORTH WOLFE ROAD; THENCE ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 1°20'11" AN ARC DISTANCE OF 15.39 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE FROM SAID POINT OF BEGINNING, CONTINUING ALONG SAID 660.00 FOOT RADIUS REVERSE CURVE, AND SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD, THROUGH A CENTRAL ANGLE OF 1°01'04" AND ARC DISTANCE OF 11.73 FEET;

THENCE LEAVING SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD SOUTH 71°32'15"WEST 13.88 FEET;

THENCE NORTH 17°57'56"WEST 11.85 FEET;

THENCE, AT RIGHT ANGLES TO THE PRECEDING LINE, NORTH 72°02'04"EAST 13.64 FEET TO SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD AND THE POINT OF BEGINNING.

CONTAINS 163.08 S.F., MORE OR LESS.

THE BEARING SOUTH 67°32'00"EAST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION.

PHILIP C WOOTTON
PLS 8398
November 16, 2015

PROPERTY BOUNDARY
EASEMENT LINE
CENTERLINE

TIE
BUILDING LINE

B.O.B.
P.O.B.

BASIS OF BEARINGS
POINT OF BEGINNING

▣ FOUND MONUMENT PER 665 M 43-44

BASIS OF BEARINGS

THE BEARING NORTH 67°22'00" WEST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION

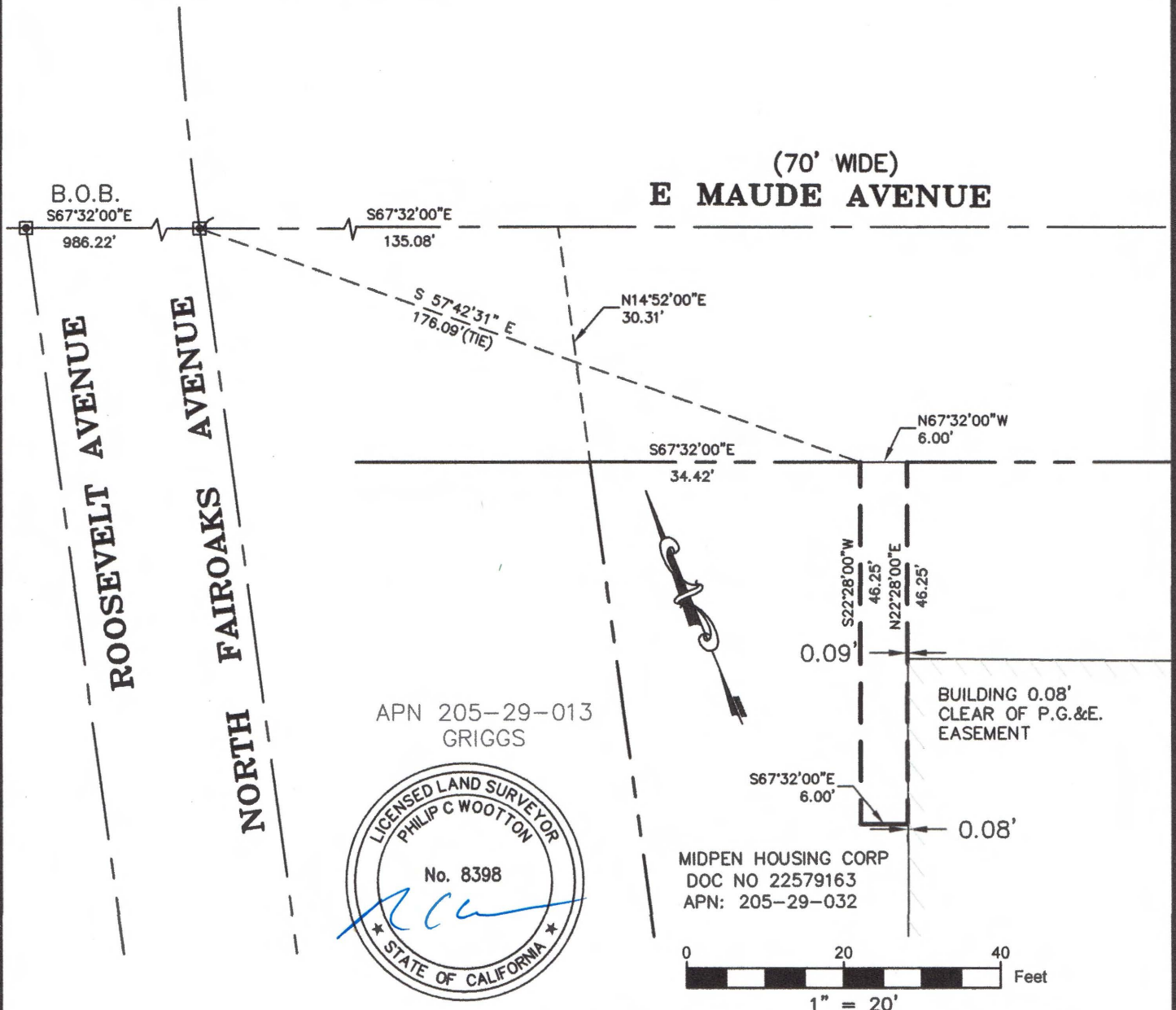


EXHIBIT "B" - PLAT OF PG&E EASEMENT

CARROLL
ENGINEERING
engineers and surveyors

1101 S. WINCHESTER BLVD.
SUITE H-184
SAN JOSE, CA 95128
TEL: 408-261-9800
FAX: 408-261-0595
E-MAIL: Robert@carroll-engineering.com

Design By: _____

Drawn By: PCW

Check By: RVH

Scale: 1" = 20'

Date: 11/25/15

Job No. 1904

Sheet 2 of 2

PROPERTY BOUNDARY
EASEMENT LINE
BUILDING LINE
CENTERLINE
TIE
B.O.B.
P.O.B.

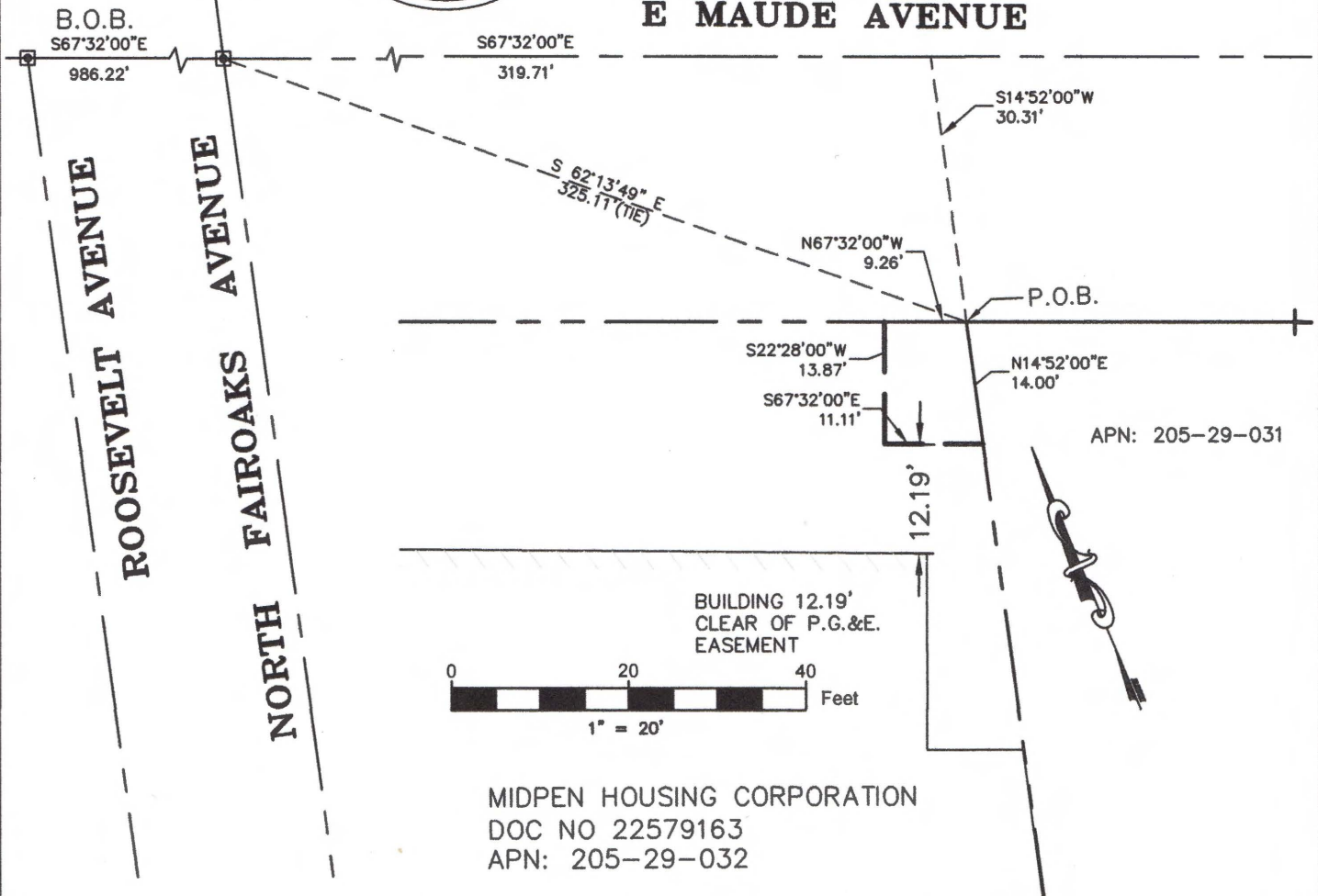
BASIS OF BEARINGS
POINT OF BEGINNING

BASIS OF BEARINGS

THE BEARING NORTH 67°22'00" WEST,
OF THE CENTERLINE OF EAST MAUDE
AVENUE, AS SHOWN ON THAT
PARCEL MAP FILED IN BOOK 665 OF
MAPS AT PAGES 43-44, SANTA
CLARA COUNTY RECORDS, WAS USED
AS THE BASIS OF BEARINGS FOR
THIS DESCRIPTION



(70' WIDE)
E MAUDE AVENUE



▣ FOUND MONUMENT PER 665 M 43-44

EXHIBIT "B" - PLAT OF PG&E EASEMENT

CARROLL
ENGINEERING
engineers and surveyors

Design By: _____

Drawn By: PCW

Check By: RVH

Scale: 1"=20'

Date: 11/30/15

Job No. 1904

Sheet 2 of 2

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE AUTHORIZING THE CITY MANAGER
TO EXECUTE THE EASEMENT DEED TO PACIFIC GAS
AND ELECTRIC COMPANY WITHIN A CITY-OWNED
PARCEL LOCATED AT 620 E. MAUDE AVENUE**

WHEREAS, the City of Sunnyvale ("City") leased property at 620 E. Maude Avenue to MidPen Housing Corp. on June 25, 2013, for development of an affordable "homeless housing" project initiated by the City as part of the Base Realignment and Closure; and

WHEREAS, as part of the construction of the MidPen Housing development, Pacific Gas and Electric Company ("PG&E") will provide permanent power to the leasehold estate and also requires access to the gas meters on the site; and

WHEREAS, City desires to enter into any necessary documentation to allow access to MidPen's leasehold estate by PG&E to provide permanent power to the development, including a new Easement Deed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

The City Manager, or her designee, is hereby authorized to execute the Easement Deed and any other documents to implement the purposes of the grant of an easement to PG&E to provide permanent power to the development over and upon a portion of the City-owned property located at 620 E. Maude Avenue, as described in the Easement Deed, attached hereto as Exhibit A.

Adopted by the City Council at a regular meeting held on _____, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL

:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

RECORDING REQUESTED BY & RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
San Jose Land Services Office
111 Almaden Blvd, Rm 814
San Jose, CA 95113

APN: 205-29-032

(DOCUMENT WILL ONLY BE RETURNED TO NAME & ADDRESS IDENTIFIED ABOVE)

(SPACE ABOVE FOR RECORDER'S USE)

RECORD WITHOUT FEE UNDER
GOVERNMENT CODE SECTION 6103

APN # 205-29-032

EASEMENT DEED **(PG&E UTILITY EASEMENT)**

CITY OF SUNNYVALE, a Municipal Corporation of the State of California ("Grantor"), hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation, its successors and assigns ("Grantee"), and collectively known as the "parties", the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, within the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situated in the City of Sunnyvale, County of Santa Clara, State of California described as:

The parcel of land described in the lease from City of Sunnyvale to Midpen Housing Corporation dated June 26, 2013 and recorded as Document No. 22579163, Santa Clara County Records,.

Said facilities and Easement Area are described as follows:

Such underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors; aboveground marker posts, risers, and service pedestals; underground and aboveground switches, fuses, terminals, and transformers with associated concrete pads; and fixtures and appurtenances necessary to any and all thereof, as Grantee deems necessary for the distribution of electric energy and for communication purposes; and one or more underground pipes with suitable

service pipes and connections, as Grantee deems necessary for the conveyance of gas; all to be located within the strip(s)/parcel(s) of land described in Exhibit "A-1" and "A-2" and shown outlined by heavy dashed lines on Exhibit "B-1" and "B-2".

Grantor further grants to Grantee the right, from time to time, to trim or to cut down any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor shall not erect or construct any building or other structure or drill or operate any well within said Easement Area.

Grantee shall indemnify Grantor against any loss and damage which shall be caused by any negligent act or omission of Grantee or of its agents or employees which may arise out of or occur by the performance or work by Grantee, its contractors and agents within the easement area, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

When the easement is no longer needed, parties shall cooperate to create and execute documents and instruments necessary to terminate this easement for its intended purposes.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Executed this _____ day of _____, 2015.

Owners: CITY OF SUNNYVALE, a Municipal
Corporation of the State of California

By: _____
Deanna Santana, City Manager

Executed in the presence of:

By: _____
Kathleen Franco Simmons, City Clerk

I here certify that a resolution was adopted on the _____ day of _____, 2015, by the authorizing the foregoing grant of easement.

EXHIBIT A-1: LEGAL DESCRIPTION FOR A PG&E EASEMENT

AN EASEMENT FOR A GAS METER AND UNDERGROUND GAS LINE

ALL OF THAT PROPERTY SITUATE IN THE CITY OF SUNNYVALE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF NORTH FAIROAKS AVENUE AND EAST MAUDE AVENUE, AS SAID INTERSECTION IS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, AND THENCE ALONG THE CENTERLINE OF SAID EAST MAUDE AVENUE SOUTH 67°32'00"EAST 135.08 FEET TO A POINT ON SAID CENTERLINE; THENCE LEAVING SAID CENTERLINE SOUTH 14°52'00"WEST 30.31 FEET TO THE NORTHWEST CORNER OF THE PROPERTY DESCRIBED IN THAT MEMORANDUM OF LEASE BETWEEN THE CITY OF SUNNYVALE AND MIDPEN HOUSING CORPORATION RECORDED AS DOCUMENT NUMBER 22579163 ON APRIL 29, 2014, SANTA CLARA COUNTY RECORDS; THENCE ALONG THE NORTHERLY LINE OF SAID PROPERTY (DOC NO 22579163), SAID NORTHERLY LINE ALSO BEING THE SOUTHERLY LINE OF EAST MAUDE AVENUE, SOUTH 67°32'00"EAST 34.42 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE FROM SAID POINT OF BEGINNING, LEAVING SAID SOUTHERLY LINE OF EAST MAUDE AVENUE, AT RIGHT ANGLES TO THE PRECEDING LINE, SOUTH 22°28'00"WEST 46.25 FEET;

THENCE AT RIGHT ANGLES TO THE PRECEDING LINE, SOUTH 67°32'00"EAST 6.00 FEET;

THENCE, AT RIGHT ANGLES TO THE PRECEDING LINE, NORTH 22°28'00"EAST 46.25 FEET TO SAID SOUTHERLY LINE OF EAST MAUDE AVENUE;

THENCE ALONG SAID SOUTHERLY LINE NORTH 67°32'00"WEST 6.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 277.50 S.F., MORE OR LESS.

THE BEARING SOUTH 67°32'00"EAST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION.

PHILIP C WOOTTON
PLS 8398
November 16, 2015

EXHIBIT A-2: LEGAL DESCRIPTION FOR A PG&E EASEMENT

AN EASEMENT FOR AN ELECTRICAL TRANSFORMER AND UNDERGROUND ELECTRICAL LINES

ALL OF THAT PROPERTY SITUATE IN THE CITY OF SUNNYVALE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF NORTH FAIROAKS AVENUE AND EAST MAUDE AVENUE, AS SAID INTERSECTION IS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, AND THENCE ALONG THE CENTERLINE OF SAID EAST MAUDE AVENUE SOUTH 67°32'00"EAST 319.71 FEET TO A POINT ON SAID CENTERLINE; THENCE LEAVING SAID CENTERLINE SOUTH 14°52'00"WEST 30.31 FEET TO THE NORTHEAST CORNER OF THE PROPERTY DESCRIBED IN THAT MEMORANDUM OF LEASE BETWEEN THE CITY OF SUNNYVALE AND PARKSIDE STUDIOS, L.P. RECORDED AS DOCUMENT NUMBER 22522133 ON FEBRUARY 19, 2014, SANTA CLARA COUNTY RECORDS; THENCE ALONG THE NORTHERLY LINE OF SAID PROPERTY (DOC NO 22522133), SAID NORTHERLY LINE ALSO BEING THE SOUTHERLY RIGHT-OF-WAY OF EAST MAUDE AVENUE, SOUTH 67°32'00"EAST 37.07 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 40.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°09'52" AN ARC DISTANCE OF 35.72 FEET TO THE BEGINNING OF A REVERSE CURVE, TANGENT TO THE PRECEDING CURVE AND HAVING A RADIUS OF 660.00 FEET, SAID REVERSE CURVE ALSO BEING COINCIDENT WITH THE SOUTHWESTERLY LINE OF NORTH WOLFE ROAD; THENCE ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 1°20'11" AN ARC DISTANCE OF 15.39 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE FROM SAID POINT OF BEGINNING, CONTINUING ALONG SAID 660.00 FOOT RADIUS REVERSE CURVE, AND SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD, THROUGH A CENTRAL ANGLE OF 1°01'04" AND ARC DISTANCE OF 11.73 FEET;

THENCE LEAVING SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD SOUTH 71°32'15"WEST 13.88 FEET;

THENCE NORTH 17°57'56"WEST 11.85 FEET;

THENCE, AT RIGHT ANGLES TO THE PRECEDING LINE, NORTH 72°02'04"EAST 13.64 FEET TO SAID SOUTHWESTERLY LINE OF SAID NORTH WOLFE ROAD AND THE POINT OF BEGINNING.

CONTAINS 163.08 S.F., MORE OR LESS.

THE BEARING SOUTH 67°32'00"EAST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION.

PHILIP C WOOTTON
PLS 8398
November 16, 2015

Exhibit

PROPERTY BOUNDARY
EASEMENT LINE
CENTERLINE

TIE

BUILDING LINE

B.O.B.

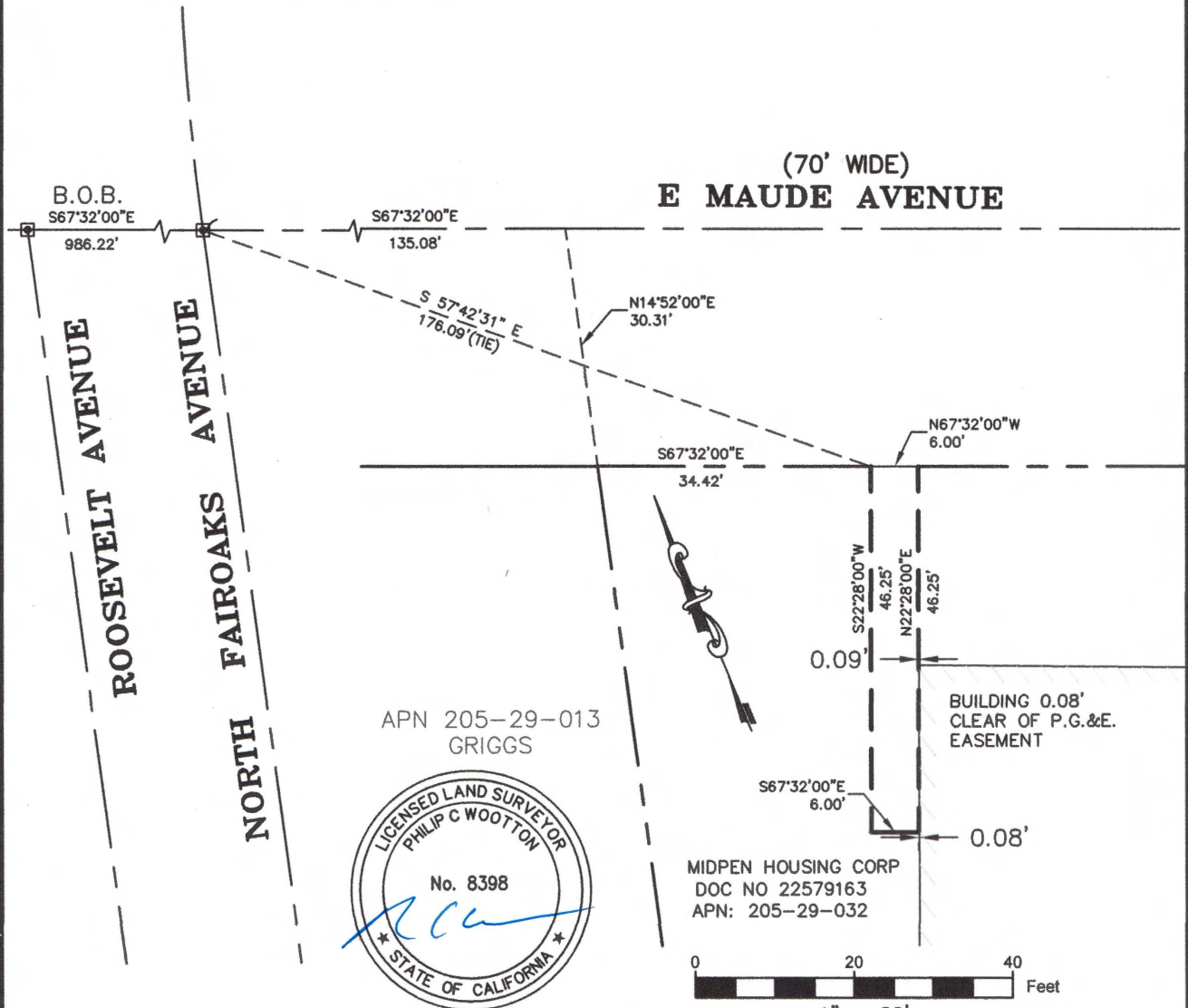
P.O.B.

BASIS OF BEARINGS
POINT OF BEGINNING

▣ FOUND MONUMENT PER 665 M 43-44

BASIS OF BEARINGS

THE BEARING NORTH 67°22'00" WEST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION



APN 205-29-013
GRIGGS



MIDPEN HOUSING CORP
DOC NO 22579163
APN: 205-29-032

EXHIBIT "B" - PLAT OF PG&E EASEMENT

CARROLL ENGINEERING
engineers and surveyors

1101 S. WINCHESTER BLVD.
SUITE H-184
SAN JOSE, CA 95128
TEL: 408-281-9800
FAX: 408-281-0595
E-MAIL: Robert@carroll-engineering.com

Design By: _____

Drawn By: PCW

Check By: RVH

Scale: 1"=20'

Date: 11/25/15

Job No. 1904

Sheet 2 of 2

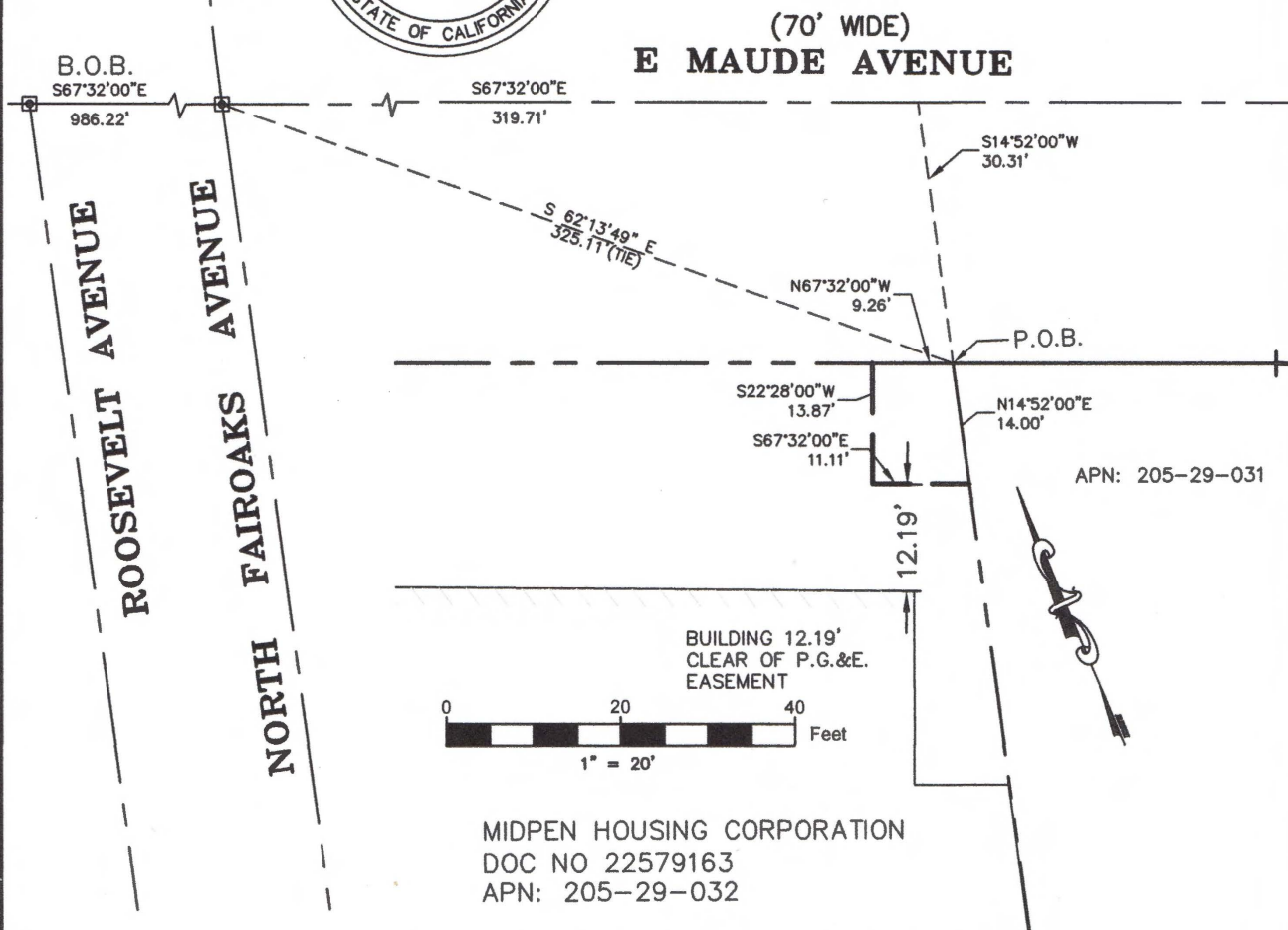
Exhibit

PROPERTY BOUNDARY
EASEMENT LINE
BUILDING LINE
CENTERLINE
TIE
B.O.B.
P.O.B.

BASIS OF BEARINGS
POINT OF BEGINNING

BASIS OF BEARINGS

THE BEARING NORTH 67°22'00" WEST, OF THE CENTERLINE OF EAST MAUDE AVENUE, AS SHOWN ON THAT PARCEL MAP FILED IN BOOK 665 OF MAPS AT PAGES 43-44, SANTA CLARA COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS DESCRIPTION



FOUND MONUMENT PER 665 M 43-44

EXHIBIT "B" - PLAT OF PG&E EASEMENT

CARROLL
ENGINEERING
engineers and surveyors

Design By: _____

Drawn By: PCW

Check By: RVH

Scale: 1"=20'

Date: 11/30/15

Job No. 1904

Sheet 2 of 2



City of Sunnyvale

Agenda Item

15-1021

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Introduce an Ordinance Amending Ordinance 3053-15, Taxicab Franchise and Agreement, Yellow Checker Cab Co. Inc.

BACKGROUND

On February 24, 2015 City Council passed and adopted Ordinance No. 3053-15, approving and issuing a non-exclusive franchise to operate a taxicab company to Yellow Checker Cab Co., Inc., DBA Checker Cab of Silicon Valley, effective March 15, 2015 through March 14, 2017. In October, 2015, Yellow Checker Cab submitted an application seeking to amend its existing Sunnyvale franchise to include an additional DBA, Rainbow Cab, which would add five additional vehicles to the Yellow Checker Cab Co. fleet. The existing franchise is in good standing.

EXISTING POLICY

SMC Chapter 5.36. It is unlawful to operate any taxicab in the city unless the owner applies for and obtains a franchise to do so.

SMC Section 5.36.250 The vehicles of every owner operating in the city shall be of a color scheme and bear the owner's trade name, monogram or insignia which are distinguishable from the color scheme, owner's trademark, monogram or insignia used on the vehicles of any other owner already operating pursuant to this chapter.

ENVIRONMENTAL REVIEW

This activity does not require environmental review because it can be seen with certainty that there is no possibility that it may have a significant effect on the environment. CEQA Guidelines Section 15061(b)(3).

DISCUSSION

There are currently six valid taxicab companies franchised to operate within the City of Sunnyvale: Orange Cab, California Cab, Green Cab, Silicon Valley Cab Company, Yellow Cab Peninsula, and Checker Cab of Silicon Valley.

Checker Cab of Silicon Valley is owned by Yellow Checker Cab Co., Inc., whose current franchise became effective March 15, 2015. The franchise includes a total of thirty five (35) Checker Cab vehicles for operation in Sunnyvale using the orange color scheme with yellow and black checkered trim that identifies them as belonging to Checker Cab of Silicon Valley.

Yellow Checker Cab Co., Inc. recently acquired a fleet of Rainbow Cab Company vehicles when that company dissolved. The Rainbow Cab Company color scheme is white with red lettering. Yellow Checker Cab Co., Inc. is requesting an amendment to their current franchise agreement to add Rainbow Cab as a DBA to operate five (5) vehicles with the Rainbow Cab color scheme.

Yellow Checker Cab Co. currently maintains its franchise in good standing and continues to meet all of the franchise requirements set forth in Chapter 5.36. Although staff generally prefers uniformity in design among all of the vehicles in a single taxi owner's fleet, in this case staff is supporting the proposed amendment to add Rainbow Cab as a dba to the existing franchise. The Rainbow Cab fleet would qualify for a franchise even if it were not part of Yellow Checker Cab. However, staff does not believe a separate franchise is necessary because the naming and ownership, and relationship between Rainbow Cab and Yellow Checker/Silicon Valley Cab will be clear with the amendment, the addition of only one other color scheme (operating for Yellow Checker under the Rainbow Cab name) does not create substantial administrative difficulties for staff and does not conflict with schemes of any existing franchises, and the additional vehicles will provide a benefit to the community by expanding the availability of taxicab services. Yellow Checker Cab Co., Inc. has provided proof that they are the registered owner of all vehicles in their Rainbow Cab fleet, as required by SMC Section 5.36.050 (Franchise - Application). All other conditions of SMC Chapter 5.36 (Taxicabs) that relate to vehicles will apply to the Rainbow Cab fleet, including the requirement for annual vehicle inspections and documentation of insurance coverage.

FISCAL IMPACT

The revenue generated from the franchise was included in the FY 2015/16 Adopted Budget. This franchise will generate General Fund revenues of approximately \$18,950 during the two years of the agreement due to application fees (\$1,563), annual vehicle fees (estimated to be \$200 per vehicle per year), and the business license fee (\$1,387). This amount does not include revenue generated by the driver permits issued (\$178 per driver for year one; \$117 per driver for each subsequent year), as this amount fluctuates due to driver turn over during the term of the agreement.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Introduce an ordinance amending the existing non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017 to add a dba Rainbow Cab, and authorize the City Manager to execute implementing documents.
2. Do not introduce an ordinance amending the existing non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017.

STAFF RECOMMENDATION

Alternative 1: Introduce an ordinance amending the existing non-exclusive franchise for taxicab service to Yellow Checker Cab Co., Inc. dba Checker Cab of Silicon Valley for the period of March 15, 2015 through March 14, 2017 to add a dba Rainbow Cab, and authorize the City Manager to execute all implementing documents.

Prepared by: Elaine Ketell, Management Analyst

Reviewed by: Chief Frank J. Grgurina, Director of Public Safety

Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Ordinance Amending Non-Exclusive Franchise
2. Exhibit A - First Amendment to Taxicab Franchise and Agreement (Yellow Checker Cab Company, Inc)
3. Letter from Yellow Checker Cab Company, Inc.
4. Proposed Color Schemes

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE AMENDING ORDINANCE NO. 3053-15, THE
NONEXCLUSIVE FRANCHISE FOR YELLOW CHECKER
CAB COMPANY, INC, DBA CHECKER CAB OF SILICON
VALLEY, TO ADD THE DBA RAINBOW CAB**

WHEREAS, Chapter 5.36 of the Sunnyvale Municipal Code establishes a procedure for the consideration and award of nonexclusive taxi franchises by the City of Sunnyvale; and

WHEREAS, in February 2015, the City Council approved a nonexclusive taxicab franchise for Yellow Checker Cab Company, Inc., dba Checker Cab of Silicon Valley ("Franchisee"), effective March 15, 2015 through March 14, 2017 (the "Existing Franchise"); and

WHEREAS, Franchisee has submitted an application to amend the Existing Franchise to add a dba, Rainbow Cab, to allow Franchisee to operate five additional vehicles within the City of Sunnyvale under the name "Rainbow Cab"; and

WHEREAS, for the reasons discussed in the Report to Council associated with this ordinance and as discussed at the City Council meeting on December 15, 2015, the City Council finds that it would be in the best interest of the City of Sunnyvale to permit the proposed amendment to the nonexclusive franchise for taxicab service.

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

SECTION 1. FRANCHISE AMENDMENT GRANTED. The City of Sunnyvale hereby approves an amendment ("Franchise First Amendment") to the Existing Franchise for Yellow Checker Cab Company, Inc., to add the dba "Rainbow Cab," as attached in Exhibit A, to the franchise. Franchisee shall continue to conduct its operations under the Franchise in strict compliance with Sunnyvale City Charter and Chapter 5.36 of the Sunnyvale Municipal Code, and any amendments thereto, together with all applicable laws and regulations of the State of California, the United States or any regulatory agency having jurisdiction.

SECTION 2. ALL OTHER TERMS AND CONDITIONS UNCHANGED. All other terms and conditions of the Existing Franchise shall remain unchanged.

SECTION 3. ACCEPTANCE OF FRANCHISE AMENDMENT TERMS AND CONDITIONS. Franchise First Amendment shall not become effective until the Franchisee accepts the Franchise Amendment by executing the First Amendment to the Taxicab Franchise Agreement within ten (10) days after adoption of this ordinance.

SECTION 4. APPROVAL OF FRANCHISE AMENDMENT—EXECUTING AND ATTESTING. Franchise First Amendment is hereby approved, and the City Manager is authorized to execute it on behalf of the City.

SECTION 5. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 6. CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project that has the potential for causing a significant effect on the environment.

SECTION 7. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

SECTION 8. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on _____, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk

Mayor

Date of Attestation:

(SEAL)

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

**FIRST AMENDMENT TO
TAXICAB FRANCHISE AND AGREEMENT
(Yellow Checker Cab Company, Inc.,
dba Checker Cab of Silicon Valley, dba Rainbow Cab)**

This FIRST AMENDMENT TO THE TAXICAB FRANCHISE AND AGREEMENT is between the City of Sunnyvale, a chartered California municipal corporation ("City"), and Yellow Checker Cab Company, Inc., dba Checker Cab of Silicon Valley and dba Rainbow Cab, a California Corporation ("Franchisee").

RECITALS

WHEREAS, on February 24, 2015, the City Council adopted Ordinance 3053-15, awarding a nonexclusive taxicab franchise (the "Franchise") to Franchisee for the period of March 15, 2015 through March 14, 2017.

WHEREAS, pursuant to the requirements of Ordinance 3053-15, on or about April 23, 2015, City and Franchisee entered into a Taxicab Franchise and Agreement (the "Franchise Agreement") describing the terms and conditions of the Franchise.

WHEREAS, franchisee applied to the City for, and on December 15, 2015, the City Council approved, Ordinance number _____ adopting an amendment to the Franchise to add Rainbow Cab as a dba.

NOW, THEREFORE, the Franchise Agreement titled "Taxicab Franchise and Agreement (Yellow Checker Cab Company, Inc. dba Checker Cab Company of Silicon Valley) and dated April 23, 2015, is hereby amended as follows:

1. The party name "Yellow Checker Cab Company, Inc., dba Checker Cab of Silicon Valley" shall be amended to read "Yellow Checker Cab Company, Inc., dba Checker Cab of Silicon Valley, and dba Rainbow Cab, a California Corporation." All references in the Franchise agreement to "Franchisee" shall refer to Yellow Checker Cab Company, Inc., dba Checker Cab of Silicon Valley, and dba Rainbow Cab, a California Corporation."
2. All other terms in the Franchise Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties have executed this Amendment.

"FRANCHISEE"

YELLOW CHECKER CAB CO., INC.,
DBA CHECKER CAB OF SILICON VALLEY
A California Corporation

By _____
LAWRENCE SILVA
President

"CITY"

CITY OF SUNNYVALE
A Municipal Corporation

By _____
DEANNA J. SANTANA
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
MELISSA C. TRONQUET
Assistant City Attorney

ATTACHMENT 3



1880 South 7th Street San Jose, CA 95112

Office (408) 286-3400

Fax (408) 293-0301

Taxi (408) 777-7777

October 23, 2015

Rachel Vasquez
Sunnyvale Police Department – Permits Unit
700 All American Way
Sunnyvale, CA 94088

RE: Taxicab Franchise Agreement
Checker Cab and Rainbow Cab

Ms. Vasquez,

Yellow Checker Cab Company, Inc. is pleased to provide the following application for The Checker Cab Franchise along with a check, in the amount of \$1,563.00. If you find that we overlooked any documentation, please contact the undersigned so that we may immediately remedy the oversight.

This letter is a request to add a second color scheme, (Rainbow Cab), to our current franchise with the City of Sunnyvale. Both color schemes are under common ownership, Yellow Checker Cab Company, Inc.

Ownership

We are a California C-Corporation. Once our documentation is found to be complete by your office, please issue the color-schemes/Franchise to Yellow Checker Cab Company, Inc.

Current Shareholders have not changed since last year. The current roster of shareholders is as follows,

| | |
|----------------|-----------------------------|
| Lawrence Silva | 50 percent or 20,000 shares |
| Donald Silva | 50 percent or 20,000 shares |

Managers

| | |
|----------------|--|
| Lawrence Silva | General Manager 6/1/1981 |
| Donald Silva | Communications and Vehicle Maintenance Manager 6/1/1981 |
| Dave Logan | Operations Manager 11/12/1996 |
| Jennifer Silva | Operator Agreement Administrator (Driver Operations) 3/21/2004 |

15-1021

Stephanie Silva Operator Agreement Administrator (Driver Operations) 11/30/2005
Kim Randhawa Controller 1/25/1999

Experience

Both Larry and Don Silva have been employed by Yellow Checker Cab Company as early as 1981. Each of us has worked in every department and almost every position in taxicab operations. A partial list includes,

Mechanic, Call-taker, Driver, Dispatcher, Fleet Management, Accident Investigator, Operations Management, Communications, IT, purchasing agent and General Manager.

Many in our current staff have been employed by YCC since 1996.

Enclosures,

Application

Copy of the current Taxicab Franchise and Agreement

Picture of Vehicle Color Scheme

Copy of Drug and Alcohol Policy with a Consortium

Accord Form Certificate of Insurance

Copy of Current Business License

Articles of Incorporation

Fictitious Business Names

Copies of Vehicle Registration Cards

Copies of all Weights and Measures Certificates

Fare Schedule

If you find that we unintentionally failed to include ANY required item for this application, please call the undersigned and the documentation will be immediately provided.

Best regards,



Larry Silva
President & GM
Yellow Checker Cab Company, Inc.

ATTACHMENT 4

| CAB# | YEAR | MAKE | MODEL | LICENSE | VIN# |
|------|------|---------|-------------|---------|-------------------|
| 1720 | 2007 | TOYOTA | PRIUS | 64379J1 | JTDKB20U873236194 |
| 1726 | 2008 | DODGE | CARAVAN | 8P12582 | 2D8HN44HX8R664689 |
| 1728 | 2005 | FORD | CROWN VIC | 8V20893 | 2FAHP71W55X153501 |
| 1733 | 2006 | TOYOTA | PRIUS | 63522A1 | JTDKB20U667525405 |
| 1734 | 2002 | TOYOTA | SIENNA | 7V17882 | 4T3ZF13C52U485901 |
| 1741 | 2008 | TOYOTA | PRIUS | 07711H1 | JTDKB20U383306234 |
| 1773 | 2009 | FORD | CROWN VIC | 63189E1 | 2FAHP71VX9X128476 |
| 1779 | 2010 | TOYOTA | PRIUS | 16568C1 | JTDKN3DU6A0041517 |
| 1781 | 2009 | FORD | E-150 | 03881R1 | 1FMNE11W49DA33570 |
| 1783 | 2010 | DODGE | CARAVAN | 15454M1 | 2D4RN4DE4AR237736 |
| 1791 | 2002 | FORD | CROWN VIC | 7V95823 | 2FAFP71W52X141190 |
| 1802 | 2008 | FORD | CROWN VIC | 99238K1 | 2FAHP71V58X154952 |
| 1825 | 2012 | TOYOTA | PRIUS | 16303H1 | JTDKN3DU5C5513292 |
| 1828 | 2006 | DODGE | CARAVAN | 8T88789 | 1D4GP45R76B619056 |
| 1845 | 2007 | FORD | ESCAPE | 10708H1 | 1FMCU49H07KB59564 |
| 1849 | 2006 | DODGE | CARAVAN | 8T88803 | 1D4GP25R66B543706 |
| 1850 | 2007 | FORD | CROWN VIC | 74603D1 | 2FAFP71W47X141410 |
| 1851 | 2002 | FORD | CROWN VIC | 8C38229 | 2FAFP71W42X141391 |
| 1876 | 2012 | TOYOTA | PRIUS | 16304H1 | JTDKN3DU9C1589749 |
| 1886 | 2008 | TOYOTA | PRIUS | 8N64072 | JTDKB200X83317795 |
| 1892 | 2005 | DODGE | CARAVAN | 8S90027 | 1D4GP45R65B358503 |
| 1913 | 2010 | TOYOTA | PRIUS | 64613J1 | JTDKN3DU0A0106104 |
| 1915 | 2003 | FORD | FOCUS | 8V95925 | 1FAFP363X3W187991 |
| 1917 | 2005 | FORD | CROWN VIC | 8X46172 | 2FAHP71W45X137712 |
| 1920 | 2005 | LINCOLN | TOWN CAR | 83925D1 | 1LNHM82W15Y647390 |
| 1945 | 2005 | FORD | CROWN VIC | 21099C1 | 2FAFP71W55X166076 |
| 1950 | 2005 | FORD | CROWN VIC | 8X64497 | 2FAFP71W25X153026 |
| 1952 | 2005 | FORD | CROWN VIC | 08610N1 | 2FAHP71WX5X140761 |
| 1960 | 2012 | TOYOTA | PRIUS | 41361H1 | JTDZN3EUXC3132627 |
| 1961 | 2006 | FORD | ESCAPE | 23594F1 | 1FMCU95H46KA20457 |
| 1965 | 2013 | TOYOTA | COROLLA | 93071F1 | 2T1BU4EE2DC949568 |
| 1969 | 2009 | FORD | CROWN VIC | 15293M1 | 2FAHP71V29X145238 |
| 1971 | 2006 | DODGE | CARAVAN | 48141F1 | 1D4GP24R56B548347 |
| 1979 | 2012 | TOYOTA | PRIUS | 41360H1 | JTDZN3EU4C3132283 |
| 1984 | 2010 | CHRY | TWN & CNTRY | 00111E1 | 2A4RR5D12AR248975 |



| CAB# | YEAR | MAKE | MODEL | VIN# | License | MILEAGE |
|------|------|------|-----------|-------------------|---------|---------|
| 2201 | 2005 | Ford | Crown Vic | 2FAHP71W35X153934 | 48089F1 | 152162 |
| 2204 | 2008 | Ford | Crown Vic | 2FAHP71V18X146959 | 48093F1 | 168962 |
| 2206 | 2008 | Ford | Crown Vic | 2FAHP71V68X146942 | 48092F1 | 126207 |
| 2241 | 2009 | Ford | Crown Vic | 2FAHP71V59X130281 | 71191N1 | 186580 |
| 2245 | 2009 | Ford | Crown Vic | 2FAHP71V39X130165 | 71228N1 | 199850 |



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City of Sunnyvale

Agenda Item

15-0952

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Approve Actions Related to the Formation of, and Sunnyvale's Membership in, the Silicon Valley Clean Energy Authority, an Independent Joint Powers Authority, to Establish a Community Choice Energy Program, Find that these Actions are Exempt from CEQA, and Approve Budget Modification No. 20

REPORT IN BRIEF

Community Choice Energy (CCE) is a process authorized by California law that enables cities to pool customer electricity demand within their jurisdiction to directly procure or invest in electric power supplies. CCE is garnering substantial interest among California communities for its potential to provide greener power at competitive, currently lower, rates, in addition to other community benefits. The two operating multi-jurisdictional CCE programs in Marin and Sonoma counties provide useful benchmarks for program evaluation, development, and operation.

Prompted by the featured role CCE plays as a proposed strategy in Sunnyvale's adopted Climate Action Plan, the City Council prioritized and funded an initial study of a CCE program for the South Bay. The Cities of Cupertino and Mountain View and the County of Santa Clara joined Sunnyvale in a partnership to assess and potentially form a multi-jurisdictional CCE program. The initial Assessment Report was completed in May 2015 and concluded that market and program conditions are favorable for proceeding to the next step - a detailed Technical Feasibility Study.

In July 2015, Council approved continuing the partnership (the Silicon Valley Community Choice Energy Partnership) and conducting the Technical Feasibility Study phase. In parallel, the Partnership also conducted community and business engagement and collaborated to develop the interagency model for prospectively forming a CCE program. The partnership was expanded to include eight additional communities in Santa Clara County, forging the prospect of up to 12 agencies joining a program.

The Technical Study was released in November 2015, and concludes that a program that provides greener power for rates at or below those of PG&E is viable. The report provides detailed analysis based on existing program performance and market conditions. The report also analyzes potential program risks and provides an overview of the resource needs and critical steps to launching a successful program. Based on the study findings, this report to Council recommends proceeding with forming a joint powers agency, the Silicon Valley Clean Energy Authority (SVCEA), and adopting the ordinance required to authorize implementation of a CCE program to include Sunnyvale residents and businesses. The report also seeks approval for and establishes the basis for additional administrative steps needed to support SVCEA and program launch.

BACKGROUND

Authorized by California law, Community Choice Energy (CCE) enables city and county governments to pool the electricity demand within their jurisdictions to directly procure or generate electrical power supplies on behalf of the residents and businesses in their communities. The main driver for interest in CCE programs in California is the opportunity to accelerate the shift to renewable and low greenhouse gas (GHG) emitting energy sources in support of climate action objectives. While electric supply is handled by the CCE program, the electricity grid and customer service remain with the incumbent utility, or PG&E in Santa Clara County. Three CCE programs now operate in California - Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy.

In May 2014, the City Council approved Sunnyvale's Climate Action Plan (CAP). The CAP is a GHG emissions reduction plan to address the causes of climate change and reduce the impacts of climate change in the future. It was adopted as a response to the State of California's legislative directive (AB 32) for cities to develop local plans to reduce GHG emissions. Of the more than 130 actions included in the CAP, shifting the energy portfolio to lower GHG sources is the single most impactful action featured, with CCE identified as the key approach to accomplishing the shift.

In 2014, Council prioritized Study Issue [ESD 14-02](#) <http://sunnyvale.ca.gov/Portals/0/Sunnyvale/StudyIssues/Studies2014/ESD%2014-02.pdf>: *Community Choice Aggregation* and approved funding with the FY 2014/15 Budget. Spurred by interest cultivated through the Santa Clara County Cities Association, the Cities of Mountain View and Cupertino and the County of Santa Clara partnered with Sunnyvale to complete this initial assessment, each providing an equal share of the \$80,000 project funding. Sunnyvale led the project team effort for this phase of the work and secured the related consultant services. This initial study included four components: 1) Interest of other communities in forming a South Bay CCE program; 2) Benefits of forming a CCE program, including the potential to advance other strategies within the CAP; 3) Costs and risks to forming a program; and 4) Framework to guide the formation of a CCE program. In June 2015, staff and the project consultant provided a presentation to the City Council on the study results. The Assessment Report, *The Potential for CCE in the Heart of Silicon Valley*, provided a qualitative evaluation programs and the benefits and risks of moving forward. It concluded that market and program conditions are favorable for proceeding to the next step - a detailed Technical Feasibility Study.

In July 2015, Council approved continuing the four-agency partnership (the Silicon Valley Community Choice Energy Partnership) and conducting the Technical Feasibility Study phase. This project phase also included community engagement and development of the interagency framework for administering a CCE program. Each of the four agencies contributed an additional \$150,000 for this phase, with a forecast to contribute an additional \$350,000 should the results be favorable.

EXISTING POLICY

Climate Action Plan, *Provide a Sustainable Energy Portfolio (EP)*, Reduction Measure EP-1.1: Create or join a community choice aggregation (CCA) program to take control of power generation for city residents and businesses.

ENVIRONMENTAL REVIEW

The Ordinance to authorize participation in a Community Choice Aggregation program is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further,

the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).) The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.)

The Council Resolution and the establishment of the Silicon Valley Clean Energy Authority is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a “project” since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5)). Further, the resolution is exempt from CEQA as there is no possibility that the resolution or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)).

DISCUSSION

Partnership

The Silicon Valley Community Choice Energy Partnership (SVCCEP) was formed when the Cities of Cupertino, Mountain View, and Sunnyvale and the County of Santa Clara (for the unincorporated County), banded to conduct an Initial Assessment and then to proceed to conduct a more robust and quantitative Technical Feasibility Study. The current Technical Study phase also includes community engagement and the development of the interagency framework for administering a CCE program. The Partnership effort has been conducted with staff from the sponsoring agencies, with each serving a role on a Project Team, directed by an Executive Committee comprised of City/County Managers and guided by the advice of the Elected Officials Task Force comprised of Mayors/Supervisor from each of the sponsor agencies. Sunnyvale led the project team, served as fiscal agent, and facilitated the Technical Study and development of the joint powers authority agreement. Cupertino led community outreach and engagement efforts. Mountain View is working to review financing options to cover anticipated program start-up costs and working capital requirements, detailed in the fiscal impact section of this report.

In addition, eight other small and medium sized communities in Santa Clara County have stepped forward and expressed interest in the prospect of a multi-jurisdictional CCE. Campbell, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga all authorized Sunnyvale to request that PG&E provide detailed electrical data for their jurisdictions to incorporate into the Technical Study. Further, these agencies have been engaged through community outreach efforts lead by the Partnership in their jurisdiction (see Community Engagement Section below) and in the development of the JPA Agreement.

Interest in the CCE model is spreading throughout California, with more than 20 communities now evaluating and/or pursuing CCE, including San Mateo County, Alameda County, and a collaboration among Monterey, Santa Cruz, and San Benito Counties.

Technical Study Findings

The Partnership hired Pacific Energy Advisors (PEA) to complete a quantitative evaluation of the viability of a CCE program for Silicon Valley, including benefits and risks. PEA has extensive experience in CCE program development in California and has supported the launch of all three operating CCE programs (Marin, Sonoma, and the recent program in Lancaster). The final report,

shared in **Attachment 1**, reflects the results of PEA's comprehensive analysis, which addresses prospective CCE operations under a range of scenarios over a ten-year planning horizon, including the identification of anticipated rate/cost impacts, environmental benefits, resource composition and economic development amongst other considerations. A summary of this report is provided below.

SVCCE's Prospective Customers: Currently, Pacific Gas & Electric ("PG&E") serves approximately 240,000 bundled customer accounts within communities of the SVCCE Study, representing a mix of residential ($\approx 90\%$) and commercial ($\approx 10\%$) accounts. These customers consume nearly four (4) billion kilowatt hours ("kWh") of electric energy each year. While the majority of customers fall under the residential classification, such accounts historically consume only 34% of the total electricity delivered by PG&E while commercial accounts consume the remaining 66%.

SVCCE Supply Scenarios: For purposes of the Study, PEA and the Partnership team identified three indicative supply scenarios, which were designed to test the viability of prospective CCE operations under a variety of energy resource compositions, emphasizing the SVCCE Partnership's interest in significantly reducing greenhouse gas emissions ("GHGs") through increased use of carbon-free electric energy sources.

- **Scenario 1:** Match the incumbent investor-owned utility's (IOU), PG&E, projected GHGs profile while exceeding PG&E's projected renewable energy content.
- **Scenario 2:** Exceed applicable renewable energy procurement mandates by providing SVCCE customers with a minimum 51% renewable energy content in year one of program operations, scaling up to 66% in year 10, while also promoting a 20% reduction in electric energy sector GHG emissions relative to PG&E's projected emissions profile by procuring additional GHG-free energy products.
- **Scenario 3:** Maximize renewable energy and GHG-free power supplies while maintaining general parity with PG&E's projected electric rates throughout the Study period.

Projected SVCCE Impacts: Based on current market prices and various operating assumptions, the Study indicates that SVCCE demonstrates the potential for customer cost savings, significant GHG reductions and economic benefits, as outlined below:

- **Cost Savings:** Scenarios 1 and 2 demonstrate the potential for customer cost savings ranging from 1% to 5%, relative to projected PG&E rates, over the ten-year study period. Scenario 3, which was designed to maximize clean energy deliveries to SVCCE customers, maintains general rate parity with PG&E.
- **Environmental Benefits:** Scenario 1, which was specifically designed to match the incumbent utility's projected GHG emissions profile, did not yield any expected emissions savings. Supply Scenario 2, which was framed to achieve specified proportionate GHG emission reductions of at least 20% relative to the incumbent utility, resulted in annual emissions *reductions* ranging from approximately 38,000 (Year 1 impact) to 82,000 (Year 10 impact) metric tons. Scenario 3 yielded the most significant emissions benefits - annual projected emissions *reductions* ranged from approximately 112,000 (Year 1 impact) to 352,000 (Year 10 impact) metric tons, a proportionate annual GHG reduction ranging from 60% (Year 1 impact) to 86% (Year 10 impact) relative to PG&E's projected emission

profile.

- **Economic Benefits:** The prospective SVCCE long-term contract portfolio includes approximately 340 MW of new generating capacity, all of which is assumed to be located within California and some of which may be located within communities of the CCE Study Partners. Based on widely used industry models, such projects are expected to generate up to 11,000 construction jobs and as much as \$1.4 billion in total economic output. Ongoing operation and maintenance jobs associated with such projects are expected to employ as many as 185 full time equivalent positions (FTEs) with additional annual economic output approximating \$30 million. SVCCE would also employ a combination of staff and contractors, resulting in additional ongoing job creation (up to 30 FTEs per year) and related annual economic output ranging from \$3 to \$9 million.

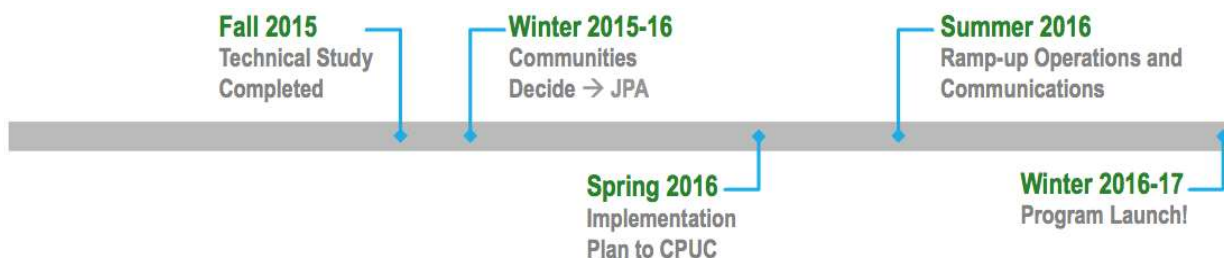
Risks and Sensitivity Analysis: Sensitivity analyses were performed by PEA to examine the range of impacts that could result from changes in the assumed base case. The key variables examined are: 1) power and natural gas prices; 2) renewable energy prices; 3) low carbon energy prices; 4) PG&E rates; 5) PG&E surcharges; and 6) customer participation/opt-out rates. Additionally, a “small JPA” sensitivity case was run reflective of minimal community participation in the SVCCE joint powers agency to test the viability of a much smaller CCE program, and a “perfect storm” sensitivity was run to examine the cumulative impacts of adverse changes to the key variables. The sensitivity analysis produced a range of leveled electric rates for the CCE program and PG&E.

The Technical Study also highlights risks that may be faced by the CCE program as well as related risk-mitigation measures, including, but not limited to, the following:

- Financial risks to SVCCE’s member municipalities in the unlikely event of CCE failure;
- Financial risks that may exist in the event that procured energy volumes fall short of or exceed actual customer energy use;
- Reasonably foreseen legislative and regulatory changes, which may limit a CCE’s ability to remain competitive with the incumbent utility;
- Availability of renewable and carbon-free energy supplies required to meet compliance mandates, SVCCE program goals, and customer commitments; and
- General market volatility and price risk.

Timeline & Next Steps

The graphic below provides a high level summary of the timeline for the principal milestones involved in forming a CCE program that culminates in the provision of service to enrolled customers. Key implementation activities envisioned for SVCCEP include those related to 1) CCE entity formation; 2) regulatory requirements; 3) procurement; 4) financing; 5) organization; and 6) customer noticing.



JPA Formation:**December 2015 - March 2016**

Unless the municipal organization that will legally register as the CCE entity already exists, it must be legally established. Municipalities electing to offer or allow others to offer CCE service within their jurisdiction must do so by ordinance (**Attachment 2**). The two existing multi-jurisdictional CCE programs each employ a Joint Powers Authority structure for program governance. Such a structure offers centralized administration of the operations and typically representation from each community on the Board of Directors. The JPA structure also offers a legal and fiscal firewall so that the assets and liabilities of the CCE program are completely separate from the general funds of member cities.

Over the past year, the project team facilitated the development of a governance structure for a CCE program, led by Sunnyvale staff and engaging all twelve agencies in this process. The results of this effort are embodied in the JPA Agreement, included as an attachment to the authorizing resolution (**Attachment 3**). This effort was facilitated by Greg Stepanich, Esq. (of Richards Watson and Gershon) who supported the launch of Marin Clean Energy. The JPA documents developed for the "Silicon Valley Clean Energy Authority" build from those of the two existing multi-jurisdictional programs, which also have many similarities, with Sonoma having used the Marin agreement as a model for its own structure. Key features of the Silicon Valley Clean Energy Authority Agreement include the following:

- **Effective Date (2.1) & Initial Participants (2.2)** - The Agreement becomes effective on or prior to March 31, 2016 if executed by at least three of the 12 "Initial Participants" after the adoption of Ordinances as required by the Public Utilities Code.
- **Purpose (2.4)** - To study, promote, develop, conduct, operate and manage energy and energy-related climate change programs
- **Board of Directors (4.1)** - The Board is comprised of one Director from each Party. The governing body of each Party appoints a regular Director (from among the governing body) and an alternate (which need not be from among the governing body).
- **Board Voting (4.9)** - actions of the Board on all matters shall require an affirmative vote of a majority of all Directors on the entire Board, unless a supermajority is specified. Two or more Directors may request that a voting shares vote also be held (4.9.2) which is based upon the Party's proportional annual energy use (4.9.3). In such cases, both the vote by Directors and the voting shares vote must be affirmative for an action to be approved by the Board.
- **Funding of Initial Costs (6.3.2)** - Exhibit E details the initial cost contribution for each Party. The contribution required to be committed by each Party includes a contingency intended to ameliorate the effects to initial funding should several Initial Participants not agree to become Parties to the JPA. In the event that the CCE Program becomes operational, these Initial Costs shall be reimbursed by the Authority within four years of the Effective Date.
- **Withdrawal (7.1)** - The agreement provides opportunities for a Party to withdraw and describes their ongoing obligations and liabilities where applicable. Such obligations can include losses to the Authority for the power contracted to serve a Party's jurisdiction. An additional provision for early withdrawal allows that a Party may withdraw should the procurement process not yield successful results (cleaner energy for rates at or below that of PG&E).

The Resolution to approve the Joint Powers Authority Agreement establishing and authorizing

participation in the Silicon Valley Clean Energy Authority is included as **Attachment 3** to this staff report.

The Board of Directors is targeted to have its first meeting in April 2016. Staff will return to Council regarding the appointment of a general Director and alternate Director to the Board.

Regulatory Compliance: **January 2016 - November 2016**

Before aggregating customers, the CCE program must meet certain requirements set forth by the California Public Utilities Commission (CPUC). In the case of SVCCE, an Implementation Plan must be adopted by the JPA, and that Implementation Plan must be submitted to the CPUC. The Implementation Plan must include the following:

- An organizational structure of the program, its operations, and its funding;
- Rate setting and other costs to participants;
- Provisions for disclosure and due process in setting rates and allocating costs among participants;
- The methods for entering and terminating agreements with other entities;
- The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures;
- Termination of the program; and
- A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.

A Statement of Intent must be included with the Implementation Plan that provides for: universal access, reliability, equitable treatment of all classes of customers, and any requirements established by law or the CPUC concerning aggregated service. The CPUC has 90 days to complete a review and certify the Implementation Plan. Following certification of the Implementation Plan, the CCE entity must submit a registration packet to the CPUC, which includes:

- An executed service agreement with PG&E, which may require a security deposit; and
- A bond or evidence of sufficient insurance to cover any reentry fees that may be imposed against it by the CPUC for involuntarily returning customers to PG&E service. The current CCE bond amount is \$100,000.

The CCE program would be required to participate in the CPUC's resource adequacy program before commencing service to customers by providing load forecasts and advance demonstration of resource adequacy compliance. More specifically, a start-up CCE program would be required to file a formal load forecast with the CEC upon execution of a primary supply contract, which triggers a 100% commitment to program launch.

Procurement: **May 2016 - November 2016**

Power supplies must be secured several months in advance of commencing service. Power purchase agreements, with one or more power suppliers, would be negotiated, typically following a competitive selection process. Services that are required include provision of energy, capacity, renewable energy and scheduling coordination.

Financing: **April 2016 - October 2016**

Funding must be obtained to cover program and Agency start-up activities and working capital needs. Start-up funding is typically secured early in the implementation process, as these funds are needed to conduct due diligence, planning and program development, and other critical activities leading up to service commencement. Working capital lender commitments should be secured well in advance, but actual credit drawdown need not occur until 4-6 months prior to program launch and customer enrollment.

Organizational Formation:

April 2016 - February 2017

Initial staff positions would be filled several months in advance of service commencement to conduct the implementation process. On an interim basis, one or more of the JPA parties are envisioned to provide some functional services to the JPA under separate service agreements. Initially, internal staff of the CCE program may be relatively small but this would likely change in the event that the CCE decides to insource various administrative and operational responsibilities and/or develops and administers new programs for its customers. Contracts with other service providers, such as for data management services, would be negotiated and put into effect well in advance of service commencement.

Community Engagement & Customer Noticing January 2017 - ongoing

Particularly as the commencement of service nears, the JPA will intensify its outreach efforts. By law, every customer being enrolled into the CCE program must receive a minimum of four written notifications prior to program launch. For study purposes, the Technical Feasibility Study assumes that customers will be enrolled in three phases, each comprising a third of the total customer base, over a 25-month period. Such notices must contain program terms and conditions as well as opt-out instructions and must be sent to prospective customers at least twice within the sixty-day period immediately preceding automatic enrollment. These notices are referred to as “pre-enrollment” notices. Two additional “post-enrollment” notices must be provided within the sixty-day period following customer enrollment during the statutory opt-out period. This direct mail campaign will also be paired with more cost-effective social media, collateral development, traditional advertising, and grassroots organizing (e.g. tabling at farmers markets, festivals, etc.). The partnership’s cost-share proposal (Attachment 3: JPA Agreement, Exhibit E) anticipates these approaches, which will be assimilated into a next-phase Outreach Plan, should participation in the JPA be approved.

Rate Setting & Program Development:

November 2016 - ongoing

As a California CCE, SVCCE would have independent rate setting authority with regard to the electric generation charges imposed on its customers. Prior to service commencement, SVCCE would need to establish initial customer generation rates for each of the customer groups represented in its first operating phase or for all prospective customers within the CCE’s prospective service territory. SVCCE may decide to create a schedule of customer generation rates that generally resembles the current rate options offered by PG&E as has been the case with existing programs. This practice would facilitate customer rate comparisons and should avoid confusion that may occur if customers were to be transitioned to dissimilar tariff options. SVCCE would need to establish a schedule for ongoing rate updates and changes for future customer phases and ongoing operations.

SVCCE may also choose to offer certain customer-focused programs, such as Net Energy Metering (NEM), voluntary green pricing and/or feed-in tariff (FIT) programs, at the time of service commencement. To the extent that SVCCE intends to offer such programs, specific

program design would need to be completed in advance of service commencement.

Sustainability Program Impacts

Implementing a CCE program is the single most impactful and efficient strategy for reducing community greenhouse gas emissions. Staff has worked with the Climate Action Plan consultants to review the contribution of this single strategy to overall CAP goals - CCE remains the single largest contributor to the overall goals, accounting for approximately 25% of the overall targeted reductions. This is lower than that original CAP estimate as a result of a closer alignment of the CAP consultant's assumptions to that of the CCE Technical Study and updated information about what reductions would already be achieved through statewide or regional action. Final outcomes will be dependent on the electricity portfolio eventually procured by SVCEA.

On October 16, the Sustainability Commission received a presentation on the Technical Study results and a draft set of recommendations for Council action that closely mirror those of this report. The Commission voted unanimously to enthusiastically recommend that Council adopt a CCE ordinance, and that the City Council evaluate the terms of the JPA agreement to ensure that the JPA is constrained to meet the GHG reduction goals of the Sunnyvale CAP. As described in this report, the JPA agreement includes a provision for early withdrawal of a Party should the procurement process not yield successful results (cleaner energy for rates at or below that of PG&E). The JPA Board will make final decisions about program parameters such as targeted GHG reductions and price competitiveness.

FISCAL IMPACT

The Technical Feasibility Study concludes that ~\$2.9M would be needed to support the launch of the CCE program, inclusive of initial staff hires, implementation plan development, procurement, community outreach, utility bond requirement, and the initial customer notification and enrollment process. A summary of program cost components is shown below. The JPA will refine these estimates after formation. Included in the Internal Staff estimates are positions phased in over time and dedicated to the overall leadership of the JPA as well as legal and regulatory support, community outreach, and program development. Similarly, the proposed budget includes proactive advocacy in legislative and regulatory developments that can impact CCE programs, including approaches to community outreach and program development.

| Cost Item | Amount |
|--|--------------------|
| Internal Staff | \$730,000 |
| Technical Consulting and Legal Services | \$620,000 |
| Marketing and Communications | \$280,000 |
| Customer Noticing and Mailers | \$120,000 |
| Security Deposits | \$40,000 |
| Miscellaneous Administrative and General | \$95,000 |
| CCE Bond | \$100,000 |
| Debt Service | \$720,000 |
| Other Pre-launch Activities | \$180,000 |
| Total | \$2,885,000 |

It is intended that approximately \$2M of this amount will be funded by contributions from participating jurisdictions (shown as Initial Costs in Exhibit E of the JPA Agreement, Attachment 3) with the remaining \$900,000 financed through a bank line of credit or municipal term loan in conjunction with the additional financing needed to address the purchase of electricity in advance of customer revenues (as described later in this section). Note that these initial costs would be recovered over a period time from the operating revenue of CCE program if launched.

Up until now, the Partnership efforts have been funded by the Cities of Cupertino, Mountain View, and Sunnyvale and County of Santa Clara, with each contributing a total of \$170,000 to date. These four lead agencies are envisioned to contribute an additional \$350,000 to support program launch with an additional \$100,000 being requested as a contingency to supplement the Initial Costs of the JPA should multiple Parties decline to join. The JPA also requires funding contributions, generally also with a contingency, from the other eight Initial Participants in lesser amounts. The contingency is being built into the required actions of each Initial Partner at this time based on feedback provided by the Partners at a November forum, in order to provide for efficient decision making by each governing body.

Sunnyvale's portion of the funding is provided in the FY 2015/16 Budget, and is funded by the General Fund. However, the budget does not include the contingency portion discussed above. Budget Modification No. 20 has been prepared to appropriate an additional \$100,000 from the Budget Stabilization Fund to the project.

**BUDGET MODIFICATION NO. 20
FISCAL YEAR 2015/16**

| | Current | Increase (Decrease) | Revised |
|--|--------------|------------------------|--------------|
| General Fund | | | |
| <u>Expenditures:</u> | | | |
| Project 830990 - Community Choice Aggregation Program | \$512,680 | \$100,000 | \$612,680 |
| <u>Reserves:</u> | | | |
| Budget Stabilization Fund | \$50,273,334 | (\$100,000) | \$50,173,334 |

In addition, the JPA will require operating capital and significant credit capacity for its initial power supply contract. The amount is currently projected between \$10M-\$15M and will depend on the size of initial program roll out. This credit requirement may be met through a bank or municipal term loan, with a repayment/refinancing period of 3-5 years. It is important to note that a portion or all of the initial loan amount will require a credit guaranty, most often provided by a single or multiple member agencies of the JPA. This guaranty stays in place until the program is operational, revenues begin flowing into JPA, and the creditor removes the guaranty requirement. The process for identifying potential banking partners and securing working capital and the necessary credit for the first energy contract is beginning under the direction of the current Partnership for presentation and decision making by the JPA Board. Staff will return to Council for an update and potential action regarding this

bridge financing for the Authority.

Beyond the costs associated with forming and operating Silicon Valley Clean Energy, it should be noted that, based upon the scenarios provided in the Technical Study, this program has the potential to reduce operational costs for its member agencies, in addition to the community at large. While rate savings cannot be guaranteed at all times, it is the stated goal of the proposed CCE to offer competitive rates to PG&E, striving for stable and lower electrical rates over the life of the program.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

SVCCEP Community Engagement

Lead by staff from the City of Cupertino and with support from MIG, Inc., the SVCCEP prepared a comprehensive outreach plan to inform and orient residents, businesses, and community stakeholders in the work of the Partnership. The goals of this process are to educate the community about CCE and gather feedback on community priorities and concerns related to a potential CCE program.

Initial Efforts: In the first phase of the project, a website (www.svcleanenergy.org <<http://www.svcleanenergy.org/>>) was created to disseminate information about the partnership, the process towards implementation, news, events, and resources. Resources available on the website now include the initial assessment report, an animated presentation that serves a primer for CCE, a fact sheet, and frequently asked questions. Those interested in keeping up to date with SVCCEP activities and progress can join an email list-serve from the website. To date, over 225 people have joined this list. In Sunnyvale, project information was shared via the City's website, Facebook, Next Door and Quarterly Report channels as well as advertisements in the Sunnyvale Sun.

Community Meetings: To further engage residents, the SVCCEP has organized a minimum of 12 community meetings throughout the County. The first round of six community meetings introduced the community to the concept of CCE and presented results from the SVCCEP's Initial Assessment Report. These introductory meetings were held in October in Cupertino, Mountain View, Campbell, Sunnyvale, Gilroy, and San Martin. During the meeting, attendees were invited to participate in a short pre-and-post poll related to their comfort with the concept of Community Choice Energy. In hearing from the 100 attendees, the partners have a better understanding of the community's preferred outcomes, main concerns, and level of interest in a CCE program. Based upon the survey results, the vast majority of attendees (96%) think it is a good idea to create a locally controlled nonprofit to provide cleaner, greener electricity for you at competitive prices. The majority (77%) of attendees noted that their interest in CCE is to help reduce their carbon footprint and most (88%) are willing to pay a premium to have all of their electricity generated by renewable sources. Also encouraging to the partnership was the insight that most attendees reported thinking that their friends, family and neighbors would respond either enthusiastically (35%) to a CCE Program or would be interested in a CCE Program (59%). Full post-poll results by community are available upon request.

Building on the momentum from the first round of community meetings, the next round of meetings are being held November through January in the communities of Cupertino, Morgan Hill, Sunnyvale, Mountain View, San Martin, and Los Altos, with additional interest from Campbell, Los Gatos, and Saratoga to also host events. This round of community meetings will focus on the preliminary results of the partnership's Technical Study and provide an update on the partnership's activities to date and decision making in the months ahead.

Business Partnership: With assistance from Joint Venture Silicon Valley, the partnership has also engaged the business community since January 2015 when it hosted a Business Forum on Community Choice Energy at NetApp in Sunnyvale. A follow-up webinar on November 4 provided a primer on CCE and an update on the Silicon Valley CCE Partnership's formation process and key milestones. The webinar was designed specifically for a business audience, including facilities, energy and sustainability professionals at local corporate and commercial organizations. The thirty registrants offered unique perspectives during the session's Q&A pertaining to program design and rate structures most compelling to this sector. In addition to a series of workshops open to all businesses, the partnership proposes to work through its next phase of outreach to directly engage with the largest 100 commercial and industrial energy users through one-on-one or small group meetings with the help of Joint Venture. In addition, a total of 5-10 presentations on CCE are being scheduled with Chambers and other interest groups.

Targeted Outreach: Finally, on November 17, the SVCCEP hosted a productive dialogue with key community and organizational leaders to gain their ideas and learn their concerns regarding the prospect of a Community Choice Energy program. Attendees had the opportunity to provide feedback on the partnership's activities to date, express what's most exciting about currently operating CCE programs in California, and describe issues for consideration as the partnership proceeds. A total of 20 attendees from several environmental and community organizations participated in the meeting. This audience may serve as a successful conduit for future outreach activities.

Further, presentations upon request have been given to Sunnyvale Cool, the Moffett Park Business Group, the Sunnyvale Democratic Club, the JVSV Smart Energy Enterprise Development Zone (SEEDZ) working group, Cupertino Rotary, and the Santa Clara County Cities Association.

ALTERNATIVES

1. Introduce an Ordinance to authorize the implementation of a Community Choice Aggregation program and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(a), 15061(b)(3), and 15308.
2. Adopt a Resolution to approve the Joint Powers Authority Agreement establishing and authorizing participation in the Silicon Valley Clean Energy Authority, and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(b)(5) and 15061(b)(3).
3. Authorize the City Manager to remit up to \$450,000 to the Silicon Valley Clean Energy Authority to support the initial costs of the Authority.
4. Approve Budget Modification No. 20 for \$100,000 to support funding the initial costs of the Authority.
5. Direct staff to return to Council with an update and potential action regarding bridge financing for the Authority.

6. Direct staff to return to Council with a proposal to provide interim project and/or staffing support to the Authority via a separate services agreement.
7. Direct staff to return to Council for appointment of a regular Director and alternate Director to the Authority's Board of Directors.
8. Other action as directed by Council.

STAFF RECOMMENDATION

Alternatives 1, 2, 3, 4, 5, 6, and 7:

1. Introduce an Ordinance to authorize the implementation of a Community Choice Aggregation program and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(a), 15061(b)(3), and 15308;
2. Adopt a Resolution to approve the Joint Powers Authority Agreement establishing and authorizing participation in the Silicon Valley Clean Energy Authority, and find that the project is exempt from CEQA pursuant to CEQA Guidelines 15378(b)(5) and 15061(b)(3);
3. Authorize the City Manager to remit up to \$450,000 to the Silicon Valley Clean Energy Authority to support the initial costs of the Authority;
4. Approve Budget Modification No. 20 for \$100,000 to support funding the initial costs of the Authority;
5. Direct staff to return to Council with an update and potential action regarding bridge financing for the Authority;
6. Direct staff to return to Council with a proposal to provide interim project and/or staffing support to the Authority via a separate services agreement; and
7. Direct staff to return to Council for appointment of a regular Director and alternate Director to the Authority's Board of Directors.

This action will allow the City to participate in a multi-jurisdictional Community Choice Energy program in support of climate action objectives.

Prepared by: Melody Tovar, Regulatory Programs Division Manager

Reviewed by: John Stufflebean, Director, Environmental Services

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft SVCCE Technical Study Report
2. Community Choice Aggregation Ordinance
3. SVCEA Joint Powers Authority Resolution and Agreement

DRAFT SILICON VALLEY COMMUNITY CHOICE ENERGY TECHNICAL STUDY

11/25/2015

Prepared by Pacific Energy
Advisors, Inc.

This Technical Study was prepared for the Silicon Valley Community Choice Energy (SVCCE) Partnership for purposes of forming a Community Choice Energy (CCE) program, which would provide electric generation service to residential and commercial customers located within Santa Clara County. A detailed discussion of the projected operating results related to the SVCCE program is presented herein.

Draft Silicon Valley Community Choice Energy Technical Study

PREPARED BY PACIFIC ENERGY ADVISORS, INC.

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EXECUTIVE SUMMARY

This Community Choice Energy (“CCE”) Technical Study (“Study”) was prepared for the Silicon Valley Community Choice Energy (“SVCCE”) Partnership, by Pacific Energy Advisors, Inc. (“PEA”) under contract with the City of Sunnyvale, for purposes of describing the potential benefits and liabilities associated with forming a CCE program in Santa Clara County. Such a program would provide electric generation service to residential and business customers located within the SVCCE Partner jurisdictions. The SVCCE Partnership is sponsored by the Cities of Cupertino, Mountain View, and Sunnyvale and the County of Santa Clara. The Partnership has expanded the scope of the study to include eight additional communities in Santa Clara County including Campbell, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga, Campbell, Los Gatos, Monte Sereno, Morgan Hill and Gilroy; these 12 communities comprise the “CCE Study Partners.”

This Study addresses the potential benefits and liabilities associated with forming a CCE program over a ten-year planning horizon, drawing from the best available market intelligence and PEA’s direct experience with each of California’s operating CCE programs – PEA has unique experience with regard to California CCE program evaluation, development and operation, having provided broad functional support to each operating CCE, which include Marin Clean Energy (“MCE”), Sonoma Clean Power (“SCP”) and Lancaster Choice Energy (“LCE”). PEA utilized this direct experience to generate a set of anticipated scenarios for SVCCE operations as well as a variety of sensitivity analyses, which were framed to demonstrate how certain changes in the base case scenarios would influence anticipated operating results for the SVCCE program.

SVCCE’s Prospective Customers

Currently, Pacific Gas & Electric (“PG&E”) serves approximately 240,000 customer accounts within communities of the CCE Study Partners, representing a mix of residential (≈90%) and commercial (≈10%) accounts. These customers consume nearly four (4) billion kilowatt hours (“kWh”) of electric energy each year. While the majority of customers fall under the residential classification, such accounts historically consume only 34% of the total electricity delivered by PG&E while commercial accounts consume the remaining 66%. Peak customer demand within communities of the CCE Study Partners, which represents the highest level of instantaneous energy consumption throughout the year, occurs during the month of July, totaling 660 megawatts (“MW”). Under CCE service, each of these accounts would be enrolled in the SVCCE program over a three-phase implementation schedule commencing in early 2017, as later discussed in this Study. Consistent with California law, customers may elect to take service from the CCE provider or remain with PG&E, a process known as “opting-out.” For purposes of the Study, PEA utilized current participatory statistics compiled by the operating CCE programs to derive an assumed participation rate of 85% for the SVCCE program; the remaining 15% of regional customers are assumed to opt-out of the SVCCE program and would continue receiving generation service from PG&E. Customer and energy usage projections referenced throughout this Study reflect such adjustment.

SVCCE Indicative Supply Scenarios

For purposes of the Study, PEA and the CCE Study Partners identified three indicative supply scenarios, which were designed to test the viability of prospective CCE operations under a variety of energy resource compositions, emphasizing the SVCCE Partnership’s interest in significantly reducing greenhouse gas emissions (“GHGs”) through increased use of carbon-free electric energy sources. As described to PEA, many local agencies within the region have adopted climate action plans, which recognize CCE formation as a viable opportunity to promote the achievement of targeted GHG reductions. With these considerations in mind, the following supply scenarios were constructed for purposes of completing this CCE Study:

- **Scenario 1:** Match the incumbent investor-owned utility's ("IOU"), Pacific Gas & Electric Company ("PG&E"), projected greenhouse gas emissions ("GHGs") profile while exceeding PG&E's projected renewable energy content.¹
- **Scenario 2:** Exceed applicable renewable energy procurement mandates by providing SVCCE customers with a minimum 51% renewable energy content in year one of program operations, scaling up to 66% in year 10, while also promoting a 20% reduction in electric energy sector GHG emissions relative to PG&E's projected emissions profile by procuring additional GHG-free energy products.²
- **Scenario 3:** Maximize renewable energy and GHG-free power supplies while maintaining general parity with PG&E's projected electric rates throughout the Study period.³

When considering the prospective supply scenarios evaluated in this Study, it should be understood that SVCCE would not be limited to any particular scenario assessed in this Study; the Study's supply scenarios were developed in cooperation with CCE Study Partner leadership for the purpose of demonstrating potential operating outcomes of a new CCE program under a broad range of resource mixes, which generally reflect key objectives of the Study participants. Prior to the procurement of any particular energy products, SVCCE would have an opportunity to refine its desired resource mix, which may differ from the prospective scenarios reflected herein.

When developing SVCCE's indicative supply scenarios, PEA was directed to include additional assumptions. In particular, all scenarios include the provision of a voluntary retail service option that would provide participating customers with 100% renewable energy (presumably for a price premium); for purposes of this Study, it was assumed that only a small percentage of SVCCE customers would select this service option ($\approx 2\%$ of the projected SVCCE customer base), which is generally consistent with customer participation in other operating CCE programs. In addition, all scenarios assume the availability of current solar development incentives as well as an SVCCE-administered net energy metering ("NEM") service option, which could be used to further promote the development of local, customer-sited renewable resources. PEA was also directed to exclude the use of: 1) unbundled renewable energy certificates (due to ongoing controversy focused on environmental benefit accounting for such products); 2) specified purchases from nuclear generation, which is generally unavailable to wholesale energy buyers, including CCE programs, but represents a significant portion of PG&E's energy resource mix⁴; and 3) coal generation,⁵ which is a cost-effective but highly polluting domestic power source.

¹ Consistent with California's Renewables Portfolio Standard ("RPS") laws, retail sellers of electric energy, including CCEs, must procure a minimum 33% of all electricity from eligible renewable energy sources by 2020; with the recent enrollment of Senate Bill 350, California's RPS procurement mandate has been increased to 50% by 2030.

² Industry accepted GHG accounting practices generally recognize eligible renewable energy sources as GHG-free. Under the Scenario 2 portfolio composition, incremental purchases of non-RPS-eligible GHG-free sources, specifically electricity produced by larger hydroelectric resources (with nameplate generating capacity in excess of 30 megawatts) would be procured by SVCCE to achieve the noted GHG emissions reductions.

³ Under Scenario 3, the proportion of RPS-eligible renewable energy would achieve specified procurement mandates throughout the Study period. Similar to Scenario 2, additional GHG-free energy purchases would be made, subject to the specified rate constraint, in an effort to maximize the proportion of clean energy (e.g., renewable energy plus additional GHG-free energy) delivered to SVCCE customers.

⁴ According to PG&E's 2013 Power Content Label, 22% of total electric energy supply was sourced from nuclear generating facilities; in 2014, a similar proportion of PG&E's total electric energy supply was sourced from nuclear generating facilities: 21%, as reflected in PG&E's Power Source Disclosure Report for the 2014 calendar year.

⁵ According to the California Energy Commission, approximately 6% of California's total system power mix is comprised of electric energy produced by generators using coal as the primary fuel source:
http://energyalmanac.ca.gov/electricity/total_system_power.html.

Projected Cost Impacts to SVCCE Customers

Based on current market prices and various operating assumptions, as detailed in Section 2: Study Methodology, the Study indicates that SVCCE would be viable under a broad range of market conditions, demonstrating the potential for customer cost savings and significant GHG reductions. In particular, Scenarios 1 and 2 demonstrate the potential for customer cost savings ranging from 1% to 5%, relative to projected PG&E rates, over the ten-year study period. Scenario 3, which was designed to maximize clean energy deliveries to SVCCE customers subject to general rate parity with PG&E, demonstrated that significant environmental benefits could be achieved through such a procurement strategy: average GHG emissions reductions approximating 73% and a renewable energy content of 76% were deemed achievable at rate parity during the 10-year Study period. As previously noted, none of the prospective supply scenarios include the use of unbundled renewable energy certificates; renewable energy products will be exclusively limited to “bundled” deliveries produced by generators primarily located within: 1) California; 2) communities of the SVCCE Study Partners; and 3) elsewhere in the western United States.

General Operating Projections

When reviewing the pro forma financial results associated with each of the prospective supply scenarios, as reflected in Appendix A of this Study, the “Total Change in Customer Electric Charges” during each year of the study period reflects the projected net revenues (or deficits) that would be realized by SVCCE in the event that the program decided to offer customer electric rates that were equivalent to similar rates charged by PG&E. To the extent that the Total Change in Customer Electric Charges is negative, SVCCE would have the potential to offer comparatively lower customer rates/charges, relative to similar charges imposed by PG&E; to the extent that such values are positive, SVCCE would need to impose comparatively higher customer charges in order to recover expected costs. Ultimately, the disposition of any projected net revenues will be determined by SVCCE leadership during annual budgeting and rate-setting processes. For example, in the cases of Scenario 1 and Scenario 2, each year of the study period reflects the potential for net revenues. Such net revenues could be passed through to SVCCE customers in the form of comparatively lower electric rates/charges, as contemplated in this Study, utilized as working capital for program operations in an attempt to reduce program financing requirements, or SVCCE leadership could strike a balance between reduced rates and increased funding for complementary energy programs, such as Net Energy Metering, customer rebates (to promote local distributed renewable infrastructure buildout or energy efficiency, for example) as well as other similarly focused programs. SVCCE leadership would have considerable flexibility in administering the disposition of any projected net revenues, subject to any financial covenants that may be entered into by the program.

Environmental Impacts

With regard to SVCCE’s anticipated clean energy supply and resultant GHG emissions impacts, each prospective supply scenario yielded progressively increasing environmental benefits, resulting from the incremental addition of renewable and other GHG-free power sources. For example, Scenario 1, which was specifically designed to match the incumbent utility’s projected GHG emissions profile (while marginally exceeding proportionate renewable energy procurement of the incumbent utility), did not yield any expected emissions savings. Supply Scenario 2, which was framed to achieve specified proportionate GHG emission reductions relative to the incumbent utility, resulted in annual emissions *reductions* ranging from approximately 38,000 (Year 1 impact) to 82,000 (Year 10 impact) metric tons. Scenario 3 yielded the most significant emissions benefits, as current market pricing for renewable and GHG-free power sources allowed for the significant majority of SVCCE’s projected power resource portfolio to be sourced from these supply options while still remaining at rate parity with PG&E throughout the 10-year Study period – annual projected emissions *reductions* ranged from approximately 112,000 (Year 1 impact) to 352,000 (Year 10 impact).

metric tons, a proportionate annual GHG reduction ranging from 60% (Year 1 impact) to 86% (Year 10 impact) relative to PG&E's projected emission profile. With regard to the anticipated GHG emissions impacts reflected under each scenario, it is important to note that such estimates are significantly influenced by PG&E's ongoing use of nuclear generation, which is generally recognized as GHG-free. In particular, the Diablo Canyon Power Plant ("DCPP") produces approximately 20% of the utility's total annual electric energy requirements. During the latter portion of the Study period, DCPP will need to relicense the facility's two reactor units (in 2024 and 2025, respectively) and there is some uncertainty regarding PG&E's ability to successfully relicense these units under the current configuration, which utilizes once-through cooling as part of facility operations – use of once-through cooling is no longer permissible within California, and affected generators must reconfigure requisite cooling systems or face discontinued operation. To the extent that PG&E's use of nuclear generation is curtailed or suspended at some point in the future, SVCCE's projected emissions reductions would significantly increase under Scenarios 2 and 3. However, due to the timing of the relicensing issue facing DCPP, substantive increases to projected environmental benefits (resulting from prospective changes to PG&E's nuclear power supply) should not be assumed during the Study period.

The various energy supply components underlying each scenario are broadly categorized as:

- Conventional Supply (generally electric generation produced through the combustion of fossil fuels, particularly natural gas within the California energy markets);
- "Bucket 1" Renewable Energy Supply (generally renewable energy produced by generating resources located within or delivering power directly to California);
- "Bucket 2" Renewable Energy Supply (generally renewable generation imported into California); and
- Additional GHG-Free Supply (generally power from large hydro-electric generation facilities, which are not eligible to participate in California's RPS certification program).

For the sake of comparison, Table 1 displays PG&E's proportionate use of various power sources during the most recent reporting year (2014) as well as the aggregate resource mix within the state of California, as reported by the California Energy Commission ("CEC"). During the Study period, planned increases in California's RPS procurement mandate and various other factors will contribute to periodic changes in the noted resource mix. Such changes will affect projected GHG emissions comparisons between SVCCE and PG&E.

Table 1: 2014 PG&E and California Power Mix

| Energy Resource | 2014 PG&E Power Mix ¹ | 2014 California Power Mix ² |
|-------------------------------------|----------------------------------|--|
| Eligible Renewable | 27% | 20% |
| --Biomass & Waste | 5% | 3% |
| --Geothermal | 5% | 4% |
| --Small Hydroelectric | 1% | 1% |
| --Solar | 9% | 4% |
| --Wind | 7% | 8% |
| Coal | 0% | 6% |
| Large Hydroelectric | 8% | 6% |
| Natural Gas | 24% | 45% |
| Nuclear | 21% | 9% |
| Unspecified Sources of Power | 21% | 14% |
| Total³ | 100% | 100% |

¹Source: PG&E 2014 Power Source Disclosure Report; ²Source: California Energy Commission; ³Numbers may not add due to rounding.

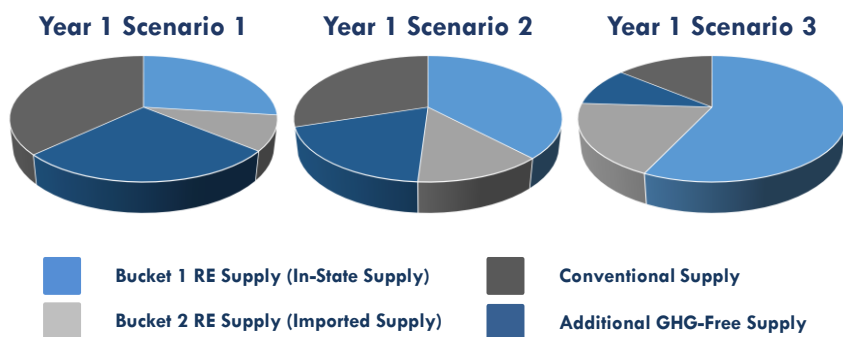
Projected Economic Development Benefits

SVCCE's projected long-term power contract portfolio is also expected to have the potential to generate substantial economic benefits throughout the state as a result of new renewable resource development. A moderate component of this impact is expected to occur within the local economy as a direct result of renewable infrastructure buildout to be supported by a SVCCE-administered Feed-In Tariff program, which could be designed to promote the development of smaller-scale renewable generating projects that would supply a modest portion of SVCCE's total energy requirements. The prospective SVCCE long-term contract portfolio, which is reflected in the anticipated resource mix for each supply scenario, includes approximately 340 MW of new generating capacity (all of which is assumed to be located within California and some of which may be located within communities of the CCE Study Partners). Based on widely used industry models, such projects are expected to generate up to 11,000 construction jobs and as much as \$1.4 billion in total economic output. Ongoing operation and maintenance ("O&M") jobs associated with such projects are expected to employ as many as 185 full time equivalent positions ("FTEs") with additional annual economic output approximating \$30 million. SVCCE would also employ a combination of staff and contractors, resulting in additional ongoing job creation (up to 30 FTEs per year) and related annual economic output ranging from \$3 to \$9 million.

Consolidated Scenario Highlights

The following exhibit identifies the projected operating results under each supply scenario in Year 1 of anticipated CCE operations. Additional details regarding the composition of each supply scenario are addressed in Section 2.

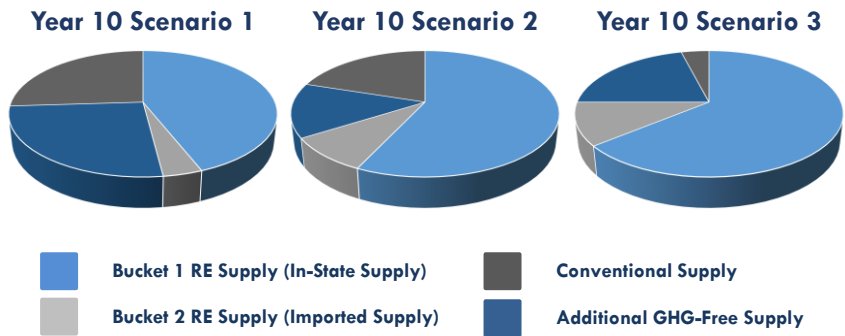
Silicon Valley CCE Indicative Supply Scenarios: Year 1



| Key Considerations | Scenario 1 | Scenario 2 | Scenario 3 |
|---|--|---|--|
| General Environmental Benefits Renewable energy and GHG content | 36% Renewable 63% Total GHG-Free | 51% Renewable 70% Total GHG-Free | 76% Renewable 85% Total GHG-Free |
| Rate Competitiveness Incremental renewable/clean energy purchases will impose upward pressure on SVCCE customer rates | Average 4% <u>savings</u> relative to PG&E rate projections | Average 3% <u>savings</u> relative to PG&E rate projections | Average <u>savings</u> of <1% relative to PG&E rate projections |
| Projected Residential Customer Cost Impacts¹ Resource choices will influence monthly energy costs ¹ Average monthly usage for SVCCE res. customers ≈ 510 kWh | Average \$5.09 monthly cost <u>savings</u> relative to PG&E rate projections | Average \$3.49 monthly cost <u>savings</u> relative to PG&E rate projections | Average \$0.76 monthly cost <u>savings</u> relative to PG&E rate projections |
| Assumed SVCCE Participation Projected rate savings/increases are assumed to impact customer participation levels; medium and large commercial customers are assumed to be highly cost sensitive | 85% customer participation rate assumed across all customer groups | 85% customer participation rate assumed across all customer groups | 85% customer participation rate assumed across all customer groups |
| Comparative GHG Emissions Impacts GHG emissions impact relative to assumed PG&E portfolio | 0.158 metric tons CO ₂ /MWh emissions rate is equivalent to PG&E, resulting in zero incremental GHG emissions impacts in Year 1 | 0.126 metric tons CO ₂ /MWh emissions rate results in ≈38,000 metric ton GHG emissions reduction (20%) in Year 1 | 0.064 metric tons CO ₂ /MWh emissions rate results in ≈112,000 metric ton GHG emissions reduction (60%) in Year 1 |

The following exhibit identifies the projected operating results under each supply scenario in Year 10 of anticipated CCE operations. Note that projected reductions in customer savings, which are reflected in Year 10 operating results, substantially relate to the increased use of renewable and other carbon-free resources throughout the Study period. Such resources are generally more expensive than fossil-fueled power sources and impose upward pressure on SVCCE's projected power supply costs, resulting in reduced customer savings.

Silicon Valley CCE Indicative Supply Scenarios: Year 10



| Key Considerations | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|--|---|
| General Environmental Benefits Renewable energy and GHG content | 49% Renewable 75% Total GHG-Free | 66% Renewable 80% Total GHG-Free | 76% Renewable 97% Total GHG-Free |
| Rate Competitiveness Incremental renewable/clean energy purchases will impose upward pressure on SVCCE customer rates | Average 3% <u>savings</u> relative to PG&E rate projections | Average 1% <u>savings</u> relative to PG&E rate projections | General rate parity results in minimal cost impact |
| Projected Residential Customer Cost Impacts¹ Resource choices will influence monthly energy costs ¹ Average monthly usage for SVCCE res. customers ≈ 510 kWh | Average \$4.19 monthly cost <u>savings</u> relative to PG&E rate projections | Average \$1.93 monthly cost <u>savings</u> relative to PG&E rate projections | Average \$0.14 monthly cost <u>increase</u> relative to PG&E rate projections |
| Assumed SVCCE Participation Projected rate savings/increases are assumed to impact customer participation levels; medium and large commercial customers are assumed to be highly cost sensitive | 85% customer participation rate assumed across all customer groups | 85% customer participation rate assumed across all customer groups | 85% customer participation rate assumed across all customer groups |
| Comparative GHG Emissions Impacts GHG emissions impact relative to assumed PG&E portfolio | 0.109 metric tons CO ₂ /MWh emissions rate is equivalent to PG&E, resulting in zero incremental GHG emissions impacts in Year 10 | 0.087 metric tons CO ₂ /MWh emissions rate results in ≈82,000 metric ton GHG emissions reduction (20%) in Year 10 | 0.015 metric tons CO ₂ /MWh emissions rate results in ≈352,000 metric ton GHG emissions reduction (86%) in Year 10 |

Findings and Conclusions

Based on the results reflected in this Study and PEA's considerable experience with California CCEs, the SVCCE program has a variety of electric supply options that are projected to yield both customer rate savings and environmental benefits. To the extent that clean energy options, including renewable energy and hydroelectricity, are used in place of conventional power sources, which utilize fossil fuels to produce electric power, anticipated SVCCE costs and related customer rates would be marginally higher. However, Scenarios 2 and 3 indicate that the potential exists for significant GHG emissions reductions and increased renewable energy deliveries under a scenario in which SVCCE rates are equivalent (on a projected basis) to or below similar rates charged by the incumbent utility.

Ultimately, SVCCE's ability to demonstrate rate competitiveness (while also offering environmental benefits) would hinge on prevailing market prices at the time of power supply contract negotiation and execution. Depending on inevitable changes to market prices and other assumptions, which are substantially addressed through the various sensitivity analyses reflected in this Study, SVCCE's actual electric rates may be somewhat lower or higher than similar rates charged by PG&E and would be expected to fall within a competitive range needed for program viability.

As with California's operating CCE programs, SVCCE's ability to secure requisite customer energy requirements, particularly under long term contracts, will depend on the program's perceived creditworthiness at the time of power procurement. Customer retention and reserve accrual, as well as a successful operating track record, will be viewed favorably by prospective energy suppliers, leading to reduced energy costs and customer rates. Operational viability is also based on the assumption that SVCCE would be able to secure the

necessary startup funding as well as additional financing to satisfy program working capital estimates. As previously noted, it is PEA's opinion that SVCCE would be operationally viable under a relatively broad range of resource planning scenarios, demonstrating the potential for customer savings as well as reduced GHG emissions.

SECTION 1: INTRODUCTION

This Community Choice Energy (“CCE”) Technical Study (“Study”) was prepared for the Silicon Valley Community Choice Energy (“SVCCE”) Partnership, by Pacific Energy Advisors, Inc. (“PEA”) under contract with the City of Sunnyvale, for purposes of describing the potential benefits and liabilities associated with forming a CCE program in Santa Clara County. Such a program would provide electric generation service to residential and business customers located within the SVCCE Partner jurisdictions, which currently receive electric service from the incumbent utility, Pacific Gas & Electric Company (“PG&E”). The SVCCE Partnership is sponsored by the Cities of Cupertino, Mountain View, and Sunnyvale and the County of Santa Clara. The Partnership has expanded the scope of the study to include eight additional communities in Santa Clara County; the 12 communities comprise the “CCE Study Partners” and are identified below in Table 2.

Table 2: Prospective SVCCE Member Communities

| | |
|-------------------------|--|
| City of Campbell | City of Monte Sereno |
| City of Cupertino | City of Morgan Hill |
| City of Gilroy | City of Mountain View |
| City of Los Altos | City of Saratoga |
| Town of Los Altos Hills | City of Sunnyvale |
| Town of Los Gatos | County of Santa Clara (unincorporated areas) |

In consideration of its response to the Sunnyvale’s Request for Qualifications No. F15-49 for Professional Services to the Environmental Services Department in Association with the Study of Community Choice Aggregation, which was issued on November 21, 2014, PEA was retained by the City to conduct a technical study focused on the prospective formation of a CCE program serving communities of the CCE Study Partners. This Study reflects the results of a comprehensive analysis, which addresses prospective CCE operations under a range of scenarios, including the identification of anticipated rate/cost impacts, environmental benefits, resource composition and economic development amongst other considerations. When reviewing this Study, it is important to keep in mind that the findings and recommendations reflected herein are substantially influenced by current market conditions within the electric utility industry, which are subject to sudden and significant changes.

PEA is an independent consulting firm specializing in providing strategic advice and technical support to various organizations within the California electricity market, particularly aspiring and operating CCE programs. PEA’s consultants have been assisting local governments with the evaluation and implementation of CCE programs since 2004, including each of California’s operational CCE programs, which include Marin Clean Energy (“MCE”), Sonoma Clean Power (“SCP”) and Lancaster Choice Energy (“LCE”). This Study reflects operating projections that are based on the best available information, utilizing transparent, documented assumptions to provide an objective assessment regarding the prospects of CCE operation within communities of the CCE Study Partners. Such assumptions are later discussed in Section 2. However, due to the dynamic nature of California’s energy markets, particularly market prices which are subject to frequent changes, the SVCCE Partnership should confirm that the assumptions reflected in this Study generally align with future market conditions (observed at the time of any decision by the SVCCE Partnership to move forward) to promote the achievement of early-stage SVCCE operations that generally align with the operating projections reflected in this Study. To the extent that future market price benchmarks materially differ from any of the assumptions noted in Section 2 of this Study, PEA recommends updating pertinent operating projections to ensure well-informed decision-making and prudent action.

When reviewing this Study, note that the term Community Choice Aggregation (“CCA”), which is referenced within applicable legislation and related regulations, is currently being used interchangeably with the term Community Choice Energy (“CCE”)⁶, a term of art that has been adopted by the SVCCE Partnership to identify its aggregation initiative. Use of the CCE acronym is becoming increasingly common when referring to similar customer aggregation programs throughout the state. For purposes of this Study, the term Community Choice Energy or “CCE” is used when referring to such aggregation programs.

Under existing rules administered by the California Public Utilities Commission (“CPUC”), PG&E would use its transmission and distribution system to deliver the electricity supplied by SVCCE in a non-discriminatory manner, as it currently does for its own “bundled service” customers (i.e., customers who receive both electric generation and delivery services from a single provider) and for “direct access” customers who receive electricity provided by competitive retail suppliers. PG&E would continue to provide all metering and billing services, and customers would receive a single electric bill each month from PG&E – each customer’s bill would show SVCCE charges for generation services as well as charges for PG&E delivery services. Money collected by PG&E on behalf of SVCCE would be electronically transferred each day to SVCCE’s designated bank account. Following enrollment in the CCE program, SVCCE customers would continue to be eligible for PG&E-administered programs funded through distribution rates and public goods charges, including rebate and subsidy programs focused on energy efficiency and distributed solar generation.

To fulfill the electric energy requirements of its customers and related compliance obligations, SVCCE would participate in the electricity market to purchase various energy products from qualified generators, brokers, and/or marketers. In the future, SVCCE may also produce electricity generated by its own power plants, which could be independently developed or acquired by the CCE. Other programs and services may be offered by SVCCE as well, such as new programs to promote conservation and/or energy efficiency, locally-situated distributed renewable generation (e.g., photovoltaic solar systems that are installed by a customer “behind the meter” to reduce reliance on offsite energy sources and/or reduce overall energy costs), electric vehicle charging, and customer load shifting (also known as “demand response”).

PEA’s analysis quantifies the expected benefits and liabilities of the CCE program in terms of overall operating margins, ratepayer costs, reductions in emissions of GHGs, which primarily entail carbon dioxide (“CO₂”) from electric generating resources used to supply customers within communities of the CCE Study Partners, and economic development impacts arising from new job creation and local spending. The remaining sections of this report are organized by subject matter as follows:

Section 2: Study Methodology – describes the approach used to conduct the Study.

Section 3: SVCCE Technical Parameters – describes the electric consumption patterns and electric resource requirements of prospective SVCCE customers (i.e., electricity customers located within communities of the CCE Study Partners).

Section 4: Cost of Service Elements – explains the various costs that would be involved in providing electric service through a CCE program.

⁶ While it is generally understood that both terms refer to the same type of load serving entity, as provided for under the California Public Utilities Code, PEA is not aware of any current references to the term “Community Choice Energy” or “CCE” in such Code or applicable regulations. In consideration of this observation, SVCCE should remain aware of this terminology when communicating with jurisdictional regulatory entities or legislators regarding its prospective aggregation program to ensure that naming conventions conform with currently applicable laws and regulations which address such programs.

Section 5: *Cost and Benefits Analysis* – details the estimated benefits and financial liabilities associated with a variety of potential resource scenarios with regard to ratepayer costs, GHG impacts, and local economic development impacts.

Section 6: *Sensitivity Analyses* – describes the variables that are expected to have the largest impact on customer rates and shows the range of impacts associated with key variables.

Section 7: *Risk Analysis* – highlights key risks associated with the formation and operation of a CCE program, including recommended mitigation measures for such risks.

Section 8: *CCE Formation Activities* – summarizes the steps involved in forming a CCE program.

Section 9: *Evaluation and Recommendations* – summarizes Study results and provides recommendations based on PEA's analysis.

Appendix A: *SVCCE Pro Forma Analyses* – includes pro forma operating projections for each of the three SVCCE supply scenarios addressed in this Study.

SECTION 2: STUDY METHODOLOGY

The analytical framework for the Study is a cost-of-service model that estimates all costs and anticipated revenues that would be incurred/received in providing CCE services. The Study examines projected CCE operations over a ten-year study period, including the expected economic/financial impacts related thereto. As detailed in Section 4 (Cost of Service Elements), CCE program costs include those associated with energy procurement as well as administrative, financing and other costs that would be involved in the program's formation and ongoing operation. Total projected costs over each twelve-month period represent the amounts that must be funded through program rates, also known as the "revenue requirement." Average generation rates of the CCE program, which are calculated by dividing total program costs (dollars) by total program electricity sales (kilowatt hours, kWh; or megawatt hours, MWh), were determined for each year as well as the entirety of SVCCE's ten-year study period (ten-year averages were calculated on a levelized basis, as further described below) to facilitate comparisons among potential electric supply mixes and against projected PG&E rates.

The CCE program would have myriad choices with regard to the types of resources that may comprise its electric supply portfolio. Such choices typically focus on the following portfolio attributes:

- 1) The proportion of renewable and non-renewable, or conventional, generation sources;
- 2) Specification of a portfolio GHG emissions rate;
- 3) Selection of specific generating technologies (solar photovoltaic, wind, geothermal, etc.);
- 4) Identification of resource locations (local, in-state, regional or a combination thereof);
- 5) Preferred power supply structure (power purchase agreement or, potentially, asset development/acquisition);
- 6) Determination of resource scale (for example, larger "utility-scale" projects and/or smaller distributed generating resources); and
- 7) Duration of supply commitments (short-, mid-, long-term).⁷

Each of these choices presents economic and/or environmental tradeoffs. Specification of initial supply preferences, which is a fundamental component of the resource planning process, typically occurs during the implementation and operation stages by those charged with leading and overseeing the CCE program. As the CCE continues to operate over time, resource planning will remain an ongoing obligation, enabling the CCE to adapt its planning principles to changing circumstances while promoting the CCE program's overarching policy objectives.

For purposes of this Study, PEA developed three representative supply portfolios that were evaluated on the basis of ratepayer cost, renewable energy content, GHG emissions, and economic development impacts. The objective of evaluating alternative supply scenarios is to obtain a robust set of analytical results that can be used to inform decision-makers of the inherent trade-offs that exist among various resource choices while also illustrating a reasonable range of outcomes that could be achieved through CCE implementation and operation. It should be understood that SVCCE would not be limited to any particular supply scenario assessed in this Study; the supply scenarios reflected in this Study have been developed for the sake of example, taking into consideration key objectives of the aspiring CCE program.

⁷ For purposes of this Study, a "short-term" supply commitment generally refers to a contract term of one to three years in duration; a "mid-term" supply commitment generally refers to a contract term of three to ten years in duration; and a "long-term" supply commitment generally refers to a contract term of ten or more years in duration.

Supply Scenario Overview

The following supply scenarios are representative of different choices that could be made by SVCCE with regard to overall renewable energy content, fuel sources and generator locations (of the electric resources used to supply SVCCE's customers). Each scenario embodies unique portfolio attributes and related ratepayer impacts. Subject to compliance with prevailing law and applicable regulations, California CCEs have a broad range of options when assembling supply portfolios. The three scenarios discussed in this Study also reflect the inclusion of power supply from both existing generating sources, which may supply the majority of SVCCE's early stage energy requirements, and new renewable generation projects developed as a result of long-term power purchase agreements entered into by the CCE program, which may play an increasingly prominent role in SVCCE's mid- and long-term resource planning efforts.

With regard to the specific sources of power supply that were considered as part of this Study, PEA was directed to exclude the use of: 1) unbundled renewable energy certificates (due to ongoing controversy focused on environmental benefit accounting for such products); 2) specified purchases from nuclear generation, which is generally unavailable to wholesale energy buyers, including CCE programs, but represents a significant portion of PG&E's energy resource mix; and 3) coal generation, which is a cost-effective but highly polluting domestic power source. Exclusion of the aforementioned energy products will not only avoid potential controversy regarding the use of generally objectionable and/or environmentally damaging power sources, but it will also ensure that SVCCE's portfolio emissions reporting remains consistent with potential changes in California law.⁸ In consideration of this direction, such products were omitted during SVCCE's portfolio analysis.

It is also noteworthy that independent development and ownership of generating resources may also be an available supply alternative for the CCE program over the longer-term planning horizon, following years of successful operations, financial reserve accrual and establishment of general creditworthiness. Because the timing of any significant CCE-sponsored resource development and ownership likely falls outside the planning horizon addressed within this Study, PEA has not incorporated SVCCE-owned resources as a component of the indicative supply scenarios discussed herein. This assumption is largely based on observations related to California's operating CCE programs, which have yet to pursue direct investment in generating resources; the timeline for investment in such resources is likely consistent with PEA's related assumptions reflected in this Study.

With regard to the three prospective SVCCE supply scenarios addressed in this Study, such scenarios were designed to evaluate a broad range of portfolio characteristics for purposes of demonstrating the inherent tradeoffs that exist when deciding between available resource options. The prospective supply portfolios were also constructed in consideration of certain key objectives that were communicated to PEA on behalf of the CCE Study Partners. These objectives generally focused on the achievement of rate competitiveness, GHG emissions reductions and increased use of renewable energy resources relative to the incumbent utility. Table 3 identifies key planning elements of each scenario addressed in this Study.

⁸ Assembly Bill 1110 (Ting), which has become a two-year bill, is intended to require the disclosure of portfolio emissions intensity to California's retail electricity customers. The proposed methodology for such disclosures would not allow the inclusion of environmental benefits associated with unbundled renewable energy certificates.

Table 3: Key Planning Elements of Each SVCCE Indicative Supply Scenario

| SVCCE Supply Scenario | Primary Objectives of Supply Portfolio | Total Renewable Energy Content ⁹ as % of Total Supply (Year 1; Year 10) | Anticipated GHG Emissions Savings ¹⁰ (Year 1; Year 10) | Anticipated SVCCE Customer Cost Impacts ¹¹ (Year 1; Year 10) |
|-----------------------|--|--|---|---|
| Scenario 1 | Achieve GHG emissions parity (with PG&E) on a projected basis while exceeding PG&E's expected proportion of RPS-eligible procurement | YEAR 1 = 36% YEAR 10 = 49% | YEAR 1 = No Change YEAR 10 = No Change | YEAR 1 = 4% average savings YEAR 10 = 3% average savings |
| Scenario 2 | Increased RPS-eligible renewable energy procurement plus 20% GHG emissions reductions (relative to incumbent utility) | YEAR 1 = 51% YEAR 10 = 66% | YEAR 1 = 20% reduction YEAR 10 = 20% reduction | YEAR 1 = 3% average savings YEAR 10 = 1% average savings |
| Scenario 3 | Maximize GHG-free power procurement (RPS-eligible renewable energy plus additional GHG-free supply) while maintaining general rate/cost parity | YEAR 1 = 76% YEAR 10 = 76% | YEAR 1 = 60% reduction YEAR 10 = 86% reduction | YEAR 1 = "Zero" impact YEAR 10 = "Zero" impact |

Under each of the three supply scenarios, the CCE program would cause new renewable generation projects to be developed through long-term power purchase agreements. It should be recognized that developing generation in California is a difficult and time-consuming process, and developing generation within communities of the CCE Study Partners and surrounding areas may be even more difficult than in other parts of the state, such as California's Central Valley. Major development challenges include siting, permitting, financing and generator interconnection with the transmission system, all of which may take far longer (and result in higher costs) than originally planned. Suitable sites must be identified and placed under control of the developer, and the required land can be quite significant, particularly for photovoltaic solar projects.¹² It is also common for proposed generating projects to draw opposition from local residents and interest groups, who may identify various objections to the project (e.g., habitat destruction/displacement, visual impacts and species mortality). Once a suitable site is secured and the necessary permits are in place, the project must be financed, and that financing will primarily depend upon the perceived creditworthiness of the CCE program, which may take several years to build. As previously noted, PEA has assumed that during the ten year study horizon, generation projects would be developed and financed by third parties under long-term power purchase agreements with SVCCE without direct ownership of such projects by the CCE program.

⁹ All renewable energy volumes are assumed to be eligible for use in California's Renewables Portfolio Standard ("RPS") program.

¹⁰ Anticipated GHG emissions impacts were determined in consideration of the GHG emissions factor associated with SVCCE's assumed resource mix as compared to the assumed emissions factor associated with PG&E's supply portfolio, which is expected to decline throughout the ten-year study period.

¹¹ Anticipated customer cost impacts were determined in consideration of the projected average SVCCE customer rate to be paid under each of the three prospective supply scenarios relative to the forecasted average PG&E rate.

¹² Each MW of PV capacity requires approximately five to eight acres, depending upon the location and installation characteristics.

Key Assumptions

When preparing the Study, it was necessary for PEA to incorporate a variety of assumptions, which were primarily based on current market observations and PEA's direct experience with California's operating CCE programs. Such assumptions were instrumental in deriving SVCCE's projected operating results, as many actual data points, such as final contract energy pricing and future customer participation in the SVCCE program, will not be known until immediately prior to or after service commencement. For purposes of this Study, the key assumptions identified in Table 4 were incorporated to facilitate the development of SVCCE operating projections:

Table 4: Key Assumptions Underlying the SVCCE Technical Study

| Key Assumption | Description |
|---------------------------------|---|
| Power Supply Costs | <p>Prices for renewable energy and resource adequacy capacity are based on prices observed for recent transactions and escalated for future periods.</p> <p>Prices for conventional power supply utilize forward curves based on exchange quoted futures prices for power, natural gas and GHG emissions allowances.</p> <p>Fees associated with wholesale scheduling, balancing and settlement with the California Independent System Operator are based on similar costs experienced by existing CCE programs.</p> <p>Capacity requirements and shaped energy requirements were estimated using monthly customer load data by rate classification as adjusted by PG&E's hourly class load profiles.</p> |
| PG&E Rates | <p>PG&E proposed 2016 rates (August Annual Electric True-up) and surcharges (e.g., PCIA) were applied to customer load data aggregated by major rate schedule to form the basis for the PG&E rate forecast.</p> <p>For future years, the forecast was derived using PG&E's most recent resource plan, adjusted for changes to renewable energy content mandated by SB 350.</p> <p>Forecast of PCIA is based on projected PG&E power portfolio cost and forward market prices.</p> <p>It is assumed that CCE would provide similar rate designs and options as PG&E.</p> |
| Community Participation | All twelve municipalities are assumed to participate. |
| Customer Participation | Service is assumed to be offered to all customers except those taking direct access and standby service. Based on average customer retention experienced by operating CCE programs, 85% of customers offered service across all customer classes are assumed to enroll. |
| CCE Rates & Reserve | CCE rates would be set to recover all program costs including power supply, administration, and debt service as well as funding a reserve equivalent to 4% of annual program costs. |
| CCE Operations | <p>Staffing and other operating costs were estimated by benchmarking to the three currently operating CCE programs, with adjustment for differences in the number of customers served.</p> <p>Costs associated with administering net energy metering, demand response and energy efficiency programs were included at \$1,275,000 per year.</p> |
| Bonds and Other Deposits | <p>CPUC Bond: \$100,000 (Included in Startup Cost)</p> <p>PG&E Deposit: \$40,000 (Included in Startup Cost)</p> <p>CAISO Deposit: \$500,000 (Included in Working Capital)</p> <p>Supplier Reserve: \$2,500,000 (Included in Working Capital)</p> <p>Startup Costs: \$2,900,000</p> <p>Working Capital: \$9,000,000</p> |

| Key Assumption | Description |
|--|--|
| Rate Comparisons | Rate comparisons are based on the total delivered rate between CCE service and PG&E service, with the CCE program offering a rate structure that generally parallels that of PG&E including time-of-use rate differentials that may be applicable under certain rate schedules (e.g., certain Net Energy Metered customers, which may take service under rate schedules with time-of-use rate variants). For CCE service, the total delivered rate includes the CCE charges, PG&E delivery charges, and PG&E surcharges (e.g., PCIA). For PG&E service, the total delivered rate includes PG&E generation charges and PG&E delivery charges. |
| Renewable Portfolio Standards | Study assumes the currently applicable renewable energy requirements are maintained through 2020 and increased to 50% renewable portfolio content by 2030 as mandated by SB 350. |
| Greenhouse gas emissions rates | For PG&E, used its most recent forecast of portfolio emissions rates and adjusted the rate downwards for future years for the effects of anticipated increase in renewable energy content. Assumed continued operation of Diablo Canyon Nuclear Power Plant throughout study period. For CCE, used the CARB default emissions rate applied to power purchases other than purchases from renewable and hydro-electric sources. |
| Voluntary 100% Renewable Energy Program | Assumed 2% of enrolled customers elect this option. |

Multi-Phase Customer Enrollment

For purposes of this Study, PEA assumed a three-phase customer implementation strategy through which that would enroll customers in the following manner: 1) one-third of prospective SVCCE customers would be enrolled during the first month of service, drawing from a broad, representative cross section of the entire SVCCE customer base; 2) another third of the original customer population (i.e., half of the remaining customer population which had yet to be enrolled) would be transitioned to CCE service during the thirteenth month of operation, reflecting similar characteristics when compared with the first phase; and 3) all remaining customers not previously enrolled would be transitioned to CCE service during the twenty fifth month of program operations. Such a strategy will allow the CCE program to “walk before its runs,” gaining operational experience while the initial customer base remains relatively small (when compared to the total prospective customer population). This approach will also create an opportunity for the CCE program to “debug” potential customer service and billing issues that may arise during initial operations and will also reduce credit/collateral concerns during initial power contracting efforts. Furthermore, a multi-year phase-in strategy will serve to minimize initial working capital requirements of the SVCCE program by reducing power contract payment obligations during early operations, allowing the CCE program to build reserves for purposes of self-funding future phase-in activities.

Indicative Renewable Energy Contract Portfolio

For purposes of this Study, an indicative long-term renewable energy contract portfolio, which emphasizes resource and delivery profile diversity in consideration of reasonably available project opportunities, was assembled for the SVCCE program. For example, a contract portfolio exclusively focused on solar resources would not provide for requisite energy requirements during the night; similarly, a portfolio focused on the exclusive use of wind resources would not adequately address SVCCE customer energy requirements during times of day when wind levels are low. In consideration of the unique generating characteristics associated with various renewable energy technologies, PEA assembled SVCCE’s indicative renewable energy contract portfolio for purposes of creating a composite energy delivery profile that would reasonably match the manner in which SVCCE customers use electric energy. Considerable amounts of solar capacity were incorporated in the indicative supply portfolio in consideration of robust resource availability throughout

California and SVCCE's need for considerable amounts of electricity during peak times of day. Geothermal and landfill gas-to-energy generating technologies were also incorporated in the supply portfolio, as such resources have been successfully secured by other CCE programs and provide a stable ("basesload") energy delivery profile that only marginally varies over time. Wind generating capacity was also included due to its availability and general cost effectiveness in serving CCE renewable energy requirements.

This indicative long-term contract portfolio was applied when analyzing each of the three supply scenarios for purposes of determining the resource planning and financial impacts associated with long-term power supply commitments that could be reasonably pursued by SVCCE. As reflected in the following table, the indicative supply portfolio phases in a variety of contracting opportunities over time, allowing the CCE program to incrementally increase long-term renewable supply commitments without unnecessarily exposing SVCCE to renewable energy price risk at a single point in time – this is a prudent resource and risk management practice in consideration of recent, ongoing price reductions that have been observed by California's renewable energy buyers. The incremental ramp up in contracted renewable energy volumes will also serve the purpose of mitigating credit concerns that may impact the CCE program during early operations and limit the pace at which new long-term resource commitments can be made.

Based on PEA's experience, California's three operating CCEs, MCE, SCP and LCE, have been successful in pursuing small- (1 to 5 MWs in size) to mid-sized (5-40 MWs in size) renewable energy contracting opportunities during early operations – the developers/owners of such projects have been able to reconcile credit concerns in consideration of the CCE's projected operating results and/or relatively nominal collateral postings. PEA expects that SVCCE would have similar experiences when pursuing available renewable project options. For example, prior to commencing operations and in the 24 to 36 months thereafter, it is expected that SVCCE would be able to secure long-term contract commitments with both small- and mid-sized renewable project opportunities on the basis of SVCCE's projected operating results. California's other operating CCEs have generally been able to pursue similar opportunities with little to no collateral obligations, utilizing the respective CCE's pro forma operating projections as the basis for demonstrating creditworthiness.

After establishing a successful operating track record, SVCCE should be effective in pursuing larger-scale project opportunities, which may prove to be more cost competitive. PEA expects that larger-scale projects may be available following the accrual of three or more years of successful operating history, including the accumulation of prudent financial reserves and the demonstration of significant customer retention – in general, the opt-out structure provided for by California's CCE legislation is viewed as a risk by many prospective project developers and energy sellers; however, the successful operating track record of California's existing CCEs and the ongoing compilation of data related to customer participation/retention has provided compelling evidence that CCE customer counts and overall program operations will remain stable over time – in general, California's operating CCEs have each experienced customer retention rates in excess of 80% with each successive CCE program observing increasing retention rates for its customers. This trend seems to suggest that improved familiarity with the CCE business model, a growing track record of success amongst California's operating CCE programs, and effective marketing campaigns have contributed to higher levels of customer retention over time.

The indicative portfolio of long-term renewable energy contracts also reflects a significant commitment to renewable project development within communities of the CCE Study Partners – a total of 20 MWs of anticipated feed-in tariff ("FIT") projects has been included in the Study in consideration of the CCE Study Partners' interest in promoting local renewable infrastructure buildout and economic development. FIT projects are typically smaller-scale renewable development opportunities, ranging from 50 kW to 1.5 MW in size, so PEA has assumed that numerous projects will comprise the 20 MW allocation reflected in the indicative resource mix.

For purposes of the Study, PEA has assumed a uniform portfolio of long-term renewable energy contracts for each of the three indicative supply scenarios. In practical terms, this means that each of the prospective supply scenarios reflects the resource mix described below as well as varying amounts of additional renewable and GHG-free energy procured under shorter-term contract arrangements. Such additional energy volumes will be procured/applied to fulfill each scenario's specified renewable resource mix. Assumed prices for such long-term transactions as well as associated capacity factors, which reflect the amount of energy produced by each resource relative to its total, potential generating capacity, were also assembled by PEA in consideration of recent renewable energy transactions and typical operating characteristics associated with the noted renewable resource types. It is also noteworthy that PEA's pricing assumptions reflect significant planned reductions in the federal investment tax credit ("ITC"), which is expected to decrease from 30% to 10% for projects with initial delivery dates occurring after December 31, 2016, as well as growing demand for new renewable energy projects resulting from California's RPS procurement mandate increasing to 50% by 2030¹³ – both of these considerations may impose upward pressure on renewable energy pricing. PEA has addressed this possibility through relatively conservative price assumptions when compared to the current market for renewable energy products. It is possible, of course, that Congress could extend the ITC at its current level, which would mean prices for solar power would be lower than the assumptions used in this study. It is also possible that increased demand, while applying upward pricing pressure in the near term, may promote expanded supply capabilities, which would have the effect of mitigating such price pressures over time. The specific contracting opportunities, which have been incorporated in SVCCE's indicative long-term renewable energy supply portfolio, are identified below in Table 5.

Table 5: SVCCE's Indicative Long-Term Renewable Energy Contract Portfolio

| Resource Type | Year of First Delivery | Capacity (MW) | Capacity Factor** | Assumed Price (\$/MWh)*** |
|---|------------------------|---------------|-------------------|---------------------------|
| Solar PV, utility scale | 2019 | 100* | 30% | \$65 |
| Solar PV, utility scale | 2023 | 100* | 30% | \$65 |
| Wind | 2020 | 100* | 35% | \$70 |
| Landfill Gas to Energy | 2020 | 10* | 90% | \$80 |
| Landfill Gas to Energy | 2025 | 10* | 90% | \$80 |
| Geothermal | 2018 | 50 | 100% | \$80 |
| Solar PV, multiple FIT (local) projects | 2018 | 5* | 22% | \$100 |
| Solar PV, multiple FIT (local) projects | 2020 | 5* | 24% | \$90 |
| Solar PV, multiple FIT (local) projects | 2021 | 5* | 24% | \$90 |
| Solar PV, multiple FIT (local) projects | 2022 | 5* | 24% | \$90 |
| Total | | 390 MW | | |

*Denotes assumed new generating capacity to be developed as a result of long-term contracts between SVCCE and qualified renewable project developers. 340 MW of potential new, California-based renewable generating capacity has been assumed in this Study.

¹³ On October 7, 2015, Governor Brown signed Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015. SB 350 increases California's RPS to 50% by 2030 amongst other clean-energy initiatives. Many details regarding implementation of SB 350 will be developed over time with oversight by applicable regulatory agencies.

***Capacity factors quantify the proportionate amount of energy produced by each resource relative to its total, potential generating capacity. For example, if a 10 MW landfill gas-to-energy generator produced 78,840 MWh per year (relative to its total generating potential of 87,600 MWhs), its capacity factor would be 90%. By comparison, solar generators have relatively low capacity factors (ranging from 20% - 30%, generally), as such generators produce no power at night and very little power during the early morning and late afternoon hours.*

****Certain pricing assumptions reflect planned reductions to currently applicable incentives, which may result in increased renewable energy prices during the ten-year planning period. To the extent that such incentives are continued at current levels and/or supply significantly increases, actual prices could be lower than reflected herein. It is important to note that a broad range of considerations, including California's recently increased RPS (to 50% by 2030), may influence renewable energy pricing and product availability in future years.*

Regarding the referenced local solar projects, which are assumed to be developed under an SVCCE-administered FIT program, the pricing assumptions for such projects were set in consideration of three key factors:

- 1) Prices currently available under PG&E's Electric-Renewable Market Adjusting Tariff ("ReMAT"), which represents the current construct of PG&E's FIT program – local project developers would be evaluating SVCCE's FIT in consideration of other available alternatives, so it is assumed that SVCCE would want to offer comparatively higher prices to attract such developers;
- 2) The assumption that project development costs within SVCCE's participating jurisdictions generally exceed project development costs in other locations; and
- 3) The general interest of the CCE Study Partners in providing meaningful price incentives to promote local renewable infrastructure buildout.

If such a program is administered by SVCCE, FIT energy prices will need to be sufficiently high to compel project sponsors to focus development efforts on locally situated project sites – this is the primary purpose of locally-focused FIT programs. More specifically, PG&E's ReMAT currently offers eligible, smaller-scale solar projects a base energy price of \$61.23 per MWh.¹⁴ This price is adjusted according to a schedule of Time of Delivery, or "TOD", factors which generally increase the annual average price paid to participating solar generators, depending on the quantity of energy produced and delivered during peak times of day (e.g. weekdays between the hours of 3:00 and 8:00 P.M.). In general terms, the aforementioned base energy price may translate to a TOD-adjusted average price of more than \$70 per MWh, depending on actual power production. PEA also assumed that project development costs, particularly land costs within the SVCCE service territory, would be higher than average development costs throughout PG&E's service territory. With these observations in mind, as well as the general concept that FIT programs are intended to incentivize local renewable infrastructure buildout, the prices associated with FIT energy productions were set at comparatively high levels, ranging from \$90-\$100 per MWh. Such prices reflect a premium ranging from \$25-\$35 per MWh relative to larger projects within optimal development locations.¹⁵ While such prices seem sufficient to promote local FIT interest, it is noteworthy that SVCCE could independently adjust such prices in the event that actual FIT participation is below (or above) desired levels. In the event that the SVCCE FIT program generates more interest and participation than originally anticipated, SVCCE could cap the program by implementing a total capacity ceiling. The cap could always be modified, but implementing a participatory ceiling would provide an additional layer of financial certainty for the FIT program.

¹⁴ PG&E's Program Period 12 price for As-Available Peaking products, as noted on PG&E's ReMAT website on October 29, 2015: <http://www.pge.com/en/b2b/energysupply/wholesaleelectricitysuppliersolicitation/ReMAT/index.page>.

¹⁵ Note that MCE's FIT tariff offers similar price incentives to attract local developers. According to MCE's FIT tariff, applicable prices are scheduled to incrementally decrease over time (as successive FIT projects enter the project development queue).

Energy Production Options & Scenario Composition

When considering the portfolio composition associated with SVCCE's prospective supply scenarios, several resource types, including clean (e.g., renewable and GHG-free) and conventional (e.g., fossil-fueled, which typically entails the use of natural gas within California) energy sources, would be available to supply the electric energy requirements of SVCCE customers. With regard to renewable energy product options, California's currently effective RPS program allows for the use of three distinct renewable energy products, which are primarily differentiated by unique delivery attributes. In particular, certain RPS-eligible renewable energy products are referred to as "bundled renewable energy," meaning that the physical electricity and renewable attributes (i.e., Renewable Energy Certificates, or "RECs") are both delivered to the buyer, whereas other RPS-eligible products are referred to as "unbundled," meaning that the renewable attributes, or RECs, are sold separately from the electric commodity. Under the nomenclature of California's RPS, bundled renewable energy products are categorized as Portfolio Content Category 1 ("PCC1" or "Bucket 1") or Portfolio Content Category 2 ("PCC2" or "Bucket 2"). In general terms, PCC1 products are the most costly, least objectionable and offer the most flexibility when complying with California's RPS procurement mandates. Unbundled renewable energy, or Portfolio Content Category 3 ("PCC3" or "Bucket 3"), has usage limitations under the RPS program and is also the subject of ongoing philosophical debate regarding environmental impacts. For purposes of this Study, PEA was advised to exclude unbundled renewable energy products from SVCCE's prospective supply portfolios. For purposes of this Study, it was assumed that all additional GHG-free energy (i.e., GHG-free energy obtained from sources that are not RPS-eligible due to size limitations) would be produced/delivered by hydroelectric generators. In consideration of these product options, SVCCE's three prospective supply scenarios were constructed with the resource preferences reflected in Table 6.

Table 6: SVCCE's Scenario-Specific Energy Resource Preferences

| SVCCE Supply Scenario | Primary Objectives of Supply Portfolio | Total Renewable Energy Content¹⁶ as % of Total Supply (Year 1; Year 10) | Total PCC1-Eligible¹⁷ Renewable Energy Content as % of Total Supply (Year 1; year 10) | Total PCC3-Eligible¹⁸ Renewable Energy Content as % of Total Supply (Year 1; year 10) | Total GHG-Free Energy Content¹⁹ as % of Total Supply (Year 1; Year 10) |
|------------------------------|--|---|---|---|--|
| Scenario 1 | Achieve GHG emissions parity (with PG&E) on a projected basis while exceeding PG&E's expected proportion of RPS-eligible procurement | YEAR 1 = 36% YEAR 10 = 49% | YEAR 1 = 27% YEAR 10 = 44% | YEAR 1 = None YEAR 10 = None | YEAR 1 = 63% YEAR 10 = 75% |
| Scenario 2 | Increased RPS-eligible renewable energy procurement plus 20% GHG emissions reductions (relative to incumbent utility) | YEAR 1 = 51% YEAR 10 = 66% | YEAR 1 = 38% YEAR 10 = 57% | YEAR 1 = None YEAR 10 = None | YEAR 1 = 70% YEAR 10 = 80% |
| Scenario 3 | Maximize GHG-free power procurement (RPS-eligible renewable energy plus additional GHG-free supply) while maintaining general rate/cost parity | YEAR 1 = 76% YEAR 10 = 76% | YEAR 1 = 57% YEAR 10 = 64% | YEAR 1 = None YEAR 10 = None | YEAR 1 = 85% YEAR 10 = 97% |

Scenario 1: GHG Emissions Parity and Additional Renewable Energy Supply Relative to PG&E

Scenario 1 was structured for the primary purpose of matching the projected GHG emissions profile associated with PG&E's supply portfolio while also exceeding PG&E's proportionate level of renewable energy procurement. With regard to renewable energy procurement, resource preferences within Scenario 1 were generally selected to promote compliance with the legal requirements of California's RPS in advance of

¹⁶ All renewable energy volumes are assumed to be RPS-eligible for purposes of this Study.

¹⁷ Portfolio Content Category 1, or "Bucket 1" eligible renewable energy resources, are typically located within California but may also be located outside California, delivering power to California delivery points via specified energy scheduling protocols.

¹⁸ Portfolio Content Category 3, or "Bucket 3" eligible renewable energy resources, are typically referred to as "unbundled renewable energy certificates" or "unbundled RECs". Bucket 3 products are produced when metered renewable energy is delivered to the grid and represent the environmental and/or "green attributes" associated with such renewable energy production. However, Bucket 3 products are sold separately from the physical energy commodity without any associated energy delivery obligations for the seller(s) of such products.

¹⁹ Total GHG-free content equals the proportion of total supply produced by renewable energy resources plus the proportion of total supply produced by non-GHG emitting generating resources, namely non-RPS qualifying hydroelectric generators.

applicable deadlines.²⁰ In particular, Scenario 1 incorporates a 36% RPS-eligible renewable energy supply from day one of CCE program operations, incrementally increasing after the 2020 calendar year in consideration of California's transition to a 50% RPS mandate. For purposes of Scenario 1, PCC3 and nuclear volumes were excluded from the renewable energy supply portfolio, replacing such volumes with additional PCC1 and PCC2 products. This substitution has the effect of increasing total renewable energy supply costs but will likely minimize philosophical objections related to the use of unbundled renewable energy products, which have become more prominent in recent years. Additional clean energy purchases, which would have the effect of reducing overall GHG emissions associated with SVCCE supply portfolio, were also incorporated, yielding a 63% GHG-free resource mix in Year 1, increasing to 75% in Year 10. A supply portfolio reflecting such a resource mix would be expected to promote highly competitive customer rates during the study period but also the lowest level of environmental benefits amongst the three prospective supply scenarios. The expected clean energy content associated with Scenario 1 is identified in Table 7, which reflects the proportionate share of purchases relative to SVCCE's expected energy requirements.

Table 7: Scenario 1 - Proportionate Share of Planned Energy Purchases Relative to SVCCE's Projected Retail Sales

| | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| PCC 1 Supply | 27% | 27% | 27% | 35% | 35% | 36% | 42% | 43% | 44% | 44% |
| PCC 2 Supply | 9% | 9% | 9% | 2% | 4% | 6% | 1% | 2% | 2% | 4% |
| PCC 3 Supply | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total Renewable Energy Supply | 36% | 36% | 36% | 38% | 39% | 41% | 43% | 45% | 47% | 49% |
| Additional GHG-Free Energy Supply | 27% | 29% | 31% | 32% | 31% | 30% | 29% | 28% | 27% | 26% |
| Total Clean Energy Supply | 63% | 65% | 68% | 69% | 70% | 71% | 72% | 73% | 74% | 75% |
| Conventional Energy Supply (including CAISO* market purchases) | 37% | 35% | 32% | 31% | 30% | 29% | 28% | 27% | 26% | 25% |

*"CAISO" refers to the California Independent System Operator, the organization responsible for overseeing operation of California's wholesale electric transmission system and related energy markets. Energy purchases from the CAISO market are not associated with specific generating resources. As such, CAISO purchases are also commonly referred to as "Unspecified Sources of Power" or "Market Purchases" due to the fact that these purchases are made from a pool of generating resources administered by the CAISO. Note that it is very common for CCEs to incorporate considerable quantities of Market Purchases in their respective supply portfolios (20% to 40%, for example). As previously indicated, PG&E's power supply portfolio included 21% Market Purchases in 2014. Note that numbers may not add due to rounding.

As previously noted, each indicative supply scenario reflects a uniform portfolio of long-term renewable energy supply contracts, which incorporates a variety of generating technologies and related energy delivery profiles. In consideration of the expected delivery start dates and energy quantities associated with each prospective contract, SVCCE's portfolio composition will somewhat change over time, reflecting increased resource diversity.

²⁰ State law requires PG&E to increase its renewable energy content to 33% by 2020. Based on PG&E's recent Power Source Disclosure Report, which addressed power purchases and sales completed by the utility during the 2014 calendar year, its current renewable energy content is approximately 27%. An equivalent renewable supply percentage should be reflected in PG&E's 2014 Power Content Label, which was provided to customers of the utility in a recent bill insert.

Snapshots of the Scenario 1, Year 1 resource mix as well as the related Year 10 resource mix are shown in the following figures.

Figure 1: Scenario 1 Resource Mix, Year 1

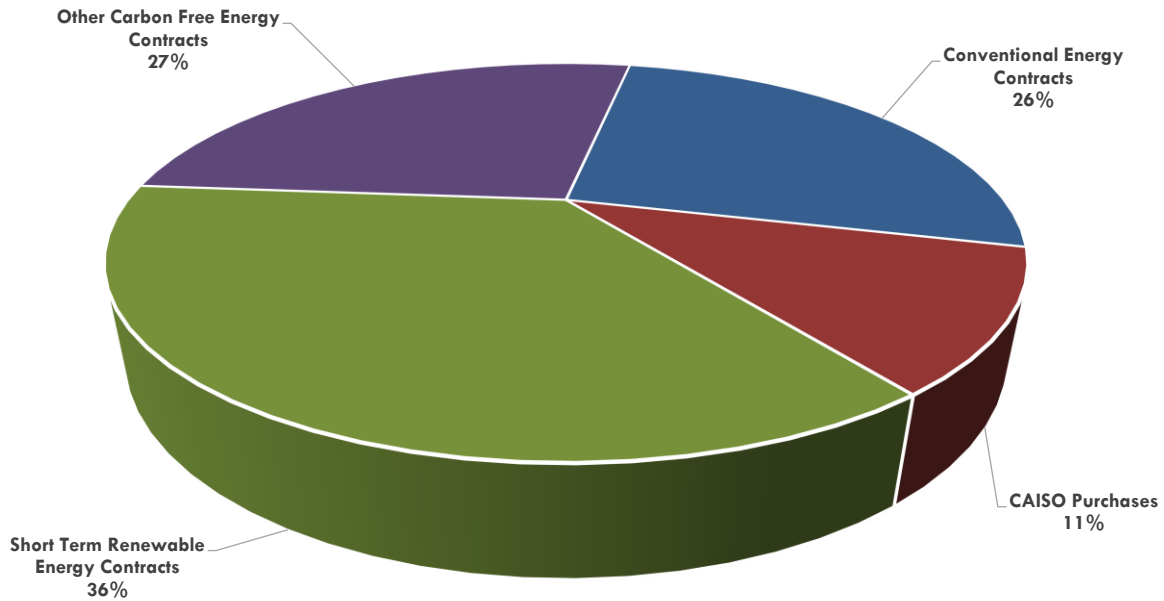


Figure 2: Scenario 1 Resource Mix, Year 10

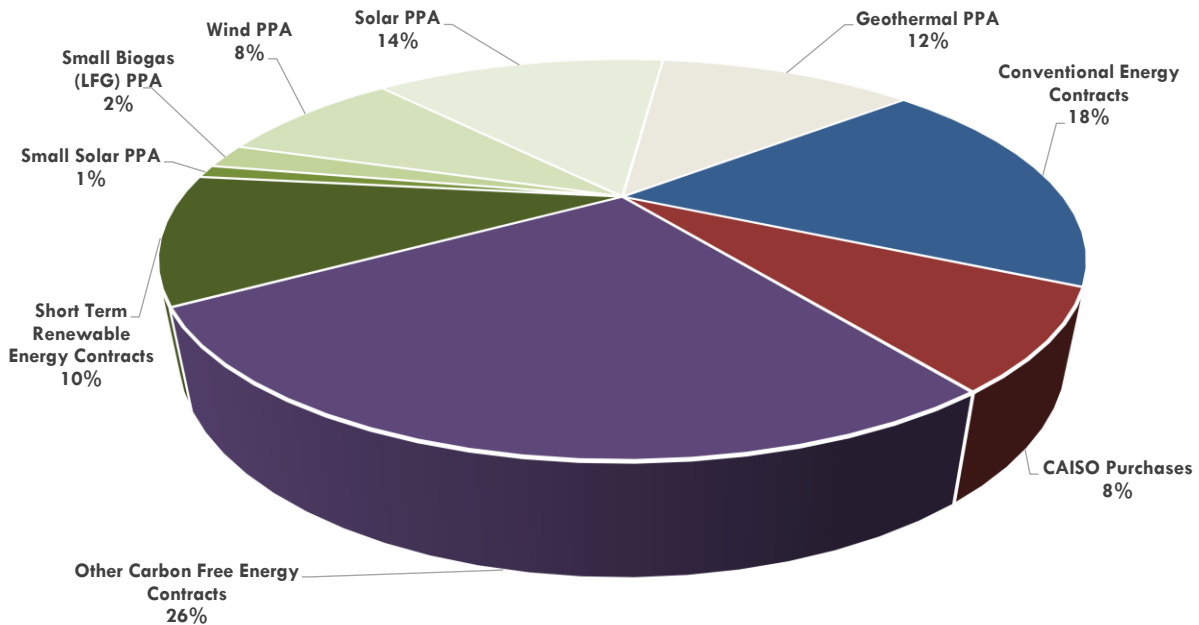
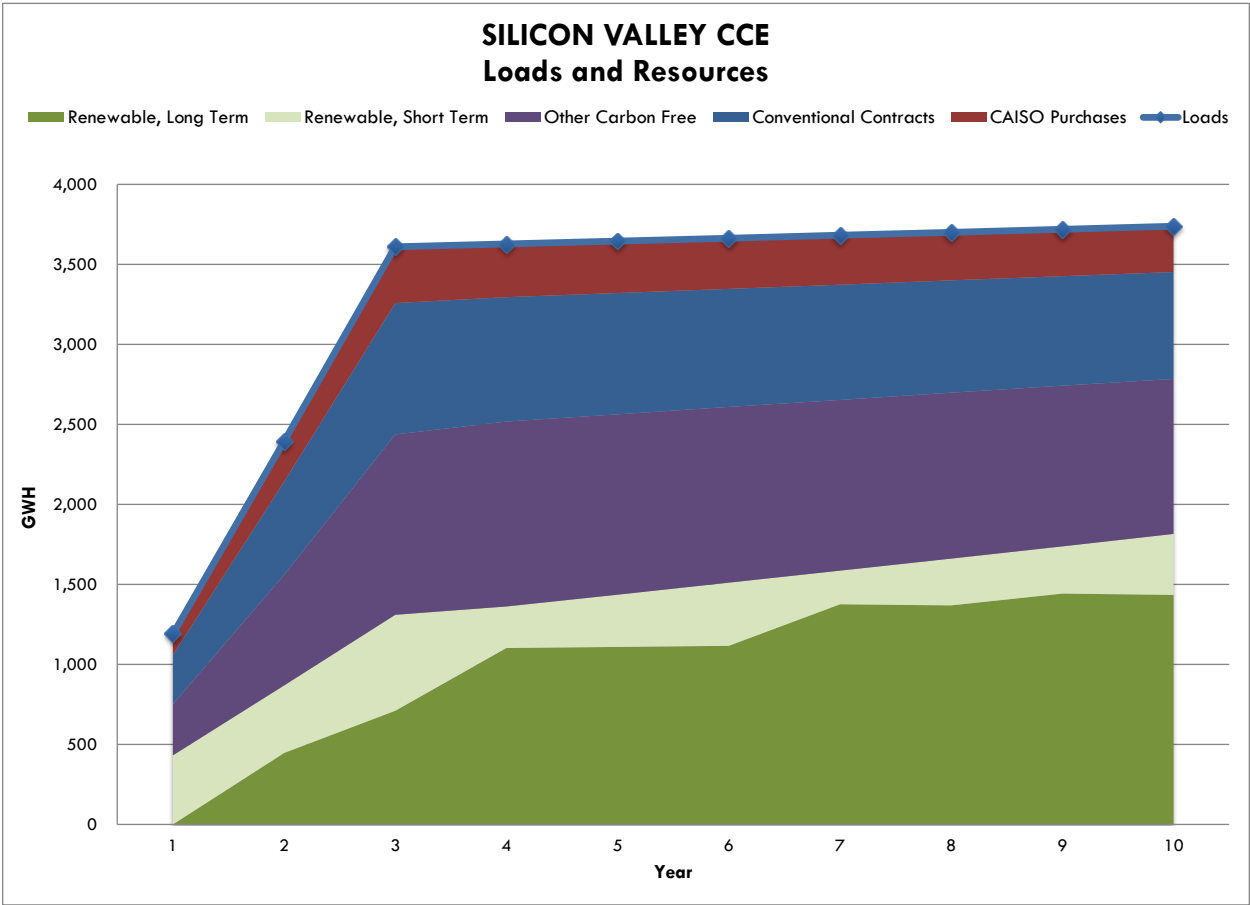


Figure 3 shows how composition of the Scenario 1 supply portfolio changes throughout the study period, reflecting planned diversification of SVCCE's renewable energy supply portfolio through long-term contracting efforts and local infrastructure build out.

Figure 3: Scenario 1 Load and Resource Projections



Scenario 2: 20% Annual GHG Emissions Reductions; Increased Renewable Energy Procurement

Scenario 2 reflects more aggressive procurement of renewable energy resources, starting out at a 51% RPS-eligible renewable energy content, increasing to 66% by Year 10 of program operations. This renewable energy procurement strategy ensures that SVCCE will continually exceed California’s RPS mandate, even following recent adoption of the 50% renewable energy procurement requirement. In addition to the noted renewable energy volumes, Scenario 2 assumes that SVCCE will procure additional GHG-free energy supply in sufficient quantities to achieve 20% annual reductions throughout the Study period (relative to projected emission rates of the incumbent utility). As with Scenario 1, the Scenario 2 supply portfolio excludes the use of PCC3 products and nuclear power. Table 8 details the annual resource composition for Scenario 2 during the 10-year planning period.

Table 8: Scenario 2 - Proportionate Share of Planned Energy Purchases Relative to SVCCE's Projected Retail Sales

| | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| PCC 1 Supply | 38% | 38% | 38% | 45% | 46% | 47% | 53% | 54% | 57% | 57% |
| PCC 2 Supply | 13% | 13% | 13% | 6% | 7% | 9% | 5% | 6% | 6% | 9% |
| PCC 3 Supply | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total Renewable Energy Supply | 51% | 51% | 51% | 51% | 53% | 56% | 58% | 61% | 63% | 66% |
| Additional GHG-Free Energy Supply | 19% | 21% | 23% | 25% | 23% | 21% | 19% | 18% | 16% | 14% |
| Total Clean Energy Supply | 70% | 72% | 74% | 76% | 76% | 77% | 78% | 78% | 79% | 80% |
| Conventional Energy Supply (including CAISO market purchases) | 30% | 28% | 26% | 24% | 24% | 23% | 22% | 22% | 21% | 20% |

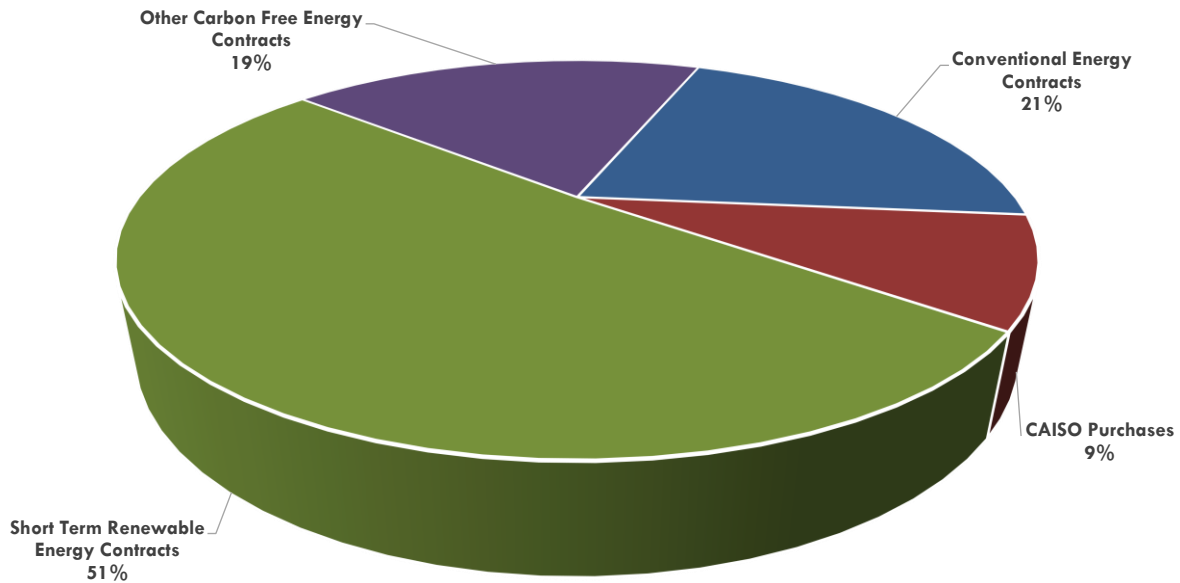
Figure 4: Scenario 2 Resource Mix, Year 1

Figure 5: Scenario 2 Resource Mix, Year 10

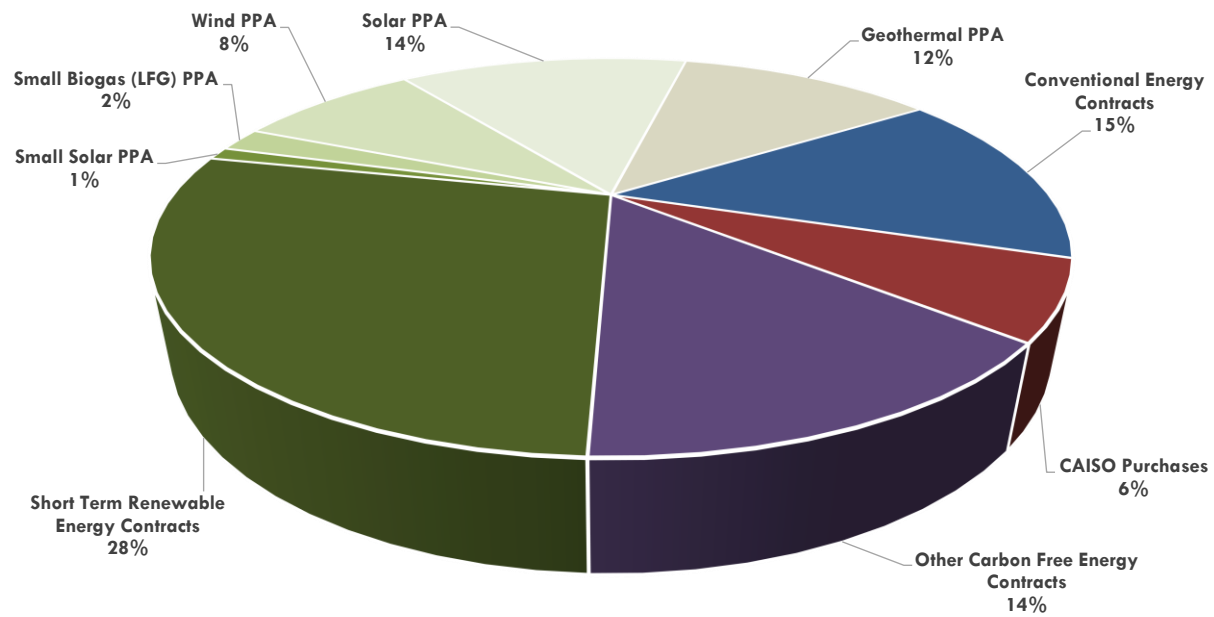
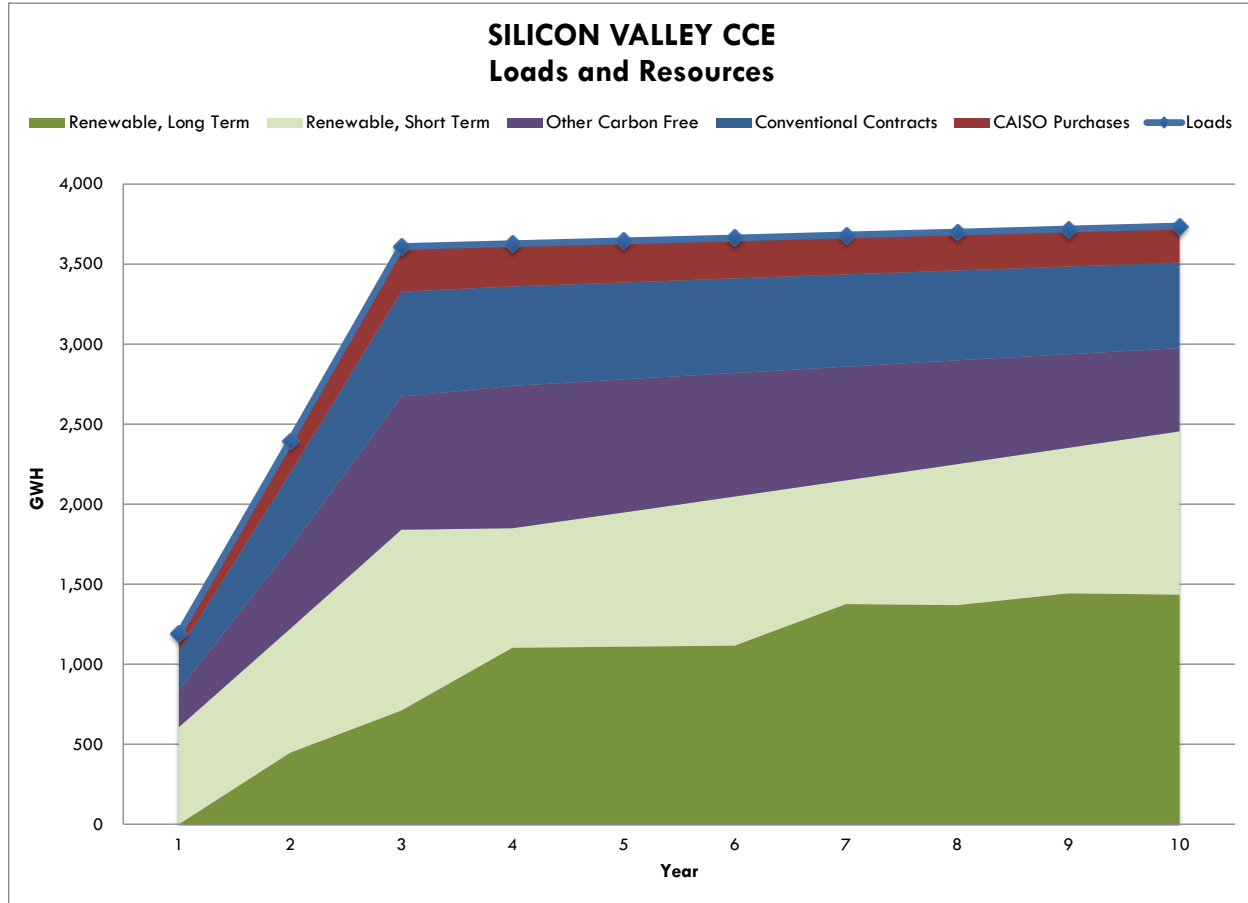


Figure 6 shows how composition of the Scenario 2 supply portfolio changes throughout the study period.

Figure 6: Scenario 2 Load and Resource Projections



Scenario 3: Maximize GHG Emissions Reductions while Maintaining General Rate Parity

Scenario 3 represents a supply portfolio that substantially relies on renewable and other GHG-free power sources to achieve the primary objective of maximizing GHG emissions reductions (relative to related projections for PG&E) while maintaining general rate parity with the incumbent utility. The Scenario 3 resource mix contributes to the achievement of this objective by incorporating a diversified mix of shorter- and longer-term supply agreements with a variety of generating technologies. Similar to Scenarios 1 and 2, PCC3 and nuclear power products are not incorporated in this supply scenario. Throughout the Study period, the projected Scenario 3 resource mix reflects a fixed renewable energy percentage equating to 76% of total SVCCE customer energy requirements. Additional GHG-free power sources are layered on top of planned renewable energy purchases, resulting in proportionate GHG-free supply that begins at 85% in Year 1 and gradually increases to 97% in Year 10 of projected SVCCE operations. As a result of this planning strategy, the GHG emissions associated with Scenario 3 are comparatively low, reflecting average annual reductions (relative to PG&E) approximating 73% throughout the 10-year Study period. Table 9 provides additional detail regarding the indicative resource mix for Scenario 3.

Table 9: Scenario 3 - Proportionate Share of Planned Energy Purchases Relative to SVCCE's Projected Retail Sales

| | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 |
|---|------|------|------|------|------|------|------|------|------|-------|
| PCC 1 Supply | 57% | 57% | 57% | 64% | 63% | 61% | 66% | 65% | 66% | 64% |
| PCC 2 Supply | 19% | 19% | 19% | 12% | 13% | 14% | 10% | 10% | 9% | 11% |
| PCC 3 Supply | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total Renewable Energy Supply | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% |
| Additional GHG-Free Energy Supply | 10% | 12% | 14% | 16% | 17% | 18% | 19% | 19% | 20% | 21% |
| Total Clean Energy Supply | 85% | 87% | 90% | 91% | 92% | 93% | 94% | 95% | 96% | 97% |
| Conventional Energy Supply (including CAISO market purchases) | 15% | 13% | 10% | 9% | 8% | 7% | 6% | 5% | 4% | 3% |

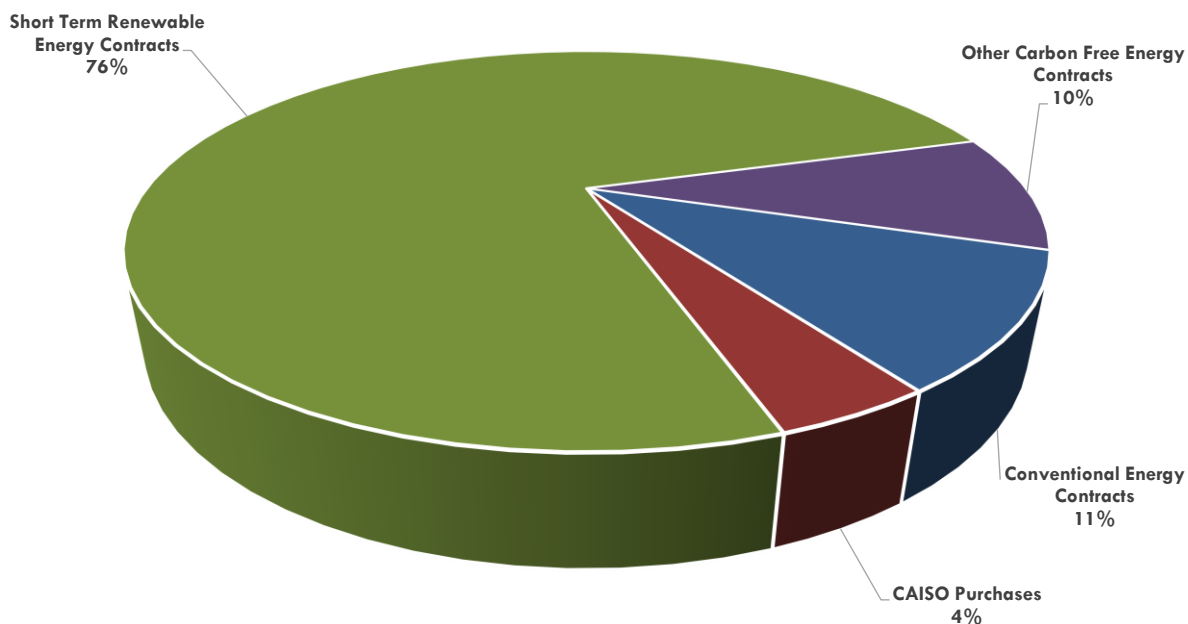
Figure 7: Scenario 3 Resource Mix, Year 1

Figure 8: Scenario 3 Resource Mix, Year 10

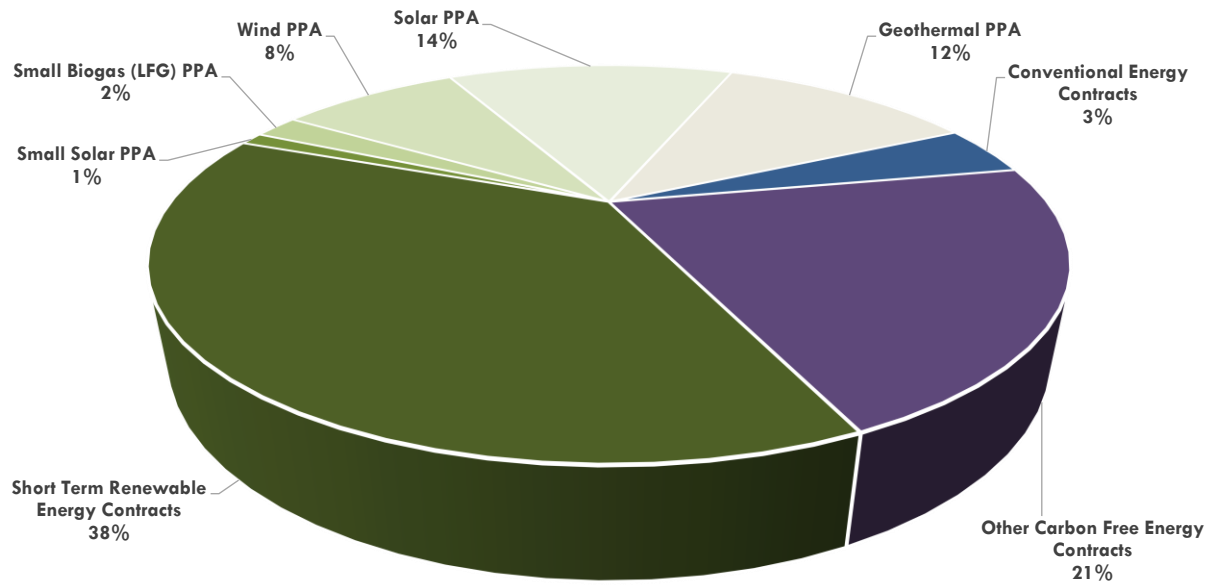
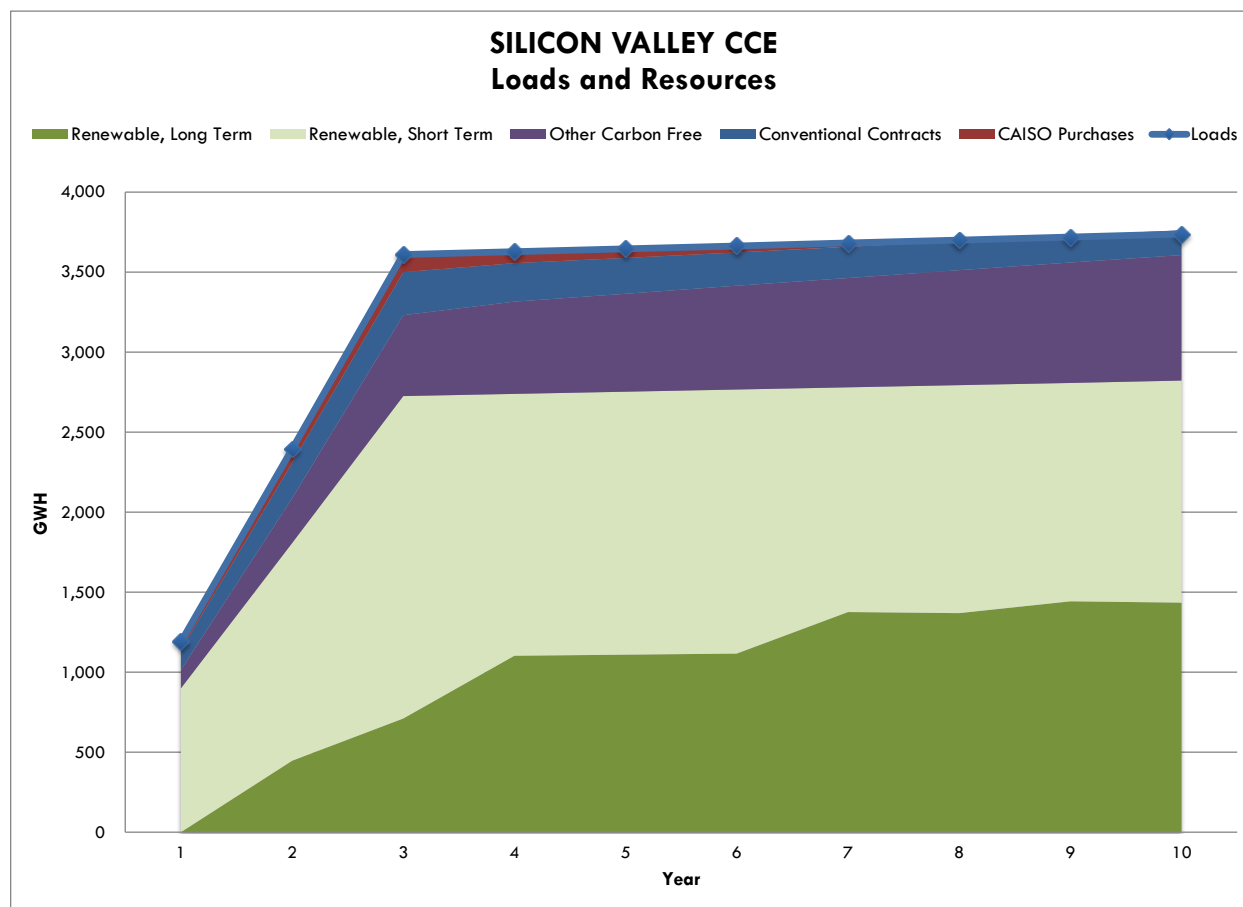


Figure 9 shows how composition of the Scenario 3 supply portfolio changes throughout the study period.

Figure 9: Scenario 3 Load and Resource Projections



Costs and Rates

For each supply scenario, detailed estimates were made for electric power supply costs and all other program costs. Net ratepayer costs or benefits were calculated for each scenario as the difference between the costs ratepayers would pay while taking service under the CCE program and the costs ratepayers would pay under bundled service, as currently provided by PG&E. Competitive rates are a key metric for program feasibility as SVCCE must offer competitive rates in order to retain customers that are automatically enrolled in the program. Customer retention may also be affected by SVCCE offering customized rate choices such as voluntary green pricing programs or market based rate options for large end users.²¹

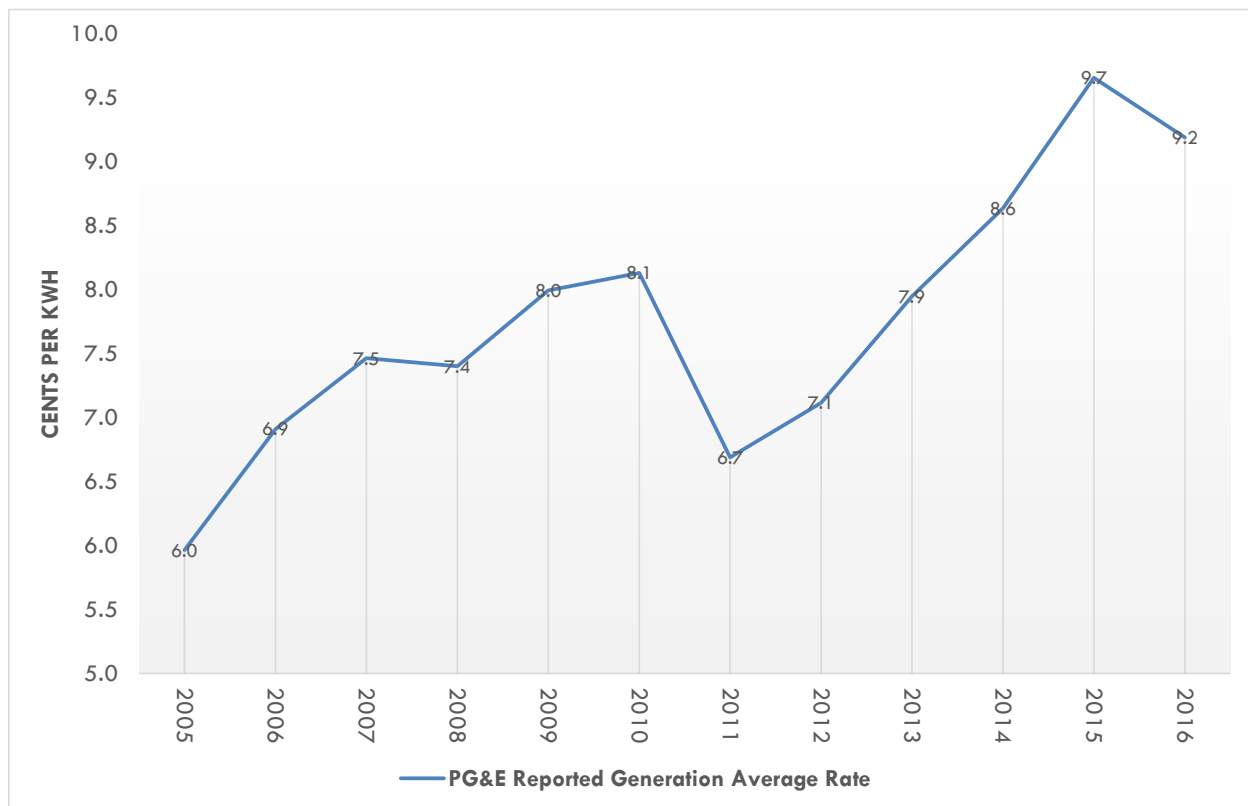
Rate competitiveness is particularly important during the first year, when opt out notices are being provided to eligible customers and initial impressions are being formed in the community. Generally speaking, if the net customer cost of SVCCE service is below what the customer would otherwise pay for PG&E bundled service, the SVCCE program could be considered to offer competitive rates and would be viable with regard to this important metric. Rates that provide for a modest cost increase may also be considered competitive, if the “quality” of the retail electricity product offered by SVCCE was meaningfully higher than existing option(s).

²¹ Such customized rate options would require SVCCE design and administration, working collaboratively with customers and interested stakeholders. Green pricing participation may also improve SVCCE’s environmental benefits and overall renewable energy content.

provided by the incumbent utility – in this context, the term “quality” generally refers to specific attributes of an electric supply portfolio, including renewable energy content, GHG emissions impacts and complimentary customer programs, that create measurable distinctions between two available service alternatives. To the extent that the attributes associated with SVCCE service are perceived as superior to the attributes associated with PG&E service, then certain cost increases may not impose significant impacts to the overall level of customer participation in the CCE program. More specifically, a materially higher renewable energy content and/or lower carbon intensity for the electricity sold by SVCCE may justify a higher price, and SVCCE rates may be viewed as competitive so long as such rates do not deviate substantially from the PG&E benchmark.

Historically, PG&E generation rates have trended upwards as shown in Figure 10, but the recent decline in wholesale energy costs are expected to result in lower generation rates beginning in 2016. When reviewing the following figure, it is important to note that myriad factors can influence power prices over time, including weather patterns and natural disasters, infrastructure outages, natural gas storage levels and other considerations. All of these factors contribute to the volatile nature of electric power prices. When reviewing Figure 10 note that PG&E’s “System Average Generation Rate” represents the average power price paid by the composite of all customer groups (e.g., residential, commercial, etc.).

Figure 10: PG&E System Average Generation Rates



The primary measure of ratepayer costs calculated for this Study is the difference in total electric rates between the CCE program and PG&E. This measure examines the change in customers’ total electric bills, including PG&E delivery charges and PG&E surcharges (namely, “exit fees” associated with PG&E’s uneconomic generation commitments). In order to compare ratepayer costs over the ten-year study period, during which electric rates change from year-to-year, PEA calculated levelized electric rates on a per kWh basis for each SVCCE supply scenario and for PG&E bundled service. In simple terms, a levelized rate allows for the comparative evaluation of a multi-year period through the use of a single value or metric, which reflects the year-over-year changes that may occur over such period of time. The development of a levelized

electric rate utilizes net present value analysis to consolidate rate-related impacts, which occur over time, in a single number. For purposes of this Study, a levelized rate represents the constant electric rate that would yield equivalent revenues (in present value terms) if charged to customers in place of the projected series of annual rates occurring throughout the ten-year study period. Levelized costs are commonly used in the electric utility industry to provide an apples-to-apples comparative basis for projects that have cash flows occurring at different points in time. Comparing levelized total electric rates for the CCE program against levelized total electric rates for PG&E service provides a simple measure of ratepayer impacts over the entire ten-year study period. Annual impacts are also provided for each scenario and provide a more detailed picture of ratepayer impacts from year to year of program operations.

Greenhouse Gas Emissions

Each supply scenario was evaluated based on the emissions of greenhouse gases associated with electricity production as compared to similar projections prepared by PG&E (for its own supply portfolio). Based on PEA's review of PG&E's projected annual GHG emissions factors, which have been prepared through calendar year 2020, consideration appears to have been given to the impacts of California's increasing RPS procurement mandates. PG&E's projected emissions factor steadily declines through the 2020 calendar year as additional renewable energy purchases and other prospective clean-energy purchases increase with time. PG&E's GHG emissions factor projections for the five-year period beginning in 2016 through 2020 are identified in the Table 10²²:

Table 10: PG&E GHG Emission Factor Projections (2016 through 2020)

| Year | Emission Factor (lbs CO ₂ /MWh) | Emission Factor (Metric Tons CO ₂ /MWh) |
|------|--|--|
| 2016 | 370 | 0.168 |
| 2017 | 349 | 0.158 |
| 2018 | 328 | 0.149 |
| 2019 | 307 | 0.139 |
| 2020 | 290 | 0.131 |

For the balance of the ten-year study period, PEA assumed incremental emission reductions for the PG&E supply portfolio in consideration of increases to California's RPS procurement mandate and other factors, such as the launch of other California-based CCE programs, which may have the effect of reducing PG&E's GHG emissions factor (via reductions in short-term conventional energy purchases due to declining retail sales).²³ PEA's assumed annual GHG emissions factors for the PG&E supply portfolio, over the balance of the ten-year study period, are reflected in Table 11:

²² PG&E, Greenhouse Gas Emission Factors: Guidance for PG&E Customers, April 2013.

²³ In practical terms, it is not likely that PG&E would materially adjust renewable energy purchases or reduce carbon-free generation (from its hydroelectric and/or nuclear generators) as a result of customer departure following SVCCE formation. These carbon-free resources would generally remain in the PG&E supply portfolio without near-term adjustments for departing load. Instead, it is more likely that PG&E would reduce the amount of conventional market purchases with comparatively high emissions intensities, which would have the effect of marginally reducing its portfolio emissions factor following customer departures as the relative proportion of clean energy sources in the PG&E supply portfolio would incrementally increase.

Table 11: PEA’s Projected GHG Emission Factors for the PG&E Supply Portfolio (2021 through 2025)

| Year | Emission Factor (lbs CO ₂ /MWh) | Emission Factor (Metric Tons CO ₂ /MWh) |
|------|--|--|
| 2021 | 280 | 0.127 |
| 2022 | 272 | 0.123 |
| 2023 | 264 | 0.120 |
| 2024 | 256 | 0.116 |
| 2025 | 248 | 0.112 |

The PG&E emissions profile was selected as the benchmark for comparison to promote a conservative assessment of direct emissions impacts related to CCE operations (on a head-to-head basis with PG&E’s anticipated supply portfolio). The GHG impacts associated with SVCCE’s supply portfolio will likely be evaluated (by members of the public and, potentially, through new emissions reporting requirements that may be incorporated in annual Power Content Label, or “PCL”, reporting) relative to the PG&E benchmark, which suggests that the aforementioned comparative methodology is appropriate.

For each supply scenario, the difference in GHG emissions produced by the scenario’s assumed resource mix and the otherwise applicable PG&E supply portfolio were quantified during each year as well as the entirety of the ten-year study period. The GHG impacts were quantified in terms of total tons of CO₂ emissions.

Economic Development Impacts

A key potential benefit of a CCE program is its ability to promote economic development through investment in and contracts with locally constructed renewable generating infrastructure. Such projects have the potential to stimulate a significant level of new economic activity within California by creating new jobs and spending activities during generator construction, ongoing operation and maintenance. Economic development impacts may also be significant factors when comparing expected operating costs, including generation costs, of the CCE program to electric generation costs under PG&E service, particularly when initial “head-to-head” cost comparisons are comparable. When performing such comparisons, it is important to acknowledge the difficulty in accurately quantifying actual economic benefits related to local project investment, particularly induced economic impacts resulting from the effects of economic multipliers.

In qualitative terms, it is reasonable to assume that new development projects would stimulate new economic activity. However, as with any capital project, quantifying the specific location in which such economic benefits may occur, including job creation, is challenging due to numerous uncertainties affecting the proportion of expenditures and employment that would occur within discretely defined geographic boundaries. Certain tools, which rely on the application of industry-specific economic multipliers, have been developed to assist in completing these projections, but decision makers should be aware of the broad range of outcomes that may actually apply when interpreting analytical results.

To quantify the economic impacts associated with new renewable generation projects that were incorporated in the indicative long-term renewable energy supply portfolio that was applied in each of the three energy supply scenarios, PEA utilized the National Renewable Energy Laboratory’s (“NREL”) Jobs & Economic Development Impact (“JEDI”) models. NREL is the principal research laboratory for the United States Department of Energy (“DOE”) Office of Energy Efficiency and Renewable Energy and also provides research expertise for the Office of Science, and the Office of Electricity Delivery and Energy Reliability. NREL is operated for DOE by the Alliance for Sustainable Energy, LLC.²⁴

²⁴ National Renewable Energy Laboratory website, <http://www.nrel.gov/about/>, September 2, 2015.

NREL JEDI models are publicly available, spreadsheet-based tools that were specifically designed to “estimate the economic impacts of constructing and operating power plants, fuel production facilities, and other projects at the local (usually state) level. JEDI results are intended to be estimates, not precise predictions. Based on user-entered project-specific data or default inputs (derived from industry norms), JEDI estimates the number of jobs and economic impacts to a local area that can reasonably be supported by a power plant, fuel production facility, or other project.”²⁵ Unique JEDI models have been developed for a variety of resource types, including wind, solar, geothermal, biogas and various other generating technologies. Each version of the model may be downloaded free of charge from NREL’s website: <http://www.nrel.gov/analysis/jedi/download.html>.

According to NREL, the JEDI models are peer reviewed and are intended to project gross job estimates. NREL also notes that it “performed extensive interviews with power generation project developers, state tax representatives, and others in the appropriate industries to determine appropriate default values contained within the models.” In PEA’s opinion, NREL’s JEDI models are the appropriate tools to forecast “order of magnitude” local economic development impacts associated with a CCE program serving communities of the CCE Study Partners.

Based on the aforementioned indicative long-term renewable energy contract portfolio that was assumed to exist under each of the three supply scenarios, PEA downloaded, populated and ran the appropriate JEDI models to derive estimates of the anticipated jobs and economic development impacts that could be created in relation to the indicative long-term contract portfolio. PEA utilized each set of economic development projections to assemble an aggregate economic impact analysis for the complete long-term contract portfolio. However, all economic development estimates within this report are presented with the understanding that subtle changes in certain expenditures (and jobs) may result in significant changes to actual economic development impacts.

Key output from the JEDI models is presented within three specific categories: jobs, earnings and economic output. Within each of these broadly defined categories, JEDI models approximate the impacts of economic multipliers by quantifying the “ripple effect” that occurs as a result of new local economic activity. JEDI models initially estimate direct economic impacts at the project site and apply economic multipliers, derived from the U.S. Bureau of Economic Analysis, the U.S. Census Bureau and other sources, to approximate impacts within the supply chain (manufacturing job creation, as an example) as well as induced economic impacts (spending that occurs as a result of activity within the first two categories) related to the project. JEDI models also address job creation and economic impacts on a temporal basis, quantifying related impacts during two specific phases of the project lifecycle: 1) construction; and 2) ongoing operation and maintenance.

Forecasted economic impacts associated with the indicative long-term contract portfolio are presented in aggregate form, inclusive of all anticipated development/contract opportunities, by summing the project-specific impacts calculated by the JEDI models. This approach facilitates a high-level understanding of the prospective economic impacts that could be created through such contracts but does not address temporal nuance related to the timing and creation of economic benefits associated with specific projects. For example, the unique economic impacts of projects that will begin operation/delivery during the period extending from 2018 through 2025 have been aggregated and presented within a single scenario-specific summary table.

When reviewing economic development projections within this Study, it is important to distinguish between economic impacts related to the construction period and the ongoing operation and maintenance period. All job creation estimates are presented as full time equivalent positions (“FTEs”). Projections related to the

²⁵ National Renewable Energy Laboratory website: http://www.nrel.gov/analysis/jedi/about_jedi.html, September 2, 2015.

construction period are intended to capture annual economic benefits received during the defined construction term (24 months, for example; note that actual construction periods may vary from project to project). Economic impacts during the ongoing operation and maintenance period are presented on an annual basis and are projected to persist throughout the project lifecycle. Aggregate jobs and economic development impacts associated with the indicative long-term contract portfolio, which would result in the assumed development and construction of approximately 340 MW (as previously reflected in Table 5, above) of new renewable generating capacity within the state are reflected in Table 12.

Table 12: SVCCE Economic Development Benefits Potential

| Economic Development Benefits Potential: Indicative Supply Portfolio (Secured via Long-Term Contract) | | | |
|---|-----------------------|-------------------------------------|-----------------------------------|
| | Jobs (FTEs) | Earnings (\$ - Millions) | Output (\$ - Millions) |
| During Construction Period | | | |
| Project Development and Onsite Labor Impacts | 3,750 - 4,750 | 240 - 290 | 425 - 475 |
| <i>Construction and Installation Labor</i> | <i>1,500 - 2,000</i> | <i>110 - 130</i> | |
| <i>Construction Related Services</i> | <i>2,250 - 2,750</i> | <i>130 - 160</i> | |
| Power Generation and Supply Chain Impacts | 3,500 - 4,000 | 200 - 250 | 575 - 600 |
| Induced Impacts | <u>1,750 - 2,250</u> | <u>80 - 110</u> | <u>260 - 300</u> |
| Total Construction Period Impacts | 9,000 - 11,000 | 520 - 650 | 1,260 - 1,375 |
| During Operating Years (Annual) | | | |
| Onsite Labor Impacts | 80 - 110 | 5 - 8 | 5 - 8 |
| Local Revenue and Supply Chain Impacts | 40 - 50 | 2 - 4 | 10 - 14 |
| Induced Impacts | <u>15 - 25</u> | <u>1 - 2</u> | <u>3 - 6</u> |
| Total Operating Impacts (Annual) | 135 - 185 | 8 - 14 | 18 - 28 |
| Silicon Valley CCE - Internal Staff | 10 - 30 | 1 - 3 | 3 - 9 |
| Notes: Earnings and Output values are expressed in million dollar increments (2015). Construction period jobs reflect full-time equivalent (FTE) positions that will be maintained during the construction period (1 FTE = 2,080 hours). For example, if 10,000 construction jobs are expected over a 24-month construction period, an annual equivalent of 5,000 construction jobs would be created as a result of anticipated development activities. Such jobs will not exist following completion of the construction period. Economic impacts "During Operating Years" represent annual, ongoing impacts that occur as a result of generator operation and related expenditures. With respect to estimated jobs occurring during operating years, such statistics represent annual, ongoing FTEs during the entire project lifecycle, which may extend up to thirty (30) years in duration. Totals may not add up due to independent rounding. | | | |

As reflected in the previous table, the indicative long-term contract supply portfolio, which is assumed to exist in each of the CCE program's three planning scenarios, would result in significant economic benefits throughout the state and, potentially, within communities of the CCE Study Partners. It is also noteworthy that all jobs reflected in the previous table are assumed to be additive relative to the status quo. More specifically, PEA assumes that jobs created through new generator development and construction as well as ongoing maintenance activities will not displace existing jobs. Furthermore, it is also reasonable to assume that SVCCE would have little impact on the current PG&E workforce, including those individuals employed to operate and maintain the utility's distribution infrastructure, provide customer service, operate existing generating facilities and myriad other responsibilities within the utility. To date, PEA is not aware of any specific evidence linking CCE formation and operation to diminished utility employment. In practical terms, the significant majority of utility functions remain unchanged following CCE formation while the responsibilities associated with a very small subset of utility positions may change somewhat in consideration of the coordination required between the incumbent utility and CCE suppliers.

With respect to the prospective generating facilities that have been incorporated in SVCCE's indicative long-term contract portfolio, PEA assumed that the significant majority of such facilities would be developed in optimal renewable resource areas throughout California. PEA also assumed the development of 20 MW of locally situated renewable generating projects, which would be developed during the study period under long-term contract arrangements between SVCCE and third-party project developers (under an assumed SVCCE-administered FIT program) – such projects are discussed below. With regard to anticipated development projects occurring in areas outside of jurisdictions comprising the CCE Study Partners, PEA assumed that virtually all plant equipment, including turbines and other materials, would be procured outside of the CCE Study Partners' communities. This equipment typically represents the largest single line item expenditure in generator construction. Requisite labor, including general site preparation and ancillary facility construction activities (concrete footings and structures not directly involved in the generation process) would also draw from California's broader regional workforce. *When considering the following economic development benefits potential, note that virtually all impacts – other than those associated with the Local Economic Development Benefits Potential, discussed in the similarly named subsection (below) – are assumed to accrue in areas outside of Santa Clara County.* With this in mind, only a relatively small portion of the total potential economic development benefits are assumed to accrue within Santa Clara County.

In total, SVCCE's indicative long-term contract portfolio is projected to result in the creation of approximately 9,000-11,000 new jobs during the aggregate construction period required to complete the assumed 340 MW of new generating projects. During the construction period, individuals working directly on the projects, including electricians, engineers, construction workers and heavy equipment operators, attorneys and permitting specialists, would be responsible for as much as \$475 million in new economic output of which as much as \$290 million would be collected in the form of salaries and wages. Workers involved with supply chain activities, such as turbine manufacturing and assembly, cement producers and heavy equipment rental companies would be responsible for up to \$600 million in new economic activity of which approximately \$250 million would be collected in the form of salaries and wages. Furthermore, spending by the aforementioned individuals (as a result of salary and wage collection) would "induce" other local economic impacts at local businesses, including restaurants, grocery stores, gas stations and other providers of goods and services, totaling as much as \$300 million of which approximately \$110 million would be collected as salaries and wages. In total, the locally developed generation projects identified under SVCCE's indicative long-term contract portfolio would result in approximately \$1.26 to \$1.38 billion in new economic output throughout the state and local economy during the construction process.

During ongoing operation of the renewable generators, it is projected that as many as 185 new jobs would be created with a total annual economic impact ranging from \$18 to \$28 million. It is anticipated that these jobs would remain effective as long as the generating facilities remain operational, resulting in significant, lasting impacts to the local economies of the CCE Study Partners.

Local Economic Development Benefits Potential

The primary source of local jobs and economic development impacts would be derived through projects developed under SVCCE's anticipated FIT program, which would promote the construction of locally situated, smaller-scale (i.e., up to 1 MW of total generating capacity, per project) renewable generating projects over a period of five to seven years (and beyond, should SVCCE choose to expand this program after initial participatory limitations are achieved). Note that the 1 MW capacity limitation has been referenced in consideration of the FIT programs currently administered by MCE and SCP. To the extent that SVCCE's governing board determines to specify different project limitations for its FIT program, this would be permissible. However, SVCCE should be aware that projects in excess of 1 MW may result in additional administrative complexities due to generator registration and scheduling requirements (with the CAISO) imposed on projects in excess of the 1 MW capacity threshold. For purposes of this Study and in

consideration of a similar FIT program offered by MCE, PEA assumed that SVCCE would eventually (by year five of program operation) support the development of approximately 20 MW of locally situated renewable generating capacity, which will likely utilize the photovoltaic solar generating technology. PEA acknowledges that a fairly aggressive FIT buildout schedule has been incorporated in the Study. However, growing familiarity with the CCE business model and an increasing appreciation amongst project developers for the financial viability of operating CCEs, as well as decreasing prices to be paid under PG&E's FIT (or "ReMAT") program, have catalyzed recent interest in CCE-administered FIT programs. In fact, interest in MCE's FIT has jumped over the past year with more than 6 MW of locally situated renewable generating capacity (out of MCE's total FIT participatory cap of 10 MW) actively operating or under development (with related FIT contracts in place between the developers of such projects and MCE). Ultimately, many factors may affect SVCCE's FIT buildout schedule, including the availability of project financing to interested project developers, actual project interconnection timelines (for most projects, interconnection will be pursued under a PG&E-administered process, which is subject to delays), price competitiveness and other factors. To the extent that SVCCE's FIT buildout schedule is delayed, noted economic development benefits will be deferred until such projects can be completed.

Based on applicable JEDI modeling results, the prospective SVCCE FIT program would result in the creation of more than 370 local jobs during generator construction with as many as 500 additional jobs created through supply chain and induced (during the construction period) economic activity over a period ranging from five to seven years, depending on the actual period of time required to complete construction activities. As previously noted, these construction jobs are temporary, but there is also a nominal level of ongoing support for jobs supporting requisite operation and maintenance activity, which is projected to be approximately six full-time equivalent employees during each year of facility operation (which may continue for 25-30 years).

Project development would also generate nearly \$23 million in earnings for those working on the FIT projects, which is expected to create a total economic stimulus approximating nearly \$40 million (in consideration of economic multiplier effects created by the spending of earnings/wages). Supply chain and induced impacts would also be significant totaling approximately \$26 million and \$71 million, respectively.

It is also anticipated that SVCCE would employ 10 to 30 internal staff, depending on decisions related to outsourcing/insourcing of requisite activities, during program implementation and ongoing operation. These estimates were derived by PEA in consideration of direct experience working with California's operating CCE programs. Depending on staffing levels, aggregate direct salaries for such staff are estimated to range from \$1 to \$3 million per year with a total of \$3 to \$9 million in total annual local economic activity generated by SVCCE staff.

These local economic development impacts are subsumed in the aggregate economic development impact totals reflected in the previous table. It is also noteworthy that PEA attempted to contact NREL regarding certain wage-related assumptions that are included in the various JEDI models, specifically whether or not prevailing wages are reflected in such assumptions. In spite of PEA's efforts, NREL has been non-responsive. To the extent that prevailing wage requirements are imposed in any project-specific power purchase agreement, it is reasonable to assume that earnings and related economic development impacts may somewhat increase to the extent that NREL's wage assumptions are lower than applicable prevailing wages.

SECTION 3: SVCCE TECHNICAL PARAMETERS (ELECTRICITY CONSUMPTION)

Historical and Projected Electricity Consumption

Total electric consumption for eligible customers within communities of the CCE Study Partners was provided by PG&E for the 2013 and 2014 calendar years. The PG&E historical data was used as the basis for the study's customer and electric load forecast. Based on PEA's review of the PG&E data set, there were 244,205 electric customers within the potential CCE service territory. These customers consumed approximately 4,771 million kilowatt-hours of electricity during the 2014 calendar year. It is noteworthy that the aforementioned customer account and usage statistics include approximately 765 accounts, which are currently served through direct access service arrangements with third party suppliers. These customers account for approximately 17% of the aforementioned energy consumption, or approximately 799 million kWh annually, within communities of the CCE Study Partners. Such usage has been excluded from the projections reflected in this Study – under direct access service arrangements, which are no longer available to California consumers²⁶, individual customers typically engage in shorter-term contract arrangements for the provision of electric generation service. By enrolling direct access accounts in the SVCCE program, such customers would be potentially exposed to duplicate generation charges and/or may be in violation of existing supply agreements. In consideration of these potential issues, direct access accounts have been excluded from SVCCE's prospective customer base. Table 13 summarizes customer account totals and historical annual energy use within communities of the SVCCE Study Partners. When reviewing the statistics reflected in Table 13, note that the historical annual electricity usage within communities of the CCE Study Partners is more than double MCE's total annual energy use (which approximates 1.8 million MWh per year) and approximately 1.6 times the size of SCP's annual sales volume.

Table 13: SVCCE – Electric Energy Overview

| Current Service Provider | Customer Accounts | Customer Accounts (% of Total) | Energy Use (MWh) | Energy Use (% of Total) |
|-------------------------------------|-------------------|--------------------------------|------------------|-------------------------|
| PG&E ("Bundled" electric accounts) | 243,440 | 99.7% | 3,971,985 | 83% |
| Direct Access electric accounts | 765 | 0.3% | 799,268 | 17% |
| Total – SVCCE Study Partners | 244,205 | 100.0% | 4,771,253 | 100.0% |

Figure 11 shows how potential electric customers are distributed throughout communities of the CCE Study Partners: the largest customer populations within the potential CCE jurisdiction include the City of Sunnyvale, the City of Mountain View, unincorporated areas of Santa Clara County, the City of Cupertino and the City of Campbell.

²⁶ Consideration of Senate Bill 286 (Hertzberg), which would have expanded eligibility of direct access service within California, subject to the provision of increased levels of renewable energy supply, was recently suspended by the California legislature and is now a two-year bill. In consideration of this suspension, the participatory cap on direct access service remains capped/fixed at current levels, precluding new customer accounts from enrolling in such service options.

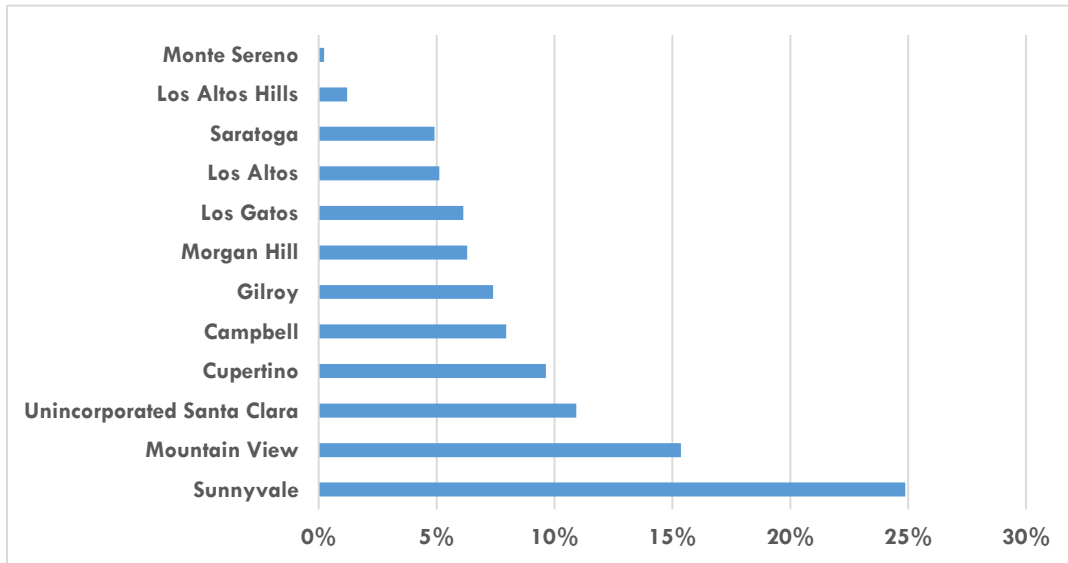
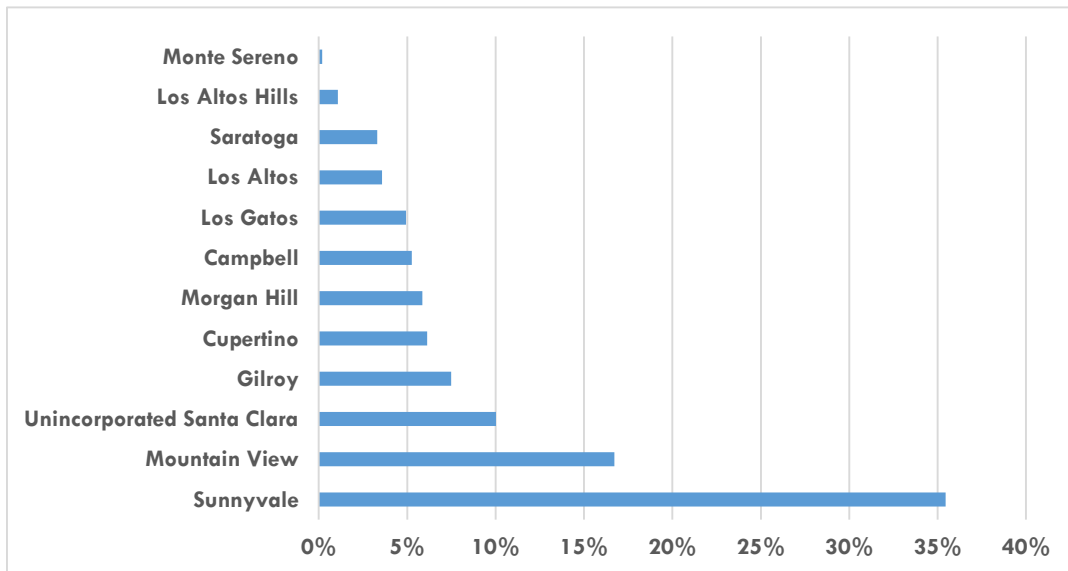
Figure 11: Geographic Distribution of Customers

Figure 12 shows the distribution of electric consumption by municipality. The geographic distribution of energy consumption is somewhat different when compared to the service account data in Figure 11 above, indicating disproportionately higher use in certain communities (as a result of differentiated account composition, particularly higher concentrations of larger commercial and/or industrial account types, within such jurisdictions).

Figure 12: Geographic Distribution of Electric Consumption

In deriving the load projections used for the Study, adjustments to the base forecast were made to remove customers identified as taking service under direct access²⁷ as it was assumed that direct access customers would remain with their current electric service provider. Further adjustments were made to estimate customer

²⁷ Direct access allows customers to choose to receive generation service from competitive electricity providers. Currently, direct access service is not available to new customers within California. Proposed legislation may lead to the reopening of this service option at some point in the future.

opt-out rates during the statutory customer notification period when eligible customers would be offered CCE service and provided with information enabling them to opt out of the program. PEA assumed a 15% customer opt-out rate, which is generally consistent with the reported opt-out rates observed during recent expansions of the MCE program, when evaluating each of SVCCE's prospective supply scenarios. Sensitivities using different opt-out rates are presented in Section 6.

Going forward, potential customers and energy consumption were projected to increase by 0.5% annually, consistent with statewide projections and reflecting impacts from the significant emphasis being placed on energy efficiency within the state. The most recent baseline sales forecast for the PG&E planning area projects an average growth in energy consumption of 1.29% between 2013 and 2025.²⁸ Adjusting the long-term growth rate for estimates of incremental self-generation (e.g., rooftop photovoltaic systems) and achievable energy efficiency yields an annual net energy consumption increase of approximately 0.3% for the PG&E planning area.²⁹ A slightly higher growth rate (0.5%) was used for the SVCCE sales forecast in consideration of the above average growth expected for the SVCCE area.

Projected Customer Mix and Energy Consumption

The projections for enrolled customers (excluding direct access customers) and annual electricity consumption for the major customer classifications are shown in Table 14. Hourly electricity consumption and peak demand were estimated using hourly load profiles published by PG&E for each customer classification.

Table 14: Projected Accounts Totals and Energy Use for the SVCCE Customer Base

| Customer Classification | Customer Accounts | Customer Accounts (% of Total) | Energy Use (MWh) | Share of Energy Use (%) |
|-------------------------|----------------------|--------------------------------|--------------------|-------------------------|
| Residential | 218,049 | 90% | 1,336,200 | 34% |
| Small Commercial | 19,120 | 8% | 423,180 | 11% |
| Medium Commercial | 2,527 | 1% | 569,501 | 14% |
| Large Commercial | 1,166 | <1% | 780,723 | 20% |
| Industrial | 43 | <1% | 771,462 | 19% |
| Ag and Pumping | 944 | <1% | 62,238 | 2% |
| Street Lighting | 1,588 | 1% | 20,619 | 1% |
| TOTAL* | 243,437 | 100.0% | 3,963,923** | 100% |
| Peak Demand | 660 MW (July) | | | |

*Numbers may not add due to rounding.

**These totals exclude accounts that currently receive generation service under direct access arrangements. Also excluded are a small number of commercial customers receiving bundled service under a standby rate option, under which customers generate their own electricity and utilize the grid primarily for backup purposes. It is assumed that SVCCE's initial schedule of available rate options may not accommodate such customers as the usage profile is sporadic and relatively costly to serve. As a result, the account totals and annual energy consumption statistics reflected in the "Total" line item are slightly less than the overall account totals and energy usage reported at the beginning of Section 3.

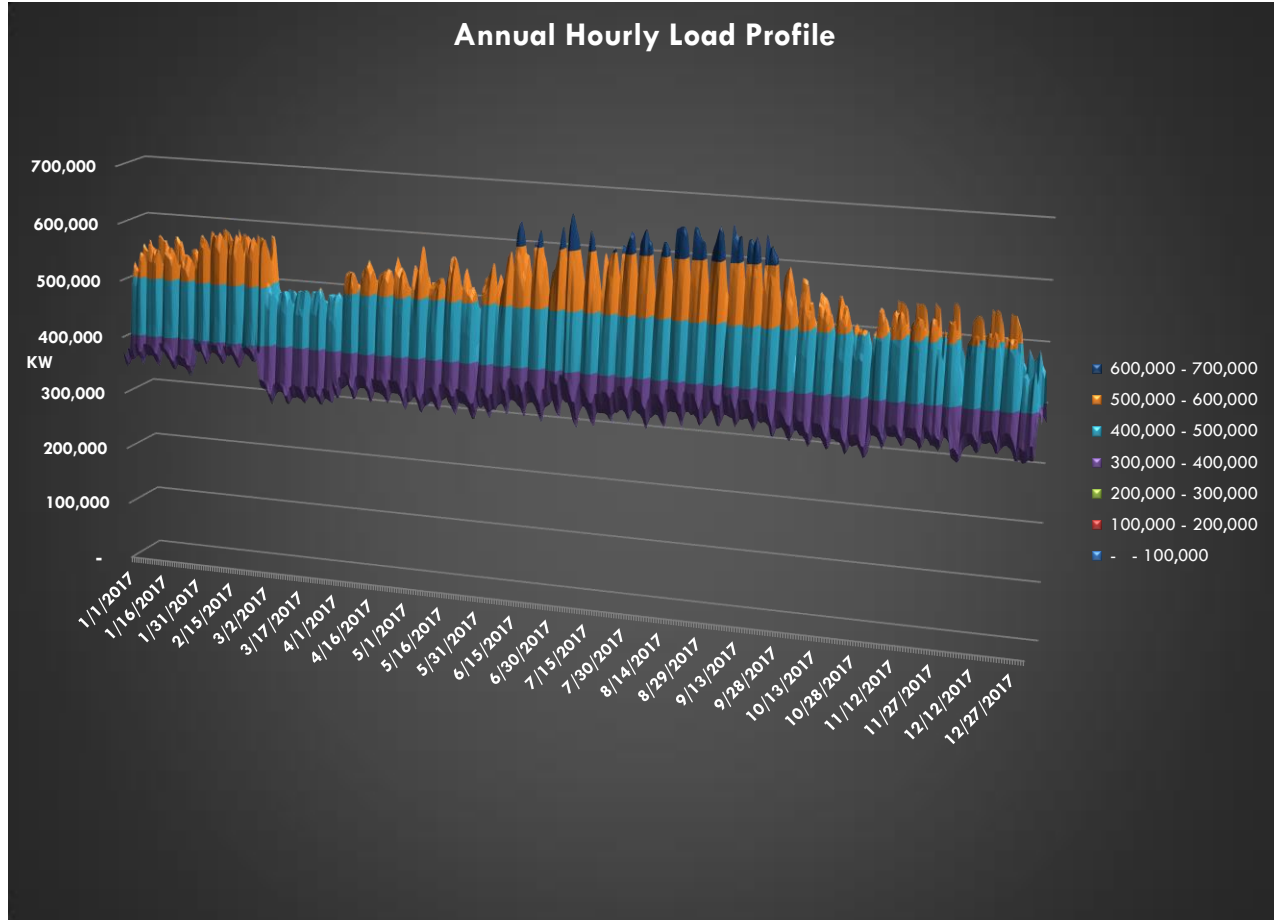
The hourly load forecast indicates a peak demand of approximately 660 MW (occurring during the month of July), a minimum demand of approximately 300 MW (occurring during the month of March), and an average demand of about 450 MW. The minimum demand establishes the requirement for baseload energy (constant production level), while the difference between the peak demand and the minimum demand would be met by peaking and dispatchable, load following resources.

²⁸ Kavalec, Chris, 2015. California Energy Demand Updated Forecast, 2015-2025. California Energy Commission, Electricity Supply Analysis Division. Publication Number: CEC-2002014-009-CMF, Table 6.

²⁹ Ibid., Table 26

Figure 13 shows the hourly load projections for the CCE program in Year 1 of program operations.

Figure 13: Hourly Electric Load Profile for the CCE Study Partners



Renewable Energy Portfolio Requirements

Current law requires that specified percentages of annual retail electricity sales be supplied from qualified renewable energy resources. Senate Bill X1 2 (April, 2011) established a 33% Renewables Portfolio Standard by 2020 with certain interim procurement targets applying in each of three "Compliance Periods": Compliance Period 1 began on January 1, 2011 and concluded on December 31, 2013 (a three-year period); Compliance Period 2 began on January 1, 2014 and will continue through December 31, 2016 (a three-year period; the current compliance period); and Compliance Period 3 (a four-year period), which will commence on January 1, 2017 and conclude on December 31, 2020.

SBX1 2 also specified additional requirements for the types of renewable energy products that may be used to demonstrate compliance with California’s RPS. According to the currently effective RPS program, there are three Portfolio Content Categories (“PCCs” or “Buckets”) that have been defined in consideration of the unique product attributes associated with typical renewable energy products.

- PCC1, or Bucket 1, renewable products are produced by RPS-certified renewable energy generators located within the state or by out-of-state generators that can meet strict scheduling requirements, ensuring deliverability to California. For purposes of demonstrating RPS compliance, there are no limitations with regard to the use of PCC1 products.
- PCC2, or Bucket 2, renewable products are generally “firmed/shaped” transactions through which the energy produced by an RPS-certified renewable energy generator is not necessarily delivered to California, but an equivalent quantity of energy from a different, non-renewable generating resource is delivered to California and “bundled” (or associated via an electronic transaction tracking system) with the renewable attribute produced by the aforementioned RPS-certified renewable generator. As noted, PCC2 products rely on electronic transaction tracking systems to substantiate the delivery of specified quantities of RPS-eligible renewable energy.
- PCC3, or Bucket 3, renewable products refer to unbundled renewable energy certificates, which are sold separately from the associated electric energy (with no physical energy delivery obligations imposed on the seller of such products).

Under RPS rules, limitations apply with regard to the use of PCC2 and PCC3 products. A more detailed description of the renewable product procurement specifications applicable under the currently effective RPS program are described in Table 15.

Table 15: Renewable Energy Procurement Requirements of California’s RPS Program

| Compliance Period | Calendar Year | Overall Procurement Target (% of Total Retail Sales) | PCC1 Procurement (% of Total RPS Procurement) | PCC2 Procurement (% of Total RPS Procurement)* | PCC3 Procurement (% of Total RPS Procurement) |
|-------------------|---------------|--|---|--|---|
| CP 1 | 2011 | 20.0% | ≥50.0% | ≤50.0% | ≤25.0% |
| CP 1 | 2012 | 20.0% | ≥50.0% | ≤50.0% | ≤25.0% |
| CP 1 | 2013 | 20.0% | ≥50.0% | ≤50.0% | ≤25.0% |
| CP 2 | 2014 | 21.7% | ≥65.0% | ≤35.0% | ≤15.0% |
| CP 2 | 2015 | 23.3% | ≥65.0% | ≤35.0% | ≤15.0% |
| CP 2 | 2016 | 25.0% | ≥65.0% | ≤35.0% | ≤15.0% |
| CP 3 | 2017 | 27.0% | ≥75.0% | ≤25.0% | ≤10.0% |
| CP 3 | 2018 | 29.0% | ≥75.0% | ≤25.0% | ≤10.0% |
| CP 3 | 2019 | 31.0% | ≥75.0% | ≤25.0% | ≤10.0% |
| CP 3 | 2020 | 33.0% | ≥75.0% | ≤25.0% | ≤10.0% |

*Note that PCC2 products may be used in place of PCC3 products.

Beyond the 2020 calendar year, California’s RPS procurement target was recently increased to 50% by 2030 – Governor Brown signed SB 350 (De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, on October 7, 2015; SB 350 increases California’s RPS procurement target to 50% by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCEs and other retail electricity sellers to facilitate progress towards the 50% RPS; PEA also expects that additional detail regarding renewable energy product

eligibility, including any restrictions and/or requirements regarding the use of such products, will also become clearer during upcoming implementation efforts.

For purposes of this Study, PEA assumed straight-line progress when moving from the 33% RPS mandate in 2020 to the 50% RPS mandate in 2030, or 1.7% annual increases in California's renewable energy procurement target during the ten-year transition period. With respect to the applicability of various renewable energy products that may be eligible under the prospective 50% RPS, PEA assumed a similar product mix to that which will be allowed under the current RPS program in calendar year 2020: minimum 75% PCC1 content; maximum 10% PCC3 content. Again, final details related to the implementation of SB 350 will not be certain until implementation of this legislation commences in coordination with assigned regulatory agencies. With regard to any voluntary (above-RPS) renewable energy procurement activities, PEA has assumed that the CCE program would have discretion in how it meets such voluntary, internally imposed targets reflected in the prospective planning scenarios. Table 16 illustrates PEA's assumed RPS procurement rules as California transitions to a 50% RPS by 2030.

Table 16: Projected Renewable Energy Procurement Requirements Following SB350 Implementation

| Compliance Period | Calendar Year | Overall Procurement Target (% of Total Retail Sales) | PCC1 Procurement (% of Total RPS Procurement) | PCC2* Procurement (% of Total RPS Procurement)* | PCC3 Procurement (% of Total RPS Procurement) |
|-------------------|---------------|--|---|---|---|
| TBD | 2021 | 34.7% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2022 | 36.4% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2023 | 38.1% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2024 | 39.8% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2025 | 41.5% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2026 | 43.2% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2027 | 44.9% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2028 | 46.6% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2029 | 48.3% | ≥75.0% | ≤25.0% | ≤10.0% |
| TBD | 2030 | 50.0% | ≥75.0% | ≤25.0% | ≤10.0% |

*Note that PCC2 products may be used in place of PCC3 products.

Capacity Requirements

The CCE program would be required to demonstrate it has sufficient physical generating capacity to meet its projected peak demand (660 MW) plus a 15% planning reserve margin, in accordance with resource adequacy regulations administered by the CPUC and the CEC. A specified portion of generating capacity must be located within certain local reliability areas and the remaining capacity requirement can be met with generating plants anywhere within the CAISO system. Presently, there are two local reliability areas (as defined in the CPUC's annual Resource Adequacy Guide) that would apply to the CCE program: the "Greater Bay Area" and the "Other PG&E Areas." Additionally, the CPUC and CAISO impose a flexible capacity requirement, which must be satisfied by all California load serving entities, including CCEs, to ensure that certain quantities of reserve capacity are capable of increasing generation levels within specified time periods (to promote system reliability when the production from certain grid-connected generators quickly changes as is becoming increasingly common as a result of California's buildout of intermittent renewable energy resources).

Based on PEA's experience in managing resource adequacy portfolios and compliance activities, the following resource adequacy capacity requirements were assumed to apply to SVCCE's CCE program to meet the requirements identified above. Such resource adequacy capacity requirements are identified in Table 17.

Table 17: SVCCE's Projected Resource Adequacy Capacity Requirements

| Capacity Type | Percentage of Peak Demand |
|------------------|---------------------------|
| CAISO System | 75% |
| Greater Bay Area | 14% |
| Other PG&E Areas | 26% |
| Total | 115% |

Accordingly, the total resource adequacy requirement for SVCCE's first year of full operations would be approximately 631 MW per month, with approximately 75 MW of the total procured from the Greater Bay Area region, 145 MW procured from any other local reliability area in the PG&E service area, and 410 MW procured from anywhere within the CAISO northern region (NP15). Requisite resource adequacy products are typically procured/secured through one or more of the following arrangements: 1) short- to medium-term contract arrangements with the owners or controllers of qualifying generating capacity; 2) capacity attributes conferred through long-term power purchase arrangements with specified generators – such contracts typically provide the buyer with both energy and capacity products from one or more specific generating resources identified in the purchase agreement; or 3) direct ownership of generating facilities, which may be eligible to provide requisite resource adequacy capacity.

SECTION 4: COST OF SERVICE ELEMENTS

This section summarizes the different types of costs that would be incurred by the CCE program in providing electric service to its customers. For each supply scenario, a detailed pro forma was developed that delineates the applicable cost of service elements. These pro forma are shown in Appendix A.

Electricity Purchases

The CCE program would be financially responsible for supplying the net electric demand of all enrolled customers, and it would be able to source that supply from a variety of markets and/or through the program's own generation resources. Energy requirements are ultimately financially settled by the CAISO. The CAISO plays a critical role in balancing supply and demand on a significant portion of California's electric grid and operates short-term markets for energy as well as real-time balancing services to cover inevitable moment-to-moment fluctuations in electricity consumption (resulting from circumstances including but not limited to weather, unexpected changes in customer energy use, unexpected variances in generator operation, infrastructure outages and other situations). The CCE program would interact with the CAISO through an intermediary known as a "Scheduling Coordinator", periodically reporting usage data for its customers and settling with the CAISO for any imbalances (i.e., instances in which the load forecast and/or the planned generator operation differs from expectations, requiring the CAISO to balance any variances through the operation of other system resources) or transactions in the CAISO markets.

Bilateral markets exist for longer term purchases, which allow hedging (i.e., contractual protection via specified/fixed product pricing over a mutually agreed upon delivery term) against the fluctuations in CAISO market prices. Longer term purchases can span many years, with the most active trading being for contracts with terms of less than three years in duration. Contracts for new generation resources typically have contract term lengths of twenty (20) years or more, allowing the project developer/owner to utilize the contract's expected revenue stream to support project financing.

Electric purchase costs were estimated using the projected energy demand during the industry-defined peak and off-peak time periods. Assumed renewable energy contracts of the CCE program, as reflected in the previously described indicative long-term contract portfolio, were subtracted from SVCCE's expected peak and off-peak energy demands, resulting in a residual energy requirements, or "net short", which was assumed to be met with short and mid-term contract purchases of system energy (produced by conventional generating technologies; within California, the majority of system energy is produced by generators using natural gas as a primary fuel source).

Renewable Energy Purchases

Renewable energy purchases may take two forms: 1) physical electric energy bundled with associated renewable/environmental attributes; or 2) unbundled renewable/environmental attributes, which are sold separately from the physical energy commodity. As described in Section 2, unbundled RECs were not incorporated in any of the supply scenarios addressed in this Study; only bundled renewable energy resources, which were assumed to meet the product delivery specifications associated with the PCC1 and PCC2 product designations were incorporated in the indicative SVCCE supply portfolios.

Purchases of renewable energy from new resources are typically made under bundled, long-term contract arrangements of 20 years or more. Shorter term purchases are common for existing renewable resources and for unbundled renewable energy certificates.

Renewable energy currently sells for a premium relative to the cost of conventional power. However, when compared to the cost of new, natural gas-fueled generation, renewable resources tend to have lower levelized costs.³⁰

Renewable energy purchase costs were estimated using predominantly long-term contracts for new renewable energy projects as specified in the indicative long-term contract portfolio. Short-term market purchases of bundled renewable energy were assumed to fulfill SVCCE's remaining renewable energy needs.

With regard to the term renewable energy certificates, or "RECs", it is important to understand that a REC is the only mechanism by which ownership of renewable energy can be demonstrated/substantiated. One REC is created for every whole MWh of metered electricity produced by a registered renewable generating facility. Within the Western United States, a tracking system known as the Western Renewable Energy Generation Information System ("WREGIS") has been developed to facilitate the management of RECs, providing a platform through which RECs can be transferred between buyers and sellers of renewable energy products and also "retired" (meaning, removed from the marketplace) for purposes of demonstrating legal/regulatory compliance or achievement of certain voluntary procurement objectives. All renewable energy production is substantiated via the creation of a REC, which occurs following WREGIS' verification of metered energy production by a registered renewable generating resource. Use of the WREGIS system for purposes of REC accounting serves to minimize concerns regarding double-counting during compliance demonstration and public reporting – in the event that a renewable energy buyer does not possess a REC, it cannot make claims with regard to the associated environmental benefits.

Again, some RECs are bundled with the associated electric energy; other RECs are sold apart from the electric commodity – such RECs are appropriately referred to as "unbundled RECs". The transaction documentation associated with each renewable energy purchase should outline applicable product specifications, including whether or not RECs are being sold with or apart from the electric commodity. In selecting its renewable energy product mix, the CCE program should be aware that California law permits the use of a limited quantity of unbundled RECs, or PCC3 product volumes, for purposes of demonstrating RPS compliance – applicable limitations were previously described in Section 3. Such products currently represent lower-cost options when compared to PCC1 and PCC2 products due to the administrative simplicity associated with such transactions.

In recent years, there has been robust philosophical debate regarding the advantages and pitfalls of unbundled REC use, particularly the environmental benefits associated with such products. Significant research and documentation has been prepared regarding this topic, and SVCCE is encouraged to review such information prior to engaging in unbundled REC transactions. Organizations including the Center for Resources Solutions (the program administrator for the Green-e Energy program), the United States Environmental Protection Agency, the United States Federal Trade Commission and The Climate Registry, amongst others, have all completed research and/or issued positions regarding the use of unbundled RECs. Furthermore, Assembly Bill 1110 (Ting), which was introduced to the California legislature on February 27, 2015 but is now a two-year bill, was intended to promote the inclusion of GHG emissions intensity reporting by retail electricity suppliers (in annual Power Content Label communications). If AB 1110 moves forward next year, it could impose a retail-level emissions calculation methodology that may eliminate all GHG emissions benefits associated with unbundled RECs. In consideration of the CCE Study Partners' preliminary planning decision to exclude the use of unbundled RECs from all prospective supply scenarios, the potential change in GHG reporting conventions contemplated under AB 1110 would not present any issues for SVCCE.

³⁰ See for example, Table 62, Estimated Cost of New Renewable and Fossil Generation in California, California Energy Commission, March 2015.

However, if SVCCE chooses to reconsider the use of unbundled RECs at some point in the future, it should be aware that such a practice may result in the reporting of higher than anticipated portfolio emission levels. As previously discussed and in light of the perceived risks and general controversy associated with the use of unbundled RECs, the CCE Study Partners advised PEA to exclude Bucket 3 products from each of the prospective supply scenarios.

Electric Generation

Generation projects developed or acquired by the CCE program could also supplement energy purchases. Generation costs would include development costs, capital costs for land, plant and equipment, operations and maintenance costs, and, if applicable, fuel costs. Capital costs for publicly owned utilities such as a CCE are typically financed with long-term debt, and the annual debt service would be an element of annual CCE program costs. For purposes of this Study, PEA's analysis did not contemplate the utilization of CCE-owned/developed generating resources during the ten-year study period for reasons previously described.

Transmission and Grid Services

The CAISO charges market participants, including CCEs (via the CCE's selected scheduling coordinator) for a number of transmission and grid management services that it performs. These include costs of managing transmission congestion, acquiring operating reserves and other "ancillary services", and conducting CAISO markets and other grid operations. The CAISO charges are both directly related to SVCCE's operations, but there are other grid charges that are shared across all load serving entities on a pro rata basis. These costs would be assessed to the Scheduling Coordinator for the CCE program, and are assumed to be directly passed through to the CCE program with no markup.

Start-Up Costs

Start-up costs are estimated to be nearly \$2.9 million, which would provide necessary program funding during the approximate twelve-month period immediately preceding service commencement to SVCCE customers. Start-up costs include SVCCE staffing and requisite professional services, security deposits, the CCE bond/financial security requirement, communications and customer notices, data management, and other activities that must occur before the program begins providing electricity to its customers. These costs would be recovered through SVCCE rates after service commences. A breakdown of estimated start-up costs is shown in Table 18.

Table 18: Estimated SVCCE Program Start-Up Costs

| Cost Item | Amount |
|--|--------------------|
| Internal Staff | \$730,000 |
| Technical Consulting and Legal Services | \$620,000 |
| Marketing and Communications | \$280,000 |
| Customer Noticing and Mailers | \$120,000 |
| Security Deposits | \$40,000 |
| Miscellaneous Administrative and General | \$95,000 |
| CCE Bond | \$100,000 |
| Debt Service | \$720,000 |
| Other Pre-launch Activities | \$180,000 |
| Total | \$2,885,000 |

SVCCE start-up cost estimates are based on expenses incurred during the pre-launch activities of California's operating CCE programs. More specifically, PEA developed a start-up cost profile in consideration of the actual experiences of California's operating CCE programs, then scaled SVCCE start-up cost estimates based on relative size (electric energy requirements) and customer composition when compared to the representative start-up cost profile. A detailed description of each cost item is provided below.

Internal Staffing: As an independently operating JPA, it is assumed that the SVCCE program will begin to hire its own staff (on an interim or full-time basis, depending on specific job responsibilities) twelve months prior to service commencement.

Technical Consulting and Legal Services: Includes services provided by experienced firms and/or individuals to support the following pre-launch activities: contract negotiations (with data management providers and energy suppliers), regulatory and compliance reporting, load forecasting, rate design and ratesetting, customer rate analysis, joint mailer content development, pro forma and budget development, and other portfolio management services. Costs also include discussions, technical analysis, and negotiations (with banking and financial institutions) related to securing financing for Program operations. This line item generally addresses related costs that will be incurred during the twelve-month period immediately preceding SVCCE launch.

Marketing and Communications: Includes costs specific to marketing, communications and customer outreach, which are assumed to be outsourced services for purposes of this Study. Additional costs include the design and printing of marketing materials, advertising across various media, and sponsorship of community events.

Customer Noticing and Mailers: Includes costs associated with the first two customer mailers (printing and postage), which will be sent to prospective customers prior to service commencement – these notices are also commonly referred to as “opt-out notices.” Estimates are based on costs incurred by existing CCE programs.

Security Deposits: Includes amounts required to satisfy the PG&E security deposit, which equates to the monthly average PG&E service fee to be incurred by SVCCE during its first year of operation. The security deposit is typically posted around the same time as the CCE Bond (which will be posted with the CPUC).

Miscellaneous Administrative and General: Includes additional overhead during the twelve-month period immediately preceding service commencement. Some of these costs include travel, office supplies, and rent for office space.

CCE Bond: An amount equal to \$100,000, which SVCCE would be required to post with the CPUC prior to launching the Program. For purposes of this Study, it is assumed that the CCE Bond is posted upon certification of the Implementation Plan.

Debt Service: Includes interest and principal payments associated with initial program financing. Such payment obligations are expected to commence four months prior to service commencement. Depending on SVCEE's final credit structure, SVCCE could potentially negotiate terms that are more closely aligned with the anticipated timing of rate revenue receipt. SVCCE's "bridge-financing", which is required to ensure that the Program has adequate working capital at the time of launch and during the months immediately thereafter, is the basis for assumed debt service payments.

Other Pre-Launch Activities: Includes costs related to Implementation Plan development, product and portfolio design (i.e., the compilation and description of default and voluntary retail service options as well as requisite portfolio accounting activities to ensure that all customer commitments are satisfactorily addressed), and Request for Proposal development and administration (to secure requisite data manager services, energy products and scheduling coordinator services). Costs would be incurred by SVCCE during the twelve-month period immediately preceding service commencement.

Financing Costs

SVCCE would need access to capital for the primary purposes of covering anticipated start-up costs and working capital requirements as well as any other project financing needs that may arise. Working capital requirements are estimated at \$9 million (with related debt service reflected in Table 18 above), which would cover cash flow needs, primarily arising from the timing lag between power purchase payment deadlines and the receipt of customer revenues. The noted \$9 million in working capital requirements is additive to the \$2.9 million in start-up costs (discussed above in the "Start-Up Costs" sub-section). Typical invoicing timelines for wholesale power purchase contracts require payment (for the prior month's energy deliveries) by the 20th of each month. Customer payments (revenues) are typically received within sixty to ninety days following electricity delivery. The timing difference between cash outflows and inflows represents SVCCE's working capital requirement. The possibility exists to negotiate payment timelines with power suppliers in order to reduce SVCCE's initial working capital requirement. For example, both SCP and LCE have negotiated an additional 30 days in the supplier payment timeline, which significantly reduces each organization's working capital need.

Billing, Metering and Data Management

PG&E provides billing and metering services for all CCE programs and charges the CCE for such services in accordance with applicable tariffs, which are regulated by the CPUC. PG&E posts the meter data to a data server that the CCE program would be able to access for its power accounting and settlements. PG&E uses systems to exchange billing, payment, and other customer data electronically with competitive retail electric providers such as CCEs. While PG&E issues customer bills and processes customer payments, the CCE program will have a large amount of data to manage and must be able to exchange data with PG&E using automated processes. PEA included costs for third party data management as well as PG&E charges for billing and metering in this cost of service category.

Staff and Other Operating Costs

Internal staffing and/or contractors would be required to manage SVCCE's day-to-day operations. These activities include program management, financial administration, resource planning, marketing and communications, regulatory compliance and advocacy, and other general administration. Such costs were estimated for SVCCE based on a review of the publicly available budgets adopted by the currently operating CCE programs: Marin Clean Energy, Sonoma Clean Power, and Lancaster Choice Energy. Additional costs were included for administration of certain demand side programs anticipated to be offered by SVCCE. These programs may include customer self-generation (net energy metering) program incentives, electric vehicle charging programs, energy efficiency and demand response programs. Included in the pro forma projections for this cost element is an assumed \$1,275,000 annual budget to support the administration of such programs, which is assumed to include the funding of various customer incentives that may be offered by SVCCE. SVCCE may also qualify for additional funding for administration of energy efficiency programs through application to the CPUC.

Uncollectible Accounts

CCE rates must account for the small fraction of customers who do not pay their electric bill. PG&E attempts to collect the CCE's charges, but some accounts must be written off as uncollectible. An allowance for uncollectible accounts has been included as a program cost element.

Program Reserves

A reasonable revenue surplus was factored in to estimated SVCCE rates to fund a reserve account that would be used for contingencies or as a rate stabilization tool. Financing also requires generation of net revenues that accumulate as reserves, as lenders typically require maintenance of debt service coverage ratios that would necessitate setting rates to yield revenues in excess of program costs.

Bonding and Security Requirements

SVCCE would be required to provide a security deposit to PG&E and post a bond or other form of financial security with the CPUC as part of its registration process. The security deposit covers approximately one month of PG&E charges for billing and metering services. The CCE bond or financial security requirement, which is posted with the CPUC, is intended to cover the potential reentry costs if customers were to be involuntarily returned to PG&E.

The currently effective financial security requirement is \$100,000, but PG&E and other investor owned utilities have advocated changes to the methodology that could, under certain market conditions, result in extremely large financial security requirements. PEA's estimate of the CCE Bond amount reflects the currently applicable specification (\$100,000). However, the CCE program should actively monitor applicable regulatory proceedings, which may result in changes to this bond amount. Risks associated with such changes are discussed in additional detail within Section 7 of this Study.

PG&E Surcharges

SVCCE customers will pay the CCE's rates for generation services, PG&E's rates for non-generation services (transmission, distribution, public purpose, etc.), and two surcharges that are currently included in PG&E's generation rates: the Franchise Fee Surcharge and the Power Charge Indifference Adjustment ("PCIA"). These surcharges are not program costs per se, but they do impact how a customer's bill will compare between PG&E bundled service and CCE service.

The franchise fee surcharge is a minor charge that ensures PG&E collects the same amount of franchise fee revenues whether a customer takes generation service from a CCE or from PG&E. The PCIA is a substantial charge that is intended to ensure that generation costs incurred by PG&E before a customer transitions to CCE service are not shifted to remaining PG&E bundled service customers (following a customer's departure from PG&E to CCE service). For purposes of this Study, PEA's assumed surcharges reflect the most recent advice provided by PG&E and assumed changes to the PG&E supply portfolio over time.

SECTION 5: COST AND BENEFITS ANALYSIS

This section contains a quantitative description of the estimated costs and benefits for each representative supply scenario. Each scenario was evaluated using the three criteria described in Section 2. Ratepayer costs and benefits are evaluated on the basis of the total electric rates customers would pay under CCE service as compared to PG&E bundled service. Total electric rates include the rates charged by the CCE program plus PG&E's delivery charges and other surcharges. Environmental benefits are evaluated on the basis of reductions in GHG (CO₂) emissions relative to the reference case. Local economic benefits are evaluated on the basis of jobs and economic activity created by the CCE program's investments in local generation resources.

When assessing the comparative environmental impacts associated with each of SVCCE's prospective supply scenarios, it is important to consider the potential changes that could result from PG&E's reduced or discontinued use of nuclear electricity produced by the Diablo Canyon Power Plant ("DCPP"). DCPP currently produces approximately 18,000 GWh, or more than 20% of PG&E's total power content, per year, but licenses for the facility's two reactor units expire in 2024 and 2025, respectively. At this point in time, there is uncertainty regarding PG&E's ability to successfully relicense these units under the current configuration, which utilizes once-through cooling as part of facility operations. Environmental concerns regarding the use of once-through cooling may present relicensing challenges for PG&E, which could result in temporary or permanent discontinued operation of DCPP. Under this scenario, which falls towards the outer years of the study period, SVCCE's actual GHG emissions impact would dramatically improve under each of the prospective supply scenarios. It is also noteworthy, that discontinued DCPP operation (without the addition of equivalent generating capacity within the region) may also impose upward pressure on market energy prices and resource adequacy products. PEA recommends that the CCE Study Partners continue to monitor the relicensing status of DCPP as expiration of the existing licenses approaches.

As previously discussed (in Section 2), it is important to keep in mind the planned phase-in strategy for the prospective SVCCE customer base, which is expected to occur over a three-year period. The projected operating results reflected in the Study demonstrate the impacts of a phase-in strategy that would enroll customers in the following manner: 1) one-third of prospective SVCCE customers would be enrolled during the first month of service, drawing from a broad, representative cross section of the entire SVCCE customer base; 2) another third of the original customer population (i.e., half of the remaining customer population which had yet to be enrolled) would be transitioned to CCE service during the thirteenth month of operation, reflecting similar characteristics when compared with the first phase; and 3) all remaining customers not previously enrolled would be transitioned to CCE service during the twenty fifth month of program operations.

Scenario 1 Study Results

Ratepayer Costs

The primary objective of Scenario 1 is to match the GHG emissions intensity of PG&E's projected supply portfolio while also exceeding the incumbent utility's proportionate renewable energy supply without the use of unbundled RECs. Consistent with PEA's expectations, projected SVCCE customer rates in Scenario 1 are lower than similar rate projections for PG&E throughout the ten-year study period, with annual comparative benefits ranging from 3% to 5%. Levelized rates over the study period are projected to be 4% lower than projected PG&E rates. For a typical household using 510 kWh per month, a 4% rate difference would result in a cost reduction of approximately \$5.09 per month in Year 1 of program operations.

Projected average rates for the SVCCE customer base are shown in Figure 14 and Table 19, comparing total ratepayer impacts under the PG&E bundled service and CCE service options.

Figure 14: Scenario 1 Annual Ratepayer Costs

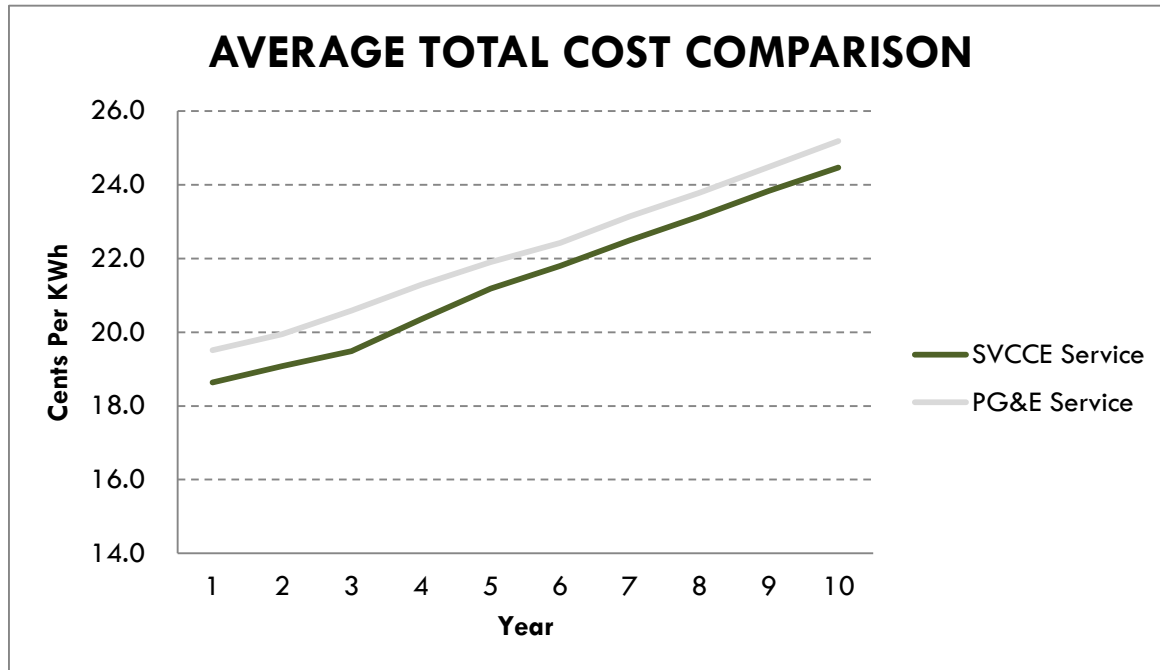


Table 19: Scenario 1 - Annual Total Delivered Rate Comparison

| Year | PG&E Total (¢/kWh) | SVCCE Total (¢/kWh) | Percent Difference |
|-----------|--------------------|---------------------|--------------------|
| Levelized | 22.27 | 21.49 | -4% |
| 1 | 19.51 | 18.64 | -4% |
| 2 | 19.94 | 19.08 | -4% |
| 3 | 20.59 | 19.48 | -5% |
| 4 | 21.29 | 20.35 | -4% |
| 5 | 21.90 | 21.19 | -3% |
| 6 | 22.42 | 21.80 | -3% |
| 7 | 23.14 | 22.49 | -3% |
| 8 | 23.78 | 23.14 | -3% |
| 9 | 24.49 | 23.84 | -3% |
| 10 | 25.19 | 24.47 | -3% |

GHG Impacts

Consistent with the primary Scenario 1 planning objective, SVCCE’s anticipated GHG emissions are equivalent to projected GHG emissions of the PG&E supply portfolio. A combination of renewable and other GHG-free energy purchases is assumed to achieve this environmental outcome. The following figures and tables provide additional detail regarding the respective GHG emissions profile associated with the assumed SVCCE and PG&E supply portfolios.

Figure 15: Scenario 1 – Annual GHG Emissions Comparison

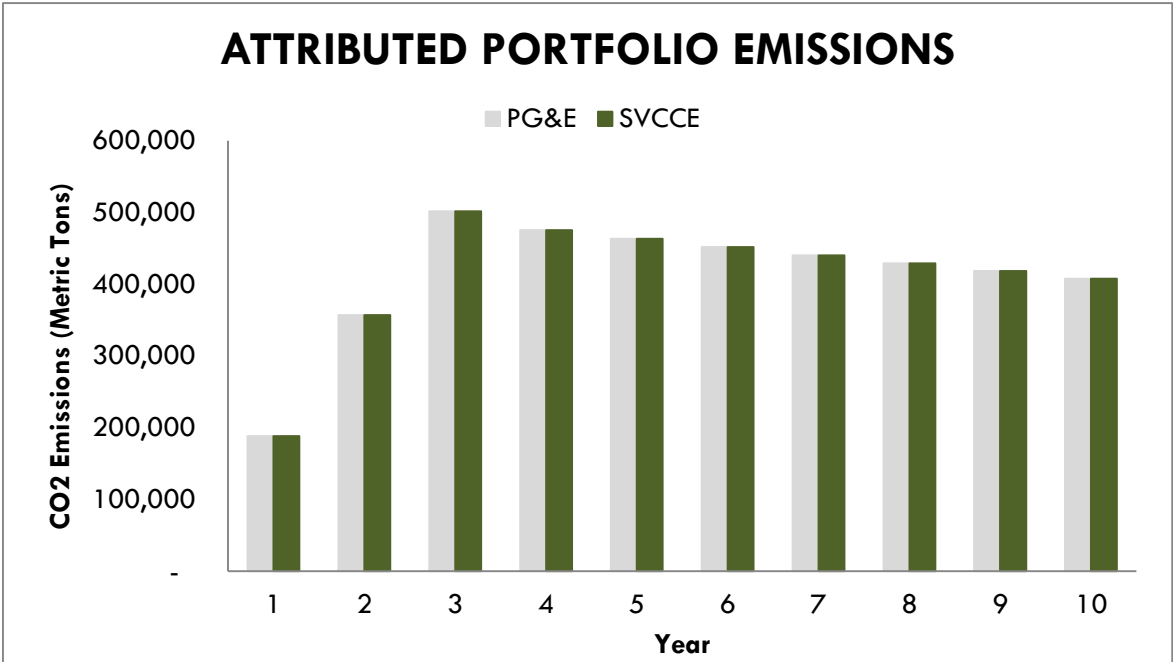


Table 20: Scenario 1 - Annual GHG Emissions Factor Comparison (Metric Tons CO₂/MWh)

| Year | PG&E | SVCCE |
|------|-------|-------|
| 1 | 0.158 | 0.158 |
| 2 | 0.149 | 0.149 |
| 3 | 0.139 | 0.139 |
| 4 | 0.131 | 0.131 |
| 5 | 0.127 | 0.127 |
| 6 | 0.123 | 0.123 |
| 7 | 0.120 | 0.120 |
| 8 | 0.116 | 0.116 |
| 9 | 0.112 | 0.112 |
| 10 | 0.109 | 0.109 |

Figure 16: Scenario 1 – Annual Renewable Energy Content Comparison

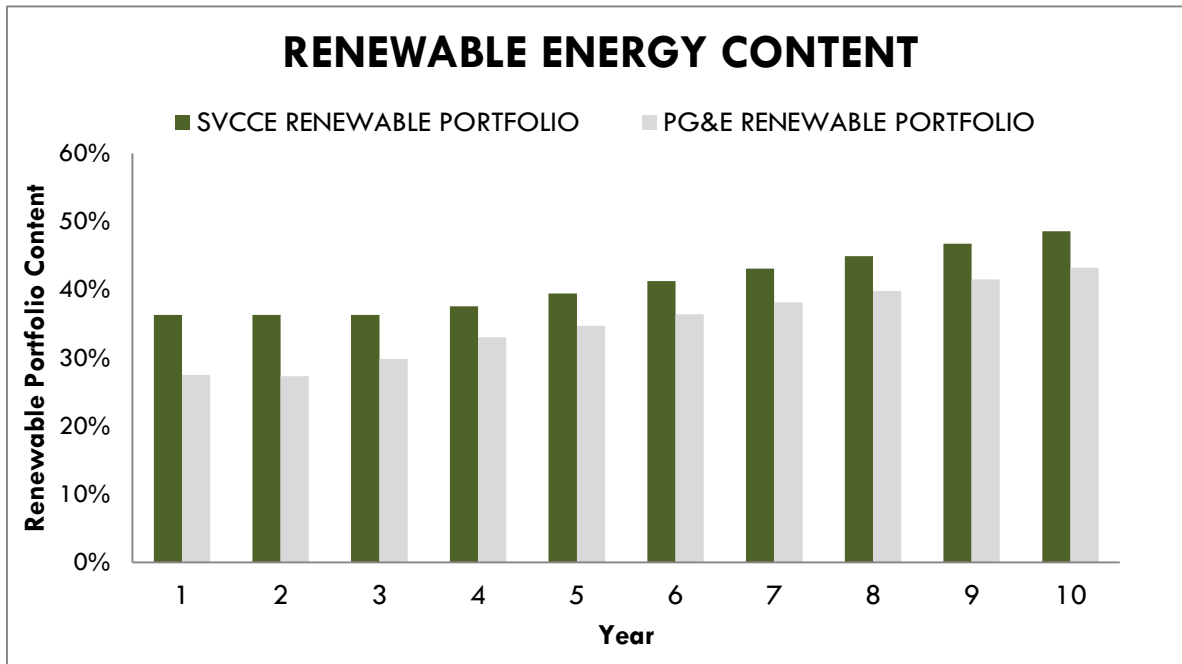


Table 21: Scenario 1 - Annual Renewable Energy Portfolio Content

| Year | PG&E | SVCCE |
|------|------|-------|
| 1 | 27% | 36% |
| 2 | 27% | 36% |
| 3 | 30% | 36% |
| 4 | 33% | 38% |
| 5 | 35% | 39% |
| 6 | 36% | 41% |
| 7 | 38% | 43% |
| 8 | 40% | 45% |
| 9 | 42% | 47% |
| 10 | 43% | 49% |

Scenario 2 Study Results

Ratepayer Costs

The primary objective of Scenario 2 is to increase the use of renewable energy resources while also promoting overall annual GHG emissions reductions of 20% relative to the incumbent utility. For purposes of the Study, this objective is achieved through the inclusion of renewable energy purchases that significantly exceed applicable compliance mandates (doing so without the use of unbundled RECs) as well as additional GHG-free energy purchases, which would be produced by non-RPS-eligible hydroelectric generators located within California and/or the Pacific Northwest. Under Scenario 2, projected CCE customer rates are initially lower than similar rate projections for PG&E and maintain that general relationship throughout the study period – the relationship between SVCCE and PG&E rates demonstrates marginal customer savings ranging from 1% to 4%. Levelized rates over the study period are projected to be 2% lower than projected PG&E rates. However, in consideration of typical market volatility within the electric power sector and eminent PG&E rate volatility, these results should be reasonably interpreted as reflecting only minimal rate savings throughout the study period. For a typical household using 510 kWh per month, a 2% rate difference would result in a cost reduction of approximately \$2.46 per month.

Projected average rates for the SVCCE customer base are shown in Figure 17 and Table 22, comparing total ratepayer impacts under the PG&E bundled service and CCE service options.

Figure 17: Scenario 2 Annual Ratepayer Costs

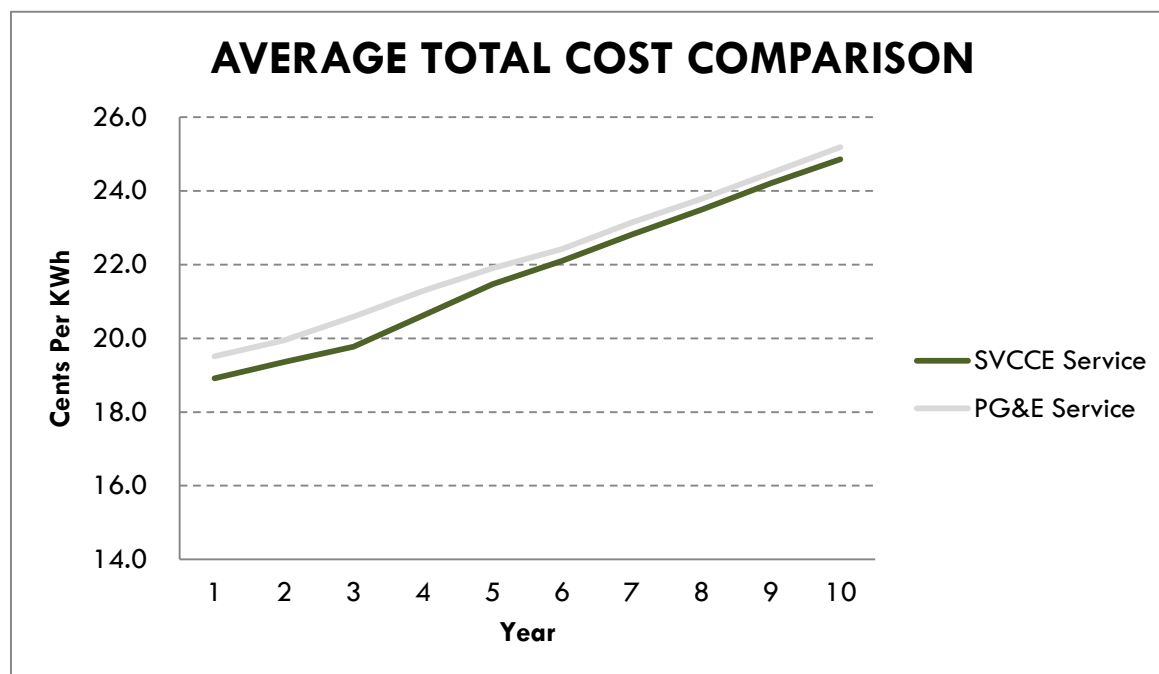


Table 22: Scenario 2 - Annual Total Delivered Rate Comparison

| Year | PG&E Total (¢/kWh) | SVCCE Total (¢/kWh) | Percent Difference |
|-----------|--------------------------|---------------------------|-----------------------|
| Levelized | 22.27 | 21.80 | -2% |
| 1 | 19.51 | 18.91 | -3% |
| 2 | 19.94 | 19.36 | -3% |
| 3 | 20.59 | 19.77 | -4% |
| 4 | 21.29 | 20.62 | -3% |
| 5 | 21.90 | 21.47 | -2% |
| 6 | 22.42 | 22.11 | -1% |
| 7 | 23.14 | 22.82 | -1% |
| 8 | 23.78 | 23.49 | -1% |
| 9 | 24.49 | 24.21 | -1% |
| 10 | 25.19 | 24.86 | -1% |

GHG Impacts

As a result of the significant proportion of GHG-free resources that were incorporated in Scenario 2, the CCE program is able to demonstrate the desired GHG emissions reduction target of 20% when compared to PG&E's projected emissions profile. The following figures and tables provide additional detail regarding the respective GHG emissions profile associated with the assumed SVCCE and PG&E supply portfolios.

Figure 18: Scenario 2 – Annual GHG Emissions Comparison

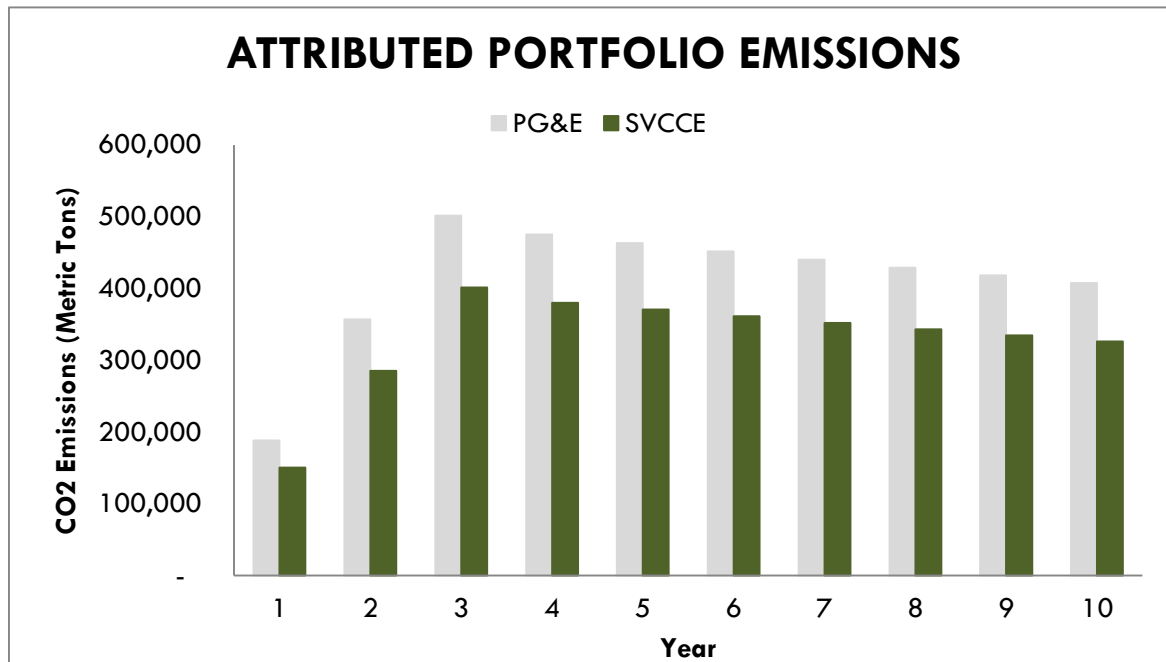


Table 23: Scenario 2 - Annual GHG Emissions Factor Comparison (Metric Tons CO₂/MWh)

| Year | PG&E | SVCCE |
|------|-------|-------|
| 1 | 0.158 | 0.126 |
| 2 | 0.149 | 0.119 |
| 3 | 0.139 | 0.111 |
| 4 | 0.131 | 0.105 |
| 5 | 0.127 | 0.102 |
| 6 | 0.123 | 0.099 |
| 7 | 0.120 | 0.096 |
| 8 | 0.116 | 0.093 |
| 9 | 0.112 | 0.090 |
| 10 | 0.109 | 0.087 |

Figure 19: Scenario 2 – Annual Renewable Energy Content Comparison

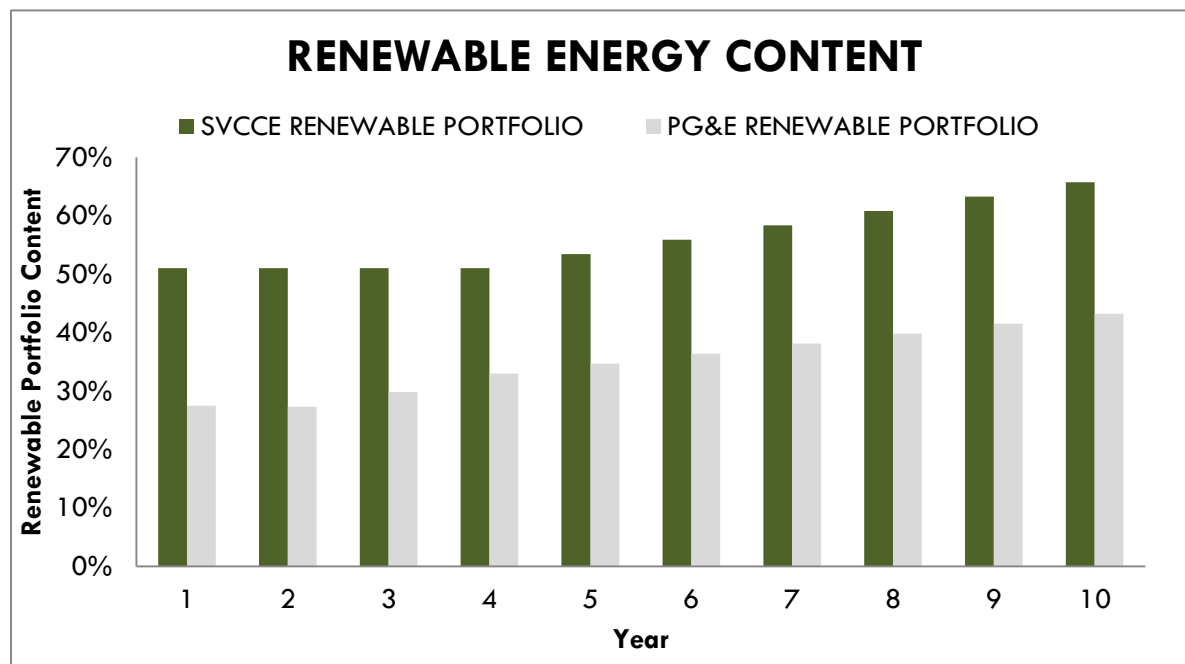


Table 24: Scenario 2 - Annual Renewable Energy Portfolio Content

| Year | PG&E | SVCCE |
|------|------|-------|
| 1 | 27% | 51% |
| 2 | 27% | 51% |
| 3 | 30% | 51% |
| 4 | 33% | 51% |
| 5 | 35% | 53% |
| 6 | 36% | 56% |
| 7 | 38% | 58% |
| 8 | 40% | 61% |
| 9 | 42% | 63% |
| 10 | 43% | 66% |

Scenario 3 Study Results

Ratepayer Costs

It is generally appropriate to characterize Scenario 3 as an “optimized” supply scenario under which SVCCE's projected clean energy purchases are maximized subject to the imposition of a rate constraint, which required that SVCCE's rates remain equivalent to projected PG&E rates on a levelized basis throughout the Study period. During individual years of the Study period, projected SVCCE and PG&E rates minimally differ within a range demonstrating periods of moderate customer savings (2% savings in Year 3 of projected program operations, for example) as well as negligible cost increases (which do not exceed 0.7% in any year of the Study). Consistent with the imposed rate constraint, projected SVCCE customer rates remain generally equivalent to similar rate projections for PG&E throughout the study period and typical residential customers are expected to incur monthly charges that would be approximately \$0.05 below similar PG&E charges on a levelized basis.

Projected average rates for the SVCCE customer base are shown in Figure 20 and Table 25, comparing total ratepayer impacts under the PG&E bundled service and CCE service options.

Figure 20: Scenario 3 Annual Ratepayer Costs

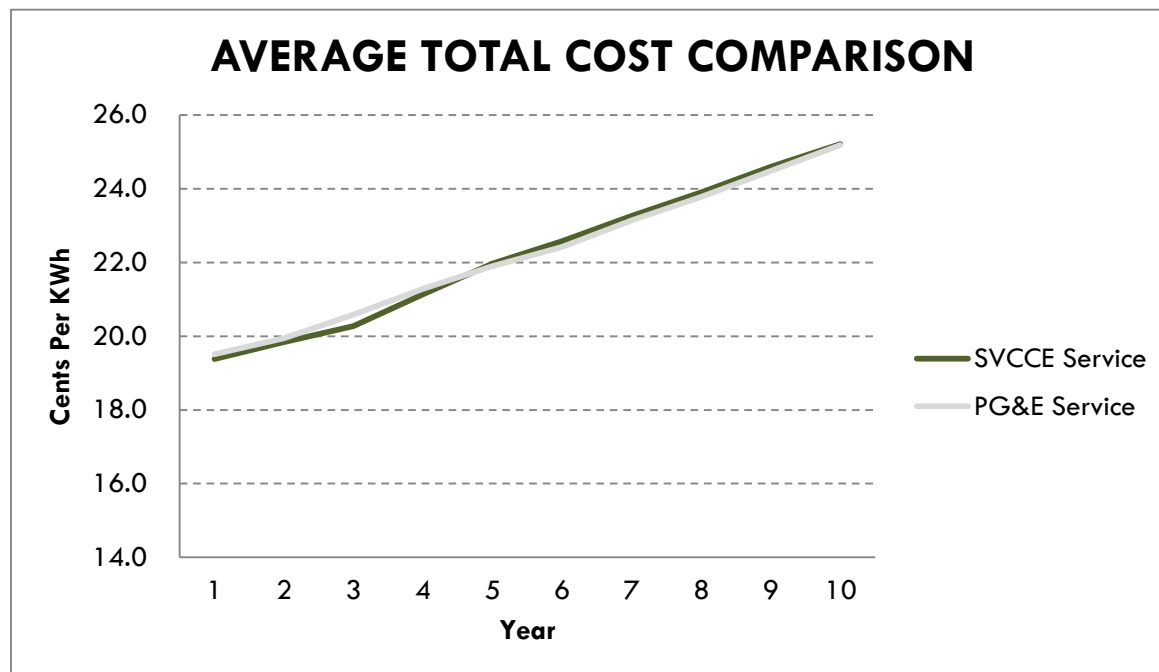


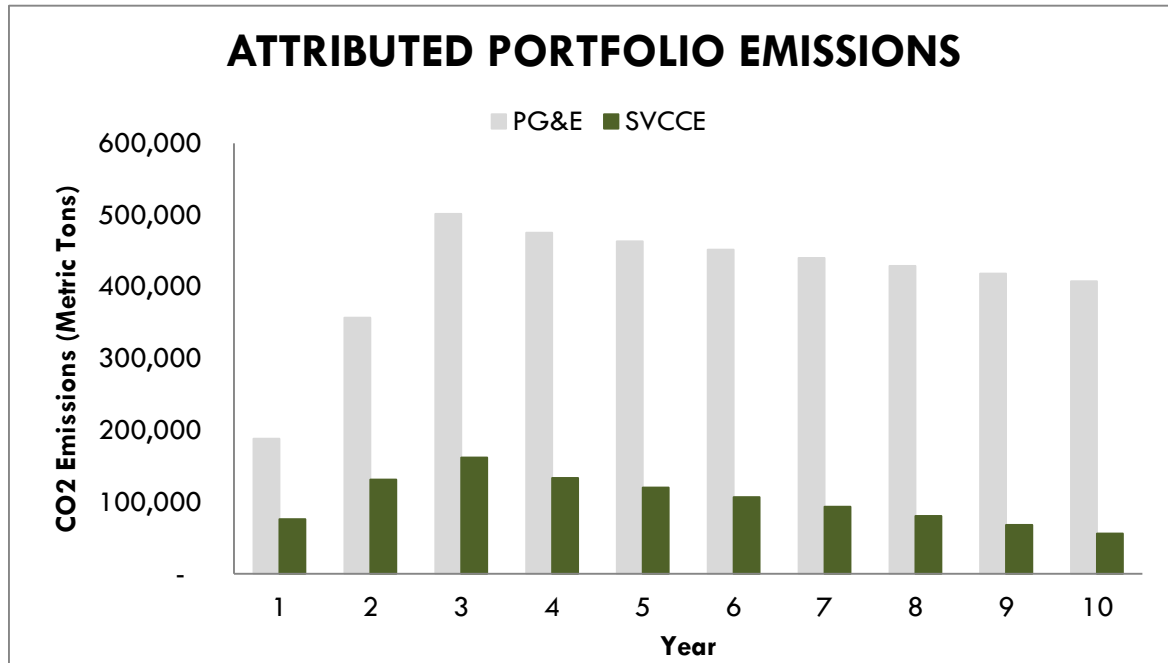
Table 25: Scenario 3 - Annual Total Delivered Rate Comparison

| Year | PG&E Total (¢/kWh) | CCE Total (¢/kWh) | Percent Difference |
|-----------|--------------------|-------------------|--------------------|
| Levelized | 22.27 | 22.26 | 0% |
| 1 | 19.51 | 19.38 | -1% |
| 2 | 19.94 | 19.85 | 0% |
| 3 | 20.59 | 20.27 | -2% |
| 4 | 21.29 | 21.15 | -1% |
| 5 | 21.90 | 21.97 | 0% |
| 6 | 22.42 | 22.58 | 1% |
| 7 | 23.14 | 23.26 | 1% |
| 8 | 23.78 | 23.91 | 1% |
| 9 | 24.49 | 24.59 | 0% |
| 10 | 25.19 | 25.21 | 0% |

GHG Impacts

Through the substantial use of renewable and other GHG-free energy resources, Scenario 3 suggests that the CCE program could achieve substantial GHG emissions reductions when compared to PG&E's projected emissions profile. The following figures and tables provide additional detail regarding the respective GHG emissions profile associated with the assumed SVCCE and PG&E supply portfolios.

Figure 21: Scenario 3 – Annual GHG Emissions Comparison

Table 26: Scenario 3 - Annual GHG Emissions Factor Comparison (Metric Tons CO₂/MWh)

| Year | PG&E | SVCCE |
|------|-------|-------|
| 1 | 0.158 | 0.064 |
| 2 | 0.149 | 0.055 |
| 3 | 0.139 | 0.045 |
| 4 | 0.131 | 0.037 |
| 5 | 0.127 | 0.033 |
| 6 | 0.123 | 0.029 |
| 7 | 0.120 | 0.025 |
| 8 | 0.116 | 0.022 |
| 9 | 0.112 | 0.018 |
| 10 | 0.109 | 0.015 |

Figure 22: Scenario 3 – Annual Renewable Energy Content Comparison

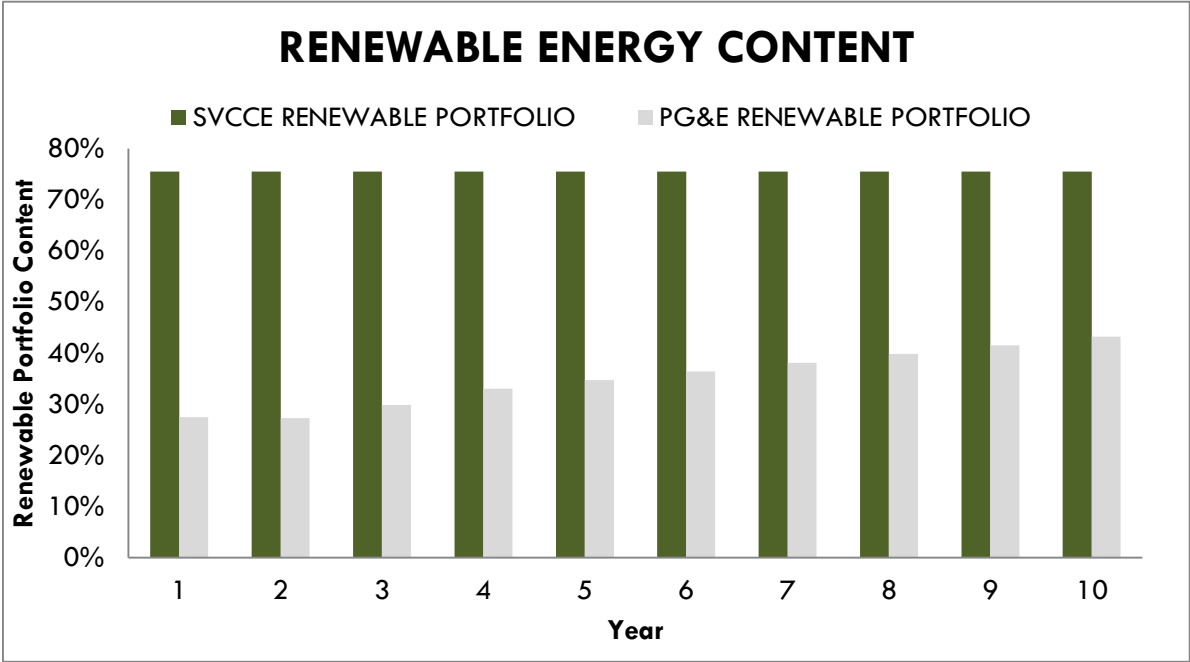


Table 27: Scenario 3 - Annual Renewable Energy Portfolio Content

| Year | PG&E | SVCCE |
|------|------|-------|
| 1 | 27% | 76% |
| 2 | 27% | 76% |
| 3 | 30% | 76% |
| 4 | 33% | 76% |
| 5 | 35% | 76% |
| 6 | 36% | 76% |
| 7 | 38% | 76% |
| 8 | 40% | 76% |
| 9 | 42% | 76% |
| 10 | 43% | 76% |

SECTION 6: SENSITIVITY ANALYSES

The economic analysis uses base case input assumptions for many variable factors that influence relative costs of the CCE program. Sensitivity analyses were performed to examine the range of impacts that could result from changes in the most significant variables (relative to base case values). The key variables examined are: 1) power and natural gas prices; 2) renewable energy prices; 3) low carbon energy prices; 4) PG&E rates; 5) PG&E surcharges; and 6) customer participation/opt-out rates. Additionally, a “small JPA” sensitivity case was run reflective of minimal community participation in the SVCCE joint powers agency to test the viability of a much smaller CCE program, and a “perfect storm” sensitivity was run to examine the cumulative impacts of adverse changes to the key variables.

Power and Natural Gas Prices

Electric power prices in California are substantially influenced by natural gas prices, as natural gas-fired generation is predominantly used as the marginal resource within the state’s system dispatch order. This fact is consistent with how PEA developed the ten-year power price forecast in which a detailed natural gas forecast was assembled and then converted to power prices using factors consistent with industry standards. Changes in natural gas prices will also tend to change the power purchase costs of the CCE program. To the extent that SVCCE’s selected supply portfolio excludes the use of conventional energy supply, the potential impact related to price volatility within the natural gas market will be minimized. Such changes also influence PG&E’s rates, but the relative cost impacts will differ depending upon the proportionate use of conventional resources utilized by the CCE program relative to PG&E.

For the CCE program, the non-renewable portion of the supply portfolio will be influenced by changes in natural gas and wholesale power prices. The PG&E resource mix includes resources that are influenced by natural gas prices such as utility-owned natural gas fueled power plants, so-called “tolling” agreements with independent generators, and certain other contracts that are priced based on an avoided cost formula. The PG&E resource mix also includes energy sources that are not affected by natural gas prices, including renewable resources as well as PG&E’s hydro-electric and nuclear assets.

Sensitivity to changes in natural gas and power prices were tested by varying the base case assumptions to create high and low cases. The high case reflects a 50% increase in this input relative to the base case and the low case reflects a 25% decrease relative to the base case.

Renewable Energy Costs

There can be wide variation in renewable energy costs due to locational factors (wind regime, solar insulation, availability of feedstock for biomass and biogas facilities, etc.), transmission costs, technological changes, federal tax policy, and other factors. In fact, the federal investment tax credit, or “ITC”, is expected to decrease significantly for projects commencing operations on or after January 1, 2017 – the ITC is expected to drop from 30% to 10%, based on PEA’s understanding, which could impose generally proportionate increases to renewable energy pricing following such a change.

Sensitivity to renewable energy cost assumptions was tested by varying the base case costs for renewable power purchase contracts and for the installed costs for renewable generation projects by 25% for the high case and -25% for the low case. The variances were only applied to SVCCE’s cost structure and not PG&E’s in order to test the impact of potential variation in site-specific renewable projects used by the CCE program.

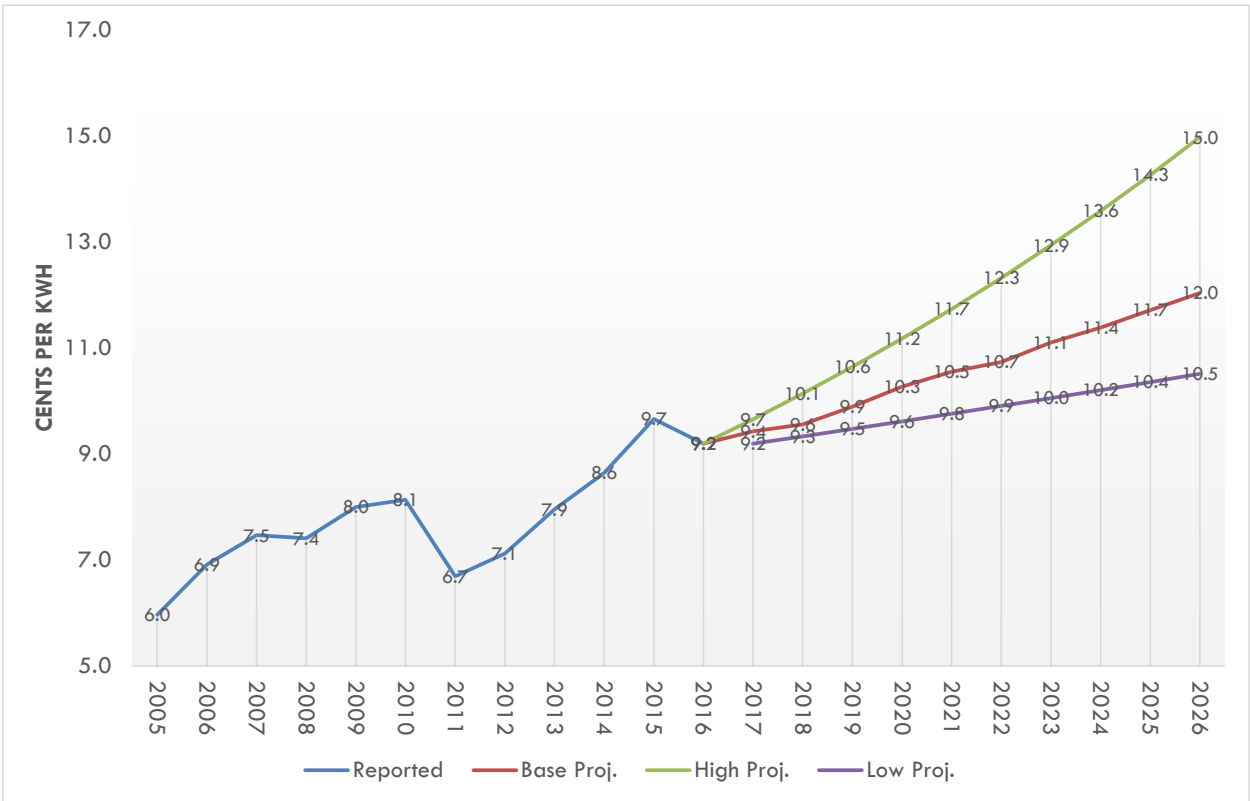
Carbon-Free Energy Costs

Specified purchases from carbon-free resources or low carbon emissions portfolios generally yields a premium relative to system energy purchases. In consideration of the potential for increased CCE demand for low carbon content energy and the generally fixed supply of the large hydro-electric generation resource base available to California consumers, only a high case was evaluated for this factor. The high carbon-free energy cost premium scenario was evaluated at a 300% increase relative to the base case assumption.

PG&E Rates

The base case forecast for PG&E's generation rates yields a projected average annual increase of approximately 2.5%. The forecast relies on resource mix data provided by PG&E in its most recent long-term procurement plan, and incorporates many of the same core market cost assumptions (natural gas prices, power prices, GHG allowance prices, etc.) as used in the forecast of CCE program rates. Numerous factors can cause variances in PG&E's rates, and low and high cases were developed for this variable. One factor that could have a significant increase on PG&E's rates is the potential closure or rebuilding of DCCP, resulting from regulations prohibiting the use of once-through cooling at the plant. A high case was created that reflects an average annual generation rate increase of 5%. The low case assumes 1.5% annual rate increases for PG&E. Figure 23 illustrates the base, high and low case forecasts of PG&E generation rates and how these projections compare with historical trends.

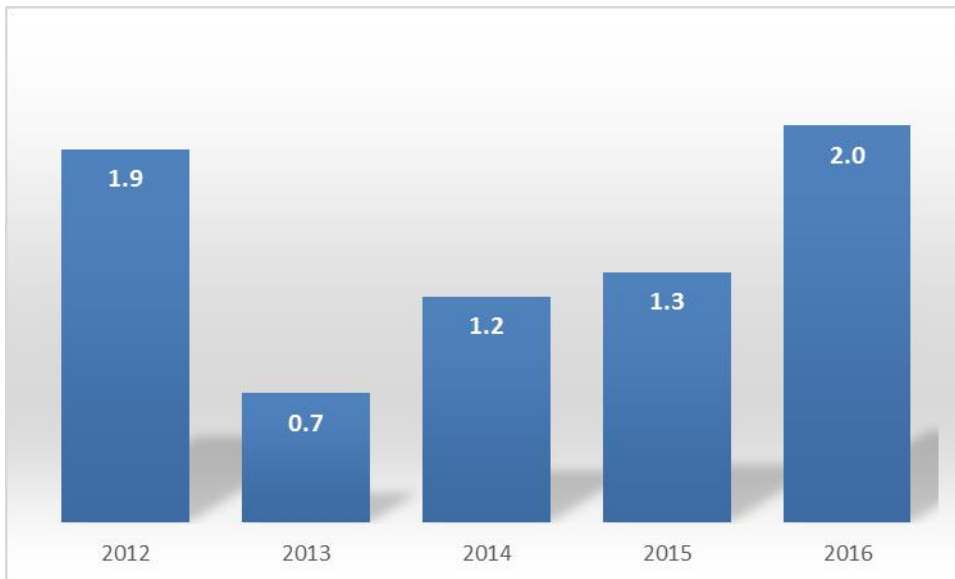
Figure 23: PG&E System Average Generation Rates



PG&E Surcharges

The PCIA and Franchise Fee surcharges directly impact SVCCE rate competitiveness, and the PCIA has been volatile. In an August, 2015 filing to the CPUC, PG&E projected PCIA levels for 2016 that are approximately 70% higher than current levels.³¹ In general terms, the PCIA is set on an annual basis in consideration of a specified methodology that takes into consideration the difference in costs associated with PG&E's supply portfolio and a market benchmark – to the extent that costs associated with the PG&E supply portfolio exceed the market benchmark, departing customers, including CCE customers, are subject to a PCIA surcharge. The specific methodology that is employed when determining the PCIA is subject to PCIA oversight, and PG&E must perform related PCIA calculations consistent with such methodology. Over time, PCIA charges will change based on the relationship between PG&E's power portfolio costs and current market pricing. In concept, the PCIA should diminish (and eventually expire) over time, as PCIA charges are directly associated with PG&E power contracts, all of which should have finite term lengths. Once such contracts expire, any related PCIA impacts should fall to zero. However, because PG&E engages in ongoing contracting efforts, PCIA charges may persist for 20 years or more (but should diminish over time). Figure 24 shows the projected Franchise Fee Surcharge and PCIA applicable to residential customers as well as historical data illustrating the volatility of these surcharges.

Figure 24: PG&E CCE Surcharges for Residential Customers (Cents Per KWh)



The base case PCIA projections begin with the higher 2016 PCIA charges reported by PG&E and remain relatively flat over the forecast period. High and low cases were run at plus or minus 50% off of the base case.

Opt-Out Rates

Sensitivity of ratepayer costs to customer participation in the CCE program was tested by varying the opt-out rate from 25% in the high case to 5% in the low case. A higher opt-out rate would reduce sales volumes relative to base case assumptions, and increase the share of fixed costs paid by each customer, while a lower opt-out rate would have the opposite effect.

³¹ PG&E Advice Letter AL-4696-E.

Community Participation (Small JPA)

While the base case includes all municipalities as participants in the JPA, a sensitivity was run to examine the impacts of a much smaller program being formed in the region. For purposes of this sensitivity, it was assumed that 25% of the total potential customers are offered service in the CCE and that 15% of these customers elect to opt-out. Adjustments were made to assumed staffing costs to reflect the smaller scale of operations. The long term renewable contract portfolio was adjusted downward on a pro rata basis to reflect the reduced energy requirements. The results of this sensitivity indicate that a viable program could be operated with significantly less than 100% participation of the prospective communities. While not explicitly modeled, a program serving only the four sponsoring partner agencies (representing 68% of the total potential load) would have sufficient scale and be expected to have similar rates as presented in the base case projections.

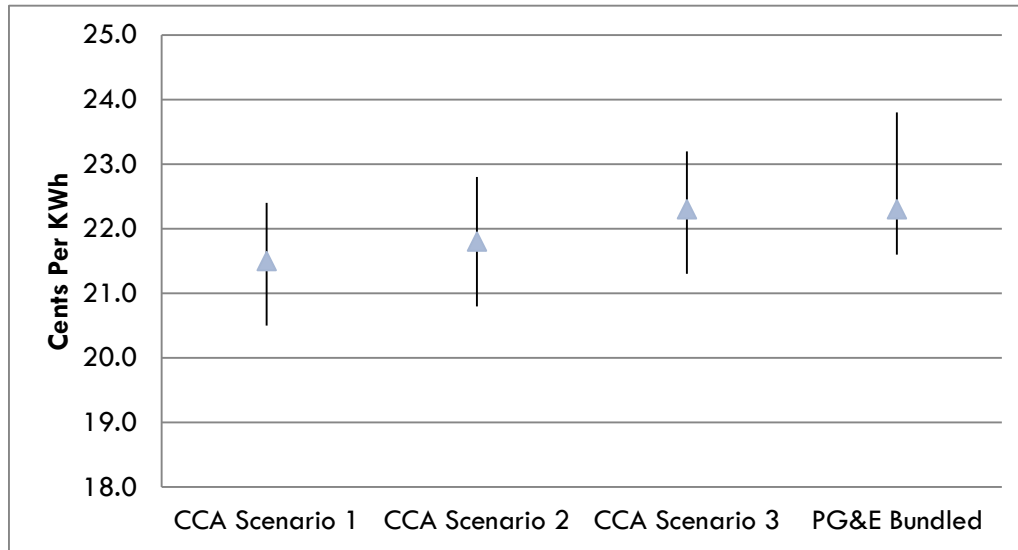
Perfect Storm

This sensitivity examines the cumulative effects of adverse changes to all of the key variables to present what could be considered a worst case. The likelihood that all of these variables change in unison is remote; many of the key variables are negatively correlated meaning that increases in one variable would normally be associated with decreases in another. For example, increases in market prices for power should result in decreases in the PG&E surcharges, but for purposes of this sensitivity it was assumed that the PG&E surcharges would also increase. This sensitivity was constructed with the following assumptions: high natural gas/power prices, high renewable energy and low carbon energy costs, high PG&E surcharges, high customer opt-out rates, and low PG&E rates.

Sensitivity Results

The sensitivity analysis produced a range of levelized electric rates for the CCE program and PG&E as shown in the Figure 25.³² When reviewing this figure, the base case outcomes associated with each scenario are represented by the “arrowheads” that are positioned along each vertical line – to the extent each line extends above (or below) the arrowhead, this represents the potential for customer rates to be higher (or lower) than the base case outcomes. It should be noted that there is considerable overlap in the range of estimated rates, and while base case estimates show higher rates for the CCE program, any of the CCE Scenarios could potentially result in lower ratepayer costs than under the status quo. The sensitivity analysis for the Community Participation (Small JPA) and Perfect Storm conditions are discussed above but not included in Figure 25 as they are very unlikely to occur and would distort the results presented in the figure. Rate outcomes for all conditions analyzed are included in Table 28 and Figures 26 and 27.

³² The ranges shown in Figure 25 do not include the Small JPA and Perfect Storm sensitivities.

Figure 25: Sensitivity Analysis Range of Levelized Electric Rates

The sensitivity to each tested variable is shown in the following table. Natural Gas/Power prices and PG&E Surcharges had the greatest impact on SVCCE rates in Scenarios 1 and 2, while renewable energy costs were an increasingly important driver of SVCCE rates in Scenarios 3. Table 28 provides additional detail regarding potential impacts to SVCCE and PG&E rates that could result under each sensitivity variable.

Table 28: Sensitivity Analysis - Levelized Ratepayer Costs (Cents Per KWh)

| Rate Scenario | Base Case | High Gas/Power | Low Gas/Power | High R.E. Costs | Low R.E. Costs | High PG&E Rates | Low PG&E Rates | High PCIA | Low PCIA | High Opt Out | Low Opt Out | High Carbon Free Cost | Small JPA | Perfect Storm |
|----------------|-----------|----------------|---------------|-----------------|----------------|-----------------|----------------|-----------|----------|--------------|-------------|-----------------------|-----------|---------------|
| CCE Scenario 1 | 21.5 | 22.4 | 21.0 | 22.1 | 20.8 | 21.5 | 21.5 | 22.4 | 20.5 | 21.5 | 21.4 | 21.7 | 22.3 | 23.9 |
| CCE Scenario 2 | 21.8 | 22.7 | 21.4 | 22.5 | 21.1 | 21.8 | 21.8 | 22.8 | 20.8 | 21.8 | 21.7 | 22.0 | 22.4 | 24.2 |
| CCE Scenario 3 | 22.3 | 23.2 | 21.8 | 23.1 | 21.4 | 22.3 | 22.3 | 23.2 | 21.3 | 22.3 | 22.2 | 22.4 | 22.8 | 24.8 |
| PG&E Bundled | 22.3 | 22.9 | 21.9 | 22.3 | 22.3 | 23.8 | 21.6 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 21.6 |

The sensitivity results for each SVCCE supply scenario are depicted graphically in the following figures.

Figure 26: Scenario 1 Sensitivity Impacts on Levelized Electric Rates

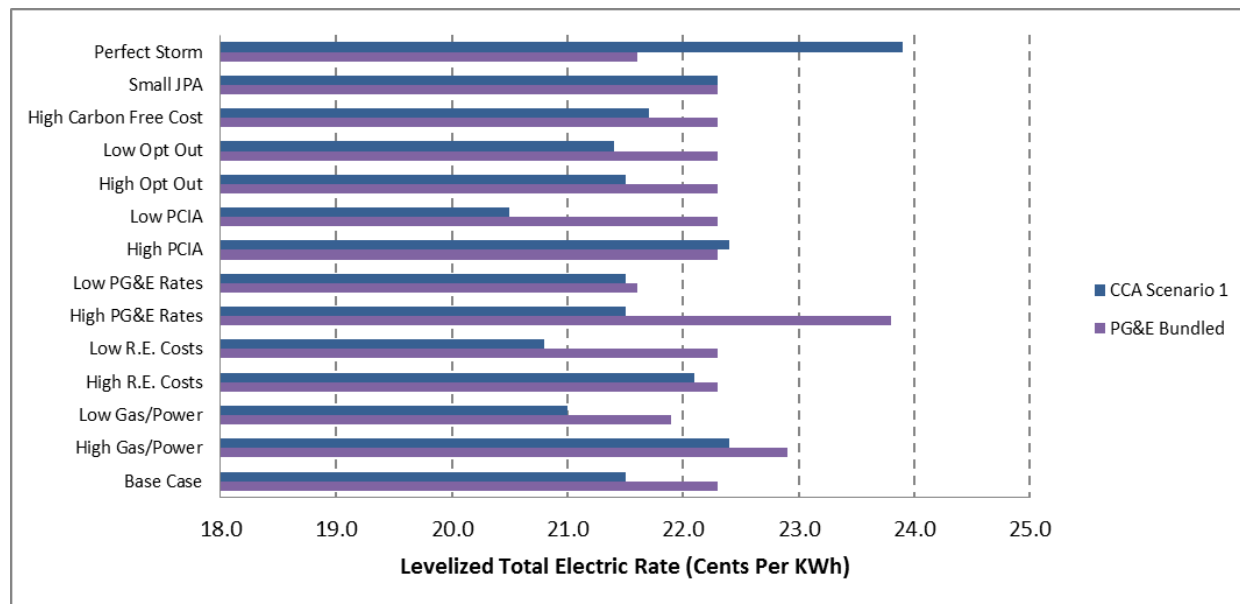


Figure 27: Scenario 2 Sensitivity Impacts on Levelized Electric Rates

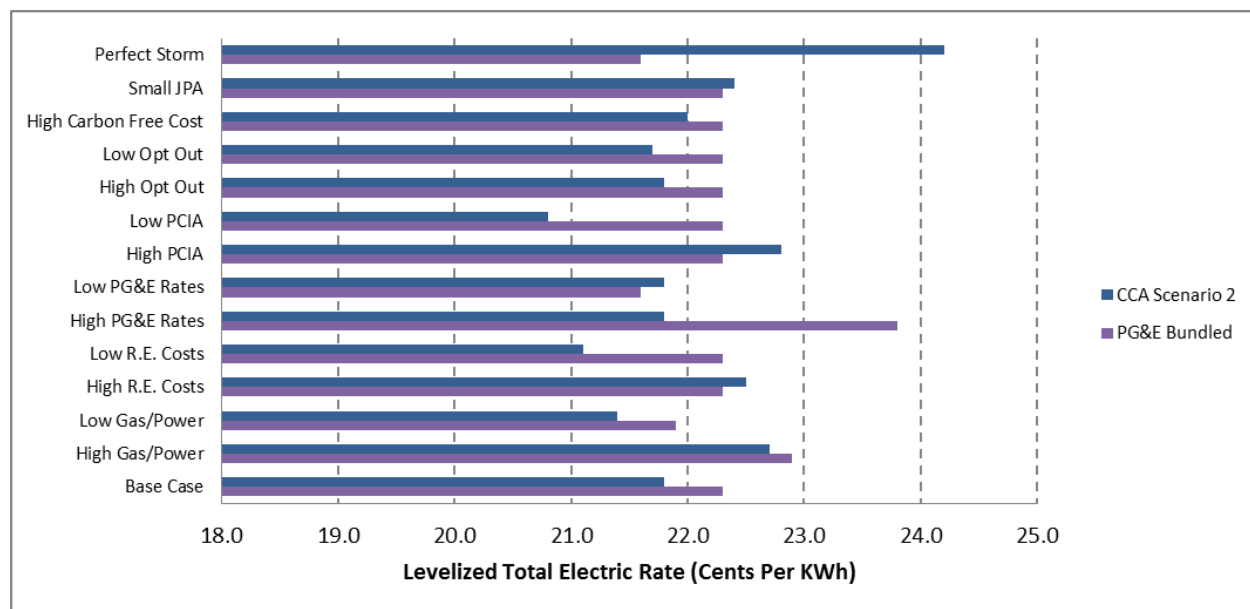
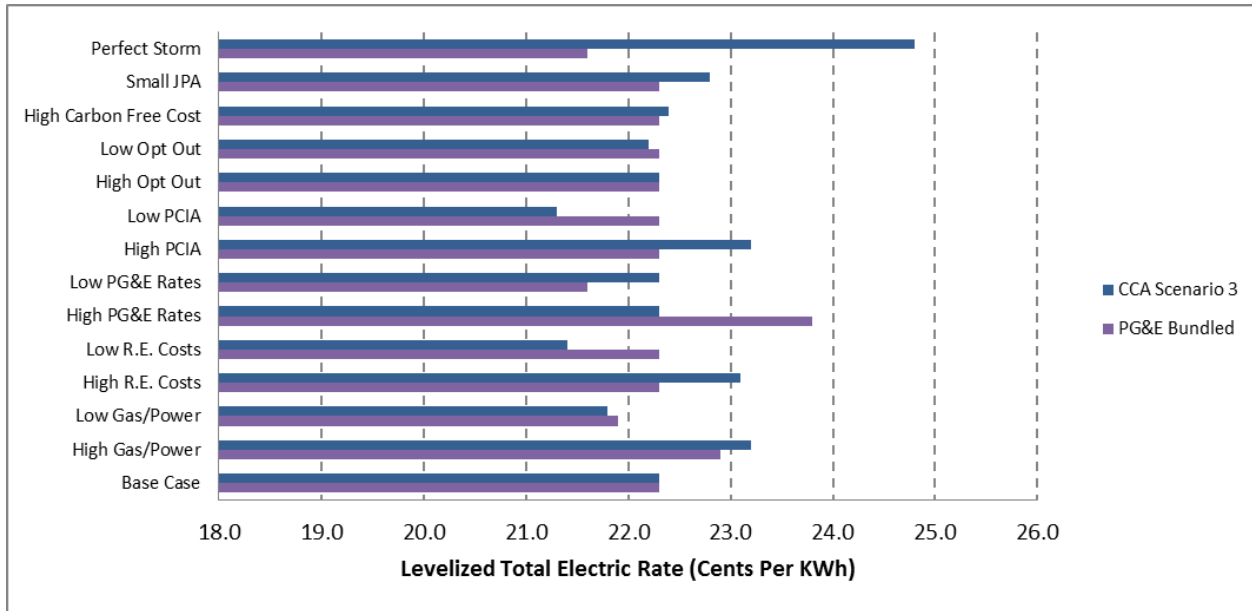


Figure 28: Scenario 3 Sensitivity Impacts on Levelized Electric Rates



SECTION 7: RISK ANALYSIS

CCE formation is not without risk, and a key element of this Study is highlighting risks that may be faced by the CCE program as well as related risk-mitigation measures. Several of the quantitative impacts associated with key risks have been addressed in Section 6, Sensitivity Analyses. However, there are additional risk elements of which any aspiring CCE program should be aware as well as associated mitigation measures for such risks. In particular, these additional risks include, but are not limited to, the following:

- Financial risks to SVCCE's member municipalities in the unlikely event of CCE failure;
- Financial risks that may exist in the event that procured energy volumes fall short of or exceed actual customer energy use;
- Reasonably foreseen legislative and regulatory changes, which may limit a CCE's ability to remain competitive with the incumbent utility;
- Availability of renewable and carbon-free energy supplies required to meet compliance mandates, SVCCE program goals, and customer commitments; and
- General market volatility and price risk.

Financial Risks to SVCCE Members

In general terms, the prospective financial risks to SVCCE members will be limited to the extent that the JPA agreement creates separation, also referred to as a “firewall”, between the financial assets and obligations of the JPA and those of its individual members. This approach has been effectively employed by both MCE and SCP at the time that each JPA was created, insulating the respective members of each organization from the financial liabilities independently incurred by the JPA (e.g., power purchase agreements, debt, letters of credit and other operating expenditures). For example, if the JPA was to default on a contract obligation, any termination payments would be owed by the JPA and not the individual members, as individual JPA members would not be responsible for the financial commitments of the JPA. From a practical perspective, each member of the JPA would have a relatively small financial exposure, which would be limited to any early-stage contributions and/or expenditures related to the CCE initiative before joining the JPA. After joining the JPA, each participating municipality would be financially insulated via the JPA agreement, and it is anticipated that the JPA would be financially independent during ongoing CCE operations, meaning that the JPA would be responsible for independently demonstrating creditworthiness when entering into power purchase agreements and financial covenants. Based on PEA's understanding, qualified legal counsel was engaged during the formation of each operating, multi-jurisdiction CCE to ensure that the associated JPA agreement created the desired financial protections for its members.

Other than relatively small upfront costs/contributions that may be incurred by the JPA members during CCE evaluation and JPA formation and any guarantees that may be offered to support startup, financial obligations of the participating communities would be limited to individual customer impacts in the event of outright CCE failure. In such a scenario, the \$100,000 CCE bond is intended to cover the costs of returning customers to PG&E service. However, following an involuntary return to bundled service, CCE customers would be individually required to pay the PG&E Transitional Bundled Commodity Cost (TBCC), which imposes a market-based rate on customers who fail to provide PG&E with six-month advance notice prior to reestablishing PG&E electric service.³³ In recent years, the TBCC rate has likely benefited participating customers due to historically low market prices (and the favorable relationship of such prices to PG&E's generation rates). However, inherent price volatility within the electric power sector could result in relatively high customer costs in the short-term, following an involuntary return to bundled service at a time when market

³³ http://www.pge.com/tariffs/tm2/pdf/ELEC_SCHDS_TBCC.pdf

prices are higher than PG&E's prevailing generation rates. Depending on future market conditions during a time of involuntary customer return to PG&E service, cost impacts during the six-month transition period could be +/-25% (or more, depending on actual market prices) relative to otherwise applicable PG&E rate schedules. In practical terms, the likelihood of this risk materially impacting a SVCCE customer appears to be quite low.

In addition to the aforementioned financial risks to the JPA and its respective members, it is also noteworthy that a subset of the CCE Study Partners, including the cities of Sunnyvale, Cupertino and Mountain View as well as Santa Clara County, have entered into a project funding agreement to facilitate CCE program evaluation, formation and implementation – these communities have made certain financial expenditures to provide for the evaluation of prospective CCE formation. PEA also understands that this subset of the CCE Study Partners, as well as other project participants, may choose to make additional contributions for purposes of completing SVCCE's formative and start-up activities. At the time of JPA formation, PEA understands that certain CCE Study Partners may request repayment of the noted initial expenditures following successful launch of the SVCCE program and a yet-to-be-defined period of successful operations. Clearly, the repayment of such funding is dependent upon the successful launch and operation of the SVCCE program.

For example, if SVCCE fails to launch or discontinues business operations prior to repaying initial funding contributed by certain of the CCE Study Partners, then such Partners run the risk of financial losses equivalent to any amounts expended in advance of such circumstances. With regard to the risk of the CCE Study Partners losing its initial investment in CCE evaluation and formation, failure to launch the SVCCE program represents the primary risk in this regard. Once SVCCE has launched and is serving customers, it is reasonable to assume that the financial contributions that were previously made by certain CCE Study Partners would be paid back within the first five years of SVCCE operation. Based on recent discussions and general enthusiasm related to the SVCCE initiative, it seems reasonable to assume that the SVCCE program will launch as planned, unless market conditions significantly change such that initial SVCCE rates are projected to exceed similar rates charged by PG&E. Under Scenario 2, for example, sensitivity analyses suggest that power costs could increase by 14% or PG&E rates could decrease by 11% (or a related combination of such impacts) before projected SVCCE rates would exceed PG&E's projected rates. From a practical perspective, this observation suggests that current operating projections provide considerable safety margins for SVCCE, allowing for a range of market conditions and/or rate changes before rate competitiveness would be compromised. It is noteworthy that PG&E's 2016 rates will remain unknown until January, and power costs won't be known until SVCCE issues a related solicitation for such products, which is expected to occur in early 2016. In the event that actual PG&E rate changes and/or proposed power prices fall outside of the aforementioned safety margins, SVCCE would likely defer program launch and cease incurring startup expenses until projected operations improve, potentially jeopardizing or delaying the reimbursement of funding initially provided by certain of the CCE Study Partners.

Deviations between Actual Energy Use and Contracted Purchases

Deviations between actual customer energy use and contracted energy purchases are inevitable. For example, weather variation may impose meaningful day-to-day variances in expected customer energy use, which results in the potential for ongoing imbalances between procured energy volumes and actual electric energy consumption by SVCCE's customer base. To the extent that such imbalances exist, the CCE may be required to make market purchases during unexpected price spikes and/or sell off excess energy volumes at times when prices are relatively low (when compared to the price paid for such energy), which could impose adverse financial impacts on the CCE program. Again, this is an inevitable risk that is assumed by all energy market participants, but prudent planning and procurement practices can be utilized by the CCE to manage

such risk to acceptable levels. In particular, “laddered” procurement strategies can be highly effective in mitigating such risks – this procurement strategy is designed to promote increased cost/rate certainty during the upcoming 12-month operating period by securing 90-100% of the CCE’s projected energy requirements during this period of time. Beyond the 12-month operating horizon, an increasing proportion of the CCE’s anticipated energy requirements are left “open” (i.e., are not addressed via contractual commitments) to avoid financial commitments based on reduced planning certainty. For example, the CCE program may decide that it is acceptable to take on market price risk associated with 5% of its expected energy requirements over the upcoming 12-month operating period – this strategy would create cost certainty for a significant portion of the CCE’s expected energy requirements, allowing the CCE to set rates in consideration of such costs with minimal financial/budgetary risk. For months 13-24, the CCE would reduce forward supply commitments to a level approximating 80-90% of expectations; for months 25-36, the CCE would further reduce forward supply commitments to a level approximating 70-80% of expectations. Forward procurement commitments would continue to “fall down the ladder” in subsequent months, but such open positions are ultimately filled with time. It is also noteworthy that such percentages could always be adjusted in consideration of prevailing market prices and the CCE’s overall risk tolerance.

This procurement strategy avoids the prospect of over-procurement and minimizes the prospect of surplus energy sales while also allowing the CCE program to take advantage of favorable procurement opportunities that may come about with time. During early-stage CCE operations, this strategy is particularly useful since the CCE is unlikely to know exact customer participation levels. Over time, as the CCE’s customer base becomes more stable/predictable, it will become less challenging to predict customer usage patterns. Furthermore, a laddered procurement strategy allows the CCE’s portfolio composition to evolve over time as opposed to committing to a specific resource mix that would only be minimally adjustable (subject to potential adverse economic consequences) until related power supply agreements had expired.

Legislative and Regulatory Risk

California’s operating CCEs can attest to the challenges presented by anti-CCE legislation – a range of tactics have been employed over time, pre-dating MCE’s launch in May, 2010 and resurfacing thereafter in various forms. Ongoing issues continue to arise with regard to proposed legislation designed to assign/shift costs for purposes of competitively disadvantaging CCE programs and/or limit the autonomy of CCE programs, so that such programs appear more similar to their investor-owned counterparts. Recently, SB 350 and AB 1110 presented such issues. However, California’s operating CCEs were able to address many of the potentially detrimental changes included within these bills through effective lobbying and technical support. California’s IOUs regularly rely on professional lobbyists to promote their respective interests within the California legislature, and CCEs have successfully employed similar tactics to represent their own interests, which often differ from those of their investor-owned counterparts. Use of lobbyists within proximity to the State Capitol also mitigates logistical challenges that may be encountered when addressing time-sensitive issues that require on-site meeting participation and collaboration.

CCEs have also enjoyed similar success in California’s regulatory arena by utilizing the expertise of specialized regulatory support, including qualified regulatory counsel and analysts, who have deep and long-standing familiarity with a broad range of regulatory proceedings, assigned commissioners, judges and support staff within jurisdictional agencies. Because certain proceedings have the potential to directly affect the formation and ongoing operation of CCE programs, it is critically important to retain such expertise for purposes of representing the CCEs interests, particularly if the CCE has not yet hired internal regulatory counsel and/or staff. Over time, the CCE program may choose to scale its internal regulatory staffing in consideration of the level of work required to achieve successful regulatory representation and desired outcomes.

Regarding recent legislation, on October 7, 2015, Governor Brown signed Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015, enacting pertinent clean energy mandates reflected in this legislation. In particular, SB 350 increases California's RPS to 50% by 2030 amongst other clean-energy initiatives. Many details regarding implementation of SB 350 will be developed over time with oversight by applicable regulatory agencies. With regard to other relevant changes that have been created by SB 350, CCEs should be aware of the following:

- Costs associated with the integration of new renewable infrastructure may be off-set by a CCE if it can demonstrate to the CPUC that it has already provided equivalent resources [Sections 454.51(d) and 454.52(c)];
- CCEs will be required to submit Integrated Resource Plans to the CPUC for certification while retaining the governing authority and procurement autonomy administered by their respective governing boards [Section 454.52(b)(3)];
- The CPUC is now responsible for ensuring that: (1) IOU bundled customers do not incur any cost increases as a result of customers participating in CCE service options, and (2) CCE customers do not experience any cost increases as a result of IOU cost allocation that is not directly related to such CCE customers (Sections 365.2 and 366.3);
- Beginning in 2021, CCEs must have at least 65% of their RPS procurement under long-term contracts of 10 years or more [Section 399.13(b)]; and
- CCE energy efficiency programs will be able to count towards statewide energy efficiency targets [Sections 25310(d)(6) and 25310(d)(8)].

In aggregate, the CCE-specific changes reflected in SB 350 are generally positive, providing for ongoing autonomy with regard to resource planning and procurement. CCEs must be aware, however, of the long-term contracting requirement associated with renewable energy procurement. This is not expected to present issues for SVCCE, but planning and procurement efforts will need to consider this requirement during ongoing operation of the CCE program.

AB 1110, which is now a two-year bill, was primarily focused on the addition of GHG emission disclosures within the Power Content Label. During discussion in the recent legislative session, CCE interests were generally concerned that the emissions methodology reflected in the bill was designed in a manner that was not necessarily consistent with retail-level emissions reporting conventions used throughout the electric utility industry and also appeared to diminish the environmental value of certain clean energy products. On September 8, 2015, AB 1110 was ordered to the inactive file at the request of Senator Wolk.³⁴ With this direction in mind, AB 1110 is no longer an issue in the current legislative session. However, PEA recommends that the CCE Study Partners should continue to monitor the legislature's interest in promoting certain reporting changes reflected in AB 1110, as such changes could narrow the potential field of cost-effective supply options that could be pursued by SVCCE at some point in the future. The AB 1110 GHG emissions reporting methodology may also present methodological conflicts with other programs, such as The Climate Registry, which may be of interest to SVCCE at some point in the future.

Another piece of pending legislation that could pose direct and indirect impacts on CCE programs is SB 286 (Hertzberg). SB 286 was originally introduced during the 2015 legislative session (has now been converted into a two-year bill) with the goal of increasing the direct access participatory cap by approximately 33%. In its current form, SB 286 suggests that new direct access customers would be required to contract for 100%

³⁴ AB 1110 bill history: http://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=201520160AB1110.

renewable energy. If passed during the 2016 legislative session, SB 286 could either spark additional renewable development, which could keep prices stable, or push renewable prices upward due to the increased demand. Additionally, raising the direct access cap could put more pressure on CCE programs to offer even more price competitive products to retain large commercial and industrial customers.

Regulatory risks include the potential for utility generation costs to be shifted to non-bypassable and delivery charges. Examples include: 1) the Cost Allocation Mechanism (“CAM”), under which the costs of certain generation commitments made by the investor owned utilities deemed necessary for grid reliability or to support other state policy, are allocated to non-bundled (CCE and direct access) customers; and 2) the PCIA as previously discussed.

CAM is a mechanism that allows investor owned utilities to impose a portion of the costs associated with their power purchases onto CCE customers, even though these purchases are for fossil fuel resources with prices that are often above current market levels. In theory, the goal of CAM is to promote grid reliability and should only be applied to resources that contribute in that regard; in practical terms, the investor owned utilities have obtained CPUC-approved CAM treatment for many types of generating resources. Bundled, CCE, and direct access customers pay for CAM in the form of the New System Generation Charge (“NSGC”). The NSGC imposes costs on CCE customers that often seem to be duplicative in light of long-term capacity commitments that have already been made by CCEs in the form of various power purchase agreements (which can include capacity attributes as an element of the purchased product). In other words, the present CAM methodology does not appear to adequately reflect the contribution being made by CCEs in terms of promoting capacity buildout within California’s energy market and generally undermines CCE procurement autonomy through the imposition of costs that are not associated with contracts voluntarily entered into by the CCE.

One of the only tangible benefits realized by CCE’s under the current CAM rules is an offsetting capacity allocation, which slightly reduces monthly resource adequacy requirements of the CCE entity. As previously noted, the passage of SB 350 requires that CCEs have at least 65% of applicable RPS procurement under long-term contracts, and existing CCEs have already demonstrated a track record of long term contracting notwithstanding the pending requirements of SB 350. Such contracts typically confer capacity benefits associated with the contracted resources, which could result in diminished value of CAM capacity allocations, as many CCEs would have already procured a significant portion of applicable capacity requirements through requisite renewable energy contracting efforts – stated somewhat differently, the CAM charges imposed on CCE customers would result in little capacity value for CCE customers due to the fact that many CCEs would have already arranged for such capacity under requisite long-term contract arrangements.

Another significant regulatory risk relates to changes that may occur with regard to the CCE Bond amount. Currently, the \$100,000 bond amount is quite manageable for aspiring CCE initiatives, but this could change dramatically in the event that a larger bond amount, based on market conditions at the time of an involuntary return of customers to bundled service, is established at some point in the future. PEA recommends that the CCE Study Partners actively monitor and participate in, as necessary, related regulatory proceedings to ensure that this item does not become a barrier for CCE formation or ongoing operation. As previously noted, retention of an experienced lobbyist and qualified regulatory expertise will serve to manage and mitigate the aforementioned risks.

Availability of Requisite Renewable and Carbon-Free Energy Supplies

California’s recent adoption of a 50% RPS has prompted various questions regarding the sufficiency of renewable generating capacity that may be available to support compliance with such mandates. In particular, both new and existing CCEs, which will be subject to prevailing RPS procurement mandates, represent a growing pool of renewable energy buyers that will be “competing” for requisite in-state resources. While this is certainly a legitimate concern, particularly when considering that the potential for CCE

expansion throughout California seems quite significant, it is highly unlikely that any CCE buyer would be unable to meet applicable procurement mandates during the ten-year planning horizon. To date, renewable energy contracting opportunities within California have been abundant, providing interested buyers with cost-competitive procurement opportunities well in excess of compliance mandates and voluntary renewable energy procurement targets that have been established by certain CCEs. Furthermore, to the extent that additional CCE programs continue to form, California's largest buyers of renewable energy, represented by the three investor-owned utilities, will have diminished renewable energy procurement obligations as a result of decreasing retail sales. Certainly, the potential exists for increased supply costs as additional CCE buyers compete for available renewable projects, but the general availability of such projects does not seem to be a significant issue that will face SVCCE over the ten-year planning horizon. It is also reasonable to assume that California-based project developers will be competing for buyers in the sense that prospective renewable development opportunities (i.e., potential renewable generating capacity) may actually exceed statewide demand. This circumstance has occurred in the past, particularly when California's largest renewable energy buyers, the IOUs, have met applicable renewable energy procurement targets – in these instances, project developers are forced to “compete” for other buyers, including CCEs, which have benefited from very favorable pricing for both short- and long-term transactions.

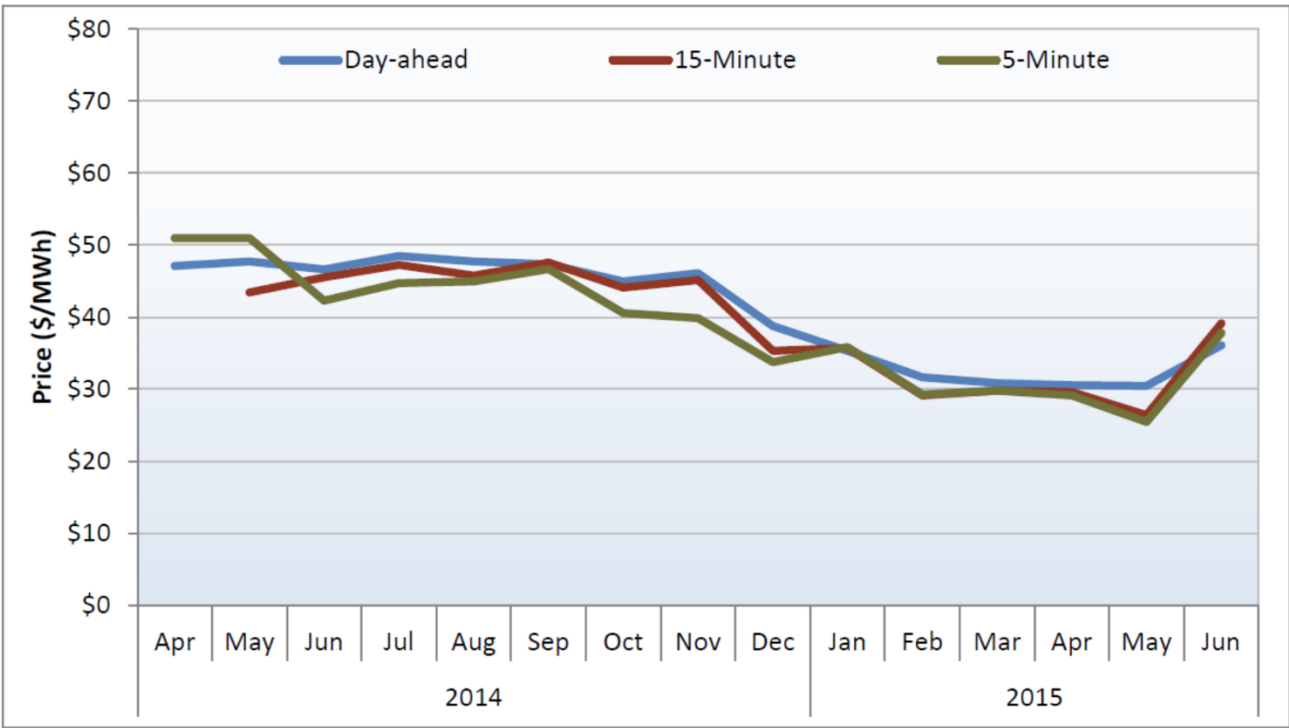
Additionally, as the operational and future CCE's strive to meet high carbon-free energy targets, there is some uncertainty around the availability of hydroelectric generation resources within California and throughout the Pacific Northwest to meet such goals. Outside of renewable energy resources, hydroelectric generation is the lowest cost means of meeting carbon-free objectives (keeping in mind that nuclear generation will be excluded from SVCCE's supply portfolio) but also comes with certain variability in supply. Given the variability of such resources (i.e., wet versus dry year) and unpredictability of the day-to-day energy deliveries, there is risk in achieving carbon content goals. There is also a cost risk associated with the transmission of out-of-state hydroelectric generation into California during certain times of the year when California energy buyers are seeking to import peak hydro season production – this congestion risk could add significant costs to contracted hydroelectric power. To the extent that necessary hydroelectric power supply is not available, the CCE program may choose to incorporate additional renewable energy supply, likely at an increased cost, to ensure that emission reduction commitments can be satisfied.

Market Volatility and Price Risk

Wholesale energy markets are subject to sudden and significant volatility, resulting from myriad factors, including but not limited to the following: weather, natural disasters, infrastructure outages, legislation and implementing regulations, and natural gas storage levels. Over the past 24 months (or longer), wholesale energy prices have fallen to near-historic lows, providing a favorable environment for buyers of electric energy. An abundance of domestic natural gas supply, particularly shale gas, and strong storage levels have also suppressed electric energy pricing, which will likely promote the continued trend of relatively low prices for the foreseeable future. However, unexpected circumstances can impose abrupt changes to available pricing, which necessitates a thoughtful, disciplined approach to managing such risk. The following figure, provided by the CAISO, illustrates historic volatility in the wholesale electricity market, including a nearly 40% reduction in such prices over the past 24 months.³⁵

³⁵ California ISO Q2 2015 Report on Market Issues and Performance, August 17, 2015.

Figure 29: Historical Wholesale Electricity Price Curve



As previously described, a laddered procurement strategy will serve to mitigate wholesale pricing impacts at any single point in time. Much like dollar cost averaging in the financial sector, laddered procurement strategies serve to mask the impacts of periodic price spikes and troughs by blending the financial impacts associated with such changes through a temporally diversified supply portfolio. For example, Table 29 reflects typical guidelines associated with a laddered procurement strategy – such strategies generally attempt to balance the interests of near-term planning and budgetary certainty while moderating market price risks at any single point in time. Based on the declining percentages reflected in Table 29, this balance could be reasonably achieved while allowing for the inclusion of other, future contracting opportunities as well as planned efficiency and demand-side impacts. Such strategies have been successfully implemented by other CCE programs and are generally recognized as a prudent planning/procurement strategy. Note that the percentages reflected in Table 29 may vary in consideration of the buyer’s unique preferences and tolerance for risk.

Table 29: Indicative Contracting Guidelines under a Laddered Procurement Strategy

| Time Horizon | Contracting Guideline (Contractual Commitments/Total Energy Need) |
|-------------------|---|
| Current Year | 80% to 100% |
| Year 2 | 70% to 100% |
| Year 3 | 60% to 95% |
| Year 4 and Beyond | Up to 70% |

This procurement strategy should also create a certain level of symmetry with market impacts that would also affect incremental procurement completed by the incumbent utility. Ultimately, there is no mitigation tactic that could completely insulate the CCE from market price risk, but a diversified supply portfolio, in terms of transaction timing, fuel sources and contract term lengths, will minimize such risks over time.

SECTION 8: CCE FORMATION ACTIVITIES

This section provides a high level summary of the main steps involved in forming a CCE program that culminates in the provision of service to enrolled customers. Key implementation activities include those related to 1) CCE entity formation; 2) regulatory requirements; 3) procurement; 4) financing; 5) organization; and 6) customer noticing. Completion of these activities is reflected in the Study's startup cost estimates.

CCE Entity Formation

Unless the municipal organization that will legally register as the CCE entity already exists, it must be legally established. Municipalities electing to offer or allow others to offer CCE service within their jurisdiction must do so by ordinance. As anticipated for SVCCE, a joint power authority ("JPA"), the members of which will include certain or all municipal jurisdictions currently represented amongst the CCE Study Partners, will be formed via a related agreement amongst the participating municipalities. Specific examples of applicable JPA agreements are available for currently operating CCE programs, including MCE and SCP, which were formed under this joint structure. Based on PEA's understanding, specific details related to SVCCE's JPA agreement are being developed.

Regulatory Requirements

Before aggregating customers, the CCE program must meet certain requirements set forth by the CPUC. In the case of SVCCE, an Implementation Plan must be adopted by the joint powers authority, and that Implementation Plan must be submitted to the CPUC. The Implementation Plan must include the following:

- An organizational structure of the program, its operations, and its funding;
- Ratesetting and other costs to participants;
- Provisions for disclosure and due process in setting rates and allocating costs among participants;
- The methods for entering and terminating agreements with other entities;
- The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures;
- Termination of the program; and
- A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.

A Statement of Intent must be included with the Implementation Plan that provides for:

- Universal access
- Reliability
- Equitable treatment of all classes of customers
- Any requirements established by law or the CPUC concerning aggregated service.

The CPUC has ninety days to complete a review and certify the Implementation Plan though previous Implementation Plan reviews completed on behalf of other California CCE programs have required far less time. Following certification of the Implementation Plan, the CCE entity must submit a registration packet to the CPUC, which includes:

- An executed service agreement with PG&E, which may require a security deposit; and

- A bond or evidence of sufficient insurance to cover any reentry fees that may be imposed against it by the CPUC for involuntarily returning customers to PG&E service. As previously noted, the current CCE bond amount is \$100,000.

The CCE program would be required to participate in the CPUC's resource adequacy program before commencing service to customers by providing load forecasts and advance demonstration of resource adequacy compliance. More specifically, a start-up CCE program would be required to file a formal load forecast with the CEC upon execution of a primary supply contract, which triggers a 100% commitment to program launch.

Procurement

Power supplies must be secured several months in advance of commencing service. Power purchase agreements with one or more power suppliers would be negotiated, typically following a competitive selection process. Services that are required include provision of energy, capacity, renewable energy and scheduling coordination. Once a firm commitment to offering CCE service is made, typically through execution of power supply contracts, the CCE should provide its inaugural load forecast to the California Energy Commission to initiate determination of the applicable resource adequacy requirements (i.e., capacity) for the first year of operation.

Financing

Funding must be obtained to cover start-up activities and working capital needs. Start-up funding would be secured early in the implementation process as these funds would be needed to conduct the critical activities leading up to service commencement. Working capital lender commitments should be secured well in advance, but actual funding need not occur until near the time that service begins.

Organization

Initial staff positions would be filled several months in advance of service commencement to conduct the implementation process. Initially, internal staff of the CCE program may be relatively small but this would likely change in the event that the CCE determines to insource various administrative and operational responsibilities and/or develops and administers new programs for its customers. Contracts with other service providers, such as for data management services, would be negotiated and put into effect well in advance of service commencement.

Customer Notices

Customers must be provided notices regarding their pending enrollment in the CCE program. Such notices must contain program terms and conditions as well as opt-out instructions and must be sent to prospective customers at least twice within the sixty-day period immediately preceding automatic enrollment. These notices are referred to as "pre-enrollment" notices. Two additional "post-enrollment" notices must be provided within the sixty-day period following customer enrollment during the statutory opt-out period.

Ratesetting and Preliminary Program Development

As a California CCE, SVCCE would have independent ratesetting authority with regard to the electric generation charges imposed on its customers. Prior to service commencement, SVCCE would need to establish initial customer generation rates for each of the customer groups represented in its first operating phase or for all prospective customers within the CCE's prospective service territory. SVCCE may decide to create a schedule of customer generation rates that generally resembles the current rate options offered by PG&E.

This practice would facilitate customer rate comparisons and should avoid confusion that may occur if customers were to be transitioned to dissimilar tariff options. SVCCE would need to establish a schedule for ongoing rate updates/changes for future customer phases and ongoing operations.

SVCCE may also choose to offer certain customer-focused programs, such as Net Energy Metering (“NEM”), voluntary green pricing and/or FIT programs, at the time of service commencement. To the extent that SVCCE intends to offer such programs, specific terms and conditions of service would need to be developed in advance of service commencement.

SECTION 9: EVALUATION AND RECOMMENDATIONS

This section provides an overall assessment of the feasibility for forming a CCE program serving communities of the CCE Study Partners and provides PEA’s recommendations in the event a decision is made to proceed with development of the SVCCE program.

PEA’s analysis suggests that SVCCE could provide significant benefits – both economic and environmental – which could be accomplished under certain prospective operating scenarios with customer rates that are competitive, if not lower than, current rate projections for PG&E. Under a reasonable range of sensitivity assumptions, the analysis shows that customer rates are projected to range from approximately 21 to 23 cents per kWh, on a ten-year levelized cost basis, while PG&E rates are projected to range from 22 to 24 cents per kWh on a levelized basis over this same period of time.

Under base case assumptions, CCE program rates are projected to range from 21.5 cents per kWh to 22.3 cents per kWh, depending upon the ultimate CCE program resource mix. PG&E’s generation rate is projected to be 22.3 cents per kWh, creating the potential for customer savings under two of the three supply scenarios. Table 30 shows projected levelized electric rates and typical residential monthly electric bills under the base case assumptions.

Table 30: Summary of Ratepayer Impacts

| Ratepayer Impact | Scenario 1 | Scenario 2 | Scenario 3 | PG&E |
|---|------------|------------|------------|-------|
| Levelized Electric Rate (Cents/KWh) | 21.5 | 21.8 | 22.3 | 22.3 |
| Typical Residential Bill (\$/Month) ³⁶ | \$112 | \$114 | \$116 | \$116 |

It should be noted that there is considerable overlap in the range of estimated rates under the various sensitivity scenarios described in this Study, and while base case estimates generally show highly competitive rates for the CCE program, it is anticipated that Scenarios 1 and 2 are most likely to generate customer rate savings while Scenario 3 is most likely to result in general cost equivalency over time.

With regard to GHG emissions impacts, the ultimate resource mix identified by the CCE program will dictate actual GHG emissions impacts created by SVCCE operation. Depending upon resource choices made by the CCE program, potential GHG emissions may vary widely relative to PG&E. For example, under Scenario 1, SVCCE should assume zero electric power sector GHG emissions impacts within communities of the CCE Study Partners. Scenarios 2 and 3 are both expected to create significant GHG emissions reductions through the procurement of significant quantities of renewable and additional carbon-free energy. Table 31 summarizes projected GHG emissions impacts for each of the modeled supply scenarios.

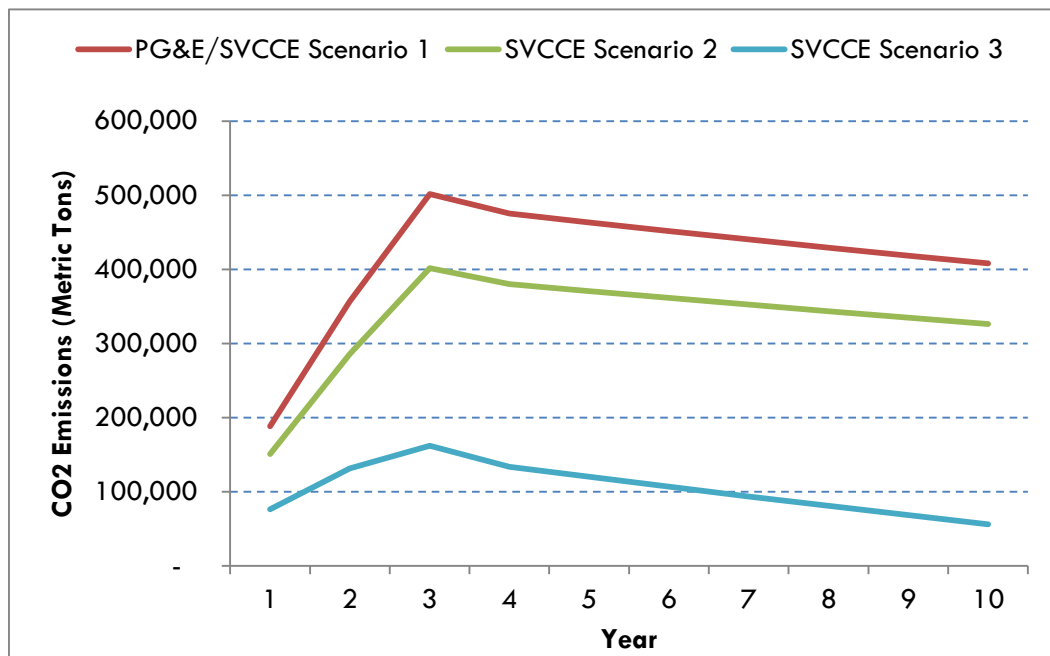
³⁶ Average monthly residential electricity consumption within communities of the CCE Study Partners is approximately 510 kWh.

Table 31: GHG Emissions Impacts (Ten Year Average)

| GHG Impact | Scenario 1 | Scenario 2 | Scenario 3 |
|--|------------|------------|------------|
| Annual Change in GHG Emissions (Tons CO ₂ /Year) | Zero | -82,659 | -310,504 |
| Change in Electric Sector CO ₂ Emissions within Communities of the CCE Study Partners (%) | Zero | -20% | -73% |
| Projected SVCCE Portfolio Emissions Factor (metric tons/MWh) | 0.128 | 0.103 | 0.034 |
| Projected PG&E Portfolio Emissions Factor (metric tons/MWh) | 0.128 | 0.128 | 0.128 |

Figure 30 illustrate projected GHG emissions from CCE program customer under the status quo as well as each of the prospective SVCCE supply scenarios. When reviewing Figure 30, note that the sharp increase in emissions between year one and year three is directly related to SVCCE's phased customer enrollment schedule – during this three-year period, total emissions are expected to increase as customers are added to the SVCCE program. Following full enrollment in year three, SVCCE portfolio emissions gradually decline over time as increased quantities of carbon-free energy sources are increasingly reflected in the overall SVCCE resource mix. Note that the projected GHG emissions trend associated with Scenario 1 coincides with the PG&E reference line, as there are zero assumed GHG emissions reductions under this planning scenario.

Figure 30: Projected GHG Emissions



The potential for local generation investment arising from the CCE program appears to offer significant benefits to the local economy. Again, resource decisions will impact the degree to which generation investments yield local benefits as indicated through the analysis of local economic impact associated with the representative supply scenarios. Compared to some other areas in the state, communities of the CCE Study Partners are not the best resource areas for solar and wind production, and local projects of this type will tend to have higher costs than projects sited in prime resource areas. Tradeoffs also exist between minimizing ratepayer costs in the short run and expanding use of renewable energy due to the cost premiums that currently exist for renewable energy. Decisions made during the implementation process and during the life

of the CCE program will determine how these considerations are balanced. PEA recommends that considerable thought be given upfront to the ultimate goals of the CCE program so that clear objectives are established, giving those responsible for administering the CCE program the opportunity to develop and execute resource management and procurement plans that meet objectives of the CCE Study Partners.

In summary, it is PEA's opinion that, based on currently observed wholesale market conditions, anticipated PG&E electric rates and certain of the supply scenarios evaluated in this Study, amongst various other considerations, a CCE program serving customers within communities of the CCE Study Partners could offer both economic (i.e., positive economic development impacts and overall cost savings for customers of the CCE program) and environmental benefits during initial program operations and, potentially, throughout the ten-year study period. As previously noted, due to the dynamic nature of California's energy markets, particularly market prices which are subject to frequent changes, the SVCCE Partnership should confirm that the assumptions reflected in this Study generally align with future market conditions (observed at the time of any decision by the SVCCE Partnership to move forward) to promote the achievement of early-stage SVCCE operations that generally align with the operating projections reflected in this Study – to the extent that future market price benchmarks materially differ from any of the assumptions noted in this Study, PEA recommends updating pertinent operating projections to ensure well-informed decision making and prudent action related to SVCCE program formation.

APPENDIX A: SVCCE PRO FORMA ANALYSES

SILICON VALLEY COMMUNITY CHOICE ENERGY
FINANCIAL PRO FORMA ANALYSIS
SCENARIO 1

| CATEGORY | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <hr/> | | | | | | | | | | |
| I. CUSTOMER ACCOUNTS: | | | | | | | | | | |
| RESIDENTIAL (E-1) | 61,781 | 124,179 | 187,200 | 188,136 | 189,076 | 190,022 | 190,972 | 191,927 | 192,886 | 193,851 |
| SMALL COMMERCIAL (A-1) | 5,085 | 10,221 | 15,409 | 15,486 | 15,563 | 15,641 | 15,719 | 15,798 | 15,877 | 15,956 |
| SMALL COMMERCIAL (A-6) | 332 | 667 | 1,006 | 1,011 | 1,016 | 1,021 | 1,026 | 1,032 | 1,037 | 1,042 |
| MEDIUM COMMERCIAL (A-10) | 716 | 1,439 | 2,169 | 2,180 | 2,191 | 2,202 | 2,213 | 2,224 | 2,235 | 2,247 |
| LARGE COMMERCIAL (E-19) | 331 | 665 | 1,002 | 1,007 | 1,012 | 1,017 | 1,022 | 1,027 | 1,032 | 1,037 |
| INDUSTRIAL (E-20) | 12 | 24 | 37 | 37 | 37 | 37 | 38 | 38 | 38 | 38 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 452 | 908 | 1,369 | 1,376 | 1,383 | 1,390 | 1,397 | 1,404 | 1,411 | 1,418 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 267 | 538 | 810 | 814 | 819 | 823 | 827 | 831 | 835 | 839 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - CUSTOMER ACCOUNTS | 68,976 | 138,642 | 209,003 | 210,048 | 211,098 | 212,153 | 213,214 | 214,280 | 215,352 | 216,428 |
| <hr/> | | | | | | | | | | |
| II. LOAD REQUIREMENTS (KWH): | | | | | | | | | | |
| RESIDENTIAL (E-1) | 379,302,235 | 762,397,493 | 1,149,314,221 | 1,155,060,792 | 1,160,836,096 | 1,166,640,276 | 1,172,473,478 | 1,178,335,845 | 1,184,227,524 | 1,190,148,662 |
| SMALL COMMERCIAL (A-1) | 103,830,975 | 208,700,259 | 314,615,641 | 316,188,719 | 317,769,663 | 319,358,511 | 320,955,304 | 322,560,080 | 324,172,881 | 325,793,745 |
| SMALL COMMERCIAL (A-6) | 15,589,202 | 31,334,295 | 47,236,450 | 47,472,633 | 47,709,996 | 47,948,546 | 48,188,289 | 48,429,230 | 48,671,376 | 48,914,733 |
| MEDIUM COMMERCIAL (A-10) | 161,290,281 | 324,193,466 | 488,721,650 | 491,165,258 | 493,621,084 | 496,089,190 | 498,569,636 | 501,062,484 | 503,567,796 | 506,085,635 |
| LARGE COMMERCIAL (E-19) | 226,157,453 | 454,576,480 | 685,274,044 | 688,700,414 | 692,143,916 | 695,604,636 | 699,082,659 | 702,578,072 | 706,090,963 | 709,621,418 |
| INDUSTRIAL (E-20) | 213,906,622 | 429,952,310 | 648,153,107 | 651,393,872 | 654,650,841 | 657,924,096 | 661,213,716 | 664,519,785 | 667,842,384 | 671,181,596 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 5,830,063 | 11,718,427 | 17,665,529 | 17,753,857 | 17,842,626 | 17,931,839 | 18,021,498 | 18,111,606 | 18,202,164 | 18,293,175 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 18,032,203 | 36,244,729 | 54,638,929 | 54,912,124 | 55,186,684 | 55,462,618 | 55,739,931 | 56,018,630 | 56,298,723 | 56,580,217 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - LOAD REQUIREMENTS | 1,123,939,035 | 2,259,117,460 | 3,405,619,571 | 3,422,647,669 | 3,439,760,907 | 3,456,959,711 | 3,474,244,510 | 3,491,615,733 | 3,509,073,811 | 3,526,619,180 |
| <hr/> | | | | | | | | | | |
| III. CCA OPERATING COSTS (\$) | | | | | | | | | | |
| SHORT TERM MARKET PURCHASES | \$5,041,013 | \$10,132,991 | \$14,681,238 | \$14,891,117 | \$15,310,728 | \$15,848,723 | \$16,237,063 | \$16,791,157 | \$17,023,403 | \$17,414,879 |
| TERM CONTRACT PURCHASES | \$12,703,352 | \$61,538,738 | \$90,598,285 | \$120,270,043 | \$122,099,085 | \$124,231,022 | \$142,640,040 | \$143,685,314 | \$150,230,703 | \$150,904,675 |
| SHORT TERM RENEWABLE MARKET PURCHASES AND RECS | \$24,965,932 | \$23,699,137 | \$34,635,089 | \$16,805,807 | \$21,442,193 | \$26,684,873 | \$16,084,761 | \$23,234,929 | \$24,503,443 | \$31,730,964 |
| SHORT TERM CARBON FREE MARKET PURCHASES | \$13,777,449 | \$31,618,914 | \$53,529,156 | \$58,123,045 | \$59,786,581 | \$61,774,017 | \$63,729,119 | \$65,508,621 | \$65,957,309 | \$66,808,386 |
| ANCILLARY SERVICES AND CAISO CHARGES | \$3,405,692 | \$7,075,827 | \$10,997,945 | \$11,428,579 | \$11,866,795 | \$12,334,026 | \$12,821,715 | \$13,326,878 | \$13,812,781 | \$14,335,558 |
| RESOURCE ADEQUACY CAPACITY | \$5,570,842 | \$9,270,545 | \$13,329,099 | \$13,009,335 | \$13,391,766 | \$13,788,938 | \$13,812,953 | \$14,402,178 | \$14,745,455 | \$15,381,372 |
| STAFF AND OTHER OPERATIONS COSTS | \$7,169,346 | \$8,517,394 | \$9,928,752 | \$10,146,128 | \$10,368,322 | \$10,595,445 | \$10,827,606 | \$11,064,918 | \$11,307,498 | \$11,555,463 |
| BILLING AND DATA MANAGEMENT | \$1,622,317 | \$3,358,684 | \$5,215,112 | \$5,398,424 | \$5,588,178 | \$5,784,603 | \$5,987,931 | \$6,198,407 | \$6,416,281 | \$6,641,814 |
| UNCOLLECTIBLES EXPENSE | \$384,599 | \$789,381 | \$1,177,893 | \$1,263,682 | \$1,312,588 | \$1,355,208 | \$1,410,706 | \$1,471,062 | \$1,519,984 | \$1,573,866 |
| STARTUP FINANCING | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CCA BOND CARRYING COST | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - CCA OPERATING COSTS | \$77,305,968 | \$158,667,037 | \$236,757,995 | \$254,001,584 | \$263,831,662 | \$272,398,355 | \$283,553,394 | \$295,684,964 | \$305,518,358 | \$316,348,477 |
| <hr/> | | | | | | | | | | |
| IV. REVENUES FROM GREEN PREMIUM AND MARKET SALES (\$) | | | | | | | | | | |
| GREEN PRICING PREMIUM | \$ 271,812 | \$ 562,733 | \$ 873,770 | \$ 886,393 | \$ 890,614 | \$ 894,036 | \$ 896,599 | \$ 898,237 | \$ 898,882 | \$ 898,463 |
| MARKET SALES | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <hr/> | | | | | | | | | | |
| V. CONTRIBUTION TO PROGRAM RESERVES (\$) | \$3,092,239 | \$6,346,681 | \$9,470,320 | \$10,160,063 | \$10,553,266 | \$10,895,934 | \$11,342,136 | \$11,827,399 | \$12,220,734 | \$12,653,939 |
| <hr/> | | | | | | | | | | |
| VI. CCA REVENUE REQUIREMENT (\$) | \$80,126,394 | \$164,450,985 | \$245,354,545 | \$263,275,255 | \$273,494,314 | \$282,400,254 | \$293,998,932 | \$306,614,126 | \$316,840,210 | \$328,103,953 |
| <hr/> | | | | | | | | | | |
| CCA PROGRAM AVERAGE RATE (CENTS/KWH) | 7.1 | 7.3 | 7.2 | 7.7 | 8.0 | 8.2 | 8.5 | 8.8 | 9.0 | 9.3 |
| PG&E AVERAGE GENERATION COST (CENTS/KWH) | 9.6 | 9.7 | 10.1 | 10.5 | 10.7 | 10.9 | 11.3 | 11.6 | 11.9 | 12.3 |
| <hr/> | | | | | | | | | | |
| VII. PG&E CCA CUSTOMER SURCHARGES (\$) | | | | | | | | | | |
| POWER CHARGE INDIFFERENCE ADJUSTMENT | \$17,176,539 | \$34,339,259 | \$57,624,201 | \$59,979,592 | \$68,846,649 | \$71,301,137 | \$73,395,868 | \$72,904,287 | \$76,084,978 | \$75,601,919 |
| FRANCHISE FEE SURCHARGE | \$807,311 | \$1,645,165 | \$2,566,976 | \$2,677,997 | \$2,765,271 | \$2,826,865 | \$2,939,449 | \$3,028,912 | \$3,132,039 | \$3,233,921 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - PG&E CCA CUSTOMER SURCHARGES | \$ 17,983,851 | \$ 35,984,424 | \$ 60,191,178 | \$ 62,657,588 | \$ 71,611,920 | \$ 74,128,002 | \$ 76,335,317 | \$ 75,933,200 | \$ 79,217,017 | \$ 78,835,840 |
| <hr/> | | | | | | | | | | |
| VIII. CCA REVENUE REQUIREMENT PLUS PG&E CCA CUSTOMER SURCHARGES | \$98,110,245 | \$200,435,409 | \$305,545,722 | \$325,932,843 | \$345,106,235 | \$356,528,255 | \$370,334,248 | \$382,547,326 | \$396,057,227 | \$406,939,792 |
| IX. REVENUE AT PG&E GENERATION RATES | \$107,931,990 | \$219,947,272 | \$343,187,142 | \$358,029,788 | \$369,697,818 | \$377,932,408 | \$392,984,207 | \$404,944,826 | \$418,732,178 | \$432,353,066 |
| X. TOTAL CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS | \$ (9,821,745) | \$ (19,511,863) | \$ (37,641,419) | \$ (32,096,944) | \$ (24,591,584) | \$ (21,404,153) | \$ (22,649,959) | \$ (22,397,500) | \$ (22,674,951) | \$ (25,413,274) |
| CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS (%) | -4% | -4% | -5% | -4% | -3% | -3% | -3% | -3% | -3% | -3% |

SILICON VALLEY COMMUNITY CHOICE ENERGY
FINANCIAL PRO FORMA ANALYSIS
SCENARIO 2

| CATEGORY | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| <hr/> | | | | | | | | | | |
| I. CUSTOMER ACCOUNTS: | | | | | | | | | | |
| RESIDENTIAL (E-1) | 61,781 | 124,179 | 187,200 | 188,136 | 189,076 | 190,022 | 190,972 | 191,927 | 192,886 | 193,851 |
| SMALL COMMERCIAL (A-1) | 5,085 | 10,221 | 15,409 | 15,486 | 15,563 | 15,641 | 15,719 | 15,798 | 15,877 | 15,956 |
| SMALL COMMERCIAL (A-6) | 332 | 667 | 1,006 | 1,011 | 1,016 | 1,021 | 1,026 | 1,032 | 1,037 | 1,042 |
| MEDIUM COMMERCIAL (A-10) | 716 | 1,439 | 2,169 | 2,180 | 2,191 | 2,202 | 2,213 | 2,224 | 2,235 | 2,247 |
| LARGE COMMERCIAL (E-19) | 331 | 665 | 1,002 | 1,007 | 1,012 | 1,017 | 1,022 | 1,027 | 1,032 | 1,037 |
| INDUSTRIAL (E-20) | 12 | 24 | 37 | 37 | 37 | 37 | 38 | 38 | 38 | 38 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 452 | 908 | 1,369 | 1,376 | 1,383 | 1,390 | 1,397 | 1,404 | 1,411 | 1,418 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 267 | 538 | 810 | 814 | 819 | 823 | 827 | 831 | 835 | 839 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - CUSTOMER ACCOUNTS | 68,976 | 138,642 | 209,003 | 210,048 | 211,098 | 212,153 | 213,214 | 214,280 | 215,352 | 216,428 |
| <hr/> | | | | | | | | | | |
| II. LOAD REQUIREMENTS (KWH): | | | | | | | | | | |
| RESIDENTIAL (E-1) | 379,302,235 | 762,397,493 | 1,149,314,221 | 1,155,060,792 | 1,160,836,096 | 1,166,640,276 | 1,172,473,478 | 1,178,335,845 | 1,184,227,524 | 1,190,148,662 |
| SMALL COMMERCIAL (A-1) | 103,830,975 | 208,700,259 | 314,615,641 | 316,188,719 | 317,769,663 | 319,358,511 | 320,955,304 | 322,560,080 | 324,172,881 | 325,793,745 |
| SMALL COMMERCIAL (A-6) | 15,589,202 | 31,334,295 | 47,236,450 | 47,472,633 | 47,709,996 | 47,948,546 | 48,188,289 | 48,429,230 | 48,671,376 | 48,914,733 |
| MEDIUM COMMERCIAL (A-10) | 161,290,281 | 324,193,466 | 488,721,650 | 491,165,258 | 493,621,084 | 496,089,190 | 498,569,636 | 501,062,484 | 503,567,796 | 506,085,635 |
| LARGE COMMERCIAL (E-19) | 226,157,453 | 454,576,480 | 685,274,044 | 688,700,414 | 692,143,916 | 695,604,636 | 699,082,659 | 702,578,072 | 706,090,963 | 709,621,418 |
| INDUSTRIAL (E-20) | 213,906,622 | 429,952,310 | 648,153,107 | 651,393,872 | 654,650,841 | 657,924,096 | 661,213,716 | 664,519,785 | 667,842,384 | 671,181,596 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 5,830,063 | 11,718,427 | 17,665,529 | 17,753,857 | 17,842,626 | 17,931,839 | 18,021,498 | 18,111,606 | 18,202,164 | 18,293,175 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 18,032,203 | 36,244,729 | 54,638,929 | 54,912,124 | 55,186,684 | 55,462,618 | 55,739,931 | 56,018,630 | 56,298,723 | 56,580,217 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - LOAD REQUIREMENTS | 1,123,939,035 | 2,259,117,460 | 3,405,619,571 | 3,422,647,669 | 3,439,760,907 | 3,456,959,711 | 3,474,244,510 | 3,491,615,733 | 3,509,073,811 | 3,526,619,180 |
| <hr/> | | | | | | | | | | |
| III. CCA OPERATING COSTS (\$) | | | | | | | | | | |
| SHORT TERM MARKET PURCHASES | \$4,059,363 | \$8,161,906 | \$11,803,457 | \$11,999,206 | \$12,339,124 | \$12,774,593 | \$13,055,640 | \$13,504,281 | \$13,694,329 | \$14,012,698 |
| TERM CONTRACT PURCHASES | \$10,229,594 | \$56,571,604 | \$83,346,275 | \$112,982,427 | \$114,610,645 | \$116,484,213 | \$134,622,855 | \$135,402,388 | \$141,841,435 | \$142,331,178 |
| SHORT TERM RENEWABLE MARKET PURCHASES AND RECS | \$35,076,103 | \$45,044,757 | \$67,963,379 | \$48,982,201 | \$56,858,919 | \$65,786,260 | \$59,197,404 | \$70,642,350 | \$75,808,294 | \$87,544,105 |
| SHORT TERM CARBON FREE MARKET PURCHASES | \$10,013,757 | \$23,149,763 | \$39,463,112 | \$44,779,872 | \$44,105,738 | \$43,422,383 | \$42,427,284 | \$40,997,517 | \$38,438,717 | \$35,815,942 |
| ANCILLARY SERVICES AND CAISO CHARGES | \$3,405,692 | \$7,075,827 | \$10,997,945 | \$11,428,579 | \$11,866,795 | \$12,334,026 | \$12,821,715 | \$13,326,878 | \$13,812,781 | \$14,335,558 |
| RESOURCE ADEQUACY CAPACITY | \$5,570,842 | \$9,270,545 | \$13,329,099 | \$13,009,335 | \$13,391,766 | \$13,788,938 | \$13,812,953 | \$14,402,178 | \$14,745,455 | \$15,381,372 |
| STAFF AND OTHER OPERATIONS COSTS | \$7,169,346 | \$8,517,394 | \$9,928,752 | \$10,146,128 | \$10,368,322 | \$10,595,445 | \$10,827,606 | \$11,064,918 | \$11,307,498 | \$11,555,463 |
| BILLING AND DATA MANAGEMENT | \$1,622,317 | \$3,358,684 | \$5,215,112 | \$5,398,424 | \$5,588,178 | \$5,784,603 | \$5,987,931 | \$6,198,407 | \$6,416,281 | \$6,641,814 |
| UNCOLLECTIBLES EXPENSE | \$399,055 | \$819,072 | \$1,223,555 | \$1,306,950 | \$1,358,967 | \$1,404,852 | \$1,463,767 | \$1,527,695 | \$1,580,324 | \$1,638,091 |
| STARTUP FINANCING | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CCA BOND CARRYING COST | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - CCA OPERATING COSTS | \$80,211,494 | \$164,634,977 | \$245,936,112 | \$262,698,547 | \$273,153,881 | \$282,376,814 | \$294,218,655 | \$307,068,112 | \$317,646,612 | \$329,257,722 |
| <hr/> | | | | | | | | | | |
| IV. REVENUES FROM GREEN PREMIUM AND MARKET SALES (\$) | | | | | | | | | | |
| GREEN PRICING PREMIUM | \$ 209,086 | \$ 432,872 | \$ 672,130 | \$ 695,756 | \$ 684,201 | \$ 670,974 | \$ 655,973 | \$ 639,087 | \$ 620,204 | \$ 599,204 |
| MARKET SALES | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <hr/> | | | | | | | | | | |
| V. CONTRIBUTION TO PROGRAM RESERVES (\$) | \$3,208,460 | \$6,585,399 | \$9,837,444 | \$10,507,942 | \$10,926,155 | \$11,295,073 | \$11,768,746 | \$12,282,724 | \$12,705,864 | \$13,170,309 |
| <hr/> | | | | | | | | | | |
| VI. CCA REVENUE REQUIREMENT (\$) | \$83,210,867 | \$170,787,505 | \$255,101,426 | \$272,510,733 | \$283,395,835 | \$293,000,912 | \$305,331,428 | \$318,711,749 | \$329,732,273 | \$341,828,827 |
| <hr/> | | | | | | | | | | |
| CCA PROGRAM AVERAGE RATE (CENTS/KWH) | 7.4 | 7.6 | 7.5 | 8.0 | 8.2 | 8.5 | 8.8 | 9.1 | 9.4 | 9.7 |
| PG&E AVERAGE GENERATION COST (CENTS/KWH) | 9.6 | 9.7 | 10.1 | 10.5 | 10.7 | 10.9 | 11.3 | 11.6 | 11.9 | 12.3 |
| <hr/> | | | | | | | | | | |
| VII. PG&E CCA CUSTOMER SURCHARGES (\$) | | | | | | | | | | |
| POWER CHARGE INDIFFERENCE ADJUSTMENT | \$17,176,539 | \$34,339,259 | \$57,624,201 | \$59,979,592 | \$68,846,649 | \$71,301,137 | \$73,395,868 | \$72,904,287 | \$76,084,978 | \$75,601,919 |
| FRANCHISE FEE SURCHARGE | \$807,311 | \$1,645,165 | \$2,566,976 | \$2,677,997 | \$2,765,271 | \$2,826,865 | \$2,939,449 | \$3,028,912 | \$3,132,039 | \$3,233,921 |
| <hr/> | | | | | | | | | | |
| SUBTOTAL - PG&E CCA CUSTOMER SURCHARGES | \$ 17,983,851 | \$ 35,984,424 | \$ 60,191,178 | \$ 62,657,588 | \$ 71,611,920 | \$ 74,128,002 | \$ 76,335,317 | \$ 75,933,200 | \$ 79,217,017 | \$ 78,835,840 |
| <hr/> | | | | | | | | | | |
| VIII. CCA REVENUE REQUIREMENT PLUS PG&E CCA CUSTOMER SURCHARGES | \$101,194,718 | \$206,771,929 | \$315,292,604 | \$335,168,322 | \$355,007,755 | \$367,128,913 | \$381,666,745 | \$394,644,949 | \$408,949,290 | \$420,664,666 |
| IX. REVENUE AT PG&E GENERATION RATES | \$107,931,990 | \$219,947,272 | \$343,187,142 | \$358,029,788 | \$369,697,818 | \$377,932,408 | \$392,984,207 | \$404,944,826 | \$418,732,178 | \$432,353,066 |
| X. TOTAL CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS | \$ (6,737,272) | \$ (13,175,343) | \$ (27,894,538) | \$ (22,861,466) | \$ (14,690,063) | \$ (10,803,495) | \$ (11,317,462) | \$ (10,299,877) | \$ (9,782,888) | \$ (11,688,400) |
| CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS (%) | -3% | -3% | -4% | -3% | -2% | -1% | -1% | -1% | -1% | -1% |

SILICON VALLEY COMMUNITY CHOICE ENERGY
FINANCIAL PRO FORMA ANALYSIS
SCENARIO 3

| CATEGORY | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 |
|---|----------------|----------------|-----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| I. CUSTOMER ACCOUNTS: | | | | | | | | | | |
| RESIDENTIAL (E-1) | 61,781 | 124,179 | 187,200 | 188,136 | 189,076 | 190,022 | 190,972 | 191,927 | 192,886 | 193,851 |
| SMALL COMMERCIAL (A-1) | 5,085 | 10,221 | 15,409 | 15,486 | 15,563 | 15,641 | 15,719 | 15,798 | 15,877 | 15,956 |
| SMALL COMMERCIAL (A-6) | 332 | 667 | 1,006 | 1,011 | 1,016 | 1,021 | 1,026 | 1,032 | 1,037 | 1,042 |
| MEDIUM COMMERCIAL (A-10) | 716 | 1,439 | 2,169 | 2,180 | 2,191 | 2,202 | 2,213 | 2,224 | 2,235 | 2,247 |
| LARGE COMMERCIAL (E-19) | 331 | 665 | 1,002 | 1,007 | 1,012 | 1,017 | 1,022 | 1,027 | 1,032 | 1,037 |
| INDUSTRIAL (E-20) | 12 | 24 | 37 | 37 | 37 | 37 | 38 | 38 | 38 | 38 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 452 | 908 | 1,369 | 1,376 | 1,383 | 1,390 | 1,397 | 1,404 | 1,411 | 1,418 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 267 | 538 | 810 | 814 | 819 | 823 | 827 | 831 | 835 | 839 |
| SUBTOTAL - CUSTOMER ACCOUNTS | 68,976 | 138,642 | 209,003 | 210,048 | 211,098 | 212,153 | 213,214 | 214,280 | 215,352 | 216,428 |
| II. LOAD REQUIREMENTS (KWH): | | | | | | | | | | |
| RESIDENTIAL (E-1) | 379,302,235 | 762,397,493 | 1,149,314,221 | 1,155,060,792 | 1,160,836,096 | 1,166,640,276 | 1,172,473,478 | 1,178,335,845 | 1,184,227,524 | 1,190,148,662 |
| SMALL COMMERCIAL (A-1) | 103,830,975 | 208,700,259 | 314,615,641 | 316,188,719 | 317,769,663 | 319,358,511 | 320,955,304 | 322,560,080 | 324,172,881 | 325,793,745 |
| SMALL COMMERCIAL (A-6) | 15,589,202 | 31,334,295 | 47,236,450 | 47,472,633 | 47,709,996 | 47,948,546 | 48,188,289 | 48,429,230 | 48,671,376 | 48,914,733 |
| MEDIUM COMMERCIAL (A-10) | 161,290,281 | 324,193,466 | 488,721,650 | 491,165,258 | 493,621,084 | 496,089,190 | 498,569,636 | 501,062,484 | 503,567,796 | 506,085,635 |
| LARGE COMMERCIAL (E-19) | 226,157,453 | 454,576,480 | 685,274,044 | 688,700,414 | 692,143,916 | 695,604,636 | 699,082,659 | 702,578,072 | 706,090,963 | 709,621,418 |
| INDUSTRIAL (E-20) | 213,906,622 | 429,952,310 | 648,153,107 | 651,393,872 | 654,650,841 | 657,924,096 | 661,213,716 | 664,519,785 | 667,842,384 | 671,181,596 |
| STREET LIGHTING AND TRAFFIC CONTROL (LS-3) | 5,830,063 | 11,718,427 | 17,665,529 | 17,753,857 | 17,842,626 | 17,931,839 | 18,021,498 | 18,111,606 | 18,202,164 | 18,293,175 |
| AGRICULTURAL (AG-1B, AG-4A, AG-4B, AG-5A, AG-5B, AG-5C) | 18,032,203 | 36,244,729 | 54,638,929 | 54,912,124 | 55,186,684 | 55,462,618 | 55,739,931 | 56,018,630 | 56,298,723 | 56,580,217 |
| SUBTOTAL - LOAD REQUIREMENTS | 1,123,939,035 | 2,259,117,460 | 3,405,619,571 | 3,422,647,669 | 3,439,760,907 | 3,456,959,711 | 3,474,244,510 | 3,491,615,733 | 3,509,073,811 | 3,526,619,180 |
| III. CCA OPERATING COSTS (\$) | | | | | | | | | | |
| SHORT TERM MARKET PURCHASES | \$2,138,349 | \$4,000,476 | \$4,990,457 | \$4,840,857 | \$4,751,013 | \$4,699,524 | \$4,563,852 | \$4,509,270 | \$4,357,738 | \$4,232,619 |
| TERM CONTRACT PURCHASES | \$5,388,639 | \$46,084,798 | \$66,177,515 | \$94,943,387 | \$95,488,604 | \$96,135,040 | \$113,223,549 | \$112,734,958 | \$118,313,226 | \$117,685,380 |
| SHORT TERM RENEWABLE MARKET PURCHASES AND RECS | \$51,926,387 | \$80,620,791 | \$123,510,529 | \$107,698,247 | \$112,467,877 | \$118,060,841 | \$107,591,967 | \$114,483,986 | \$113,868,272 | \$119,473,820 |
| SHORT TERM CARBON FREE MARKET PURCHASES | \$4,929,960 | \$12,792,213 | \$24,041,575 | \$29,030,947 | \$32,521,755 | \$36,495,558 | \$40,807,495 | \$45,397,707 | \$49,423,560 | \$54,107,821 |
| ANCILLARY SERVICES AND CAISO CHARGES | \$3,405,692 | \$7,075,827 | \$10,997,945 | \$11,428,579 | \$11,866,795 | \$12,334,026 | \$12,821,715 | \$13,326,878 | \$13,812,781 | \$14,335,558 |
| RESOURCE ADEQUACY CAPACITY | \$5,570,842 | \$9,270,545 | \$13,329,099 | \$13,009,335 | \$13,391,766 | \$13,788,938 | \$13,812,953 | \$14,402,178 | \$14,745,455 | \$15,381,372 |
| STAFF AND OTHER OPERATIONS COSTS | \$7,169,346 | \$8,517,394 | \$9,928,752 | \$10,146,128 | \$10,368,322 | \$10,595,445 | \$10,827,606 | \$11,064,918 | \$11,307,498 | \$11,555,463 |
| BILLING AND DATA MANAGEMENT | \$1,622,317 | \$3,358,684 | \$5,215,112 | \$5,398,424 | \$5,588,178 | \$5,784,603 | \$5,987,931 | \$6,198,407 | \$6,416,281 | \$6,641,814 |
| UNCOLLECTIBLES EXPENSE | \$424,077 | \$871,923 | \$1,304,275 | \$1,395,799 | \$1,445,541 | \$1,489,470 | \$1,548,185 | \$1,610,592 | \$1,661,224 | \$1,717,069 |
| STARTUP FINANCING | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$2,663,926 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CCA BOND CARRYING COST | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| SUBTOTAL - CCA OPERATING COSTS | \$85,241,036 | \$175,258,077 | \$262,160,685 | \$280,557,129 | \$290,555,277 | \$299,384,946 | \$311,186,754 | \$323,730,394 | \$333,907,533 | \$345,132,416 |
| IV. REVENUES FROM GREEN PREMIUM AND MARKET SALES (\$) | | | | | | | | | | |
| GREEN PRICING PREMIUM | \$ 104,543 | \$ 216,436 | \$ 336,065 | \$ 347,878 | \$ 360,106 | \$ 372,764 | \$ 385,866 | \$ 399,429 | \$ 413,469 | \$ 428,003 |
| MARKET SALES | \$59,746 | \$254,892 | \$150,425 | \$914,557 | \$1,200,555 | \$1,580,940 | \$2,278,637 | \$2,830,291 | \$3,378,309 | \$3,990,921 |
| V. CONTRIBUTION TO PROGRAM RESERVES (\$) | \$3,407,252 | \$7,000,127 | \$10,480,410 | \$11,185,703 | \$11,574,189 | \$11,912,160 | \$12,356,325 | \$12,836,004 | \$13,221,169 | \$13,645,660 |
| VI. CCA REVENUE REQUIREMENT (\$) | \$88,483,999 | \$181,786,877 | \$272,154,605 | \$290,480,396 | \$300,568,806 | \$309,343,403 | \$320,878,575 | \$333,336,678 | \$343,336,924 | \$354,359,152 |
| CCA PROGRAM AVERAGE RATE (CENTS/KWH) | 7.9 | 8.0 | 8.0 | 8.5 | 8.7 | 8.9 | 9.2 | 9.5 | 9.8 | 10.0 |
| PG&E AVERAGE GENERATION COST (CENTS/KWH) | 9.6 | 9.7 | 10.1 | 10.5 | 10.7 | 10.9 | 11.3 | 11.6 | 11.9 | 12.3 |
| VII. PG&E CCA CUSTOMER SURCHARGES (\$) | | | | | | | | | | |
| POWER CHARGE INDIFFERENCE ADJUSTMENT | \$17,176,539 | \$34,339,259 | \$57,624,201 | \$59,979,592 | \$68,846,649 | \$71,301,137 | \$73,395,868 | \$72,904,287 | \$76,084,978 | \$75,601,919 |
| FRANCHISE FEE SURCHARGE | \$807,311 | \$1,645,165 | \$2,566,976 | \$2,677,997 | \$2,765,271 | \$2,826,865 | \$2,939,449 | \$3,028,912 | \$3,132,039 | \$3,233,921 |
| SUBTOTAL - PG&E CCA CUSTOMER SURCHARGES | \$ 17,983,851 | \$ 35,984,424 | \$ 60,191,178 | \$ 62,657,588 | \$ 71,611,920 | \$ 74,128,002 | \$ 76,335,317 | \$ 75,933,200 | \$ 79,217,017 | \$ 78,835,840 |
| VIII. CCA REVENUE REQUIREMENT PLUS PG&E CCA CUSTOMER SURCHARGES | \$106,467,849 | \$217,771,301 | \$332,345,782 | \$353,137,985 | \$372,180,726 | \$383,471,404 | \$397,213,892 | \$409,269,878 | \$422,553,941 | \$433,194,991 |
| IX. REVENUE AT PG&E GENERATION RATES | \$107,931,990 | \$219,947,272 | \$343,187,142 | \$358,029,788 | \$369,697,818 | \$377,932,408 | \$392,984,207 | \$404,944,826 | \$418,732,178 | \$432,353,066 |
| X. TOTAL CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS | \$ (1,464,141) | \$ (2,175,971) | \$ (10,841,360) | \$ (4,891,803) | \$ 2,482,908 | \$ 5,538,996 | \$ 4,229,685 | \$ 4,325,052 | \$ 3,821,763 | \$ 841,925 |
| CHANGE IN CUSTOMER ELECTRIC CHARGES OR SURPLUS (%) | -1% | 0% | -2% | -1% | 0% | 1% | 1% | 1% | 0% | 0% |

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE TO AUTHORIZING THE
IMPLEMENTATION OF A COMMUNITY CHOICE
AGGREGATION (CCA) PROGRAM**

THE CITY COUNCIL OF THE CITY OF SUNNYVALE DOES ORDAIN AS
FOLLOWS:

SECTION 1. FINDINGS. The City Council finds as follows:

1. The Cities of Cupertino, Mountain View and Sunnyvale and the County of Santa Clara formed and sponsored the Silicon Valley Community Choice Energy Partnership (SVCCEP) to investigate options to provide electric service to customers within the City of Sunnyvale and surrounding municipalities with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the implementation of energy conservation and efficiency projects and programs.
2. The City of Sunnyvale, through its participation in SVCCEP, has prepared a Technical Feasibility Study for a Community Choice Aggregation ("CCA") program under the provisions of Public Utilities Code Section 366.2. The Technical Feasibility Study shows that implementing a community choice aggregation program would likely provide multiple benefits, including the following:
 - a. Providing customers a choice of power providers;
 - b. Increasing local control over energy rates and other energy-related matters;
 - c. Providing electric rates that are competitive with those provided by the incumbent utility;
 - d. Reducing greenhouse gas emissions arising from electricity use in the City;
 - e. Increasing local and regional renewable generation capacity;
 - f. Increasing energy conservation and efficiency projects and programs;
 - g. Increasing regional energy self-sufficiency; and
 - h. Improving the local economy by implementing new local renewable and energy conservation and efficiency projects.
3. The Joint Powers Agreement creating the Silicon Valley Clean Energy Authority ("Authority") will govern and operate the CCA program on behalf of its member jurisdictions. The Initial Participants within the County of Santa Clara, as defined by the Joint Powers Agreement, may participate in the Authority by adoption of a resolution approving the execution of the Joint Powers Agreement and adoption of the CCA ordinance required by Public Utilities Code Section 366.2(c)(12) by

March 31, 2016. Municipalities choosing to participate in the Authority will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreement.

4. The Authority will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority plans to provide electrical power to residents and businesses at rates that are competitive with those of the incumbent utility. Once the California Public Utilities Commission approves the implementation plan prepared by the Authority, the Authority may provide service to customers within the City of Sunnyvale and those cities that choose to participate in the Silicon Valley Clean Energy Authority; and
5. Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so at any time; and
6. On _____, 2015, the Sunnyvale City Council held a public hearing at which time interested persons had an opportunity to testify either in support or in opposition to implementation of the Silicon Valley Clean Energy CCA program in the City of Sunnyvale.
7. This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a “project” and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).) The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.) The Director of Environmental Services shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 2. The above findings are true and correct.

SECTION 3. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM. Based upon the foregoing, and in order to provide businesses and residents within the City of Sunnyvale with a choice of power providers, the City of Sunnyvale hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating in the Community Choice Aggregation program of the Silicon Valley Clean Energy Authority, as described in its Joint Powers Agreement.

SECTION 4. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

SECTION 5. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on _____, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk
Date of Attestation: _____

Mayor

(SEAL)

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE APPROVING THE JOINT POWERS
AGREEMENT ESTABLISHING THE SILICON VALLEY
CLEAN ENERGY AUTHORITY**

WHEREAS, the Cities of Cupertino, Mountain View and Sunnyvale and the County of Santa Clara formed and sponsored the Silicon Valley Community Choice Energy Partnership ("SVCCEP") to investigate options to provide electric service to customers within the City of Sunnyvale and surrounding municipalities with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of local, renewable energy projects, reduced greenhouse gas emissions, and the implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the City of Sunnyvale through its participation in SVCCEP has participated in the preparation of a Technical Feasibility Study for a community choice aggregation ("CCA") program under the provisions of Public Utilities Code Section 366.2, with the Technical Feasibility Study concluding that implementing a community choice aggregation program would likely achieve the goals and benefits described above; and

WHEREAS, the City of Sunnyvale desires to enter into the Joint Powers Agreement establishing the Silicon Valley Clean Energy Authority in order to implement a community choice aggregation program pursuant to Public Utilities Code Section 366.2(c)(12) within the jurisdiction of the City along with the other municipalities that become a member of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

Section 1. The Silicon Valley Clean Energy Authority Joint Powers Agreement, attached hereto as Exhibit A, is hereby approved and the Mayor is authorized to execute this Agreement upon the effective date of this resolution.

Section 2. This resolution and the establishment of the Silicon Valley Clean Energy Authority is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. §15378(b)(5)). Further, the resolution is exempt from CEQA as there is no possibility that the resolution or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. §15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

Section 3. This resolution shall be effective upon the adoption of Ordinance No. _____, an Ordinance of the City Council of the City of Sunnyvale Authorizing the Implementation of a Community Choice Aggregation (CCA) Program.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney

Final Draft (11/25/15)

Silicon Valley Clean Energy Authority

- Joint Powers Agreement –

Effective _____

Among The Following Parties:

City of Campbell

City of Cupertino

City of Gilroy

City of Los Altos

Town of Los Altos Hills

Town of Los Gatos

City of Monte Sereno

City of Morgan Hill

City of Mountain View

County of Santa Clara (Unincorporated Area)

City of Saratoga

City of Sunnyvale

SILICON VALLEY CLEAN ENERGY AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (“Agreement”), effective as of _____, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. The purposes for the Initial Participants (as such term is defined in Section 2.2 below) entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability, energy efficiencies and local economic benefits. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.
3. The Parties desire to establish a separate public agency, known as the Silicon Valley Clean Energy Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
4. The Initial Participants have each adopted an ordinance electing to implement through the Authority a Community Choice Aggregation program pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1 CONTRACT DOCUMENTS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

- Exhibit A: Definitions
- Exhibit B: List of the Parties
- Exhibit C: Annual Energy Use
- Exhibit D: Voting Shares
- Exhibit E: Funding of Initial Costs

1.3 Revision of Exhibits. The Parties agree that Exhibits B, C and D to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2 FORMATION OF SILICON VALLEY CLEAN ENERGY AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Silicon Valley Clean Energy Authority shall exist as a separate public agency on March 31, 2016 provided that this Agreement is executed on or prior to such date by at least three Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Initial Participants. Until March 31, 2016, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(12) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party that is not an Initial Participant

and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

2.3 Formation. There is formed as of the Effective Date a public agency named the Silicon Valley Clean Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing boards of all Parties.

2.4 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party and any other powers granted to the Authority under state law to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate as a group in the CCA Program pursuant to Public Utilities Code Section 366.2(c)(12). The Parties intend that subsequent agreements shall define the terms and conditions associated with the actual implementation of the CCA Program.

2.5 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

- 2.5.1** make and enter into contracts;
- 2.5.2** employ agents and employees, including but not limited to an Executive Director;
- 2.5.3** acquire, contract, manage, maintain, and operate any buildings, works or improvements;
- 2.5.4** acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
- 2.5.5** lease any property;
- 2.5.6** sue and be sued in its own name;
- 2.5.7** incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 et seq. and authority under the Act;

- 2.5.8 issue revenue bonds and other forms of indebtedness;
- 2.5.9 apply for, accept, and receive all licenses, permits, grants, loans or other assistance from any federal, state or local public agency;
- 2.5.10 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- 2.5.11 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”); and
- 2.5.12 make and enter into service, energy and any other agreements necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.6 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Cupertino and any other restrictions on exercising the powers of the Authority that may be adopted by the Board.

2.7 Compliance with Local Zoning and Building Laws. Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed.

ARTICLE 3 **AUTHORITY PARTICIPATION**

3.1 Addition of Parties. Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership fee, if any, and (e) satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1.

The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4

GOVERNANCE AND INTERNAL ORGANIZATION

4.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

4.2 Appointment and Removal of Directors. The Directors shall be appointed and may be removed as follows:

4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the Director shall be a member of the governing body of the Party. The person appointed and designated as the alternate Director may be a member of the governing body of the Party, a staff member of the Party, or a member of the public.

4.2.2 The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.11, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director has been removed may appoint a replacement.

4.3 Terms of Office. Each regular and alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director in accordance with the provisions of Section 4.2 within 90 days of the date that such position becomes vacant.

4.4 Quorum. A majority of the Directors of the entire Board shall constitute a quorum.

4.5 Powers and Function of the Board. The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.

4.6 Executive Committee. The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise, subject to limitations placed on the

Board's authority to delegate certain essential functions, as described in the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.11 to adopt and amend the Operating Rules and Regulations.

4.7 Commissions, Boards and Committees. The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement.

4.8 Director Compensation. Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

4.9 Board Voting.

4.9.1 Percentage Vote. Except when a supermajority vote is expressly required by this Agreement or the Operating Rules and Regulations, action of the Board on all matters shall require an affirmative vote of a majority of all Directors on the entire Board. A supermajority vote is required by this Agreement for the matters addressed by Sections 3.1, 6.4, 7.1.1, 7.1.2, 7.2, and 8.4. When a supermajority vote is required by this Agreement or the Operating Rules and Regulations, action of the Board shall require an affirmative vote of the specified supermajority of all Directors on the entire Board. All votes taken pursuant to this Section 4.9.1 shall be referred to as a percentage vote. No action can be taken by the Board without an affirmative percentage vote.

4.9.2 Voting Shares Vote. In addition to and immediately after an affirmative percentage vote, two or more Directors may request that, a vote of the voting shares shall be held. In such event, the corresponding voting shares (as described in Section 4.9.2 and Exhibit D) of all Directors voting in the affirmative shall exceed 50%, or such other higher voting shares percentage expressly required by this Agreement or the Operating Rules and Regulations, of all Directors on the entire Board. All votes taken pursuant to this Section 4.9.2 shall be referred to as a voting shares vote. In the event that any one Director has a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter. When a voting shares vote is held, action by the Board requires both an affirmative percentage vote and an affirmative voting shares vote.

4.9.3 Voting Shares Formula. When a voting shares vote is requested by two or more Directors, voting shares of the Directors shall be determined by the following formula:

(Annual Energy Use/Total Annual Energy) multiplied by 100, where (a) “Annual Energy Use” means (i) with respect to the first two years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction and (ii) with respect to the period after the second anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C and the initial voting shares are designated in Exhibit D. Both Exhibits C and D shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year subject to the approval of the Board.

4.10 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

4.11 Selection of Board Officers.

4.11.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.11.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.11.3 Treasurer and Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the

Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested, the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

ARTICLE 5

IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Preliminary Implementation of the CCA Program.

- 5.1.1 Enabling Ordinance.** Prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.
- 5.1.2 Implementation Plan.** The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.9.
- 5.1.3 Termination of CCA Program.** Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution or minute action, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

ARTICLE 6

FINANCIAL PROVISIONS

6.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery Costs.

6.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

6.3.2 Funding of Initial Costs. The Initial Participants shall fund the Initial Costs of the Authority in establishing the Authority and implementing the CCA Program as described in Exhibit E to this Agreement. The Initial Participants shall remit to the Authority their respective shares of Phase 2 and 3 Initial Costs as described in Exhibit E within 30 days after the Effective Date. In the event that the CCA Program becomes operational, these Initial Costs paid by the Initial Participants shall be included in the customer charges for electric services as provided by Section 6.3.3 to the extent permitted by law, and the Initial Participants shall be reimbursed by the Authority within four years of the Effective Date. The Authority may establish a reasonable time period over which such costs are recovered. In

the event that the CCA Program does not become operational, the Initial Participants shall not be entitled to any reimbursement of the Initial Costs they have paid from the Authority or any Party.

6.3.3 CCA Program Costs. The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation and energy efficiency services under the CCA Program shall be recovered through charges to CCA customers receiving such electric services or from revenues received from grants or other third-party sources.

6.3.4 Additional Contributions and Advances. Pursuant to Government Code Section 6504, the Parties may in their discretion make financial contributions, loans or advances to the Authority for the purposes of the Authority set forth in this Agreement. The repayment of such contributions, loans or advances will be on the written terms agreed to by the Party making the contribution, loan or advance and the Authority.

6.4 Debt. The Authority shall not incur any debts, including but not limited to loans and the issuance of bonds, unless approved by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9.

ARTICLE 7

WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

7.1.1 General Right to Withdraw. A Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 180 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. By a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9, the Board may shorten the 180 day period for a withdrawal under this Section 7.1.1 to become effective.

7.1.2 Amendment. Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement provided that the requirements of this Section 7.1.2 are strictly followed. A Party shall be deemed to have withdrawn its membership in the Authority effective 180 days after the Board approves an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board. By a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9, the Board may shorten the 180 day period for a withdrawal under this Section 7.1.2 to become effective.

7.1.3 Liabilities; Further Assurances. A Party that withdraws its membership in the Authority under either Section 7.1.1 or 7.1.2 may be subject to certain liabilities, as described in Section 7.3. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Rules and Regulations shall prescribe the rights, if any, of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

7.2 Involuntary Termination of a Party. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9, including the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain liabilities, as described in Section 7.3.

7.3 Continuing Liability; Refund. Subject to the provisions of Section 2.3, upon a withdrawal or involuntary termination of a Party pursuant to Sections 7.1 or 7.2, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination. Notwithstanding Section 2.3, thereafter, the withdrawing or terminated Party shall be responsible for any damages, losses or costs incurred by the Authority resulting from the Party's withdrawal, including but not limited to losses from the resale of power contracted for by the Authority to serve the Party's load. In addition, such Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.

7.4 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers for the CCA Program, the Authority must provide to the Parties a report from the electrical utility consultant retained by the Authority comparing the Authority's total estimated electrical rates, the estimated greenhouse gas emissions rate and the amount of

estimated renewable energy to be used with that of the incumbent utility. Within 15 days after receiving this report, any Party may immediately withdraw its membership in the Authority by providing written notice of withdrawal to the Authority if the report determines that any one of the following conditions exists: (1) the Authority is unable to provide total electrical rates, as part of its baseline offering to customers, that are equal to or lower than the incumbent utility, (2) the Authority is unable to provide electricity in a manner that has a lower greenhouse gas emissions rate than the incumbent utility, or (3) the Authority will use less renewable energy than the incumbent utility. Any Party who withdraws from the Authority pursuant to this Section 7.4 shall not be entitled to any refund of the Initial Costs it has paid to the Authority prior to the date of withdrawal unless the Authority is later terminated pursuant to Section 7.5. In such event, any Initial Costs not expended by the Authority shall be returned to all Parties, including any Party that has withdrawn pursuant to this section, in proportion to the contribution that each made. Notwithstanding anything to the contrary in this Agreement, any Party who withdraws pursuant to this section shall not be responsible for any liabilities or obligations of the Authority after the date of withdrawal, including without limitation any liability arising from power purchase agreements entered into by the Authority.

7.5 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

7.6 Disposition of Property upon Termination of Authority. Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any Authority Documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8

MISCELLANEOUS PROVISIONS

8.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Party or the Parties and the Authority shall engage in nonbinding mediation or arbitration in the manner agreed upon by the Party or Parties and the Authority. In the event that nonbinding mediation or arbitration is not initiated or does not result in the settlement of a dispute within 120 days after the demand for mediation or arbitration is made, any Party and the Authority may pursue any remedies provided by law.

8.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et

seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

8.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as the Board deems necessary to protect the interests of the Authority, the Parties and the public but shall obtain no less than \$2 million dollars in coverage. Such insurance coverage shall name the Parties and their respective Board or Council members, officers, agents and employees as additional insureds. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 Amendment of this Agreement. This Agreement may be amended in writing by a two-thirds affirmative vote of the entire Board satisfying the requirements described in Section 4.9. The Authority shall provide written notice to the Parties at least 30 days in advance of any proposed amendment being considered by the Board. If the proposed amendment is adopted by the Board, the Authority shall provide prompt written notice to all Parties of the effective date of such amendment along with a copy of the amendment.

8.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

8.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another

counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 72 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. In addition, a duplicate copy of all notices provided pursuant to this section shall be provided to the Director and Alternate Director for each Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

ARTICLE 9 **SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Silicon Valley Clean Energy Authority.

By: _____

Name: _____

Title: _____

Date: _____

Party: _____

EXHIBIT A

DEFINITIONS

“AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 4.9.2.

“Authority” means the Silicon Valley Clean Energy Authority.

“Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Board of Directors of the Authority.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.4 and 5.1.

“Days” shall mean calendar days unless otherwise specified by this Agreement.

“Director” means a member of the Board of Directors representing a Party.

“Effective Date” means the date on which this Agreement shall become effective and the Silicon Valley Clean Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of an Executive Director and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority’s initial activities or in support of the negotiation, preparation and approval of power purchase agreements. The Board shall determine the termination date for Initial Costs.

“Initial Participants” means, for the purpose of this Agreement the County of Santa Clara, the Cities of Campbell, Cupertino, Gilroy, Los Altos, Monte Sereno, Morgan Hill, Mountain View, Saratoga, and Sunnyvale, and the Towns of Los Altos and Los Gatos.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.

“Party” means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.1 such that it is considered a member of the Authority.

“Percentage vote” means a vote taken by the Board pursuant to Section 4.9.1 that is based on each Party having one equal vote.

“Total Annual Energy” has the meaning given in Section 4.9.2.

“Voting shares vote” means a vote taken by the Board pursuant to Section 4.9.2 that is based on the voting shares of each Party described in Section 4.9.3 and set forth in Exhibit D to this Agreement. A voting shares vote cannot take place on a matter unless the matter first receives an affirmative percentage vote in the manner required by Section 4.9.1 and two or more Directors immediately thereafter request such vote.

DRAFT EXHIBIT B

LIST OF THE PARTIES

(This draft exhibit is based on the assumption that all of the Initial Participants will become Parties. On the Effective Date, this exhibit will be revised to reflect the Parties to this Agreement at that time.)

City of Campbell

City of Cupertino

City of Gilroy

City of Los Altos

Town of Los Altos Hills

Town of Los Gatos

City of Monte Sereno

City of Morgan Hill

City of Mountain View

County of Santa Clara (Unincorporated Area)

City of Saratoga

City of Sunnyvale

DRAFT EXHIBIT C

ANNUAL ENERGY USE

(This draft exhibit is based on the assumption that all of the Initial Participants will become Parties. On the Effective Date, this exhibit will be revised to reflect the Parties to this Agreement at that time.)

This Exhibit C is effective as of March 31, 2016.

| Party | kWh (2014*) |
|--|--------------------|
| Campbell | 208,827 |
| Cupertino | 243,360 |
| Gilroy | 296,993 |
| Los Altos | 142,219 |
| Los Altos Hills | 42,577 |
| Los Gatos | 196,007 |
| Monte Sereno | 7,939 |
| Morgan Hill | 232,521 |
| Mountain View | 664,209 |
| Santa Clara County (Unincorporated) | 397,902 |
| Saratoga | 131,604 |
| Sunnyvale | 1,407,826 |

*Data provided by PG&E

DRAFT EXHIBIT D

VOTING SHARES

(This draft exhibit is based on the assumption that all of the Initial Participants will become Parties. On the Effective Date, this exhibit will be revised to reflect the Parties to this Agreement at that time.)

This Exhibit D is effective as of March 31, 2016.

| Party | kWh (2014*) | Voting Share Section 4.9.2 |
|--|--------------------|---------------------------------------|
| Campbell | 208,827 | 5.3% |
| Cupertino | 243,360 | 6.1% |
| Gilroy | 296,993 | 7.5% |
| Los Altos | 142,219 | 3.6% |
| Los Altos Hills | 42,577 | 1.1% |
| Los Gatos | 196,007 | 4.9% |
| Monte Sereno | 7,939 | 0.2% |
| Morgan Hill | 232,521 | 5.9% |
| Mountain View | 664,209 | 16.7% |
| Santa Clara County (Unincorporated) | 397,902 | 10.0% |
| Saratoga | 131,604 | 3.3% |
| Sunnyvale | 1,407,826 | 35.4% |
| Total | 3,971,985 | 100.0% |

*Data provided by PG&E

DRAFT EXHIBIT E

FUNDING OF INITIAL COSTS

(This draft exhibit is based on the assumption that all of the Initial Participants will become Parties. On the Effective Date, this exhibit will be revised to reflect the Parties to this Agreement at that time.)

| Party | Phase 1(*) | Phase 2 and 3 (**) | Phase 2 & 3 w/Contingency (***) |
|--|-------------------|---------------------------|--|
| Campbell | -- | \$100,000 | \$150,000 |
| Cupertino | \$170,000 | \$350,000 | \$450,000 |
| Gilroy | -- | \$100,000 | \$150,000 |
| Los Altos | -- | \$100,000 | \$150,000 |
| Los Altos Hills | -- | \$25,000 | \$25,000 |
| Los Gatos | -- | \$100,000 | \$150,000 |
| Monte Sereno | -- | \$25,000 | \$25,000 |
| Morgan Hill | -- | \$100,000 | \$150,000 |
| Mountain View | \$170,000 | \$350,000 | \$450,000 |
| Santa Clara County (Unincorporated) | \$170,000 | \$350,000 | \$450,000 |
| Saratoga | -- | \$100,000 | \$150,000 |
| Sunnyvale | \$170,000 | \$350,000 | \$450,000 |
| Total | \$680,000 | \$2,050,000 | N/A |

- (*) Certain Parties have contributed funding prior to the Effective Date of this Agreement, as shown above under Phase 1, to conduct initial legal, technical, and administrative activities in support of the establishment of the Authority. Such activities are part of the Initial Costs described in Section 6.3 of this Agreement.
- (**) Additional costs associated with program launch will be financed and thus are not covered by the Initial Cost Contributions shown here.
- (***) Initial Participants are required to commit up to this amount at the time of executing the Agreement; this amount includes contingency funding should multiple Initial Participants

not execute the Agreement by 3/31/16, so that the final Parties are providing sufficient contribution for Initial Costs. The Parties will be notified promptly after the Effective Date of the final Parties and contribution to Initial Costs.



City of Sunnyvale

Agenda Item

15-1081

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Approve Three Resolutions Enabling the City of Sunnyvale to Submit an Application to the State of California for up to \$160 million in Clean Water State Revolving Funds to Fund the City of Sunnyvale - Headworks and Primary Treatment, Phase 1(A) Project

BACKGROUND

The City has embarked on the most significant single public works program in its history, the rebuild of its aged Water Pollution Control Plant, which is responsible for the treatment of sewage from all of Sunnyvale and a small area inside the Cities of Cupertino and San Jose. Named the "Sunnyvale Clean Water Program", current cost estimates for this program are slightly over \$450 million over approximately fifteen to twenty years.

In the planning phase for many years now, the program is now underway in design for the primary treatment facilities and headworks, which are the facilities that handle the incoming sewage, and begin the initial treatment process. Throughout the planning process, staff has included a placeholder in the City's Wastewater Management Fund long-term financial plan that estimates annual debt service associated with this program. This assumption has been based on a standard utility revenue bond financing.

Upon evaluating financing alternatives, staff identified that more favorable financing is available for a portion of the program through the State of California Clean Water Revolving Fund. In order to apply for this funding (the State has indicated that the City's funding request will be approved) Council must adopt three resolutions, which are further described below.

EXISTING POLICY

Council Fiscal Policy 7.11 Enterprise Fund Policies, 1.1b.1 Capital improvements associated with the existing infrastructure of a utility should be primarily funded from two sources: rate revenue and debt financing.

Council Fiscal Policy 7.11 Enterprise Fund Policies, 1.1b.3 Local, state and federal funding sources, such as grants and contributions, should be pursued for utility -related capital improvement projects consistent with City priorities.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration for the Primary Treatment Facility Project was prepared in accordance with the California Environmental Quality Act (CEQA) and adopted by the Sunnyvale City Council on May 5, 2015. In addition, a Program Environmental Impact Report (PEIR) for the Sunnyvale Water Pollution Control Plant Master Plan is currently being prepared and is estimated to be completed in 2016.

DISCUSSION

The State Division of Financial Assistance (DFA) administers the implementation of the State Water Resources Control Board's (State Water Board) financial assistance programs, which include loan and grant funding for construction of municipal sewage and water recycling facilities. The Clean Water State Revolving Fund (CWSRF) Program provides low-interest loans (less than 2%) for a term of 30 years for water quality improvement projects. The Sunnyvale Clean Water Program is eligible for planning/design and construction CWSRF funding and, due to the drought and corresponding financing incentives to develop alternative water supplies, may be eligible for even lower interest financing because it produces recycled water.

The City is currently preparing to submit a detailed Financial Application Package for the first phase of the program, construction of the primary treatment facilities and head works. The total estimated cost of the first phase is approximately \$130 million. For application purposes, staff is proposing to apply for a maximum of \$160 million to ensure that the first phase is fully covered. Staff will evaluate funding options for the remainder of the project phases as they come up for design and construction in the future, and will apply for additional CWSRF funding if available and cost effective.

As part of the application package, the City must submit three resolutions adopted by the City Council. They are the Reimbursement Resolution, the Authorizing Resolution and the Pledged Revenues and Funds Resolution.

Reimbursement Resolution

This resolution allows for the City to request reimbursement for funds advanced for the project prior to the issuance of the revolving fund loan. This allows the project to move forward without delay, while still receiving the benefits of the low interest financing.

Authorizing Resolution

In order to submit the various packages of the application and complete the administrative process of obtaining funds, the City Council must authorize a designee to act on its behalf. This resolution delegates that authority to the City Manager or her designee.

Pledged Revenues and Fund Resolution

This resolution identifies the funding source that will be pledged to pay the ongoing obligations established through a financing agreement with the State. In this case, the funding source is revenues from the Wastewater Management Fund as defined in the resolution.

It is also important to note that the City issued bonds for improvements to the wastewater system in 2010. As part of that issuance, future state loans were contemplated and can be issued on parity (meaning the new debt will not be senior to the old) with the City's 2010 Wastewater Revenue Bonds.

FISCAL IMPACT

There is no fiscal impact from adopting these resolutions. It is anticipated that even in the current favorable rate environment, the very low rates obtained through the CWSRF Loan Program has the potential to save the City's rate payers twenty million dollars or more over the life of the loan when compared to a traditional public market financing. Taking this approach is the lowest cost option for financing the first significant phase of this project. Additionally, as the program has become more tightly defined through the master planning process, the projected cost has been adjusted upwards.

Use of this cheaper financing alternative will help to mitigate the impact on rate payers.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Approve Three Resolutions Enabling the City of Sunnyvale to Submit an Application to the State of California for up to \$160 million in Clean Water State Revolving Funds to Fund the Rehabilitation of the City of Sunnyvale Water Pollution Control Plant

Prepared by: Timothy J. Kirby, Assistant Director of Finance

Reviewed by: Grace K. Leung, Director, Department of Finance

Reviewed by: John Stufflebean, Director, Environmental Services Department

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Reimbursement Resolution
2. Authorizing Resolution
3. Pledged Revenues Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE SEEKING REIMBURSEMENT FOR
COSTS RELATED TO THE WATER POLLUTION
CONTROL PLANT REHABILITATION PROJECT –
PRIMARY TREATMENT FACILITIES AND HEADWORKS
PHASE 1(A) PROJECT FROM THE STATE WATER
RESOURCES CONTROL BOARD**

WHEREAS, the City of Sunnyvale ("City") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure at the Donald M. Somers Water Pollution Control Plant consisting of the Primary Treatment Facilities and Headworks Phase 1(A) Project (the "Project"); and

WHEREAS, the City intends to finance the construction and/or reconstruction of the Water Pollution Control Plant with monies ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board ("State Water Board"); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the City; and

WHEREAS, the City has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

SECTION 1. The City hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$160,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the City will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, the City is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the City in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this City so finds, determines and represents.

Adopted by the City Council at a regular meeting held on _____, 2015, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

APPROVED:

Mayor

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City of Sunnyvale City Council held on _____.

ATTEST:

City Clerk
(SEAL)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE DESIGNATING THE CITY MANAGER
AS THE AUTHORIZED REPRESENTATIVE TO FILE AN
APPLICATION WITH THE STATE RESOURCES WATER
CONTROL BOARD AND EXECUTE ALL
IMPLEMENTING DOCUMENTS FOR FINANCIAL
ASSISTANCE THROUGH THE CLEAN WATER STATE
REVOLVING FUND IN CONNECTION WITH THE CITY'S
WATER POLLUTION CONTROL PLANT UPDATE
PROJECT**

WHEREAS, the City of Sunnyvale owns and operates the Donald M. Somers Water Pollution Control Plant (WPCP) which is a wastewater treatment facility serving residents, businesses and industries in the city of Sunnyvale, and

WHEREAS, the WPCP is nearly 60 years old and reaching the end of its useful life; and

WHEREAS, the Sunnyvale Clean Water Program (Program) will rebuild the WPCP over the next 20 years to replace aging infrastructure, increase capacity, improve operational reliability, meet current and future regulatory standards and incorporate innovative technologies to minimize capital and operational costs for rate-payers; and

WHEREAS, the Program is now in the design phase for the Primary Treatment Facilities and Headworks Phase 1(A) Project (Project), which are the facilities that handle incoming sewage and begin the initial treatment process; and

WHEREAS, the City Council desires to apply for up to \$160 million in funding for the Project from the State of California Clean Water Revolving Fund; and

WHEREAS, the rehabilitation of the WPCP is in the interest of the City and its residents;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City Manager of the City of Sunnyvale (the "Authorized Representative") or her designee is hereby authorized and directed to sign and file, for and on behalf of the City, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Sunnyvale Water Pollution Control Plant - Primary Treatment Facilities and Headworks Phase 1(A) Project; and

2. This Authorized Representative, or her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

3. The Authorized Representative, or her designee, is designated to represent the City in carrying out the City's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.

Adopted by the City Council at a regular meeting held on _____, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

APPROVED:

Mayor

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City of Sunnyvale City Council held on _____.

ATTEST:

City Clerk
(SEAL)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE DEDICATING AND PLEDGING THE
CITY'S WASTEWATER MANAGEMENT FUND AS THE
SPECIFIC REVENUE SOURCE FOR THE REPAYMENT
OF ANY AND ALL STATE REVOLVING FUND
LOAN/FINANCING FOR THE WATER POLLUTION
CONTROL PLANT REHABILITATION – PRIMARY
TREATMENT FACILITIES AND HEADWORKS PHASE
1(A) PROJECT**

WHEREAS, the City of Sunnyvale owns and operates the Donald M. Somers Water Pollution Control Plant (WPCP) which is a wastewater treatment facility serving residents, businesses and industries in the city of Sunnyvale, and

WHEREAS, the WPCP is nearly 60 years old and reaching the end of its useful life; and

WHEREAS, the Sunnyvale Clean Water Program (Program)t will rebuild the WPCP over the next 20 years to replace aging infrastructure, increase capacity, improve operational reliability, meet current and future regulatory standards and incorporate innovative technologies to minimize capital and operational costs for rate-payers; and

WHEREAS, the Program is now in the design phase for the Primary Treatment Facilities and Headworks Phase 1(A) Project (Project), which are the facilities that handle incoming sewage and begin the initial treatment process; and

WHEREAS, the City Council desires to apply for up to \$160 million in funding for the WPCP Rehabilitation Project from the State of California Clean Water Revolving Fund (CWSRF); and

WHEREAS, the CWSRF requires the City to establish one or more dedicated sources of revenue for the repayment of CWSRF assistance; and

WHEREAS, City wishes to dedicate revenues from the Wastewater Management Fund as the source of revenue for repayment; and

WHEREAS, the very low rates obtained through the Clean Water State Revolving Fund program will save the City's rate-payers tens of millions of dollars over the life of the loan when compared to a traditional public market financing; and

WHEREAS, the rehabilitation of the WPCP is in the interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City hereby dedicates and pledges revenues from the Wastewater Management Fund to the payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the WPCP - Primary Treatment Facilities and Headworks Phase 1(A) Project; and

2. The City commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the City has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the City's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the City commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

Adopted by the City Council at a regular meeting held on _____, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

APPROVED:

Mayor

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City of Sunnyvale City Council held on _____.

ATTEST:

City Clerk
(SEAL)



City of Sunnyvale

Agenda Item

15-0445

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Consideration of Land Use Alternatives and Financing Options for the Civic Center Modernization Project and Approval of Budget Modification No. 21 in the Amount of \$125,000, with Funding from the Future Projects Set Aside in the Infrastructure Fund, to Continue Public Outreach and Planning Activities for the Project

REPORT IN BRIEF

Through a series of community outreach efforts and workshops, site planning prototype designs have been developed to illustrate how different Civic Center alternatives would affect the 25-acre Civic Center campus. Preliminary costs estimates have been prepared to better understand project costs including new vs. remodeled buildings and a variety of parking types. Given the preliminary nature of project development, costs are expressed as a range. The lowest cost project alternative (Prototype B) has cost range of \$203 million to \$277 million and the highest cost alternative (Prototype G) ranges from \$241 million to \$313 million (in 2015 dollars).

Staff has also further developed financing alternatives for the project including an evaluation of existing City assets and revenues that could be used for the Civic Center Project (see Attachment 1). Using a defined set of assumptions staff also looked at the potential to generate new revenues through a general obligation bond. This would require voter approval and the level of voter support for a bond is currently unknown.

Next steps include polling voters to evaluate support for a potential bond measure in 2016 and further community outreach to help narrow project alternatives.

BACKGROUND

On February 24, 2015, Council approved a Community Engagement Plan for the Civic Center Project (RTC 15-0111). The Engagement Plan outlines a series of engagement activities including interviews, focus groups, community workshops, online surveys and City Council meetings that will be used to gather input before making decisions on land use alternatives and a financing strategy for the project. The activities outlined in the Community Engagement Plan have now been completed. This report will outline key decisions that need to be made and discuss next steps for the Civic Center Project.

Engagement activities for the project were used to help develop the draft Vision Statement, Success Criteria and Needs Assessment. Council adopted a final version of these documents in September 2015 (RTC 15-0776).

The Community Engagement Plan also called for two workshops to be held to evaluate and develop a variety of site usage alternatives. A workshop was held in August for all of the City's appointed

board and commission members and in October for the community at-large. Through these workshops, 24 different site planning scenarios were developed by participants. Important concepts were tested through this process to see how they would affect the overall Civic Center site, which included: new vs. renovated buildings; parking locations for surface, structured and underground parking; locations for buildings and open space; consideration of acquiring or selling/leasing a portion of the site; and overall site circulation.

Output from the site planning workshops was used by the project architect to develop a set of eight prototype site plans that were presented to City Council in a study session on November 17, 2015. It should be noted that the prototype site plans are still at a very conceptual level but provide a good basis to compare how different planning alternatives, such as parking type and building placement, will affect the overall Civic Center site.

EXISTING POLICY

The **Council Fiscal Policy** contains several policies related to infrastructure in section 7.1C, *Capital Improvement Policies*:

C.1.3 High priority should be given to replacing capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purposes.

C.1.5 Priority will be given to the repair and replacement of existing infrastructure as compared to the provision of new or expanded facilities

C. 1. The decision on whether to repair or to replace an existing capital asset will be based on which alternative is most cost-effective or provides the best value to the City.

ENVIRONMENTAL REVIEW

Environmental review is not required of feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded, and which do not have a legally binding effect on future activities (CEQA Guidelines Section 15262). Appropriate CEQA review will be conducted prior to approval of any design or construction of any facilities under the Civic Center Modernization Project.

DISCUSSION

Since the site planning prototypes were presented to Council in November, additional information has been developed to assist Council in decision making regarding land use and financing alternatives for the Civic Center site. Preliminary cost estimates have been developed for each of the prototypes and more information on financing alternatives including a market analysis of land values has been completed.

Financing Alternatives

Sources of financing for the Civic Center Modernization Project are broken into two major categories: 1) existing City assets and revenues, and 2) new revenues through the sale of bonds. Staff also briefly evaluated using a lease back strategy as had been used for a previous library expansion. This option is no longer available to cities due to a change in tax laws. Using a public private partnership could also be pursued if City land were sold or leased. The potential revenue from the sale of City land is discussed further below. For the Civic Center Project to be implemented, these sources of

financing must be greater than or equal to the total project cost. Currently all of the funding sources discussed in this report are considered potential sources and should not be considered a staff recommendation. Council is not being asked at this time to make commitments to specific funding sources (other than funding the proposed budget modification for further Civic Center planning work).

Existing City Assets and Revenues

This category includes a wide variety of existing revenues, fund balances, and the potential sale of City-owned properties. In some cases ongoing revenue streams are assumed to be capitalized into a lump sum using debt instruments so that all of the funding would be available at the time of construction.

Table 1 – Existing City Assets and Revenues (See Attachment 1 for additional details)

| Existing General Fund Revenue and Reserves | Revenue Potential (in \$Millions) |
|--|--|
| Infrastructure Fund, Facilities Fund, and NOVA Space Rental | \$35 M |
| Land Sales - City-owned properties not used for City services | \$36 M |
| Current Reserves including unallocated Capital Project Reserve and Infrastructure Fund Reserve | \$17 M |
| | |
| Non-General Fund Sources | |
| Park Dedication Fees, Enterprise Funds, and PEG | \$28 M |
| Approximate Potential City Assets and Revenues | \$116 M |

New Revenues through the Sale of Bonds

For a project like the Civic Center, general obligation bonds are one of the most widely used financing methods by local governments. Applied to the Civic Center, this method would require two-thirds voter approval in a general election. If approved, property taxes would be increased for a specified period of time based on the assessed valuation of each parcel in the City. This new tax revenue would be collected by the County Assessor, and remitted to the City to pay debt service on bonds issued.

This financing method is popular for a number of reasons. The collection of property taxes is a very stable and predictable source of revenue for bond repayment resulting in favorable interest rates. Sunnyvale's property tax base is particularly solid and growing. Using assessed valuation as the basis for the tax seems like an equitable way to spread costs among the entire community, both commercial and residential. Larger commercial properties for example would pay much more than a single family homeowner. Due to California's Proposition 13 requirements, changes in assessed valuation are capped limiting changes from year to year. This helps to protect seniors from increasing costs.

The revenue potential from a general obligation bond is determined by four key factors:

- Total assessed valuation of the tax base. Sunnyvale's total assessed valuation is currently \$33.5 billion and projected to increase to \$35 billion in Fiscal Year 16/17 when bonds could potentially be sold.

- **Interest Rate.** Interest rates are set by the market at the time of a bond issue. Sunnyvale's AAA credit rating and solid property tax base (even during the economic downturn) should help reduce interest rates and lower the cost of borrowing. Should Council choose this financing method more work is needed to estimate interest rates.
- **Tax Rate.** The tax rate would be established by City Council and explained to voters prior to an election. For general obligation bonds, tax rates are expressed as a rate per \$100,000 of assessed valuation. For example, a tax rate of \$20/ \$100,000 of assessed valuation would result in a tax of \$160 per year for a property with an assessed valuation of \$800,000. Since the total assessed valuation changes each year, a maximum and minimum tax rate is established and the tax rate is adjusted to result in a level revenue stream each year to meet bond payment obligations.
- **Term.** The term will be set by City Council but is typically 30 years. A shorter term can be established but would produce less revenue or require an increase to the tax rate to produce the same amount of revenue.

The last general obligation bond proposed by the City was for a library expansion in 2007. This measure was not approved by voters but is worth looking at as an example to better understand the revenue potential of a bond. That bond measure would have raised \$108 million based on the following parameters:

Total Assessed Valuation - \$21.7 billion.
Interest Rate - 5.5%
Tax Rate - \$19.52/\$100,000 in assessed value
Term - 30 years

Since 2007, total assessed valuation has increased and is projected to be \$35 billion by FY 16/17. Interest rates have also declined since 2007 which would result in higher bond proceeds if other factors did not change. As an example - leaving the above tax rate and term unchanged, but applying an updated assessed valuation of \$35 billion and an interest rate of 4.5% would result in bond revenues of approximately \$195 million.

The largest variable in determining the potential proceeds from a bond measure is the tax rate. This rate would be set by City Council and will strongly influence whether voters would support a bond measure. Voters will consider a variety of factors including their perception of value of a modernized Civic Center, its benefits to the community and their ability to pay for tax increases. For a given set of improvements a lower tax rate is more likely to receive voter support. To assist Council in assessing the viability of a bond measure, staff is proposing polling to better understand likely levels of voter support at different tax rates and with different features of the Civic Center Project.

Project Costs

Part of the current project scope was to develop preliminary costs estimates for all of the prototype site plans that were developed. The cost figures are preliminary given the conceptual nature of the prototypes. These estimates are helpful in better understanding the magnitude of costs involved and the relative differences between different site alternatives and key project features such as new or remodeled buildings and different parking types. Given the number of unknowns at this stage of project development estimated costs are expressed as a range.

The following table shows the range of costs for each of the eight prototypes. These project costs include construction costs plus a 35% allowance for other “soft costs” that would be needed to complete the project. Soft costs include design fees, environmental review, construction management costs, and other project costs that are not paid to the construction contractor. All costs are in 2015 dollars, are approximate, and are subject to additional decision making to refine them.

Table 2 – Preliminary Cost Estimates

| Prototype* | Project Costs (with 35% Soft Costs) | |
|------------|-------------------------------------|------------|
| | Low | High |
| A | \$222 M | \$300 M |
| B | \$203 M | \$277 M |
| C | \$237 M | \$311 M |
| D | \$246 M | \$320 M |
| E.1 | \$240 M | \$305 M |
| E.2 | \$232 M | \$293 M |
| F | \$231 M** | \$302 M** |
| G | \$241 M*** | \$313 M*** |

Footnotes: *See Attachment 2 for a definition of prototypes and a cost summary

**Does not include offsets for the sale/lease of land

***Does not include the cost of purchased land

Narrowing Project Alternatives

With both the prototypes and preliminary cost estimates now available, additional public outreach could be beneficial to help narrow the alternatives and learn about stakeholder interests. At the November 2015 study session, staff had indicated that Council should try to narrow the number of prototypes down to three. This was because the current architect’s scope includes developing further refinements to three of the selected prototypes. Upon further consideration, staff feels it is unnecessary to narrow the alternatives to three prior to polling residents to learn about voter priorities and areas of interest. For example, and as a standard municipal practice, if polling results indicate limited support for the more expensive alternatives, the City should focus on refinements to a set of the lower cost alternatives. The City would be better informed while narrowing the number of prototypes if it is accompanied by polling data.

Two of the prototype site plans tested the option of either acquiring additional property (Prototype G) or selling/leasing part of the Civic Center (Prototype F).

- Courthouse Property. Prototype G looked at buying the existing courthouse property on El Camino Real that is currently surrounded by the Civic Center property. The County Courthouse is still in active use, but staff understands its use may change in the next few years. Given the property is currently not for sale, it’s uncertain whether it could ever become part of the Civic Center property. Based on the preliminary cost estimates, Prototype G ended up being the most expensive, without even considering the cost of land acquisition. Given the uncertainty of whether it could be acquired and high cost, further consideration should be given to dropping Prototype G for further consideration.
- Selling or leasing Civic Center property was evaluated as a way to generate revenue that could help pay for the project. A market analysis was conducted to evaluate different potential

land uses and how that would affect land values. Three different land uses were analyzed which resulted in the following valuations:

- Office - \$6.5 M/acre
- Residential \$6.5 - \$7M/acre
- Hotel - \$3.5M/acre

Prototype F considered selling two acres of the Civic Center, which based on the market analysis, could generate up to \$14 million in revenue for the project. This is only 4.6% of the estimated cost of Prototype G. Throughout the public outreach process for the Civic Center, selling land at the Civic Center was mostly opposed by the public. Nevertheless, staff felt it was important to complete the market analysis and results of the site planning process before any decision was made about whether to sell land at the Civic Center. With the clear lack of public support for selling land at the Civic Center, the community's desire for more open space, and limited revenue potential based on the market analysis staff feels pursuing a sale or public-private partnership with Civic Center land is not in the City's best interests.

Next Steps

Should Council wish to move forward with a general obligation bond, the November 2016 General Election is the next opportunity. In comparing the potential revenue sources with total project costs outlined in this report, the revenue potential is adequate to support most of the prototypes shown above. However, voter sentiment to support a bond measure is untested, as are residents' preferences for which Civic Center alternatives are best now that cost estimates are available. Immediate next steps would be to conduct a poll of voters to see how receptive Sunnyvale voters are to a bond measure.

Polling results would be helpful to understand what level of funding voters would be likely to support and their opinions about key project features like whether we should renovate or replace the Main Library. Based on the polling results, Council would be asked whether to proceed further with planning for a bond election in 2016. If polling results were unfavorable, other alternatives could be developed such as project phasing where costs were limited to current City revenues and assets.

Further work on the Civic Center will be needed to keep the City in a position to consider a bond measure in 2016. These steps along with funding requirements are outlined further below:

- Polling is an immediate next step and would be essential to better understand the sentiment of likely voters towards the Civic Center Project. This step should be completed in early 2016. Estimated cost for polling and developing ballot language to test is \$100,000.
- Continued community outreach would help to narrow and then refine project alternatives. Given the wide variety of alternatives still under consideration, a series of focus groups would be a good way to get more feedback on the project. Once alternatives have been narrowed further, conducting surveys using Open City Hall could help to select a final alternative. Estimated costs for this would be \$25,000. This work would only proceed if polling results are positive.
- If the Council chose to pursue the ballot measure a final alternative needs to be selected to provide voters a clear definition of the project and its tax implications. Once a final alternative is selected, architectural concepts should be developed to better define how open space would be utilized and what future buildings would look like. This work could also include a better definition of green building features of both the buildings and the site. The City has an

adopted standard for new buildings of LEED Gold or better, but specific details of what features should be included has not been completed yet. Estimated cost of this work is \$75,000 and would only progress if polling results were positive and Council indicated the City should move forward with a bond measure.

Beyond the steps outlined above, should the Council decide to place a bond measure on the ballot, additional and public education would be required at an additional cost. An education program would be outlined after the ballot measure became better defined.

FISCAL IMPACT

Since FY 2012/13, the City's General Fund reflects an annual transfer of \$1.5 million for investment in the City's administrative infrastructure. Through FY 2014/15, the Infrastructure Fund accumulated \$6 million for future infrastructure projects; \$400,000 was appropriated in FY 2014/15 for the Civic Center Modernization Project. In FY 2015/16 another \$1.5 million was added and Budget Modification No. 8 was approved to appropriate an additional \$25,000 to the Civic Center Modernization Project to fund the additional appraisals and augment the community outreach efforts.

The funding source for this additional appropriation would be the same source used in the initial appropriation. To date, \$7,075,000 is set aside and available.

Budget Modification No. 21 FY 2015/16

| | Current | Increase/ Decrease | Revised |
|---|-------------|-----------------------|-------------|
| Infrastructure Fund Expenditures | | | |
| 831340 - Civic Center Modernization | \$425,000 | \$125,000 | \$550,000 |
| | | | |
| FY 2016/17 - Future Infrastructure Projects | \$7,075,000 | (\$125,000) | \$6,950,000 |

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Approve Budget Modification No. 21 in the amount of \$125,000, with Funding from the Future Infrastructure Projects Set Aside in the Infrastructure Fund, to Continue Public Outreach and Planning Activities for the Civic Center Project.
2. Eliminate Prototype G from further consideration.
3. Modify Prototype F to eliminate the sale of land at the Civic Center.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Alternatives 1, 2 and 3: 1) Approve Budget Modification No. 21 in the amount of \$125,000, with Funding from the Future Infrastructure Projects Set Aside in the Infrastructure Fund, to Continue Public Outreach and Planning Activities for the Civic Center Project; 2) Eliminate Prototype G from further consideration; and 3) Modify Prototype F to eliminate the sale of land at the Civic Center.

Prepared by: Kent Steffens, Assistant City Manager

Reviewed by: Grace K. Leung, Director, Finance

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Summary of Existing City Assets and Potential Revenues
2. Summary of Preliminary Costs

Existing City Assets and Potential Revenues

| Description | Potential Revenue (in \$ Millions) |
|---|--|
| Existing General Fund Revenue <ul style="list-style-type: none"> Infrastructure Fund - \$1.5 M/year currently set a side – unallocated Facilities Fund ~ \$400 K /year for Civic Center repairs. A new or renovated Civic Center would reduce the need for repairs NOVA Space rental – currently \$330 K/year <p>Assume from the three sources above an annual revenue stream of \$2 M is pledged for debt service. Assume a 4% interest rate and 30 year term.</p> | \$35 M |
| Land <ul style="list-style-type: none"> Former Onizuka Air Force Station (2 parcels 5.02 acres) \$17 M 1484 Kifer Road (4.74 acres) \$11 M Downtown Charles Street (9 Gen. Fund parcels 1.44 acres) <u>\$8 M</u> <li style="text-align: right;">Total \$36 M Civic Center <ul style="list-style-type: none"> Office \$6.5 M/acre Residential \$6.5 - \$7.0 M/acre Hotel \$3.5 M/acre Civic Center Prototype F assumed 2 acres \$0 to \$14 M Assume no revenue from the sale of land at the Civic Center based on staff recommendation | \$36 M \$0 M |
| Use of Current General Fund Reserves <ul style="list-style-type: none"> Capital Projects reserve \$8.6 M currently unallocated Infrastructure Fund \$7.1 M current balance + \$1.5 M FY 16-17 allocation = \$8.6 total | \$17 M |
| Other Funding Sources <ul style="list-style-type: none"> Park Dedication Fees - Quantities of park space vary significantly among the prototypes. Assume 10 acres of park space and related parking with development costs of \$800 K/acre Enterprise Funds – This funding source would be available to fund a portion of City Hall. Staff dedicated to providing utility services or development review services are funded by separate enterprise funds. Enterprise funds should pay a fair share the costs related to office space to support those services. <ul style="list-style-type: none"> Costs for City Hall vary among the alternatives from \$56 M to \$72 M with an average among all prototypes of \$64 M. Based on a preliminary analysis assume 30% of City Hall space is allocated to enterprise funds PEG (TV Broadcasting) – PEG funds are a revenue from cable TV providers for local television broadcasting and can be used to fund capital facilities and equipment. | \$8 M \$19 M \$1 M |
| Total Estimated Potential Revenue | \$116 M |



Civic Center Modernization Project

Cost / SF Range - Buildings

| | | Construction Cost / SF | |
|-----------------|------------|------------------------|--------|
| | | Low | High |
| Library | Renovation | \$ 275 | \$ 375 |
| | New | \$ 450 | \$ 550 |
| City Hall | Renovation | \$ 300 | \$ 400 |
| | New | \$ 550 | \$ 650 |
| | Addition | \$ 550 | \$ 700 |
| Public Safety | Renovation | \$ 325 | \$ 425 |
| | New | \$ 600 | \$ 700 |
| | Addition | \$ 600 | \$ 750 |
| Seismic Upgrade | | \$ 75 | \$ 125 |



Cost / SF Range – Site & Parking

| | | Construction Cost / SF | |
|------------|-------------|------------------------|--------|
| | | Low | High |
| Parking | Surface | \$ 12 | \$ 15 |
| | Structured | \$ 100 | \$ 150 |
| | Underground | \$ 135 | \$ 185 |
| Demolition | | \$ 5 | \$ 20 |
| Hardscape | | \$ 12 | \$ 25 |
| Landscape | | \$ 10 | \$ 15 |



Prototype Cost Summary

| | Construction Cost | | Project Cost (w/35% Soft Cost) | |
|------------|-------------------|------------|--------------------------------|--------------|
| | Low | High | Low | High |
| A | \$ 163.9 M | \$ 222.1 M | \$ 221.2 M | \$ 299.9 M |
| B | \$ 150.1 M | \$ 205.1 M | \$ 202.7 M | \$ 276.8 M |
| C | \$ 175.5 M | \$ 230.3 M | \$ 236.9 M | \$ 311.0 M |
| D | \$ 182.0 M | \$ 237.1 M | \$ 245.7 M | \$ 320.0 M |
| E.1 | \$ 177.6 M | \$ 226.2 M | \$ 239.8 M | \$ 305.4 M |
| E.2 | \$ 171.5 M | \$ 217.0 M | \$ 231.5 M | \$ 293.0 M |
| F | \$ 171.2 M | \$ 223.8 M | *\$ 231.1 M | *\$ 302.1 M |
| G | \$ 178.1 M | \$ 232.0 M | **\$ 240.5 M | **\$ 313.2 M |

**Does not include offset from lease/sale of land*

***Does not Include land purchase cost*



Assumptions - Basis

- Based on the approved program
- Conceptual Cost Model, no detailed design
- No decisions have been made regarding funding
- No offsite improvements are included
- Site area and building footprint assumptions were made for projects, and will need to be updated based on final locations and designs



Assumptions - Construction Cost

- LEED Gold Level of Sustainability for all new facilities
- LEED Platinum would be an additional 5-10% cost premium
- Subcontractors markups (Typically range from 15% to 25%)
- General Contractor's/Construction Manager's General Conditions and Fee
- Local prevailing labor rates/wages
- Utility tie-ins for each building



Assumptions - Project Cost

■ Construction Cost

- The direct costs to construct a building or structure, otherwise known as "brick and mortar" costs.
- Building and Site Costs, Design Contingency, Contractor Overhead and Profit, Change Order Contingency

■ Soft Costs

- Expenses, other than hard costs, incurred in developing a project
- Design Fees, Permits, Testing and Inspections
- Assumes 35% of Construction Cost for Soft Costs

■ NOT Included

- Escalation
- Project Contingencies
- Furniture, Fixtures and Equipment (FFE)
- Moving, Operational, or Temporary Facilities



Rapid Prototypes



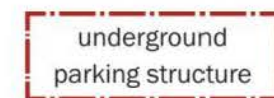
Prototype A

Key Concepts

- 4 Buildings reused
- Remove Olive
- Smaller separate green spaces

Site Elements

- 2-story Library addition w/ 2-level parking structure below
- 1-story Public Safety addition w/ 1-level parking structure below
- 2-story City Hall addition
- Parking structure & plaza w/ 1-level parking structure below
- Street-level retail on El Camino
- Interior opens space with playground and gardens
- Olive replaced with open space
- Corner & interior plazas
- Plaza cafe at City Hall
- Mobile coffee kiosk





Prototype A - Opportunities & Constraints

■ Opportunities

- Significant Reuse of Existing Buildings
- Increases Natural Light in Existing Library Building
- City Hall Addition Provides a Civic Presence on S. Mathilda Ave.
- Minimal Phasing Issues

■ Constraints

- Major Library Renovation (more disruptive and costly)
- Less Green Space
- Lack of Streetscape Presence for Library on S. Pastoria Ave. (parking dominates)
- Parking Structure on Major City Corner
- Green Space is Internal & Not Seen From El Camino or S. Mathilda Ave.
- NOVA Has no Immediately Adjacent Parking



A

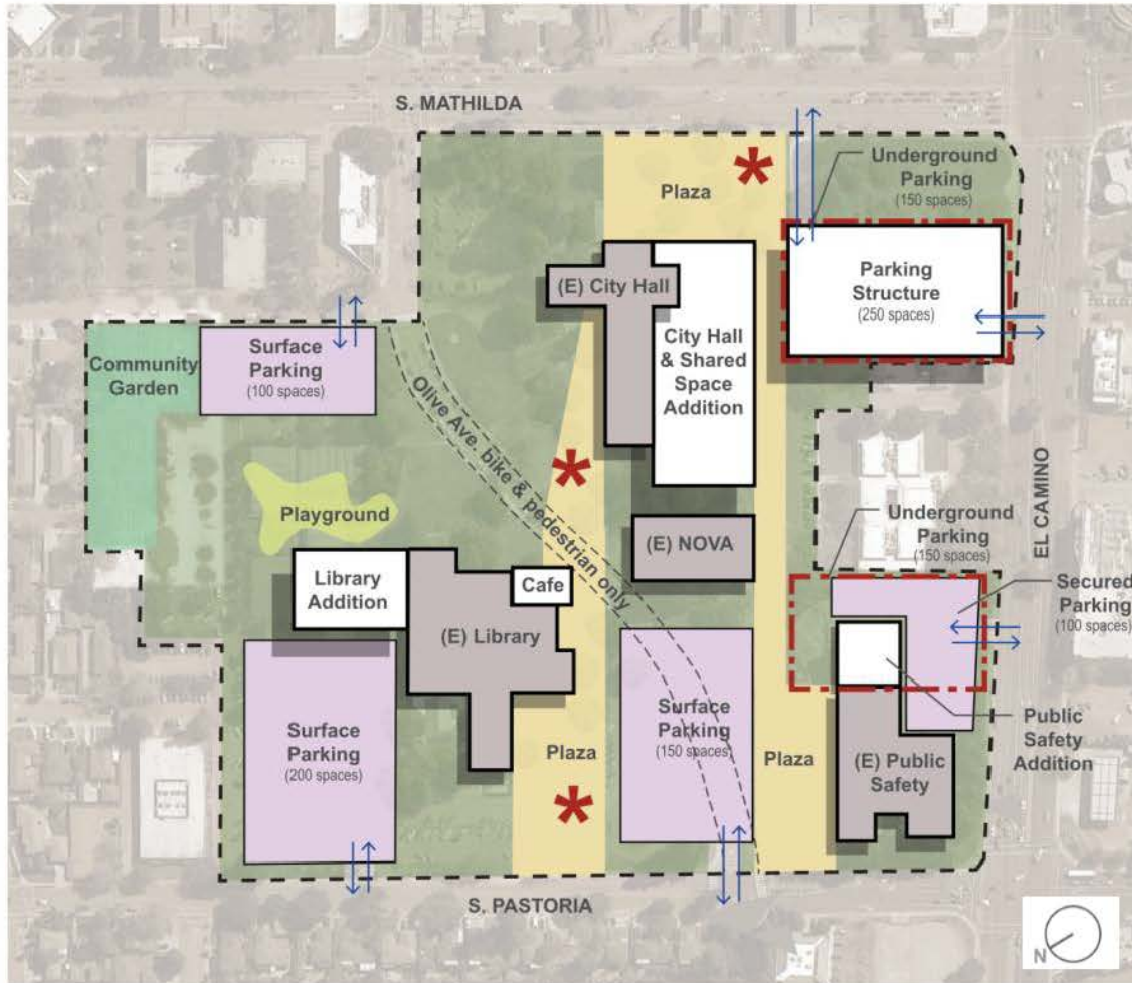


Construction Cost

| Project | | Key Inclusions | Low | High |
|---------|---------------|------------------------|------------|------------|
| | Library | Renovation & Addition | \$ 53.1 M | \$ 69.0 M |
| | | 260 parking | \$ 8.6 M | \$ 11.8 M |
| | City Hall | Renovation & Addition | \$ 30.2 M | \$ 40.5 M |
| | | 320 parking | \$ 14.5 M | \$ 20.9 M |
| | Public Safety | Renovation & Addition | \$ 32.4 M | \$ 44.1 M |
| | | 150 parking | \$ 8.1 M | \$ 11.1 M |
| | NOVA | Annex Renovation | \$ 8.0 M | \$ 11.3 M |
| | | 270 parking | \$ 6.3 M | \$ 9.1 M |
| | Site | Open Space, Playground | \$ 2.6 M | \$ 4.4 M |
| | TOTAL | | \$ 163.9 M | \$ 222.1 M |



Rapid Prototypes



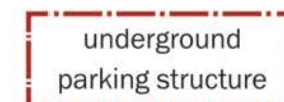
Prototype B

Key Concepts

- **4 buildings reused**
- Olive closed for vehicles. Bike & pedestrian use with bollards
- Smaller separate green spaces

Site Elements

- 2-story City Hall addition
- 1-story Public Safety addition w/ 1 level parking structure below
- 1-story Library & Cafe addition
- 2-level Parking Structure on El Camino
- Plaza at City Hall
- Opens space corridor with playground and gardens





Prototype B - Opportunities & Constraints

■ Opportunities

- Significant Reuse of Existing Buildings
- Maintain Existing Library façade
- Plaza/esplanades create circulation paths and an aesthetic connection between buildings
- A Balance of Green Space/Plaza and Parking Creates a Better Streetscape Experience

■ Constraints

- Reusing Existing Buildings Creates a Challenge for Urban Planning and Landscaping
- Open Space is Scattered



B



Construction Cost

| Project | | Key Inclusions | Low | High |
|---------|---------------|------------------------|------------|------------|
| | Library | Renovation & Addition | \$ 50.1 M | \$ 67.5 M |
| | | 260 parking | \$ 1.2 M | \$ 1.6 M |
| | City Hall | Renovation & Addition | \$ 30.3 M | \$ 40.6 M |
| | | 320 parking | \$ 14.2 M | \$ 20.6 M |
| | Public Safety | Renovation & Addition | \$ 32.1 M | \$ 43.6 M |
| | | 150 parking | \$ 8.1 M | \$ 11.1 M |
| | NOVA | Annex Renovation | \$ 7.8 M | \$ 11.0 M |
| | | 270 parking | \$ 4.8 M | \$ 6.6 M |
| | Site | Open Space, Playground | \$ 1.5 M | \$ 2.4 M |
| TOTAL | | | \$ 150.1 M | \$ 205.1 M |



Rapid Prototypes



Prototype C

Key Concepts

- **1 building reused**
- Large Continuous green space
- Frontage on El Camino
- Maintain Olive Ave. for Car Traffic

Site Elements

- 1-story Public Safety addition
- 1-story New Library, Cafe & Plaza w/ 1 level parking below
- 2-story new City Hall/Nova/ Shared Space w/ plaza
- 2-story Parking Structure w/ 1 level parking below
- Opens space corridor with playground and gardens
- Cafe to activate Park





Prototype C - Opportunities & Constraints

■ Opportunities

- New Building Locations Allow Phasing
- New Library Provides Civic Presence on S. Pastoria Ave.
- Green Space Is Acoustically Separated from El Camino by Buildings
- Civic Presence on S. Mathilda Ave. and El Camino

■ Constraints

- Significant Underground Parking (higher cost)
- Vehicular Path Bisects Site



C



Construction Cost

| Project | Key Inclusions | Low | High |
|---------------|-------------------------|------------|------------|
| Library | New Library | \$ 56.5 M | \$ 71.4 M |
| | 260 parking | \$ 11.1 M | \$ 15.2 M |
| City Hall | New City Hall | \$ 41.1 M | \$ 51.2 M |
| | 330 parking | \$ 14.6 M | \$ 21.2 M |
| Public Safety | Renovation & Addition | \$ 33.7 M | \$ 46.4 M |
| | 140 parking | \$ 0.7 M | \$ 0.8 M |
| NOVA | Included with City Hall | \$ 7.6 M | \$ 9.5 M |
| | 270 parking | \$ 8.7 M | \$ 12.2 M |
| Site | Open Space, Playground | \$ 1.5 M | \$ 2.4 M |
| TOTAL | | \$ 175.5 M | \$ 230.3 M |



Rapid Prototypes



Prototype D

Key Concepts

- Frontage on Mathilda
- Underground parking
- Close Olive
- Library & City Hall paired

Site Elements

- **Reuse 1 building**
- 1-story Public Safety addition w/ plaza & 1-level parking structure below
- 2-story new Library w/ 1-level parking structure below
- 2-story new City Hall/NOVA/Shared Space w/ 1-level parking structure below
- Forest Plaza along Mathilda
- Plaza with Cafe links Library and City Hall
- Olive replaced with open space
- Interior community park space w/ playground, gardens & surface parking





Prototype D - Opportunities & Constraints

■ Opportunities

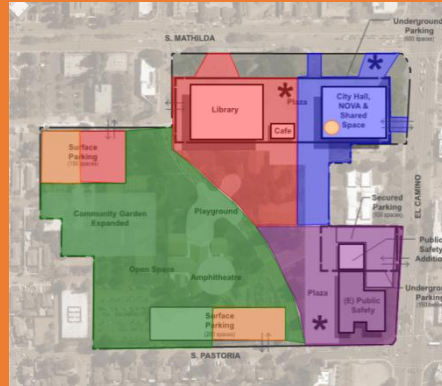
- Large Space for Gathering in Green Space and Plaza
- Consolidated Underground Parking for Library and City Hall
- Strong Civic Presence on S. Mathilda Ave.
- Site Connectivity
- Walkability

■ Constraints

- Removes Some Trees Near S. Mathilda Ave.
- Phasing Requires City Hall to Be Built First
- New Library Is not Adjacent to Residential Neighbors



D

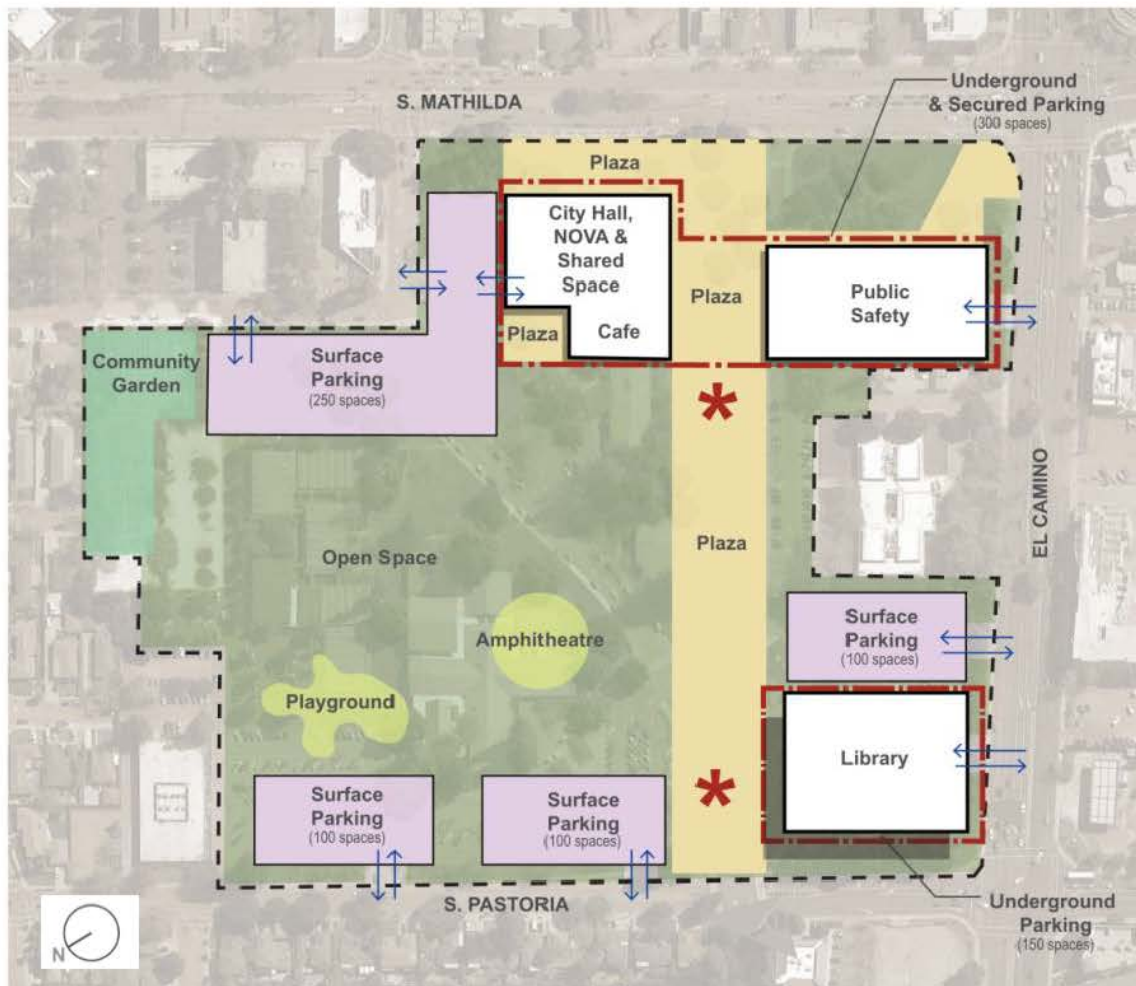


Construction Cost

| Project | Key Inclusions | Low | High |
|---------------|-------------------------|------------|------------|
| Library | New Library | \$ 56.0 M | \$ 70.1 M |
| | 270 parking | \$ 11.1 M | \$ 15.2 M |
| City Hall | New City Hall | \$ 37.8 M | \$ 45.4 M |
| | 320 parking | \$ 17.3 M | \$ 23.7 M |
| Public Safety | Renovation & Addition | \$ 32.3 M | \$ 44.0 M |
| | 150 parking | \$ 8.1 M | \$ 11.1 M |
| NOVA | Included with City Hall | \$ 7.7 M | \$ 9.8 M |
| | 260 parking | \$ 5.2 M | \$ 7.0 M |
| Site | Open Space, Playground | \$ 6.4 M | \$ 10.7 M |
| TOTAL | | \$ 182.0 M | \$ 237.1 M |



Rapid Prototypes



Prototype E.1

Key Concepts

- 3 new buildings
- Balanced parking (surface & underground)
- Buildings on urban front
- Plaza axis

Site Elements

- 2-story new Library
- 2-story new City Hall/NOVA/Shared Space/Cafe w/ 1-level parking structure below
- 2-story new Public Safety w/ 1-level parking structure below
- Forest Plaza along Mathilda
- Plaza paseo through site links buildings
- Olive replaced with open space
- Open space with playground & gardens, etc.
- Surface parking at open space





Prototype E.1 - Opportunities & Constraints

■ Opportunities

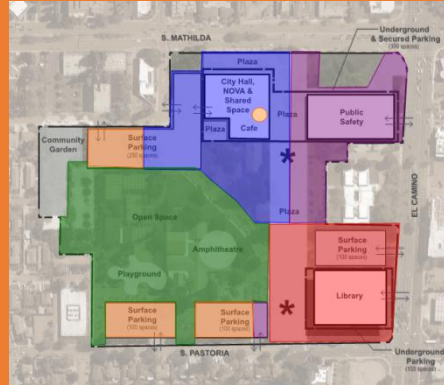
- Large Open Green Space
- Plaza Connecting Major Buildings
- Connectivity Between Public Safety and City Hall
- Great Civic Presence on Both S. Mathilda Ave. and El Camino

■ Constraints

- No Reuse
- Buildings Are Segregated from Green Space



E.1



Construction Cost

| Project | Key Inclusions | Low | High |
|---------------|-------------------------|-------------------|-------------------|
| Library | New Library | \$ 54.9 M | \$ 68.5 M |
| | 250 parking | \$ 8.6 M | \$ 11.7 M |
| City Hall | New City Hall | \$ 38.5 M | \$ 47.0 M |
| | 320 parking | \$ 6.5 M | \$ 8.7 M |
| Public Safety | New Public Safety | \$ 44.3 M | \$ 55.7 M |
| | 170 parking | \$ 8.2 M | \$ 11.2 M |
| NOVA | Included with City Hall | \$ 7.8 M | \$ 9.9 M |
| | 260 parking | \$ 3.7 M | \$ 5.0 M |
| Site | Open Space, Playground | \$ 5.1 M | \$ 8.5 M |
| TOTAL | | \$ 177.6 M | \$ 226.2 M |



Rapid Prototypes



Prototype E.2

Key Concepts

- 3 new buildings
- Balanced parking (surface & underground)
- City Hall frontage on El Camino
- Plaza axis

Site Elements

- 2-story new Library
- 2-story new City Hall/NOVA/Shared Space/Cafe w/ 1-level parking structure below
- 2-story new Public Safety w/ 1-level parking structure below
- Forest Plaza along Mathilda
- Plaza paseo through site links buildings
- Olive replaced with open space
- Open space with playground & gardens, etc.
- Surface parking at open space

underground
parking structure



Vehicle access



Prototype E.2 - Opportunities & Constraints

■ Opportunities

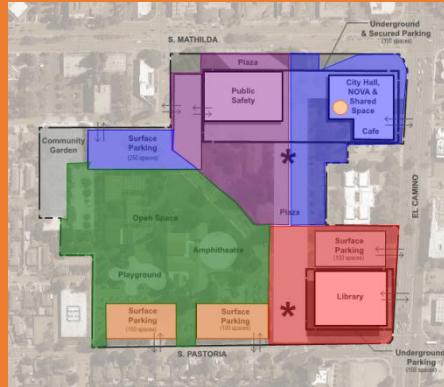
- Large Open Green Space with Adjacent Plaza
- Plaza Connecting Major Buildings
- Connectivity between Public Safety and City Hall
- Civic Presence on Both S. Mathilda Ave. and El Camino

■ Constraints

- No Reuse
- Buildings Are Segregated from Green Space
- Phasing Requires City Hall to Be Built First



E.2



Construction Cost

| Project | Key Inclusions | Low | High |
|---------------|-------------------------|-------------------|-------------------|
| Library | New Library | \$ 55.2 M | \$ 68.8 M |
| | 250 parking | \$ 8.6 M | \$ 11.7 M |
| City Hall | New City Hall | \$ 38.3 M | \$ 46.4 M |
| | 320 parking | \$ 8.9 M | \$ 12.1 M |
| Public Safety | New Public Safety | \$ 38.3 M | \$ 47.1 M |
| | 160 parking | \$ 4.7 M | \$ 6.4 M |
| NOVA | Included with City Hall | \$ 7.6 M | \$ 9.5 M |
| | 270 parking | \$ 4.7 M | \$ 6.4 M |
| Site | Open Space, Playground | \$ 5.1 M | \$ 8.6 M |
| TOTAL | | \$ 171.5 M | \$ 217.0 M |



Rapid Prototypes



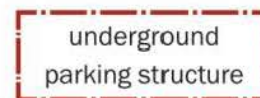
Prototype F

Key Concepts

- Development area
- More surface parking
- Library on Mathilda
- Buildings obstruct view of 2-level parking garage

Site Elements

- **Reuse 1 building**
- Public Safety w/ 1-story addition
- 2-story new Library w/cafe
- 2-story new City Hall/Shared Space
- 1-story new NOVA
- 1-level parking structure below City Hall and Public Safety addition
- 2-level parking structure
- Forest Plaza along Mathilda





- Large Contiguous Green Space
- Central Shared Parking Structure
- Financial Support from Sale or Lease of Land
- Building Locations Provide Phasing Strategy
- Good Connectivity Between Public Buildings

- No Reuse of the Existing City Hall or Library
- Sale or Lease of City Land
- Phasing Requires City Hall Be Built First



F

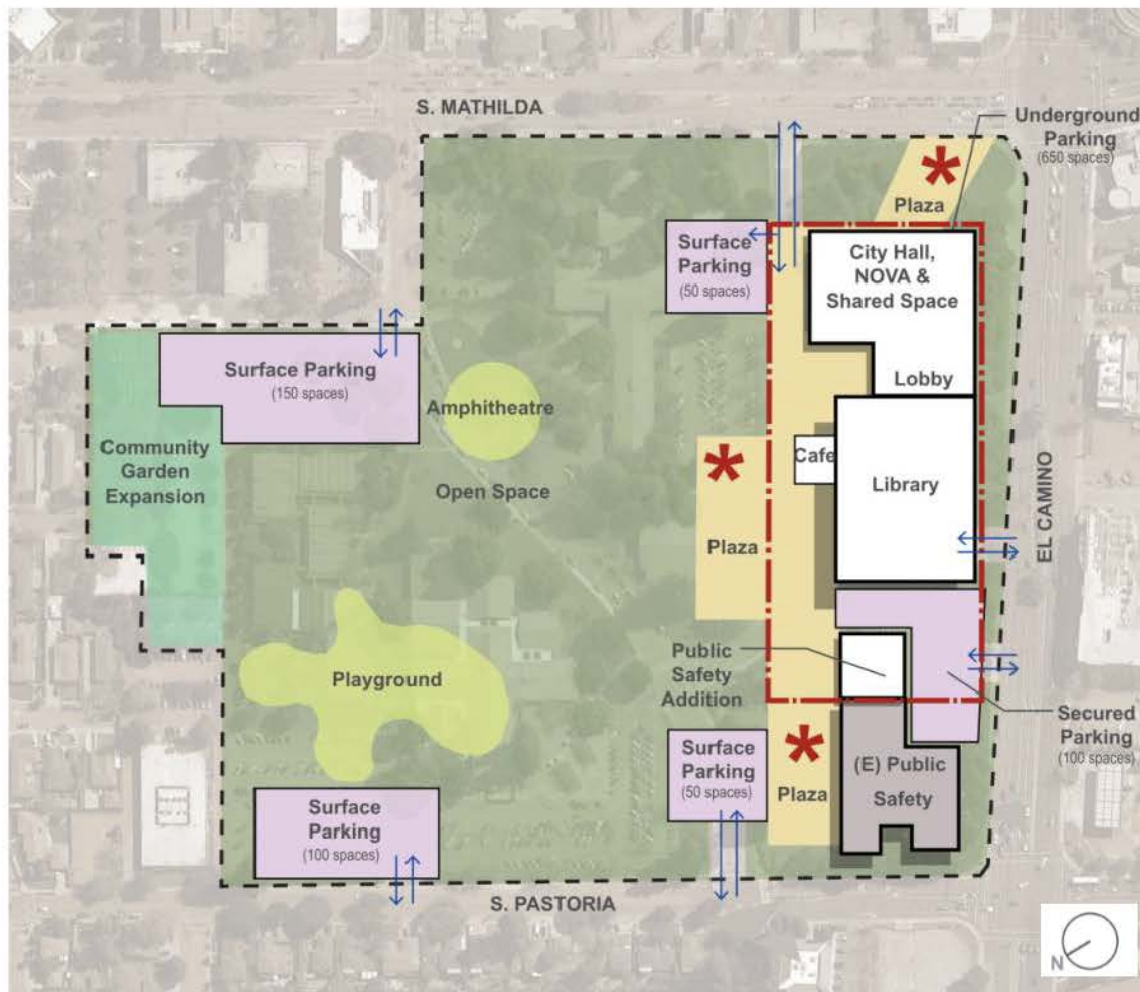


Construction Cost

| Project | | Key Inclusions | Low | High |
|---------|---------------|------------------------|------------|------------|
| | Library | New Library | \$ 54.3 M | \$ 67.4 M |
| | | 260 parking | \$ 7.2 M | \$ 10.4 M |
| | City Hall | New City Hall | \$ 38.3 M | \$ 46.4 M |
| | | 320 parking | \$ 14.9 M | \$ 21.3 M |
| | Public Safety | Renovation & Addition | \$ 32.0 M | \$ 43.5 M |
| | | 150 parking | \$ 8.1 M | \$ 11.1 M |
| | NOVA | New NOVA | \$ 8.2 M | \$ 10.8 M |
| | | 270 parking | \$ 2.4 M | \$ 3.2 M |
| | Site | Open Space, Playground | \$ 5.8 M | \$ 9.7 M |
| | TOTAL | | \$ 171.2 M | \$ 223.8 M |



Rapid Prototypes



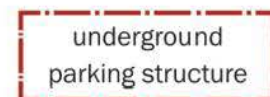
Prototype G

Key Concepts

- Frontage on El Camino
- Large green space with clustered buildings
- **Courthouse purchased for Library**

Site Elements

- **Reuse 1 building**
- Public Safety w/ 1-story addition
- 2-story new Library and City Hall
- Forest Plaza along Mathilda
- Plaza with Cafe links buildings, and open space
- 1-level parking structure below buildings and plazas
- Large park-like open space
- Olive replaced with open space
- Distributed surface parking





Prototype G - Opportunities & Constraints

■ Opportunities

- Buildings Together on One Edge of Civic Center Campus
- Large Contiguous Green Space
- Good Connectivity Between Public Buildings
- Minimizes Impact to Existing Trees
- Green Space is Acoustically Separated From El Camino By Buildings

■ Constraints

- Requires Purchase of the Courthouse Property
- No Reuse of the Existing City Hall or Library
- Significant Underground Parking (higher cost)
- Phasing Requires City Hall to Be Built First



G



Construction Cost

| Project | Key Inclusions | Low | High |
|---------------|-------------------------|------------|------------|
| Library | New Library | \$ 54.6 M | \$ 67.7 M |
| | 260 parking | \$ 9.1 M | \$ 12.4 M |
| City Hall | New City Hall | \$ 38.3 M | \$ 46.4 M |
| | 320 parking | \$ 14.8 M | \$ 20.3 M |
| Public Safety | Renovation & Addition | \$ 32.2 M | \$ 43.8 M |
| | 160 parking | \$ 6.2 M | \$ 8.4 M |
| NOVA | Included with City Hall | \$ 7.7 M | \$ 9.8 M |
| | 260 parking | \$ 6.7 M | \$ 9.0 M |
| Site | Open Space, Playground | \$ 8.4 M | \$ 14.1 M |
| TOTAL | | \$ 178.1 M | \$ 232.0 M |



City of Sunnyvale

Agenda Item

15-0945

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Receive and File the FY 2014/15 Budgetary Year-End Financial Report, Comprehensive Annual Financial Report, and Sunnyvale Financing Authority Financial Report and Approve Budget Modification No. 18

REPORT IN BRIEF

This report is intended to provide the year-end financial condition of the City of Sunnyvale on a budgetary basis for the fiscal year ended June 30, 2015. In addition, the City's audited Comprehensive Annual Financial Report (CAFR) and Sunnyvale Financing Authority Financial Report for FY 2014/15 are being presented for Council's information.

Overall, the City's General Fund ended the year in a more favorable financial position from that estimated in the FY 2015/16 Adopted Budget by approximately \$7.4 million. General Fund revenues finished the year strong. Property Tax, Business License Tax, and Transient Occupancy Tax revenues all ended higher than estimated.

Expenditures in the General Fund performed better than expected, ending under budget. After accounting for project carryovers, expenditures ended approximately \$2.4 million under what was anticipated in the FY 2015/16 Adopted Budget. Much of this was due to staffing vacancies in both the Department of Public Safety and the Library and Community Services Department. As such, these savings are one-time and are eliminated once the vacancies are filled. As a result of higher than estimated revenue and under spending of expenditures, there was no drawdown on the Budget Stabilization Fund, compared to a \$7.4 million drawdown that was projected in the budget.

The City's CAFR was independently audited by the firm of Macias Gini & O'Connell (MGO) who rendered an unmodified opinion and found no material weaknesses during the audit of the City's CAFR. Receiving an unmodified opinion is the optimal result from the independent audit.

As part of this report, staff recommends Council approval of Budget Modification No. 18 to close out items from the prior year. This budget modification seeks to better align Payroll and Human Resources staffing with the work by moving the funding for a Payroll Technician III from the Department of Finance to the Department of Human Resources. Human Resources will use the funding to add a Human Resources Analyst position. In addition, as recommended last year, because the General Fund's Budget Stabilization Fund ended the year better than estimated, the budget modification proposes to appropriate \$1.4 million from the Budget Stabilization Fund to pay down the City's unfunded pension liability.

BACKGROUND

Each year, staff provides a report to the Council detailing the year-end financial condition of the City on a budgetary basis. Final results are compared with the most recent projection. As part of developing the recommended Budget for FY 2015/16, the revenue anticipated for FY 2014/15 is updated at the same time, in the February to March timeframe. Staff also typically reviews General Fund operating expenditures to date and estimates expenditure savings for FY 2014/15 in the General Fund twenty-year financial plan, if applicable, to provide the best estimate for the financial position of the fund.

EXISTING POLICY

Council Policy 7.1.1 *Fiscal -Long Range Goals and Financial Policies*, Statement G.1.7: the City Council shall be provided with periodic summary financial reports, by fund, comparing actual revenues and expenditures to budgeted amounts.

City Charter, Section 1318, *Independent Audit*, requires that an independent audit be conducted of the City's financial transactions at the end of each fiscal year.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION**Fiscal Year 2014/15 Year-End Financial Update**

Staff has reviewed the City's year-end financial results. The following is an analysis of the changes between the projected revenues and expenditures estimated in the City Manager's Recommended Budget with the actual year end results.

General Fund**Revenues**

General Fund revenues for FY 2014/15 are shown in the table below.

FY 2014/15 General Fund Revenues - Estimated vs. Actual

| Description | Revised Budget | Actual Revenues | Variance Favorable (Unfavorable) | Percent Variance |
|---|----------------------|----------------------|--|---------------------|
| Property Taxes | \$53,511,242 | \$54,940,570 | 1,429,328 | 2.67% |
| Sales Taxes: | | | | |
| Sales and Use Tax - City | 29,849,173 | 29,676,176 | (172,997) | -0.58% |
| Sales and Use Tax - Public Safety | 1,463,755 | 1,542,805 | 79,050 | 5.40% |
| Total Sales Tax | 31,312,928 | 31,218,980 | (93,948) | -0.30% |
| Other Taxes: | | | | |
| Construction Tax | 3,067,503 | 3,066,351 | (1,152) | -0.04% |
| Business License Tax | 1,700,000 | 1,845,883 | 145,883 | 8.58% |
| Real Property Transfer Tax | 1,707,939 | 1,764,551 | 56,612 | 3.31% |
| Total Other Taxes | 6,475,441 | 6,676,784 | 201,343 | 3.11% |
| Transient Occupancy Tax | 12,436,990 | 14,137,069 | 1,700,079 | 13.67% |
| Utility Users Tax | 6,720,489 | 6,774,027 | 53,538 | 0.80% |
| Franchises | 6,871,846 | 6,897,803 | 25,957 | 0.38% |
| Rents & Concessions | 2,369,316 | 2,439,797 | 70,482 | 2.97% |
| Federal & Intergovernmental Revenues | 1,764,911 | 612,397 | (1,152,514) | -65.30% |
| State Revenues | 644,186 | 996,742 | 352,556 | 54.73% |
| Permits & Licenses | 1,175,805 | 1,308,386 | 132,581 | 11.28% |
| Fines & Forfeitures | 966,574 | 1,093,087 | 126,513 | 13.09% |
| Service Fees: | | | | |
| Abandoned Vehicles (AVASA) | 175,000 | 142,676 | (32,324) | -18.47% |
| Community Development Fees | 532,218 | 857,034 | 324,816 | 61.03% |
| Finance Fees | 15,606 | 11,948 | (3,658) | -23.44% |
| Library Fees | 10,086 | 10,223 | 137 | 1.35% |
| Public Safety Fees | 1,331,935 | 1,430,371 | 98,437 | 7.39% |
| Public Works Fees | 55,785 | 124,059 | 68,274 | 122.39% |
| Parks and Recreation Fees | 3,303,261 | 3,451,956 | 148,695 | 4.50% |
| Total Service Fees | 5,423,891 | 6,028,267 | 604,376 | 11.14% |
| Interest Income | 644,913 | 668,696 | 23,784 | 3.69% |
| Other Revenues: | | | | |
| Sale of Property | 0 | 14,069 | 14,069 | 0.00% |
| Interfund Revenues | 6,864,358 | 6,864,357 | (1) | 0.00% |
| Miscellaneous Revenues | 229,309 | 378,649 | 149,340 | 65.13% |
| Private Grants & Donations | 0 | 170,128 | 170,128 | 0.00% |
| Total Other Revenues | 7,093,666 | 7,427,203 | 333,536 | 4.70% |
| Transfers In/In Lieu Fees | 9,654,601 | 9,267,775 | (386,826) | -4.01% |
| Revenue Sub-Total | 147,066,800 | 150,487,584 | 3,420,784 | 2.33% |
| Deferred Revenues (Project Related) | | 1,018,960 | 1,018,960 | 0.00% |
| Deferred Transfers In (Project Related) | | 373,479 | 373,479 | 0.00% |
| Revenue Total | \$147,066,800 | \$151,880,024 | 4,813,224 | 3.27% |

Total General Fund revenue exceeded estimates from the FY 2015/16 Recommended Budget by \$3.4 million. Approximately \$1.7 million of this amount is attributable to higher than anticipated Transient Occupancy Tax (TOT) revenue. The City has experienced record high levels of TOT revenue for two consecutive years. Property tax revenue growth was the next largest contributor to the excess revenue. Driven by high supplemental and unsecured returns, Property Tax revenue exceeded estimates by an additional \$1.4 million. In prior years, Development Revenue was one of the largest revenue categories in the General Fund. The majority of these revenues were shifted to the new Development Enterprise Fund, effective FY 2014/15, so the growth in that category is not reflected in the General Fund. While the tax revenue growth speaks to the current strong economic recovery in the Silicon Valley, there is also reason for caution as tax revenues do fluctuate with economic cycles. This issue is discussed in more detail in the *Current Fiscal and Economic Environment* section of this report.

Property Tax revenue in FY 2014/15 came in approximately \$1.4 million better than projected in the Recommended Budget. Overall, Property Tax grew more than \$4.6 million, or 9.2%, over FY 2013/14 revenue. This was the result of significant growth of both residential and commercial property values. Sunnyvale has seen dramatic increases in prices for all types of property across the City. Commercial / Industrial assessed values grew at a very high rate of 9.7%, largely due to new construction. Residential property values increased 8.1%. Because residential properties account for approximately 63% of the net assessed value on the Sunnyvale property tax roll, the residential growth has a significant impact. The FY 2015/16 Recommended Budget projects that Property Tax revenue will increase again in FY 2015/16 by 5.5%. However, recent information from the County, along with higher than estimated revenue for FY 2014/15, indicates that the growth will be considerably higher than the original projection. Staff will be revising the projection upward for the next recommended budget.

Final City Sales and Use Tax revenue for FY 2014/15 was approximately \$94,000 under the estimate made in the FY 2015/16 Budget. Sales Tax revenue has been flat year over year since FY 2011/12. These sales tax results present a very concerning trend: despite the local economic recovery, sales tax revenue has been sluggish and uneven. The stagnation and potential decline of the second largest source of revenue to the General Fund presents a considerable risk to the City's finances with the constraint it imposes on the General Fund. FY 2015/16 sales tax revenue was projected to climb to approximately \$31.9 million, or 7% above the revised FY 2014/15 estimate. However, given the lower than anticipated FY 2014/15 results, Staff anticipates adjusting this revenue estimate downward. Staff has engaged on a pilot project with the Government Finance Officers Association (GFOA) and Stanford University to enhance our sales tax revenue forecasting methodology. Results may include revised estimates for FY 2015/16 revenue as well as revisions for future year projections to reflect the volatility and risk associated with this revenue source.

Transient Occupancy Tax (TOT) revenue for FY 2014/15 exceeded the projection made for the FY 2015/16 Budget by \$1.7 million. The thriving local economy has led to continued high levels of business related travel in Sunnyvale. The average room rates and average occupancy levels have each increased dramatically from FY 2013/14 to FY 2014/15. Additionally, FY 2014/15 was the first full year of collections with the 10.5% tax rate that became effective January 1, 2014. Further, one new hotel opened in October 2014, and two other hotels were significantly remodeled, resulting in increased revenue. The General Fund long term financial plan reflects the addition of two additional new hotels in the City, which further strengthens this tax base. However, it is important to note that historically, TOT revenue has shown high volatility with substantial declines in periods of economic

recession.

Other Taxes finished the year \$173,000 higher than FY 2013/14 and \$201,000 above projection. Construction Tax, while slightly under projection, experienced its highest year on record. As noted above, the majority of development related revenues were shifted to the Development Enterprise Fund this year. However, as a tax, Construction Tax revenue remains in the General Fund. Real Property Transfer Tax revenues exceeded projections by more than \$50,000. As a tax on the transfer of interests in real estate, it is driven by the rate of property turnover and changes in valuation. The increase reflects the continued recovery in the real estate market locally. Business License Tax revenue was higher than projections by over \$145,000 as the result of staff's audit efforts and increased business activity.

Utility Users Tax (UUT) revenue for FY 2014/15 came in slightly above planned in the FY 2015/16 Recommended Budget, and was up by approximately \$20,000 compared to FY 2013/14 revenues. However, a significant portion of this revenue source continues to decline, due to the gradual shift in the way consumers are using telecommunication devices, as more and more usage is not subject to UUT (e.g. text and data). A study issue on the potential for a UUT ballot measure to address this issue was presented at a City Council study session on December 1, 2015.

Outside of taxes, most revenue categories ended the year with small variances as compared to estimates in the Recommended Budget. Notable areas include: Federal & Intergovernmental Revenues, State Revenues, Community Development Fees, Public Works Fees, Miscellaneous Revenues, and Deferred Transfers In.

Federal and Intergovernmental revenues fund specific projects and is received on a reimbursement basis. Therefore, the budget for most of the revenue not received is carried over into the next fiscal year in conjunction with the unspent budgeted project expenditures, and reflected on the 'Deferred Revenues (Project Related)' line near the bottom of the table. State Revenue exceeded projections by over \$350,000 due to the greater than anticipated receipt of state mandated cost reimbursements (SB90 program). Community Development Fees exceeded projection by over \$324,000. This result is primarily due to General Plan Maintenance Fee revenue, which increased to the continued high development activity in Sunnyvale. This is a committed revenue source, which is used to fund periodic projects to revise General Plan Elements. Public Works Fees exceeded budget because of higher than anticipated Transportation Study Review Fees. Miscellaneous Revenues were high because the General Fund collected over \$312,000 for Damage to City Property versus the estimated \$130,000. Finally, the table includes Deferred Transfers In, which are transfers to be made from other City funds for specific General Fund projects that are reflected on the expenditure-side as project carryover.

Expenditures

General Fund expenditures for the fiscal year ending June 30, 2015 are shown in the following table.

FY 2014/2015 General Fund Expenditures and Transfers - Estimated vs. Actual

| Description | Revised Budget | Actual Expenditures | Variance Favorable (Unfavorable) | Percent Variance |
|---------------------------------|--------------------|---------------------|----------------------------------|------------------|
| Equipment | \$578,671 | \$410,060 | \$168,611 | 29.14 % |
| Operations | 131,248,438 | 128,958,313 | 2,290,125 | 1.74 % |
| Projects | 12,697,745 | 7,728,019 | 4,969,726 | 39.14 % |
| Transfers | 25,221,713 | 16,827,840 | 8,393,873 | 33.28 % |
| Expenditures Subtotal | 169,746,567 | 153,924,232 | 15,822,335 | 9.32 % |
| CAFR adjustment | - | 13,328 | (13,328) | 0.00% |
| Total Expenditures | 169,746,567 | 153,937,560 | 15,809,007 | 9.31 % |
| Equipment Carryovers | - | 175,966 | (175,966) | 0.00% |
| Project Carryovers | - | 4,713,276 | (4,713,276) | 0.00% |
| Deferred Transfers | - | 8,558,312 | (8,558,312) | 0.00% |
| Total Carryovers | - | 13,447,553 | (13,447,553) | 0.00 % |
| Expenditures Grand Total | 169,746,567 | 167,385,114 | 2,361,453 | 1.39 % |

The details of FY 2014/15 expenditures as compared to the budget are contained in Attachment 1 of this report by fund. It is important to note that the budget values in Attachment 1 represent the Council-appropriated budget amounts for each fund and may not match the amounts for FY 2014/15 in the Recommended Budget. In order to capture the most accurate financial position of each fund heading into the next fiscal year, updated estimates may be included in the 20-year long-term financial plans for the current year. However, Council-appropriated budgets are not modified and individual programs are still held to those budgets as they were approved by Council.

Year-end expenditures are lower than planned, primarily as a result of operating savings in two departments, Public Safety and Library and Community Services. In the Department of Public Safety (DPS) approximately \$1.3 million in savings were from personnel costs as the department is currently experiencing a high number of vacancies. This is in addition to \$1 million in salary savings already factored in to mitigate the impact of accelerated funding for recruitment projects through a FY 2014/15 budget modification. The FY 2015/16 Budget also assumes \$1 million in DPS salary savings. Library and Community Services (LCS) came in approximately \$600,000 under budget. These savings were also primarily from staffing vacancies in both the Community Services and Library programs.

The General Fund also provides funding for numerous capital and infrastructure projects. Due to the long-term nature of capital projects, unspent budget amounts are committed to the next fiscal year for

those projects that are still in progress. \$13.3 million is being carried forward to FY 2015/16 to cover expenditures related to projects. This amount consists of \$4.7 million in General Fund projects, which includes \$1.7 million for the Public Safety FY 2014/15 recruitment project, \$653,000 for the Comprehensive Update of the Precise Plan for El Camino Real, and an assortment of smaller projects. In addition to the \$4.7 million for General Fund projects, \$8.6 million is being carried forward in order to transfer to other funds for project expenses. Of that amount, \$5.8 million is budgeted to transfer to the Infrastructure Fund (primarily to fund the Pavement Rehabilitation project), and \$2.7 million is budgeted to transfer to the Capital Projects Fund (primarily to fund various projects related to the Town Center).

Overall, expenditures in the General Fund ended \$2.4 million under budget due to savings in the operating programs. Because the savings are primarily due to staffing vacancies, it is not anticipated that the savings will be ongoing.

Final Fund Results

The final position of the General Fund, as reflected in this Year-End Financial Report, is \$7.4 million more favorable to the City in comparison to the results estimated for the City Manager's Recommended Budget. These results positively impact the Budget Stabilization Fund, however it is important to note that this only slows the pace of the City's need to draw from the Budget Stabilization Fund balance future anticipated needs. These results will be reflected in the development of the FY 2016/17 Recommended Budget.

FY 2014/15 General Fund Financial Position Year End Results

| | Revised Budget | Actual Results | Variance Favorable (Unfavorable) |
|--|---------------------------|-----------------------|---|
| Beginning Balance | \$116,061,692 | \$116,061,692 | \$ 0 |
| Revenues and Transfers In | 147,066,800 | 150,487,584 | 3,420,784 |
| Deferred Revenues (Project Related) | 0 | 1,392,440 | 1,392,440 |
| Total Revenues | 147,066,800 | 151,880,024 | 4,813,223 |
| <u>Expenditures</u> | | | |
| Expenditures and Transfers Out | 169,746,567 | 153,937,560 | (15,809,007) |
| Carryovers for Projects and Equipment | 0 | 13,447,553 | 13,447,553 |
| Total Expenditures | 169,746,567 | 167,385,113 | (2,361,454) |
| <u>Reserves</u> | | | |
| Contingencies | 19,500,279 | 19,142,594 | (357,684) |
| Capital Improvement | 13,254,116 | 13,268,185 | 14,069 |
| Payment to the State - RDA Dissolution | 14,037,223 | 14,128,459 | 91,236 |
| Budget Stabilization Fund | 46,590,308 | 54,017,364 | 7,427,056 |

It is important to note that despite these favorable results, no funds were added to the Budget Stabilization Fund. The plan in the Adopted Budget was to draw down the Budget Stabilization Fund by \$7.4 million in FY 2014/15. This is due to a continued imbalance between revenues and

expenditures, where expenditure growth, primarily in personnel costs, continues to exceed revenue growth as we move revenues to a sustainable base. With elevated revenues resulting from the continued strength of the economic recovery and operating savings due to staffing vacancies, the Budget Stabilization Fund was able maintain a balance of \$54 million, the same amount the General Fund began the fiscal year.

While the positive results put the General Fund in a strong position, the volatility of the City's major revenue sources, increasing demands on services and infrastructure, and continued growth in personnel costs, require a strategic and disciplined approach in the allocation of resources over the short and long term.

Other Funds

In addition to the General Fund, other funds that warrant further discussion are highlighted below:

Park Dedication, Gas Tax, Capital Projects, and Infrastructure Funds

The Park Dedication, Gas Tax, Capital Projects, and Infrastructure Funds are utilized for funding capital, infrastructure, and special projects, as well as for the maintenance of capital assets, throughout the City. These projects are usually long-term in nature and take several years to complete. As a result, every year many of these projects have unspent appropriations that will be used in the following fiscal year. Revenues for these funds are either transfers into the fund from other funds or grants and contributions from developers. Many of the grant revenues budgeted for this year were not received as these funds are on a reimbursement basis and will only be available to the City once the expenditures have been incurred. The projected grant revenues, therefore, will also be received in the following year.

Ongoing projects in the Capital Projects Fund had unspent funds of approximately \$39.8 million, of which most is being carried forward to be spent in FY 2015/16. The major ongoing projects utilizing this carryover funding include the Fair Oaks Avenue Overhead Bridge project, the Calabazas Creek Bridge at Old Mt. View-Alviso Rd project, the Mathilda/237/101 Interchange Improvements Study, and the Hendy Avenue Complete Street project.

In the Infrastructure Fund, there was \$18 million in unspent project funds, primarily associated with the Pavement Rehabilitation project and the Community Center Comprehensive Infrastructure Renovation project. Both these projects are underway and expected to spend significantly in the current fiscal year. Part of the \$18 million is also made up of approximately \$5 million for the renovation of Lakewood Park, which has been deferred pending the outcome of the sale of the Raynor Activity Center and construction of a branch library at Lakewood Park.

The Pavement Rehabilitation Project is also partially funded by Gas Tax funds. Revenue to the Gas Tax Fund fell short by approximately \$452,000 due to declining gas prices and increases in fuel efficiency. This was offset by \$290,000 in project savings from the Mathilda Avenue overpass project. However, it is anticipated that Gas Tax revenues will continue to decline into the future.

Ongoing projects funded by Park Dedication Fee revenues had unspent funds of approximately \$13.6 million, \$6.8 million of which is being carried forward to be spent in FY 2015/16. The remainder is primarily associated with the Lakewood Park Renovation project which has been deferred as noted above. The majority of the remaining carryover funding is for the transfer of funds to the Infrastructure

Fund primarily for the rehabilitation of infrastructure at the Community Center. Revenues in the Park Dedication Fund came in approximately \$1.5 million less than planned primarily due to delays in development projects and the corresponding timing of the receipt of revenue. This will not affect the fund as year to date revenue in FY 2015/16 already exceeds the current budget by \$6.7 million. It is also important to note that a major update to the capital improvement plan for park and recreation facilities was included with the FY 2015/16 Budget. Project scopes were updated and costs revised to reflect the most recent bidding environment, which is resulting in higher estimated construction costs due to demand. The fund also includes a set aside for land acquisition. Council policy sets aside 20 percent of the Park Dedication Fee Revenue into a reserve specifically designated for land acquisition. At the end of FY 2014/15 this reserve will have a balance of \$4.5 million. These funds will be used to acquire land for the purpose of constructing parks, open space, trails and other recreational facilities.

Development Enterprise Fund

The Development Enterprise Fund was established in FY 2014/15 to account for the revenues and expenditures associated with supporting development activity throughout the City. The operating programs that support development activity span across multiple departments, with the largest programs in the Community Development and Public Works departments. FY 2014/15 was a fourth consecutive record-breaking year for development activity in Sunnyvale, causing both CDD and DPW operating programs to exceed budget given the high demand for service. However, higher expenses were estimated in the recommended budget, with total expenses in the Development Enterprise Fund finishing approximately \$29,000 less than the revised estimate. Actual revenue exceeded the planned amount by \$652,000. The net fiscal impact to the fund was an increase in the Development Enterprise Reserve of approximately \$680,000.

Water Supply and Distribution Fund

The Water Supply and Distribution Fund accounts for the operations and expenses of the City's water system. This fund receives the majority of its revenues from user fees collected from the City's water rate payers. During the review of this fund for the FY 2015/16 rate setting process, staff revised revenue estimates to account for projected water sales.

The region continued to experience an ongoing drought throughout the fiscal year with the Santa Clara Valley Water District making significant investments in conservation outreach and offering financial incentives to conserve. As a result, water sales revenue decreased 17% from FY 2013/14 to FY 2014/15 with revenues to the fund falling short of estimates by \$1.6 million. The shortfall in water sales revenue was \$1.9 million but other revenues exceeded estimates, offsetting the impact to the fund.

After accounting for unspent project funds, total expenses ended approximately \$750,000 less than planned. This came primarily from savings in water purchases, but was offset by expenses associated with maintaining the aging water system which is experiencing an increasing number of main breaks. The total fund ended the year approximately \$630,000 worse than planned. Staff continues to watch the position of this fund carefully as fiscal year to date sales continue to be down, again expressing the same volatility in demand seen in recent years and reflecting the impact of conservation efforts. There is also some uncertainty regarding the City's cost to purchase water should current drought conditions continue throughout the year with both wholesale water providers indicating impending large rate increases.

Solid Waste Management and SMaRT Station® Funds

The Solid Waste Management Fund accounts for the operation of the City's solid waste collection and disposal system. Revenues are received from user fees and from the sale of recyclable materials. This fund's expenses primarily consist of charges for the Sunnyvale Materials Recovery and Transfer (SMaRT) Station® operations, disposal fees at Kirby Canyon Landfill, and the contractor payment to Bay Counties Waste Services (Specialty Solid Waste and Recycling) for collection of garbage, yard trimmings, and recyclable materials. Revenues in this fund are driven primarily by the volume of garbage collected, and to a lesser extent, curbside recyclables and recyclables diverted from the general waste stream. Fund expenses are driven partially by quantities of garbage, but are largely fixed costs for the collection system and SMaRT Station equipment and infrastructure. Overall, the Solid Waste Management Fund revenues finished FY 2014/15 approximately \$1 million better than planned primarily due to expenses coming in under budget and revenues coming in slightly better than estimates. More than half of the savings on the expenditure side were from a lower than anticipated payment to Specialty Solid Waste and Recycling.

The SMaRT Station fund accounts for revenues and expenses related to operation of the SMaRT Station by the three partner cities, Sunnyvale, Mountain View and Palo Alto. Each City makes quarterly contributions to the fund on a budgetary basis. At the end of the year, the fund is reconciled and each of the cities either owes more, or receives a refund based on each city's individual use of the facility. The SMaRT Station Fund net position for the year ended approximately \$480,000 less than planned requiring each of the partners to make end of year true up payments. Revenues underperformed budget due to volatility in materials markets for recyclables from previous years as well as the addition of the recovery of more lower value materials. Expenses were also higher than projected by approximately \$232,000, mostly due to increased tonnage to the landfill. As the costs for the SMaRT Station are based on the allocation of tons across the three cities, approximately half is attributable to Sunnyvale, which is paid for by the Solid Waste Management Fund. It is important to note that as increases in tons are driven by increased activity in the economy, revenue to the Solid Waste Management Fund (discussed above) is available to offset the increase in expense.

Wastewater Management Fund

The Wastewater Management Fund accounts for operations of the City's wastewater collection and treatment facilities. User fees account for the bulk of the revenues, with the remainder coming from connection fees and fees from the small area outside the City served by the wastewater system. Total revenues excluding project related transfers and bond proceeds, were \$290,000 higher than projections. The majority of the increase was attributable to development related sewer connection fee revenue. Actual fees for service came in slightly under projections due to consumption related charges for commercial sewer customers being down as a result of reduced water sales.

FY 2014/15 Wastewater Management Fund operating expenses ended approximately \$550,000 lower than expected primarily due to personnel savings resulting from vacancies. The overall fund position remains in good fiscal condition ending approximately as planned after accounting for unspent project costs and project related revenues. However, there are significant capital needs in this fund coming up in the near future, including the replacement of the existing Water Pollution Control Plant (WPCP). As this is the primary cost driver, the excess revenue related to connection fees, which is restricted for capital, does benefit the fund. Cost estimates for the WPCP project have been included in the long-term financial plan. The project is now underway, and staff is applying for Clean Water State Revolving Fund financing to fund the first phase of this very large capital expense. It is anticipated that borrowing will begin in the current fiscal year.

Golf and Tennis Operations Fund

The Golf and Tennis Operations Fund accounts for revenues and expenditures related to the two City-operated golf courses and the tennis center. FY 2014/15 was the third year of this Fund's operation, as starting July 1, 2012, recreation operations were moved into the General Fund and the golf and tennis operations formed a new enterprise fund. Revenues ended approximately \$55,000 over revised estimates and operations ended the year approximately as planned, only slightly over revised projections. As a result, the fund ended in a positive fiscal position, mainly as a result of better revenues and an unplanned mid-year \$140,000 transfer from the General Fund to keep the fund solvent. It is important to note that this fund continues to run a very tight fund balance. A transfer of \$450,000 from the General Fund is also budgeted for FY 2015/16 to keep the fund in a positive cash position. A proposed study issue to evaluate strategies for the golf course properties will be considered by Council in January 2016.

General Services Fund

The General Services Fund accounts for the expenditures associated with the internal services provided by the City to user departments such as fleet management, building maintenance, technology / communication services, and the print shop. These activities are funded by charging rental rates to the operating programs that use the services. Overall, the General Services Fund finished approximately \$1.6 million better than was projected in the FY 2015/16 Recommended Budget. Approximately \$1 million of this amount is attributable to information technology equipment that was budgeted for replacement, which the department deferred to future years. Fleet equipment and facilities equipment finished the year under budget, however these funds were committed to replace specific assets that were purchased but not received and therefore the funding will carryover into FY 2015/16. The largest operating programs in the fund are in the Public Works and Information Technology departments, and these programs finished under budget due to staffing vacancies.

Employee Benefits and Liability and Property Insurance Funds

These two internal service funds provide a mechanism to cover expenditures related to pension costs, insurance plans, workers' compensation costs, leave time, and liability and property insurance while applying the principles of full-cost accounting.

Collections to the Employee Benefits Fund to cover the cost of employee benefits come from the operating departments in the form of an "additive rate" that is charged to every hour an employee works. The Employee Benefits Fund ended FY 2014/15 approximately as estimated in the Recommended Budget with a total of \$17.2 million in reserves, compared with \$17.3 million planned. It should be noted that year-over-year variances in collections, either over-collections or under-collections, are expected, and annual rate adjustments take this into account. Further, reserves in this fund are set to accommodate these year-over-year fluctuations.

Due to the small number of claims paid out in FY 2014/15, the Liability and Property Insurance Fund coming in under budget by approximately \$400,000. Because there can be significant variances in claims expenses year-over-year, staff has budgeted the average with a sufficient reserve level to be drawn down and replenished on a year-to-year basis. The reserve was not drawn down in FY 2014/15.

Current Fiscal and Economic Environment

The positive year end results for FY 2014/15 provide good news and reflect the result of strong

leadership from Council, the good work of City staff, the long-term fiscal planning framework, and the continued strong economy. However, these results don't moderate the caution required as staff begins development of the FY 2016/17 Recommended Budget. The City is faced with balancing strong revenue growth in some stable categories (e.g. Property Tax) against revenues like development-related revenues, Sales Tax, Transient Occupancy Tax, and Real Property Transfer Tax, that can be highly volatile with significant fluctuations through economic cycles. As such, a thoughtful and disciplined approach to budgeting and spending against these elevated levels is necessary in order to ensure the City can continue to address many of its growing expenses and long term liabilities.

Providing stability to the City's position, Property Tax revenues continue to be steady through economic cycles and have shown healthy gains in the taxable base. The FY 2015/16 tax roll grew 11% over the prior year, the result of significant new construction activity in the commercial/industrial sector and a robust and active residential market. While staff included strong growth projections for the next several years, the FY 2015/16 roll growth is higher than estimated. Staff is analyzing the results and will be adjusting the long term revenue projections for the FY 2016/17 Recommended Budget. With elevated development activity continuing into the first quarter of FY 2015/16, staff anticipates continued growth in property tax revenue for the next few years.

Just as important as the City's revenue base, several expenditure pressures provide challenges to the General Fund. As the largest expense category, addressing personnel expenditure growth remains a priority. On the salary side, with the cooperation of the bargaining units, salary adjustments have largely aligned with budgetary assumptions to date. For the Public Safety units, where salary adjustments are based on a regional survey, the October 2015 survey resulted in a salary increase of just over three percent, which is slightly over what was anticipated. Moderating salary growth has been beneficial to keeping the General Fund balanced, but builds pressure for higher salary adjustments in the future. With several labor contracts currently open for negotiation, salary adjustments will be a key component of the discussion.

In addition to salary, a significant area of rising personnel costs continues to be the cost of benefits. The largest expenditure in this area is for pension benefits. The City, working together with bargaining units, has taken several actions to control the growth of pension costs. However, even with the implementation of reduced benefit second and third tier pension plans for new employees and the additional pick up of employee contribution rates by employees, pension costs continue to rise sharply. Currently, the City is projected to pay \$30.1 million for pensions to CalPERS. That is anticipated to increase to \$40 million within 10 years, more than a 30 percent increase in cost. Approximately half of the City's pension cost is payment on the unfunded liability. The City's two plans (Safety and Miscellaneous) are both 70 percent funded, with a total unfunded liability of \$268 million as of June 30, 2013. In addition, due to CalPERS' changes in its amortization and rate smoothing policies, increased short term volatility in the City's employer payment for pensions is adding another layer of challenges. As such, the City has set aside increased funding in the Employee Benefits Fund and made additional payments to CalPERS. However, pressure on rates continues. CalPERS has recently approved a plan to lower its assumed rate of return from 7.5% to 6.5% over an extended period of time, which will result in an increase to employer contribution rates. With these continued challenges, it is critical that the City continue to make progress in controlling its salary and pension costs. As such, a budget modification is proposed to appropriate \$1.4 million from the General Fund's Budget Stabilization Fund to make an additional payment to CalPERS to pay down the unfunded liability.

The City is also experiencing pressures from increasing demand for services including:

- Development Related Demands - the current level of development also brings with it a demand for services including safety, parks and open space, traffic management, utilities and more. The City has begun to address these demands with funding for additional staff. As demands continue to pressure our existing assets, staff will continue to look to strategically add resources where appropriate.
- Environmental and Regulatory Demands - increasing regulations in storm water management, pressure from the drought, and efforts to reduce greenhouse gas emissions through the implementation of the Climate Action Plan impact costs and resources in many ways across both the General Fund and the Utility Funds.
- Demands from aging infrastructure - the City's aging administrative, parks, and utility infrastructure require resources to renovate and bring up to today's standards. In the current bidding climate, costs for repairs of infrastructure are rising due to competition for work. For the FY 2015/16 Budget, staff adjusted many of the City's planned capital and infrastructure projects for current market conditions.

To the extent possible, all of these pressures, while manageable, should be taken in context together through the City's budget process. Balancing priorities will be a critical piece of the budget going forward to ensure continued balance and fiscal sustainability.

All revenue sources will be evaluated over the next several months to update current year estimates and develop projections for each year of the twenty-year plan. Setting the right revenue baseline will be a significant factor in determining the City's capacity to meet the increasing demands on our services.

A mid-year financial update and more detail on the factors affecting the City's fiscal environment and development of the recommended budget will be presented at the Study and Budget Issues Workshop at the end of January.

In summary, the City is in a solid position financially based on past efforts made to restructure itself to operate more efficiently and better contain costs. The City is also benefitting from an accelerated economic recovery that drove revenues higher than expected. While vulnerabilities exist, the City is in a positive and stable position and is well situated to meet the future head on. The challenges facing the City are opportunities that the City Council, workforce and community are well poised to resolve in the best interest of Sunnyvale.

Comprehensive Annual Financial Report

City Charter Section 1318 requires that "At the end of each fiscal year, a final audit and report shall be submitted by [a Certified Public Accountant] to the City Council." The City's Comprehensive Annual Financial Report (CAFR) is prepared annually to meet this requirement and is submitted to Council as Attachment 3 to this report.

The CAFR, which is prepared in the format prescribed by the Governmental Accounting Standards Board (GASB), contains several major sections. The Financial Section contains the Management's

Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. All information in the Financial Section has been audited. The CAFR also contains a Statistical Section, which provides additional financial information not subject to audit.

FY 2014/15 Audit

The City's independent audit was performed by the firm of Macias Gini & O'Connell (MGO) who rendered an unmodified opinion on the City's CAFR. Receiving an unmodified opinion is the optimal result from the independent audit. In addition to the opinion on the CAFR, the independent auditors also issue a Report to the City Council. It contains their findings including any material weaknesses or significant issues found during the audit. The audit found no material weaknesses or significant issues. The report is provided as Attachment 2.

Effective this reporting year, the City became subject to the provisions within Governmental Accounting Standards Board Statement (GASB) No. 68, Accounting and Financial Reporting for Pensions and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. These rulings significantly change how governments measure and report the long-term obligations and annual costs associated with pension benefits provided. The existing long-term liability was previously not specifically required to be quantified and included into the City's financial statements but was provided as part of the *Notes to the Basic Financial Statements* section of the CAFR. The net pension liability, representing unfunded pension obligations, is now a new liability on the statement of net position. This newly reported liability for fiscal year 2015 reflecting the cumulative effect of implementing GASB No. 68 and GASB Statement No. 71 appears as a Net Pension Liability line item with a value of \$255.5 million. It is important to note that the City, like most other local agencies, has had a significant unfunded pension liability for several years and the reporting of this liability does not change the City's financial position. Additionally, through the City's long term financial planning process, Sunnyvale began to address the liability several years ago, with higher than required contributions to CalPERS and funding of a pension reserve that will continue to address the liability into the future.

Administrative Budget Modifications

Administrative budget modifications, which are listed below, are a set of specific budget modifications that do not need to be approved and appropriated by City Council. Council Policy 7.1.5 was modified in FY 2014/15 so that the City Manager may appropriate grants up to \$100,000 (level amended March 24, 2015 from \$5,000 to \$100,000) that are also free of local match requirements and do not obligate the City to ongoing expenses not already planned in the City's Resource Allocation Plan. The following table reports out to Council the Administrative Budget Modifications approved by the City Manager in FY 2014/15.

| Admin Budget # | Title | Fund Name | Fund # | Amount |
|----------------|---|----------------------|--------|-----------|
| 1 | Administrative Budget Modification No. 5 to appropriate \$7,000 of Grant Funding from the Santa Clara County funded Emergency Medical Services Trust Fund | General Fund - Grant | 35/100 | \$ 7,000 |
| 2 | Administrative Budget Modification No. 6 to appropriate \$95,000 of Grant Funding from the Santa Clara County Public Health Department Partnership to Increase Public Health (PICH) | General Fund - Grant | 35/100 | \$ 95,000 |

FISCAL IMPACT

The fiscal impact of each fund's results is discussed in detail in the body of this report. As discussed, the General Fund finished FY 2014/15 \$7.4 million more favorable than expected. This is positive news as the General Fund faces many pressures on both the revenue and expenditure side in the next several years. To help address one significant pressure, staff is proposing to appropriate \$1.4 million from the Budget Stabilization Fund to pay down the City's unfunded pension liability. As the City has begun development of the FY 2016/17 Recommended Budget, staff is facing increasing demands for service in many areas, as discuss earlier in this report. Therefore, staff recommends keeping the remaining \$6 million in the Budget Stabilization Fund pending the development of the FY 2016/17 Recommended Budget.

In addition to the modifications mentioned above, this report also addresses one clean up item from FY 2014/15. To better organize the City's Payroll and Human Resources functions, the Department of Finance is transferring the budget for one Payroll Technician III to the Human Resources Department to add one Human Resources Analyst to the department's benefits division. Budget Modification No. 18 has been prepared to re-appropriate the funding between the two departments. The Human Resources Analyst position is approximately \$27,000 more expensive than the Payroll Technician III, however the Human Resources Department Operating Budget can absorb the difference for the remainder of this fiscal year, with the full budget being included in FY 2016/17.

**BUDGET MODIFICATION NO. 18
FISCAL YEAR 2015/16**

| | <u>Current</u> | <u>Increase (Decrease)</u> | <u>Revised</u> |
|--|----------------|--------------------------------|----------------|
| General Fund | | | |
| <u>Expenditures</u> | | | |
| Department of Finance Operating Budget 706 – Accounting and Financial Services | \$1,645,235 | (\$128,286) | \$1,516,949 |
| Department of Human Resources Operating Budget 754 – Human Resources | \$4,291,399 | \$128,286 | \$4,419,685 |
| Additional Contribution to CalPERS to reduce unfunded pension liability | \$0 | \$1,400,000 | \$1,400,000 |
| <u>Reserves</u> | | | |
| Budget Stabilization Fund | \$54,017,364 | (\$1,400,000) | \$52,617,364 |

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report.
2. Other action as determined by Council.

STAFF RECOMMENDATION

Alternative 1: Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report.

Prepared by: Timothy J. Kirby, Assistant Director of Finance
Reviewed by: Grace K. Leung, Director, Finance
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Schedule of Appropriations by Fund

2. Auditor's Report to the City Council
3. Comprehensive Annual Financial Report*
4. Sunnyvale Financing Authority Financial Report*

*Attachments 3 and 4 available at the City Website:
www.cafr.inSunnyvale.com

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 35 - General Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|--|
| Equipment | | | |
| 020000 General Equipment | \$ 164,835 | \$ 147,326 | \$ 17,509 |
| 020802 Recreation Equipment | 92,867 | 29,597 | 63,270 |
| 020901 Public Safety Equipment | 417,804 | 225,783 | 192,021 |
| 020910 Fire Station #5 New Fire Truck | - | 7,355 | (7,355) |
| Total Equipment | 675,506 | 410,060 | 265,446 |
| Operating Programs | | | |
| City Attorney | | | |
| 750 Comprehensive Legal Services | 1,554,685 | 1,409,724 | 144,961 |
| Total City Attorney | 1,554,685 | 1,409,724 | 144,961 |
| City Manager | | | |
| 723 Office of the City Manager | 3,647,491 | 3,600,344 | 47,147 |
| Total City Manager | 3,647,491 | 3,600,344 | 47,147 |
| Community Development | | | |
| 233 Building Safety | | | - |
| 234 Planning | 577,959 | 580,635 | (2,676) |
| 237 Community Development Department Management | 421,933 | 403,254 | 18,679 |
| Total Community Development | 999,892 | 983,889 | 16,003 |
| Finance | | | |
| 703 Budget Management | 947,761 | 786,561 | 161,199 |
| 704 Purchasing | 1,289,752 | 1,334,720 | (44,968) |
| 705 Financial Management and Analysis | 881,339 | 769,799 | 111,539 |
| 706 Accounting and Financial Services | 1,736,311 | 1,828,133 | (91,822) |
| 707 Treasury Services | 1,087,210 | 1,134,821 | (47,611) |
| 708 Utility Billing | 2,281,685 | 2,234,966 | 46,720 |
| Total Finance | 8,224,057 | 8,089,000 | 135,058 |
| Human Resources | | | |
| 754 Human Resources | 3,732,817 | 3,682,260 | 50,557 |
| Total Human Resources | 3,732,817 | 3,682,260 | 50,557 |
| Library and Community Services | | | |
| 527 Youth and Family Services | 335,036 | 353,613 | (18,577) |
| 620 Library | 8,262,295 | 7,931,746 | 330,549 |
| 626 Arts and Recreation Programs | 7,992,442 | 7,698,120 | 294,322 |
| Total Library and Community Services | 16,589,773 | 15,983,479 | 606,294 |
| Public Safety | | | |
| 471 Police Services | 28,864,428 | 25,421,735 | 3,442,693 |
| 472 Fire Services | 26,583,761 | 26,968,858 | (385,097) |
| 473 Community Safety Services | 4,079,842 | 3,728,472 | 351,371 |
| 474 Personnel and Training | 1,794,441 | 2,130,716 | (336,275) |
| 475 Investigation Services | 4,694,518 | 4,782,298 | (87,779) |
| 476 Communication Services | 3,502,538 | 4,005,406 | (502,868) |
| 477 Public Safety Administrative Services | 5,308,038 | 5,531,358 | (223,320) |
| 478 Records Management and Property Services | 2,062,214 | 2,102,273 | (40,059) |
| 479 Fire Prevention and Hazardous Material Services | 1,207,766 | 1,091,102 | 116,664 |
| DPS Operating Savings | (1,000,000) | - | (1,000,000) |
| Total Public Safety | 77,097,546 | 75,762,218 | 1,335,328 |
| Public Works | | | |
| 119 Transportation and Traffic Services | 2,056,640 | 1,889,710 | 166,929 |
| 120 Pavement Maintenance, Traffic Signs and Markings | 3,525,282 | 3,467,188 | 58,094 |
| 121 Street Lights | 1,142,568 | 1,204,044 | (61,476) |
| 219 Street Tree Services | 1,869,637 | 1,785,829 | 83,808 |
| 267 Neighborhood Parks and Open Space Management | 8,972,221 | 9,179,184 | (206,963) |
| 308 Public Works Administration | 595,735 | 580,428 | 15,307 |
| Total Public Works | 18,162,081 | 18,106,383 | 55,698 |
| Total Operating Programs | 130,008,342 | 127,617,295 | 2,391,047 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 35 - General Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------|---------------------|--|
| Transfers Out | | | |
| 7900 Capital Projects Fund-General Assets | 2,761,538 | 69,798 | 2,691,739 |
| 7900 Employee Benefits - Retirement Benefits | 2,100,000 | 2,100,000 | - |
| 7900 Employee Benefits - Insurance and Other | 500,000 | 500,000 | - |
| 7900 General Services Fund - Fleet | 58,752 | | |
| 7900 General Services - Fund Tech & Communication Services | 29,583 | 29,583 | (0) |
| 7900 General Services Fund - Proj Mgmt Serv | 468,097 | 478,067 | (9,970) |
| 7900 Infrastructure Fund - General Assets | 9,467,721 | 3,659,785 | 5,807,936 |
| 7900 Liability and Property Insurance Fund | 1,019,848 | 1,019,848 | (0) |
| 7900 Youth and Neighborhood Services Fund | 478,577 | 493,412 | (14,835) |
| 7900 Community Recreation Fund - Golf | 140,000 | 140,000 | - |
| 7900 Development Enterprise Fund | 8,337,346 | 8,337,346 | - |
| Total Transfers Out | 25,361,462 | 16,827,840 | 8,533,622 |
| Lease Payments | | | |
| 7900 Financial Services | 6,960 | 2,860 | 4,100 |
| 7900 Lease Expenditure - Principal | 780,000 | 780,000 | - |
| 7900 Lease Expenditure - Interest | 422,750 | 422,750 | - |
| Total Lease Payments | 1,209,710 | 1,205,610 | 4,100 |
| Non-Departmental Expenditures | | | |
| RSA Administrative Cost True-up | - | 44,173 | (44,173) |
| Loss Contingency | - | 91,236 | (91,236) |
| Total Non-Departmental Expenditures | - | 135,408 | (135,408) |
| Projects | | | |
| <i>Infrastructure Projects</i> | | | |
| 830950 Light Emitting Diode (LED) Streetlights Pilot Project | 10,000 | - | 10,000 |
| <i>Outside Group Funding Projects</i> | | | |
| 803700 Leadership Sunnyvale [GF] | 6,000 | 6,000 | - |
| 819720 Outside Group Funding Support [GF] | 100,000 | 99,998 | 2 |
| 830630 Dispute Resolution Services | 45,000 | 45,000 | - |
| 830790 Enhanced Fitness Programs | 14,985 | 12,451 | 2,534 |
| <i>Capital Projects</i> | | | |
| 802150 Utility Undergrounding Cost Sharing | 10,200 | - | 10,200 |
| 820570 Minor Building Modifications | 10,200 | 8,730 | 1,470 |
| 830040 Onizuka Site Transition Plan | 20,730 | 4,239 | 16,491 |
| 830940 Biological Constraints and Opportunities Analysis | 50,000 | 30,586 | 19,414 |
| 831230 FY 2014/15 Justice Assistance Grant | 13,361 | 11,375 | 1,986 |
| 831300 Tree Planting and Maintenance within the SNAIL Neighborhood | 25,000 | - | 25,000 |
| 831320 RDA Counsel Fees | 50,000 | 28,516 | 21,484 |
| <i>Special Projects</i> | | | |
| 804201 City-wide Aerial Photos | 62,424 | 8,515 | 53,909 |
| 805150 Library Foundation Program Grant | 242,362 | - | 242,362 |
| 821010 Maintenance of City Owned Properties - Downtown | 21,420 | 11,471 | 9,949 |
| 825570 239 - 241 Commercial Street Property Maintenance | 5,103 | 1,258 | 3,845 |
| 825700 General Plan Updates | 128,123 | 65,963 | 62,160 |
| 826280 FY 12-13 #16 Recruitment and Training | 32 | - | 32 |
| 826290 FY 13-14 Recruitment and Training for Sworn Officers | 2,461,605 | 2,461,498 | 106 |
| 826300 FY 14-15 Recruitment and Training for Sworn Officers | 5,036,252 | 3,293,931 | 1,742,321 |
| 826620 Town Center Construction - Public Works Services | 190,925 | - | 190,925 |
| 827700 Records Imaging and Voting System Upgrade | 58,107 | 4,361 | 53,745 |
| 828690 Land Use & Transportation Study | 98,165 | 11,523 | 86,642 |
| 829210 Raynor Center Assessment | 9,302 | 1,091 | 8,210 |
| 829310 California Environmental Reporting System (CERS) Grant | 30,401 | 10,599 | 19,802 |
| 829510 Emergency Medical Dispatch First Responder Incentive Funding | 168,481 | 66,475 | 102,006 |
| 829620 Downtown Association | 30,000 | 29,925 | 75 |
| 829630 Council Set Aside | 35,000 | - | 35,000 |
| 829640 Care Management Enhancement | 58,000 | 36,157 | 21,843 |
| 829670 Lawrence Station Area Plan - Phase II | 133,901 | 46,875 | 87,026 |
| 829690 Comprehensive School Traffic Study | 94,050 | - | 94,050 |
| 829750 Fire Prevention Construction-Related Permitting | 334,240 | 155,130 | 179,110 |
| 829760 Building Permitting | 268,271 | 192,988 | 75,283 |
| 829810 Peery Park Specific Plan and Environmental Impact Report | 334,116 | 176,759 | 157,357 |
| 829830 Raynor Sale Consulting Services | 45,136 | 36,268 | 8,868 |
| 829880 Silicon Valley Regional Communication System (SVRCS) Phase I | 221,367 | 190,466 | 30,901 |
| 830520 Financial System Replacement Project Support | 404,000 | 87,321 | 316,679 |
| 830550 Council Retreat with Facilitator | 21,000 | 11,801 | 9,199 |
| 830660 EMS Patient Care Data System | 37,457 | 3,532 | 33,925 |
| 830710 FY 2013/14 OTS Sobriety Checkpoints | 7,979 | - | 7,979 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 35 - General Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|--|
| 830730 FFY 2013 JAG | 1,461 | 1,461 | - |
| 830820 FFY 2013 SHSGP - Blue Card Command | 26,189 | 20,213 | 5,976 |
| 830840 Code It! | 3,102 | 3,102 | - |
| 830860 FY 2013/14 OTS Bicycle and Pedestrian Safety | 26,930 | 16,137 | 10,793 |
| 830870 FY 2013/14 Avoid the 13 DUI Enforcement | 13,590 | 2,760 | 10,830 |
| 830880 Silicon Valley Regional Communication System 2012 AFG | 2,565 | - | 2,565 |
| 830900 Transportation and Traffic Services Staff Augmentation | 125,000 | 113,672 | 11,328 |
| 830960 Participate in NLC's Youth, Education and Family Council | 10,000 | - | 10,000 |
| 830970 Wolfe Road Corridor Traffic Improvement Study | 250,000 | 15,771 | 234,229 |
| 830980 Comprehensive Update of the Precise Plan for El Camino Real | 667,000 | 13,587 | 653,413 |
| 830990 Community Choice Aggregation Program | 30,000 | 17,320 | 12,680 |
| 831100 FFY 2013 SHSGP - Training - IACA Conference | 1,715 | 1,681 | 34 |
| 831160 2014 CESA Training Conference | 2,513 | 2,051 | 462 |
| 831170 2014 Urban Shield | 97,303 | 71,140 | 26,163 |
| 831180 LSTA eBook Publishing Grant | 5,300 | 5,300 | - |
| 831190 FY 2014-15 EMPG - North County Emergency Operations Plan | 100,000 | 99,500 | 500 |
| 831250 2014 UASI - Data Exchange (Dx) CAD Interface | 95,000 | 95,000 | - |
| 831260 FY 2014-15 Avoid the 13 | 11,500 | 7,095 | 4,405 |
| 831270 FY 2014/15 OTS Bicycle and Pedestrian Safety | 60,000 | 26,115 | 33,885 |
| 831290 Climate Action Plan Implementation | 69,000 | 20,442 | 48,558 |
| 831310 Minimum Wage Enforcement Agreement | 30,000 | 215 | 29,785 |
| 831330 FFY 2014 State Homeland Security Grant - Training - Arson K9 | 59,691 | 23,706 | 35,985 |
| 831400 Make-Her Grant | 12,300 | 9,342 | 2,958 |
| 831410 2013 SHSGP Crime Analysis Training | 3,150 | 3,150 | - |
| 831440 EMS Trust Fund Stipend for Airway Training Devices | 7,000 | 6,056 | 944 |
| 831460 FY2015 Tobacco-Free Environment Study | 95,000 | 2,398 | 92,602 |
| Total Projects | 12,698,002 | 7,728,019 | 4,969,983 |
| Accounting Adjustment for Prior Year | 0 | 0 | 0 |
| Total Appropriations | 169,953,022 | 153,924,232 | 16,028,790 |
| Project and Equipment Carryovers | - | 4,889,242 | (4,889,242) |
| CAFR Adjustments | - | 13,328 | (13,328) |
| Deferred Transfers Out | - | 8,558,312 | (8,558,312) |
| Total | 169,953,022 | 167,385,113 | 2,567,908 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 70 - Housing Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|------------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Community Development | | | |
| 235 Housing and CDBG Program | \$ 797,666 | \$ 711,651 | \$ 86,015 |
| Total Community Development | <u>797,666</u> | <u>711,651</u> | <u>86,015</u> |
| Total Operating Programs | <u>797,666</u> | <u>711,651</u> | <u>86,015</u> |
| Transfers Out | | | |
| 7900 General Fund | 122,707 | 62,104 | \$ 60,603 |
| Total Recurring Non-Departmental Expenditures | <u>122,707</u> | <u>62,104</u> | <u>60,603</u> |
| Total Transfers Out | <u>122,707</u> | <u>62,104</u> | <u>60,603</u> |
| Projects | | | |
| 823750 BMR Compliance Enforcement | 10,217 | 10,217 | - |
| 825930 Maintain City-Owned Properties - Downtown/388 Charles Street | 6,742 | 3,141 | 3,601 |
| 826520 Pre-Development Costs on Affordable Housing Sites | - | - | - |
| 826530 County-Wide Homeless Count | 8,732 | 8,732 | - |
| 828100 First-Time Homebuyer Loans (81-120% AMI) | 571,375 | 151,353 | 420,022 |
| 828110 Housing Trust Silicon Valley (HTSV) Contribution | 200,000 | 200,000 | - |
| 829530 Armory Affordable Housing Site - Charities Housing | 40,000 | - | 40,000 |
| 829540 Armory Affordable Housing Site - MidPen Housing | 63,249 | - | 63,249 |
| 829580 Homestead Park (Final Phase) | 3,504,176 | 3,504,176 | - |
| 829980 Habitat for Humanity - Sale of City-Owned Homes (HMF) □ | 4,302 | - | 4,302 |
| 830130 Housing Mitigation Fund - Fee Restructure | 56,320 | 31,960 | 24,360 |
| 830140 Onizuka BRAC Closure - Final Pre-Development Costs □ | 30,000 | - | 30,000 |
| 830920 Morse Court Rental Rehabilitation (HMF) | 1,000,000 | - | 1,000,000 |
| Total Projects | <u>5,495,113</u> | <u>3,909,580</u> | <u>1,585,533</u> |
| Total Appropriations | <u>6,415,485</u> | <u>4,683,335</u> | <u>1,732,151</u> |
| Project Carryovers | - | 1,532,258 | (1,532,258) |
| Deferred Transfers | - | 60,603 | (60,603) |
| Total | <u>6,415,485</u> | <u>6,276,196</u> | <u>139,290</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 71 - HOME Grant Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|------------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Community Development | | | |
| 235 Housing and CDBG Program | \$ 90,050 | \$ 90,694 | \$ (644) |
| Total Community Development | <u>90,050</u> | <u>90,694</u> | <u>(644)</u> |
| Total Operating Programs | <u>90,050</u> | <u>90,694</u> | <u>(644)</u> |
| Transfers Out | | | |
| 7900 General Fund | 6,819 | 6,819 | \$ - |
| Total Transfers Out | <u>6,819</u> | <u>6,819</u> | <u>-</u> |
| Projects | | | |
| 828750 Tenant Based Rental Assistance (HOME) | 677,234 | 231,504 | 445,730 |
| 829550 MidPen Housing: Garland Plaza Rehab | (3) | - | (3) |
| 830150 Armory Studios-Charities Housing | 85,000 | - | 85,000 |
| 830160 Armory Apartments-MidPen Housing | 1,400,000 | 1,170,000 | 230,000 |
| Total Projects | <u>2,162,231</u> | <u>1,401,504</u> | <u>760,727</u> |
| Total Appropriations | <u>2,259,100</u> | <u>1,499,017</u> | <u>760,083</u> |
| Project Carryovers | - | 686,898 | (686,898) |
| Total | <u>2,259,100</u> | <u>2,185,915</u> | <u>73,185</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 110 - Community Development Block Grant Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|------------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Community Development | | | |
| 235 Housing and CDBG Program | \$ 418,278 | \$ 379,350 | \$ 38,928 |
| Total Community Development | <u>418,278</u> | <u>379,350</u> | <u>38,928</u> |
| Total Operating Programs | <u>418,278</u> | <u>379,350</u> | <u>38,928</u> |
| Transfers Out | | | |
| 7900 General Fund | 29,526 | 25,054 | \$ 4,472 |
| Total Transfers Out | <u>29,526</u> | <u>25,054</u> | <u>4,472</u> |
| Projects | | | |
| 827550 Outside Group Funding Support [CDBG] | 198,000 | 169,716 | 28,284 |
| 828140 CDBG Sidewalk Replacement | 138,297 | 128,893 | 9,405 |
| 830270 ADA Curb Retrofit (CDBG) | 223,758 | 158,676 | 65,082 |
| 803501 CDBG Housing Rehabilitation Revolving Loan Fund | 500,000 | 56,055 | 443,945 |
| 812701 Home Access, Paint, Emergency Repair, and Energy-Efficient | 172,437 | 16,754 | 155,683 |
| 829560 Sunnyvale Workforce Development Program-DST | 343,516 | 343,516 | - |
| Total Projects | <u>1,576,008</u> | <u>873,610</u> | <u>702,399</u> |
| Total Appropriations | <u>2,023,812</u> | <u>1,278,014</u> | <u>745,798</u> |
| Project Carryovers | - | 454,339 | (454,339) |
| Deferred Transfers Out | 0 | 4,472 | (4,472) |
| Total | <u>2,023,812</u> | <u>1,736,824</u> | <u>286,988</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 141 - Park Dedication Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------|---------------------|----------------------------------|
| Transfers Out | | | |
| 7900 General Fund - General Assets | | | \$ - |
| 7900 Capital Projects Fund - General Assets | 3,238,734 | 929,615 | 2,309,119 |
| 7900 Infrastructure Fund - General Assets | 12,154,649 | 1,820,567 | \$ 10,334,081 |
| 7900 Infrastructure Fund - Community Recreation Assets | 920,617 | 137,007 | \$ 783,610 |
| 7900 Infrastructure Fund - Project Management Services | 674,282 | 474,884 | \$ 199,398 |
| Total Transfers Out | 16,988,282 | 3,362,073 | 13,626,208 |
| Projects | | | |
| 821001 Maintenance of City Owned Properties - Adjacent to Parks | 24,062 | 13,318 | 10,744 |
| Total Projects | 24,062 | 13,318 | 10,744 |
| Total Appropriations | 17,012,343 | 3,375,391 | 13,636,952 |
| Project Carryovers | - | \$0.00 | - |
| Deferred Transfers Out | - | 6,818,378 | (6,818,378) |
| Total | 17,012,343 | 10,193,769 | 6,818,574 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 175 - Asset Forfeiture Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|----------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Public Safety | | | |
| 471 Police Services | \$ 2,129 | \$ 1,977 | \$ 152 |
| Total Public Safety | <u>2,129</u> | <u>1,977</u> | <u>152</u> |
| Total Operating Programs | <u>2,129</u> | <u>1,977</u> | <u>152</u> |
| Transfers Out | | | |
| 7900 General Fund - General | \$ 98,868 | \$ 97,224 | 1,644 |
| Total Transfers Out | <u>98,868</u> | <u>97,224</u> | <u>1,644</u> |
| Projects | | | |
| 819840 Police Services Equipment Acquisition | \$ 79,787 | \$ 13,896 | 65,891 |
| 828150 Police Services Equipment - Cell Phones | \$ 51,320 | \$ 42,946 | 8,374 |
| Total Projects | <u>131,107</u> | <u>56,842</u> | <u>74,265</u> |
| Total Appropriations | <u>232,104</u> | <u>156,043</u> | <u>76,061</u> |
| Project Carryovers | \$ - | \$ 74,265 | (74,265) |
| Total | <u>232,104</u> | <u>230,308</u> | <u>1,796</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 190 - Police Services Augmentation Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---------------------------------|-----------------------|--------------------------------|---|
| Operating Programs | | | |
| Public Safety | | | |
| 475 Investigation Services | 287,658 | 273,644 | 14,014 |
| Total Public Safety | <u>287,658</u> | <u>273,644</u> | <u>14,014</u> |
| Total Operating Programs | <u>287,658</u> | <u>273,644</u> | <u>14,014</u> |
| Total Appropriations | <u>287,658</u> | <u>273,644</u> | <u>14,014</u> |
| Total | <u>287,658</u> | <u>273,644</u> | <u>14,014</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 210 - Employment Development Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---------------------------------|------------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Employment Development | | | |
| 510 Employment Development | \$ 8,103,883 | \$ 7,193,894 | \$ 909,990 |
| Total Employment Development | <u>8,103,883</u> | <u>7,193,894</u> | <u>909,990</u> |
| Total Operating Programs | <u>8,103,883</u> | <u>7,193,894</u> | <u>909,990</u> |
| Transfers Out | | | |
| 7900 General Fund - General | 331,662 | 317,865 | \$ 13,797 |
| Total Transfers Out | <u>331,662</u> | <u>317,865</u> | <u>13,797</u> |
| Total Appropriations | <u>8,435,545</u> | <u>7,511,758</u> | <u>923,787</u> |
| Total | <u>8,435,545</u> | <u>7,511,758</u> | <u>923,787</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 245 - Parking District Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|----------------|---------------------|----------------------------------|
| Operating Programs | | | |
| Public Works | | | |
| 256 Downtown Parking Lot Maintenance | \$ 63,521 | \$ 62,855 | \$ 666 |
| 267 Neighborhood Parks and Open Space Management | 44,712 | 48,890 | (4,179) |
| 310 Land Development - Engineering Services | 3,441 | 1,517 | 1,924 |
| Total Public Works | <u>111,674</u> | <u>113,263</u> | <u>(1,589)</u> |
| Total Operating Programs | <u>111,674</u> | <u>113,263</u> | <u>(1,589)</u> |
| Transfers Out | | | |
| 7900 General Fund - General | 8,785 | 8,785 | - |
| Total Transfers Out | <u>8,785</u> | <u>8,785</u> | <u>-</u> |
| Projects | | | |
| 827570 Downtown Parking District Major Maintenance | 66,475 | 10,031 | 56,444 |
| Total Projects | <u>66,475</u> | <u>10,031</u> | <u>56,444</u> |
| Total Appropriations | <u>186,934</u> | <u>132,078</u> | <u>54,855</u> |
| Project Carryovers | - | 56,444 | (56,444) |
| Total | <u>186,934</u> | <u>188,523</u> | <u>(1,589)</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 255 - CFD 3 Estates at Sunnyvale

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|-----------------------------------|----------------|---------------------|----------------------------------|
| Operating Program | | | |
| Public Works | | | |
| 367 Wastewater Collection Systems | \$ 18,423 | \$ 8,918 | \$ 9,504 |
| Total Public Works | <u>18,423</u> | <u>8,918</u> | <u>9,504</u> |
| Total Operating Programs | <u>18,423</u> | <u>8,918</u> | <u>9,504</u> |
| Transfers Out | | | |
| 7900 General Fund - General | 1,236 | 1,236 | 0 |
| Total Transfers Out | <u>1,236</u> | <u>1,236</u> | <u>0</u> |
| Total Appropriations | <u>19,658</u> | <u>10,154</u> | <u>9,505</u> |
| Deferred Transfers Out | - | - | - |
| Total | <u>19,658</u> | <u>10,154</u> | <u>9,505</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 280 - Gas Tax Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------------|-------------------------|----------------------------------|
| Operating Program | | | |
| Public Works | | | |
| 120 Pavement, Traffic Signs and Markings, Street Sweeping, Street Lights, and Roadside Easements | \$ 2,025,000 | \$ 1,991,231 | \$ 33,769 |
| Total Public Works | <u>2,025,000</u> | <u>1,991,231</u> | <u>33,769</u> |
| Total Operating Programs | <u>2,025,000</u> | <u>1,991,231</u> | <u>33,769</u> |
| Transfers Out | | | |
| 7900 Capital Projects Fund - Gas Tax Funded | 990,361 | 74,651 | 915,710 |
| 7900 Capital Projects Fund - General Assets | 280,488 | 15,827 | 264,661 |
| 7900 Infrastructure Fund - General Assets | 3,320,631 | 2,390,925 | 929,706 |
| 7900 General Services Fund - Project Management Service | 147,993 | 194,791 | (46,798) |
| Total Transfers Out | <u>4,739,473</u> | <u>2,676,194</u> | <u>2,063,279</u> |
| Projects | | | |
| 802500 City Share of Development Costs - Streets | 8,700 | - | 8,700 |
| 816050 Minor Repair of City Bridges and Culverts | 5,100 | - | 5,100 |
| 827690 Evaluation of Bridges and Levees | 200,000 | - | 200,000 |
| Total Projects | <u>213,800</u> | <u>-</u> | <u>213,800</u> |
| Total Appropriations | <u>6,978,273</u> | <u>4,667,425</u> | <u>2,310,848</u> |
| Project Carryovers | - | 208,700 | (208,700) |
| Deferred Transfers Out | - | 1,818,646 | (1,818,646) |
| Total | <u>6,978,273</u> | <u>6,694,771</u> | <u>283,502</u> |

City of Sunnyvale
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Fiscal Year Ending June 30, 2015

Fund 285 - Transportation Development Act (TDA) Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|----------------|---------------------|----------------------------------|
| Transfers Out | | | |
| 7900 Capital Projects Fund - General Assets | \$ 848,661 | \$ 72,394 | \$ 776,267 |
| Total Transfers Out | 848,661 | 72,394 | 776,267 |
| Projects | | | |
| 828160 Residential and School Area Sidewalks (MOVED TO 385/100) | - | - | - |
| Total Projects | - | - | - |
| Total Appropriations | 848,661 | 72,394 | 776,267 |
| Project Carryovers | - | - | - |
| Deferred Transfers Out | - | 776,267 | (776,267) |
| Total | 848,661 | 848,661 | - |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 290 - VRF Local Road Improvement Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|----------------|---------------------|----------------------------------|
| Transfers Out | | | |
| 7900 Infrastructure Fund - General Assets | \$ 797,394 | \$ 797,394 | \$ - |
| Total Transfers Out | <u>797,394</u> | <u>797,394</u> | <u>-</u> |
| Total Appropriations | <u>797,394</u> | <u>797,394</u> | <u>-</u> |
| Project Carryovers | - | - | - |
| Deferred Transfers Out | - | - | - |
| Total | <u>797,394</u> | <u>797,394</u> | <u>-</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 295 - Youth and Neighborhood Services Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---------------------------------|--------------------|------------------------|--|
| Operating Programs | | | |
| Library and Community Services | | | |
| 527 Youth and Family Services | \$ 745,350 | \$ 719,789 | \$ 25,561 |
| Total City Manager | <u>745,350</u> | <u>719,789</u> | <u>25,561</u> |
| Total Operating Programs | <u>745,350</u> | <u>719,789</u> | <u>25,561</u> |
| Total Appropriations | <u>745,350</u> | <u>719,789</u> | <u>25,561</u> |
| Total | <u>745,350</u> | <u>719,789</u> | <u>25,561</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 315 - Redevelopment Agency Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------------|-------------------------|----------------------------------|
| Operating Programs | | | |
| Finance | | | |
| 705 Financial Management and Analysis | \$ 123,529 | \$ 92,660 | \$ 30,870 |
| 707 Treasury Services | | | - |
| Total Finance | <u>123,529</u> | <u>92,660</u> | <u>30,870</u> |
| Office of the City Manager | | | |
| 723 Office of the City Manager | | 1,749 | (1,749) |
| Total Finance | <u>-</u> | <u>1,749</u> | <u>(1,749)</u> |
| City Attorney | | | |
| 750 Comprehensive Legal Services | 65,044 | 32,205 | 32,839 |
| Total City Attorney | <u>65,044</u> | <u>32,205</u> | <u>32,839</u> |
| Total Operating Programs | <u>188,573</u> | <u>126,614</u> | <u>61,959</u> |
| Transfers Out | | | |
| 7900 General Fund - General | 13,068 | 13,068 | 0 |
| 7900 1992 RDA Central Core Project Bonds | 608,976 | 607,898 | 1,078 |
| Total Transfers Out | <u>622,044</u> | <u>620,966</u> | <u>1,078</u> |
| Projects | | | |
| 814952 Redevelopment Dissolution | 30,035 | 15,000 | 15,035 |
| 824571 Project Management for Town Center Development Agreement | 69,180 | 14,075 | 55,106 |
| 826701 Town Center Investigation/Remediation of Hazmat (ADDOPA) | 1,415,847 | 67,409 | 1,348,438 |
| Total Projects | <u>1,515,062</u> | <u>96,484</u> | <u>1,418,578</u> |
| Total Appropriations | <u>2,325,679</u> | <u>844,064</u> | <u>1,481,615</u> |
| Project Carryovers | - | 1,418,578 | (1,418,578) |
| Total | <u>2,325,679</u> | <u>2,262,642</u> | <u>63,037</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 330 - Governmental Funds - City Debt Service

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|----------------|------------------------|--|
| Debt Service | | | |
| 011551 2009 Government Center COP Debt Service | | \$ 711,994 | \$ (711,994) |
| Total Debt Service | <u>-</u> | <u>711,994</u> | <u>(711,994)</u> |
| Total Appropriations | <u>-</u> | <u>711,994</u> | <u>(711,994)</u> |
| Total | <u>-</u> | <u>711,994</u> | <u>(711,994)</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 335 - Redevelopment Agency Debt Service Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|----------------|------------------------|--|
| Debt Service | | | |
| 011900 2003 Central Core Tax Alloc Refund Bonds | \$ 606,876 | \$ 609,121 | \$ (2,245) |
| Total Debt Service | <u>606,876</u> | <u>609,121</u> | <u>(2,245)</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 385 - Capital Projects Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------|------------------------|--|
| Transfers Out | | | |
| 7900 General Fund - General | 91,010 | 13,110 | \$ 77,900 |
| 7900 Capital Projects Fund - Gas Tax Funded | 559,777 | 35,313 | 524,465 |
| 7900 Capital Projects Fund - General Assets | 1,827,507 | 156,399 | 1,671,108 |
| 7900 Capital Project Fund-Project Management Services | 16,147 | - | 16,147 |
| 7900 Capital Project Fund-Traffic Impact Fees | 1,754,363 | 460,958 | 1,293,405 |
| Total Transfers Out | 4,248,805 | 665,779 | 3,583,025 |
| Projects | | | |
| Subfund 100 - General Assets | | | |
| 808352 Seven Seas Park Development | 1,935,243 | 373,332 | 1,561,910 |
| 825610 Fair Oaks Avenue Overhead Bridge Repair | 8,367,824 | 541,583 | 7,826,240 |
| 826730 Underground Overhead Utilities | 330,614 | 2 | 330,611 |
| 826780 Downtown-Related Construction Mitigation | 15,957 | 15,843 | 115 |
| 826790 Sunnyvale Avenue Median from Iowa to Washington | 750,000 | - | 750,000 |
| 826820 Town Center Traffic Signal Modifications | 744,911 | 516 | 744,396 |
| 829200 Stevens Creek Trail Feasibility Study | 41,559 | 19,755 | 21,804 |
| 829300 West Channel Trail Conceptual Design Study | 91,200 | - | 91,200 |
| 829370 Safe Routes to School and Neighborhood Guided Bike Routes | 721,808 | 4,204 | 717,604 |
| 829440 Land Acquisition Due Diligence | 1,412 | - | 1,412 |
| 829570 Orchard Gardens Park Expansion | 1,002,079 | 556,102 | 445,977 |
| 829590 Duane Avenue Bicycle Lanes | 94,203 | - | 94,203 |
| 829910 Mathilda Avenue/Maude Avenue Safety Improvements | 319,112 | 24,828 | 294,284 |
| 829920 Sunnyvale-Saratoga Road/Fremont Avenue Safety Improvement | 284,112 | 11,138 | 272,974 |
| 829990 Citywide Traffic Signal Communications Repairs | 8,722 | - | 8,722 |
| 830010 ITS Citywide Enhancements | 98,024 | 98,024 | - |
| 830020 Fair Oaks Avenue Signal Interconnection | 18,466 | 18,466 | - |
| 830110 Sunnyvale-Saratoga Road Pedestrian Safety Signal | 663,000 | 4,300 | 658,700 |
| 830120 Pay Parking in Downtown Area | 94,850 | 36 | 94,814 |
| 830600 Lakewood Branch Library Facility | 750,000 | - | 750,000 |
| 830760 Mary Avenue Bicycle Lanes | 769,944 | 55,553 | 714,391 |
| 830780 Remington Drive/Manet Drive Pedestrian Improvements | 27,000 | - | 27,000 |
| 830930 Duane Avenue Roadway Rehabilitation | 1,780,188 | 73,269 | 1,706,919 |
| 831000 Las Palmas Park/Tennis Center Auxiliary Restroom | 300,000 | 180 | 299,820 |
| 831110 Fair Oaks Ave Bike Lanes and Streetscape | 1,210,000 | 41 | 1,209,959 |
| 831120 Maude Ave Streetscape | 880,000 | 16,841 | 863,159 |
| 831130 East and West Channel Trails | 4,345,000 | - | 4,345,000 |
| 831140 Safe Routes to School Pedestrian Safety Improvements | 1,891,850 | - | 1,891,850 |
| 828900 Hendy Avenue Complete Street Project | 2,455,841 | 2,285,139 | 170,703 |
| 829270 Remington Drive/Bernardo Ave Traffic Signal | 105,262 | 17,304 | 87,958 |
| 829720 Mathilda Avenue Bicycle Lanes | - | - | - |
| 830100 Moffett Park Drive Bike Facilities | - | - | - |
| 830770 El Camino Real Bicycle Lanes | - | - | - |
| 831240 Sunnyvale Bicycle Lanes | 205,916 | 145,241 | 60,675 |
| Total Subfund 100 - General Assets | 30,304,097 | 4,261,697 | 26,042,400 |
| Project Carryovers | - | \$24,606,333.34 | (24,606,333) |
| Total Subfund 100 - General Assets | 30,304,097 | 28,868,030 | 1,436,067 |

City of Sunnyvale
Year-end Appropriations Budget
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Fund 385 - Capital Projects Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------|---------------------|----------------------------------|
| Subfund 600 - Gas Tax | | | |
| 826850 Calabazas Creek Bridge at Old Mt. View-Alviso Rd | 9,745,994 | 615,738 | 9,130,256 |
| 829040 School Transportation Demand Management Project | 32,474 | 30,594 | 1,880 |
| 822710 Mathilda Avenue Railroad Overpass Improvements | 400,000 | 8,745 | 391,255 |
| Total Subfund 600 - Gas Tax | 10,178,468 | 655,076 | 9,523,392 |
| Project Carryovers | - | 9,232,136 | (9,232,136) |
| Total Subfund 600 - Gas Tax | 10,178,468 | 9,887,213 | 291,255 |
| Subfund 950 - Traffic Mitigation Projects | | | |
| 816000 Future Traffic Signal Construction/Modification | 574,874 | 27,105 | 547,769 |
| Total Subfund 950 - Traffic Mitigation Projects | 574,874 | 27,105 | 547,769 |
| Project Carryovers | - | 547,769 | (547,769) |
| Total Subfund 950 - Traffic Mitigation Projects | 574,874 | 574,874 | - |
| Subfund 960 - Transportation Impact Fees | | | |
| 825530 Transportation Model Update | 85,000 | 29,085 | 55,915 |
| 826890 Mathilda/237/101 Interchange Improvements | 3,754,363 | 460,958 | 3,293,405 |
| 826900 Washington Avenue/Mathilda Avenue Intersection Widening | 336,814 | - | 336,814 |
| Total Subfund 960 - Transportation Impact | 4,176,177 | 490,043 | 3,686,134 |
| Project Carryovers | - | 3,686,134 | (3,686,134) |
| Total Subfund 960 - Transportation Impact | 4,176,177 | 4,176,177 | - |
| Total Projects | 45,233,616 | 5,433,921 | 39,799,695 |
| Total Appropriations | 49,482,421 | 6,099,700 | 43,382,721 |
| Total Project Carryovers | - | 38,072,373 | (38,072,373) |
| Total Deferred Transfers Out | - | 3,484,027 | (3,484,027) |
| Total | 49,482,421 | 47,656,101 | 1,826,320 |

City of Sunnyvale
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Fund 460 - Water Supply and Distribution Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------|---------------------|----------------------------------|
| Debt Service | | | |
| 011703 Water Bonds 2001 Series A | | | - |
| 011705 2010 Water Revenue Bonds | 1,879,800 | 1,885,000 | (5,200) |
| 011603 Government Center COP | 59,084 | 52,300 | 6,784 |
| Total Debt Service | 1,938,884 | 1,937,300 | 1,584 |
| Operating Programs | | | |
| Environmental Services | | | |
| 360 Water Resources | 30,342,863 | 25,614,266 | 4,728,596 |
| 366 Regulatory Programs | 26,017 | 16,753 | 9,264 |
| 7900 Loan Repayment to General Fund | 351,700 | 351,756 | (56) |
| Total Environmental Services | 30,720,579 | 25,982,774 | 4,737,805 |
| Total Operating Programs | 30,720,579 | 25,982,774 | 4,737,805 |
| Transfers Out | | | |
| 7900 General Services Fund - Project Management Services | 339,558 | 307,583 | 31,975 |
| 7900 General Fund - General | 2,872,741 | 2,647,279 | 225,463 |
| 7900 Transfers Out-Utilities Fund - Sewer | 266,847 | 250,641 | 16,206 |
| 7900 Transfers Out-Gen Serv Fund - Fleet Serv | 184,725 | 184,725 | - |
| 7900 Infrastructure Fund - General Assets | 38,086 | 6,040 | 32,046 |
| 7900 Liability and Property Insurance Fund | 198,292 | 198,292 | 0 |
| Total Transfers Out | 3,900,249 | 3,594,559 | 305,690 |
| Projects | | | |
| 806351 Water Meters and Flow Devices for New Developments | 273,190 | 254,421 | 18,769 |
| 815203 Replacement of Water/Sewer Supervisory Control System | 109,676 | 4,564 | 105,112 |
| 819771 Utility Maintenance Management System | 117 | - | 117 |
| 824281 Leak Detection and Condition Assessment Program | 202,000 | 31,540 | 170,460 |
| 825231 Cleaning of Water Tanks | 18,000 | | 18,000 |
| 825241 Equipment Replacement at Six (6) Hetch-Hetchy Connections | 44,443 | 41,108 | 3,335 |
| 825301 Pressure Reducing Valve Replacement & Relocation for SCADA | 123,866 | 123,866 | - |
| 825391 Wolfe/Evelyn Plant Mechanical Reconstruction | 1,830,913 | 172,353 | 1,658,559 |
| 825451 City-wide Water Line Replacement | 1,862,967 | 1,145,200 | 717,766 |
| 827180 Automation of Water Meter Reading | 342,557 | 52 | 342,506 |
| 829060 Rehabilitation of Cathodic Protection on RW System | 781,866 | 299,391 | 482,475 |
| 829450 Recycled Water Inter-connect | 980,557 | 432,432 | 548,126 |
| 829460 Recycled Water Feasibility Study | 30,803 | - | 30,803 |
| 829820 Potable Water System Design Study | 15,634 | 15,582 | 52 |
| 830170 Refurbishment of Water Tanks | 161,213 | 92,424 | 68,789 |
| 831480 Water Conservation and Drought Response | 230,000 | 13,054 | 216,946 |
| Total Projects | 7,007,804 | 2,625,989 | 4,381,815 |
| Total Appropriations | 43,567,515 | 34,140,622 | 9,426,894 |
| Project Carryovers | - | 4,359,542 | (4,359,542) |
| Total Deferred Transfers Out | - | 273,715 | (273,715) |
| Total | 43,567,515 | 38,773,879 | 4,793,637 |

City of Sunnyvale
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Fund 465 - Wastewater Management Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------|---------------------|----------------------------------|
| Debt Service | | | |
| 011704 Wastewater Bonds 2001 Series A | | | \$ - |
| 011706 2010 Wastewater Revenue Bonds | 2,858,525 | 2,863,725 | (5,200) |
| 011604 Government Center COP | 40,560 | 35,903 | 4,657 |
| Total Debt Service | 2,899,085 | 2,899,628 | (543) |
| Operating Programs | | | |
| Environmental Services | | | |
| 362 Sanitary Sewer Collection System | | 200 | (200) |
| 365 Wastewater Management | 9,124,677 | 8,981,424 | 143,253 |
| 366 Regulatory Programs | 4,460,145 | 3,913,854 | 546,291 |
| 367 Wastewater Collection Systems | 2,514,171 | 2,653,240 | (139,069) |
| 799 Non-Programmatic | 2,512,670 | 2,512,670 | (0) |
| Total Environmental Services | 18,611,663 | 18,061,389 | 550,274 |
| Total Operating Programs | 18,611,663 | 18,061,389 | 550,274 |
| Transfers Out | | | |
| 7900 Liability and Property Insurance Fund | 167,816 | 167,816 | 0 |
| 7900 General Fund | 2,622,412 | 2,526,949 | 95,463 |
| 7900 Utilities Fund - Water | 586,589 | 244,321 | 342,268 |
| 7900 Utilities Fund - Refuse | 1,000 | | 1,000 |
| 7900 Capital Projects Fund - General Assets | 95,280 | 95,280 | - |
| 7900 Infrastructure Fund - General Assets | 50,015 | 11,583 | 38,432 |
| 7900 Gen Services Fund - Fleet Serv | 15,000 | 15,000 | - |
| 7900 Employee Benefits - Leaves Benefit | | | - |
| 7900 General Services Fund - Project Management Services | 1,039,108 | 1,059,894 | (20,786) |
| 7900 Gas Tax | 50,000 | | 50,000 |
| Total Transfers Out | 4,627,220 | 4,120,844 | 506,376 |
| Equipment | | | |
| 20201 Wastewater Equipment | 641,033 | 330,214 | 310,819 |
| Total Equipment | 641,033 | 330,214 | 310,819 |

City of Sunnyvale
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Fund 465 - Wastewater Management Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------|---------------------|----------------------------------|
| Projects | | | |
| <i>Infrastructure Projects</i> | | | |
| 805253 Sewer Emergency Repair and Replacement | 51,068 | - | 51,068 |
| 822752 Storm Pump Station Number 1 Rehabilitation | 318,843 | 116,213 | 202,629 |
| 824771 Primary Process Design and Construction | 6,761,341 | 3,320,167 | 3,441,175 |
| 825141 Air Flotation Tanks Rehabilitation | 609,206 | 438,648 | 170,558 |
| 825331 Replacement/Repair/Rehabilitation of Sanitary Sewer System | 477,303 | 276,473 | 200,829 |
| 825751 Sewer Lift Stations Rebuild | 1,227,617 | 1,065,176 | 162,441 |
| 827020 Emergency Flow Management Infrastructure | 1,940,606 | 97,074 | 1,843,532 |
| 827050 Wastewater Master Plan | 174,495 | 49,873 | 124,622 |
| 827090 Construction of a New Water Pollution Control Plant | 434,738 | 108,435 | 326,303 |
| 829070 Lawrence Expressway Sanitary Sewer Rehabilitation | 350,000 | 9,480 | 340,520 |
| 830190 Repairs to the Primary Process | 310,826 | 92,916 | 217,910 |
| 830200 Repairs to the Secondary Process | 231,095 | 16,118 | 214,977 |
| 830210 Repairs to the Power Generation Facility | 251,897 | 137,574 | 114,322 |
| 830220 Repairs to the Tertiary Process | 203,691 | 84,758 | 118,933 |
| 830240 WPCP Program Management | 2,746,585 | 2,527,775 | 218,810 |
| 830250 WPCP Master Plan | 3,202,323 | 1,004,187 | 2,198,137 |
| 831470 WPCP Construction Management | 95,130 | - | 95,130 |
| <i>Capital Projects</i> | | | |
| 822762 Storm Pump Station Number 2 Rehabilitation | 1,110,828 | 32,439 | 1,078,389 |
| 824301 Rehabilitation of Digesters | 5,510,745 | 3,090,402 | 2,420,343 |
| 825521 Pond Sediment Removal | 2,017,986 | 1,556,009 | 461,977 |
| 828210 Inspection Data Mgmt and Handheld Data Entry Device Project | 250,000 | - | 250,000 |
| 829080 Storm System Trash Reduction Programs and Devices | 1,549,625 | 1,517,055 | 32,571 |
| 829100 Sanitary Sewer Siphon Cleaning and Assessment | 101,000 | - | 101,000 |
| 829430 WPCP Chlorine Conversion | 2,542,549 | 582,972 | 1,959,577 |
| 830230 Laboratory Information Management System (LIMS) | 250,000 | - | 250,000 |
| 831150 Solar Installation Procurement | 40,000 | 16,689 | 23,311 |
| <i>Special Projects</i> | | | |
| 824341 Wastewater Cost of Service Study | 25,000 | 17,506 | 7,494 |
| 825961 SCVURPPP Contracting and Fiscal Agent | 50,000 | 25,550 | 24,450 |
| 830260 Sanitary Sewer Salinity Reduction Study | 50,000 | - | 50,000 |
| 830620 Power Purchase Agreements for Alternative Energy | 15,000 | - | 15,000 |
| 831280 Schools Goin' Green | 32,250 | 12,194 | 20,056 |
| 831420 Santa Clara Valley Water District Coordination | 618,735 | 283,632 | 335,103 |
| Total Projects | 33,550,481 | 16,479,315 | 17,071,166 |
| Total Appropriations | 60,329,482 | 41,891,390 | 18,438,092 |
| Project Carryovers | - | 17,137,081 | (17,137,081) |
| Deferred Transfers Out | - | 504,937 | (504,937) |
| Total | 60,329,482 | 59,533,407 | 796,075 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 485 - Solid Waste Management Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-----------------------|----------------------------|---|
| Debt Service | | | |
| 011605 2001 Government Center COP Dbt Srv Fund | 60,042 | 53,148 | \$ 6,894 |
| 011803 SV Share of Solid Waste Revenue | 1,624,868 | 1,501,014 | 123,855 |
| Total Debt Service | 1,684,910 | 1,554,162 | 130,748 |
| Operating Programs | | | |
| Environmental Services | | | |
| 363 Solid Waste Management | 34,782,471 | 34,159,706 | 622,766 |
| 366 Regulatory Programs | 12,830 | 1,794 | 11,036 |
| 799 Non-Programmatic | 4,099,556 | 4,099,556 | (0) |
| Total Environmental Services | 38,894,857 | 38,261,056 | 633,802 |
| Total Operating Programs | 38,894,857 | 38,261,056 | 633,802 |
| Transfers Out | | | |
| 6606 Long Term Rent - 301 Carl Rd (SMaRT)-General Fund - Gener | 406,423 | 406,423 | (0) |
| 6610 Long Term Rent-Landfill | 253,313 | 253,313 | 0 |
| 7900 Liability and Property Insurance Fund | 7,012 | 7,012 | - |
| 7900 General Fund - General | 2,447,534 | 2,437,827 | 9,707 |
| 7900 Utilities Fund - Sewer | 29,000 | 10,013 | 18,986 |
| 7900 General Services Fund - Project Management Services | 4,900 | 2,658 | 2,242 |
| Total Transfers Out | 3,148,182 | 3,117,247 | 30,935 |
| Projects | | | |
| 801351 Sunnyvale Contribution to SMaRT Station Equipment Rep. Fun | 107,660 | 107,656 | 4 |
| 824261 Solid Waste Cost of Service Study | 25,900 | - | 25,900 |
| 824741 Landfill "Constituents of Concern" Monitoring | 22,624 | 17,005 | 5,619 |
| 827560 Aerial Mapping and Settlement Analysis of the SV Landfill | 13,658 | 13,658 | - |
| 828980 CEQA for Single-Use Bag Ordinance | 1,000 | - | 1,000 |
| 830180 Landfill Post-Closure Erosion Prevention | 335,000 | - | 335,000 |
| 830910 Zero Waste Strategic Plan | 246,922 | 111,596 | 135,326 |
| 831200 CalRecycle HHW Grant for Refillable Gas Cylinders | 87,846 | 23,824 | 64,022 |
| Total Projects | 840,610 | 273,739 | 566,871 |
| Total Appropriations | 44,568,560 | 43,206,203 | 1,362,357 |
| Project Carryovers | - | #VALUE! | #VALUE! |
| Deferred Transfers Out | - | 18,987 | (18,987) |
| Total | 44,568,560 | #VALUE! | #VALUE! |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 490 - SMaRT Station Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------|---------------------|----------------------------------|
| Debt Service | | | |
| 11801 Solid Waste Bonds Series 2003 | \$ 1,949,763 | \$ 1,834,261 | \$ 115,502 |
| 11805 Solid Waste Bonds Series 2007 | \$ 757,568 | \$ 689,166 | \$ 68,402 |
| 11806 Solid Waste 2014 Refunding Note Payable | | \$ 74,518 | \$ (74,518) |
| 11807 Solid Waste 2014 Refunding Note Payable | | \$ 69,530 | \$ (69,530) |
| Total Debt Service | 2,707,331 | 2,667,475 | 39,856 |
| Operating Programs | | | |
| Environmental Services | | | |
| 364 SMaRT Station | 26,185,711 | 26,351,841 | (166,130) |
| Total Environmental Services | 26,185,711 | 26,351,841 | (166,130) |
| Total Operating Programs | 26,185,711 | 26,351,841 | (166,130) |
| Projects | | | |
| 811250 SMaRT Station Equipment Replacement | 1,187,677 | 52,706 | 1,134,970 |
| 821170 SMaRT Station Operations Contract RFP | (49,047) | - | (49,047) |
| 831220 Structural Stormwater BMPs, SMaRT Station® | 108,593 | 104,099 | 4,494 |
| Total Projects | 1,247,222 | 156,805 | 1,090,417 |
| Total Appropriations | 30,140,264 | 29,176,121 | 964,143 |
| Project Carryovers | - | #VALUE! | #VALUE! |
| Total | 30,140,264 | #VALUE! | #VALUE! |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 510 - Development Enterprise Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------------|----------------------------|---|
| Operating Programs | | | |
| Community Development | | | |
| 233 Building Safety | 3,140,491 | 3,189,121 | (48,631) |
| 234 Planning | 1,825,607 | 1,851,600 | (25,993) |
| Total Community Development | <u>4,966,097</u> | <u>5,040,721</u> | <u>(74,624)</u> |
| Public Works | | | |
| 119 Transportation and Traffic Services | 173,759 | 310,511 | (136,752) |
| 219 Street Tree Services | 24,631 | 35,823 | (11,192) |
| 310 Land Development - Engineering Services | 1,188,807 | 1,176,707 | 12,101 |
| Total Public Works | <u>1,387,198</u> | <u>1,523,041</u> | <u>(135,843)</u> |
| Environmental Services Department | | | |
| 360 Water Resources | 149,023 | 302 | 148,721 |
| 366 Regulatory Programs | 6,053 | 826 | 5,227 |
| 367 Wastewater Collection Systems | 25,290 | 233 | 25,057 |
| Total Environmental Services | <u>180,365</u> | <u>1,361</u> | <u>179,004</u> |
| Library and Community Services | | | |
| 626 Arts and Recreation Programs | 29,383 | 27,957 | 1,425 |
| Total Library and Community Services | <u>29,383</u> | <u>27,957</u> | <u>1,425</u> |
| Office of the City Attorney | | | |
| 750 Comprehensive Legal Services | 327,210 | 296,990 | 30,220 |
| Total Office of the City Attorney | <u>327,210</u> | <u>296,990</u> | <u>30,220</u> |
| Public Safety | | | |
| 479 Fire Prevention and Hazardous Material Services | 692,219 | 735,315 | (43,095) |
| Total Office of the City Attorney | <u>692,219</u> | <u>735,315</u> | <u>(43,095)</u> |
| Office of the City Manager | | | |
| 723 Office of the City Manager | 99,756 | 120,431 | (20,675) |
| Total Office of the City Manager | <u>99,756</u> | <u>120,431</u> | <u>(20,675)</u> |
| Total Operating Programs | <u>7,682,229</u> | <u>7,745,816</u> | <u>(63,587)</u> |
| Transfers Out | | | |
| 7900 General Fund - General | 371,091 | 367,651 | 3,440 |
| 7900 General Services Fund - Fleet Management | 21,000 | 21,000 | - |
| Total Transfers Out | <u>392,091</u> | <u>388,651</u> | <u>3,440</u> |
| Projects | | | |
| 831350 Temporary Planning Staffing | 300,000 | 146,066 | 153,934 |
| 831450 Public Works Development Engineering Staffing | 300,000 | - | 300,000 |
| Total Projects | <u>600,000</u> | <u>146,066</u> | <u>453,934</u> |
| Total Appropriations | <u>8,674,320</u> | <u>8,280,534</u> | <u>393,786</u> |
| Project Carryovers | - | 453,934 | (453,934) |
| Deferred Transfers Out | - | 3,440 | (3,440) |
| Total | <u>8,674,320</u> | <u>8,737,907</u> | <u>(63,587)</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 525 - Golf and Tennis Operations Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------------|-------------------------|----------------------------------|
| Operating Programs | | | |
| Community Services | | | |
| 647 Golf Course Operations | \$ 3,400,864 | \$ 3,251,472 | \$ 149,392 |
| Total Community Services | <u>3,400,864</u> | <u>3,251,472</u> | <u>149,392</u> |
| Total Operating Programs | <u>3,400,864</u> | <u>3,251,472</u> | <u>149,392</u> |
| Transfers Out | | | |
| 7900 Liability and Property Insurance Fund | 41,541 | 41,541 | - |
| 7900 General Fund | 350,142 | 350,142 | - |
| 7900 Employee Benefits - Leaves Benefit | | | - |
| Total Transfers Out | <u>391,683</u> | <u>391,683</u> | <u>-</u> |
| Total Appropriations | <u>3,792,547</u> | <u>3,643,155</u> | <u>149,392</u> |
| Total | <u>3,792,547</u> | <u>3,643,155</u> | <u>149,392</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 595 - General Services Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-----------------------|----------------------------|---|
| Equipment | | | |
| 20600 Furniture | \$ 150,955 | \$ 83,763 | \$ 67,192 |
| 20700 Fleet Equipment | 3,095,860 | 2,159,926 | 935,934 |
| 21300 Equipment Building Maintenance | 404,046 | 84,433 | 319,613 |
| 21600 Information Processing Hardware | 2,013,410 | 851,340 | 1,162,070 |
| 21601 Information Processing Software/ HR/Payroll System | 822,732 | 161,334 | 661,398 |
| 21603 Communications and Office Equipment | 26,626 | 3,496 | 23,130 |
| 21604 Telecommunications Equipment | 775,800 | 557,817 | 217,983 |
| 21605 Office Equipment | 30,878 | 313,350 | (282,472) |
| 21610 KSUN Equipment | 49,873 | 9,023 | 40,850 |
| 21612 Payroll HRIS | 52,577 | - | 52,577 |
| | - | - | - |
| Total Equipment | 7,422,757 | 4,224,482 | 3,198,275 |
| Operating Programs | | | |
| Finance | | | |
| 706 Accounting and Financial Services | 48,789 | 19,024 | 29,765 |
| Total Finance | 48,789 | 19,024 | 29,765 |
| Information Technology | | | |
| 746 IT Services and Support | 6,949,480 | 6,715,674 | 233,807 |
| Total Information Technology | 6,949,480 | 6,715,674 | 233,807 |
| City Manager | | | |
| 748 Print, Copy, Bindery, and Mail Services and Support | 579,335 | 580,547 | (1,212) |
| Total City Manager | 579,335 | 580,547 | (1,212) |
| Public Works | | | |
| 309 Capital Project Management and Environmental Sustainability | 2,873,900 | 2,585,184 | 288,716 |
| 709 Facilities Services | 4,156,121 | 4,119,047 | 37,074 |
| 763 Provision of Vehicles and Motorized Equipment | 3,364,593 | 3,196,442 | 168,151 |
| Total Public Works | 10,394,614 | 9,900,673 | 493,942 |
| 799 Non-Programmatic | 758,445.93 | 758,446.00 | (0) |
| Total Operating Programs | 18,730,665 | 17,974,364 | 756,301 |
| Transfers Out | | | |
| 7900 Sunnyvale Office Center | 106,886 | 106,886 | (0) |
| 7900 General Fund | 407,436 | 376,530 | 30,905 |
| 7900 Infrastructure Fund - General Assets | 507,747 | 287,859 | 219,888 |
| 7900 2009 Government Center COP | 638,747 | 565,405 | 73,342 |
| 7900 2009 Government Center COP | 8,537 | 4,631 | 3,906 |
| Total Transfers Out | 1,669,352 | 1,341,311 | 328,041 |
| Projects | | | |
| 824980 Upgrading of Fuel Stations | 58,752 | - | 58,752 |
| 824980 Sunnyvale Office Center Site Improvements | 13,221.09 | 5,843.99 | 7,377 |
| 830530 Capital Improvement Program Management System | 141,518.00 | 39,771.44 | 101,747 |
| 830540 Replace Customer Relationship Manager System | 100,000.00 | - | 100,000 |
| Total Projects | 313,491 | 45,615 | 267,876 |
| Total Appropriations | 28,136,265 | 23,585,772 | 4,550,493 |
| Equipment & Project Carryovers | - | 2,609,576 | (2,609,576) |
| Deferred Transfers Out | - | 328,041 | (328,041) |
| Total | 28,136,265 | 26,523,389 | 1,612,876 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 610 - Infrastructure Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------|---------------------|----------------------------------|
| Transfers Out | | | |
| 7900 General Services Fund - Project Management Services | \$ 89,279 | 121,471.78 | \$ (32,193) |
| 7900 Capital Projects Fund - General Assets | 1,080,634 | 92,606 | 988,028 |
| Total Transfers Out | 1,169,913 | 214,078 | 955,835 |
| Projects | | | |
| Subfund 100 - General Assets | | | |
| 818100 Public Safety Buildings - Roofs | 505,188 | 12,581 | 492,607 |
| 818550 Park Buildings - Rehabilitation | 600,315 | 151,229 | 449,087 |
| 818600 Senior Center Buildings - Rehabilitation | 60,000 | 5,211 | 54,789 |
| 818700 Corporation Yard Buildings - Rehabilitation | 92,256 | 15,506 | 76,750 |
| 819610 Public Safety Buildings - HVAC | 44,537 | 17,819 | 26,718 |
| 820000 Corporation Yard Buildings - HVAC Replacement | 87,720 | 45,386 | 42,334 |
| 820120 Repaint Street Light Poles | 130,013 | 129,837 | 176 |
| 820130 Routine Resurfacing of City Owned Parking Lots | 30,754 | 8,529 | 22,225 |
| 820180 Traffic Signal Controller Replacement | 393,411 | 212 | 393,199 |
| 820190 Traffic Signal Hardware & Wiring | 1,575,963 | 1,138,315 | 437,648 |
| 820200 Traffic Signal Light Emitting Diode (LED) Array Replacements | 43,417 | 25,228 | 18,189 |
| 820240 Park Tennis/Basketball Court Reconstruction | 210,148 | 170,475 | 39,673 |
| 820270 Playground Equipment Replacement | 400,168 | 112,644 | 287,524 |
| 820280 Park Furniture and Fixtures Replacement | 112,200 | 90,339 | 21,861 |
| 825290 Pavement Rehabilitation | 8,170,972 | 3,731,330 | 4,439,642 |
| 825340 Street Lights Conduit Replacement | 19,032 | | 19,032 |
| 825730 Pedestrian Lighted Crosswalk Maintenance and Replacement | 45,824 | | 45,824 |
| 825740 Battery Backup System for Traffic Signals Maintenance | 15,639 | | 15,639 |
| 825850 Swim Pools Infrastructure | 247,185 | 38,118 | 209,067 |
| 828030 Annual Slurry Seal of City Streets | 218,703 | 212,480 | 6,222 |
| 829140 Fire Station Electrical Systems and Roll Up Door Replacement | 162,600 | 117,071 | 45,529 |
| 829150 Swimming Pool Buildings Infrastructure | 20,943 | 13,886 | 7,057 |
| 829190 Community Center Comprehensive Infrastructure | 3,913,562 | 142,832 | 3,770,730 |
| 829400 Sidewalk, Curb and Gutter Replacement | 1,649,798 | 648,825 | 1,000,973 |
| 830280 Sunnyvale Baylands Park Infrastructure | 200,000 | 179,249 | 20,751 |
| 830480 Orchard Heritage Park | 76,500 | | 76,500 |
| 830490 Fremont Pool Infrastructure Improvements | 275,600 | | 275,600 |
| 830560 Fremont Pool House Infrastructure Improvements | 859,912 | 774,980 | 84,932 |
| 830570 Fire Training Tower Structural Inspection | 55,000 | 55,000 | - |
| 830580 Emergency Generator Installation | 351,900 | 9,486 | 342,414 |
| 830590 Corporation Yard Building Replacement Master Plan | 204,000 | | 204,000 |
| 830800 Las Palmas Dog Park Improvements | 108,068 | 100,500 | 7,568 |
| 831340 Civic Center Modernization | 400,000 | 266,627 | 133,373 |
| 830370 Lakewood Park Renovation and Enhancement | 5,085,000 | 33,266 | 5,051,734 |
| 830950 Light Emitting Diode (LED) Streetlights | 10,000 | 6,742 | 3,259 |
| Total Subfund 100 - General Assets | 26,376,329 | 8,253,706 | 18,122,623 |
| Project Carryovers | - | \$13,000,441 | (13,000,441) |
| Total Subfund 100 - General Assets | 26,376,329 | 21,254,147 | 5,122,182 |
| Subfund 500 - Golf and Tennis | | | |
| 827160 Tennis Center Court Rehabilitation | 23,460 | - | 23,460 |
| 828390 Sunken Gardens Golf Course Clubhouse Paving | 54,711 | - | 54,711 |
| 828400 Golf Buildings Renovations | 624,414 | 65,387 | 559,027 |
| 828420 Tennis Center Building Infrastructure | 50,000 | 23,223 | 26,777 |
| 829160 Golf Course Tree Trimming and Removal | 168,033 | 71,620 | 96,413 |
| Total Subfund 500 - Golf and Tennis | 920,618 | 160,230 | 760,388 |
| Project Carryovers | - | 760,388 | (760,388) |
| Total Subfund 500 - Golf and Tennis | 920,618 | 920,618 | - |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 610 - Infrastructure Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-----------------------|----------------------------|---|
| Subfund 700 - HCD | | | |
| 831430 Fair Oaks Park Auxiliary Restroom/Parking Lot Grant Project | 973,525 | 19,358 | 954,167 |
| Total Subfund 700 - HCD | 973,525 | 19,358 | 954,167 |
| Project Carryovers | - | 954,167 | (954,167) |
| Total Subfund 700 - HCD | 973,525 | 973,525 | - |
| Total Projects | 28,270,472 | 8,433,293 | 19,837,179 |
| Total Appropriations | 29,440,385 | 8,647,371 | 20,793,014 |
| Total Project Carryovers | - | 14,714,997 | (14,714,997) |
| Total Deferred Transfers Out | - | 988,028 | (988,028) |
| Total | 29,440,385 | 24,350,396 | 5,089,989 |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 640 - Employee Benefits Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|--|-------------------|------------------------|--|
| Operating Programs | | | |
| Human Resources | | | |
| 781 Employee Leave Benefits - Leave Earned | \$ 14,208,899 | \$ 14,505,445 | \$ (296,545) |
| 784 Retirement, Insurances, and Taxes | 54,655,397 | 53,181,123 | 1,474,273 |
| 785 Workers' Compensation Program | 3,944,256 | 3,958,823 | (14,567) |
| 799 Non-Programmatic | - | (320) | 320 |
| Total Human Resources | <u>72,808,552</u> | <u>71,645,071</u> | <u>1,163,481</u> |
| Total Operating Programs | <u>72,808,552</u> | <u>71,645,071</u> | <u>1,163,481</u> |
| Total Appropriations | <u>72,808,552</u> | <u>71,645,071</u> | <u>1,163,481</u> |
| Total | <u>72,808,552</u> | <u>71,645,071</u> | <u>1,163,481</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 645 - Liability and Property Insurance Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|---|-------------------------|-------------------------|--|
| Operating Programs | | | |
| Human Resources | | | |
| 754 Human Resources | 420,062 | 345,405 | 74,658 |
| 787 City Liability and Property Insurance and Claim Costs | 1,026,826 | 692,025 | 334,801 |
| Total Human Resources | <u>1,446,888</u> | <u>1,037,429</u> | <u>409,459</u> |
| Total Operating Programs | <u>1,446,888</u> | <u>1,037,429</u> | <u>409,459</u> |
| Total Appropriations | <u>1,446,888</u> | <u>1,037,429</u> | <u>409,459</u> |
| Total | <u>1,446,888</u> | <u>1,037,429</u> | <u>409,459</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 727 - Fremont Pool Permanent Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|-----------------------------|----------------|------------------------|--|
| Transfers Out | | | |
| 7900 General Fund - General | \$ 7,339 | \$ 6,940 | \$ 399 |
| Total Transfers Out | <u>7,339</u> | <u>6,940</u> | <u>399</u> |
| Total Appropriations | <u>7,339</u> | <u>6,940</u> | <u>399</u> |
| Total | <u>7,339</u> | <u>6,940</u> | <u>399</u> |

City of Sunnyvale
Year-end Appropriations Budget
Fiscal Year Ending June 30, 2015

Fund 730 - Swirsky Youth Opportunity Fund

| Description | Current Budget | Actual Expenditures | Variance Favorable (Unfavorable) |
|-----------------------------|----------------|------------------------|--|
| Transfers Out | | | |
| 7900 General Fund - General | \$ 3,864 | \$ 3,654 | \$ 210 |
| Total Transfers Out | <u>3,864</u> | <u>3,654</u> | <u>210</u> |
| Total Appropriations | <u>3,864</u> | <u>3,654</u> | <u>210</u> |
| Total | <u>3,864</u> | <u>3,654</u> | <u>210</u> |

CITY OF SUNNYVALE

Report to the City Council

For the Year Ended June 30, 2015



Certified
Public
Accountants

**CITY OF SUNNYVALE
Report to the City Council
For the Year Ended June 30, 2015**

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Certified
Public
Accountants

Sacramento
Walnut Creek
Oakland
Los Angeles
Century City
Newport Beach
San Diego

Honorable Mayor and the Members of
the City Council of the City of Sunnyvale
Sunnyvale, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunnyvale, California (City) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and U.S. Office of Management and Budget (OMB) Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 4, 2015. Professional standards also require that we communicate to you other information related to our audit as discussed in the accompanying Required Communications section.

We have also provided a status of prior year recommendations made by us. In addition, we would like to thank City management and staff for the courtesy and cooperation extended to us during the course of our engagement.

This communication is intended solely for the information and use of the Mayor and City Council, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 3, 2015

CITY OF SUNNYVALE
Report to the City Council
For the Year Ended June 30, 2015

REQUIRED COMMUNICATIONS

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the City's basic financial statements. The City implemented three new Governmental Accounting Standards Board (GASB) pronouncements, consisting of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- *Fair value of investments.* The City's investments are generally carried at fair value, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.
- *Estimated allowance for losses on notes and loans receivable.* The allowance for losses on notes and loans receivable was based on management's estimate regarding the likelihood of collectability.
- *Useful life estimates for capital assets.* The estimated useful lives of capital assets were based on management's estimate of the economic lives of capital assets.
- *Accrued landfill postclosure care costs.* The City has estimated the postclosure care costs of the Sunnyvale Landfill based on what it would cost to perform all currently mandated closure and postclosure care. Actual postclosure care costs may be different due to inflation variances, changes in technology, or changes in State or Federal regulations.
- *Actuarial data of the pension plan and other postemployment benefits plans.* The actuarial data for the pension and other postemployment benefits plans, including the funded status and required contributions of the plans, are based on actuarial calculations performed by the City's independent actuaries, which incorporate actuarial methods and assumptions.
- *Claims loss reserve.* The City is exposed to a variety of risks of loss due to general liability, workers' compensation and other claims, and records an estimate of these losses based on actuarial studies performed by third-party actuaries. These studies are prepared based on the City's prior claims history, which is used as a basis for extrapolating losses for known and incurred but not reported claims. Actual loss experience may vary from these estimates.

We evaluated the key factors and assumptions used to develop the accounting estimates described above in determining that they are reasonable in relation to the City's basic financial statements taken as a whole.

CITY OF SUNNYVALE
Report to the City Council
For the Year Ended June 30, 2015

REQUIRED COMMUNICATIONS (Continued)

Certain financial statements disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of the City's Pension Plans in Note 16, the Other Postemployment Benefits in Note 17, and the Redevelopment Successor Agency Trust in Note 21. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

CITY OF SUNNYVALE
Report to the City Council
For the Year Ended June 30, 2015

REQUIRED COMMUNICATIONS (Continued)

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison schedules, information on the modified approach for City streets infrastructure capital assets, and information on the City's pension plans which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

CITY OF SUNNYVALE
Report to the City Council
For the Year Ended June 30, 2015

STATUS OF PRIOR YEAR RECOMMENDATION

Item 2013-02: Other Comment #2
New Pension Accounting Standards

The City will be subject to the provisions of this statement beginning with the fiscal year ending June 30, 2015. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are administered through trusts or similar arrangements meeting certain criteria. GASB Statement No. 68 changes the existing framework for accounting and financial reporting of pension costs and obligations of defined benefit pension plans and enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. It is likely that these new accounting and reporting standards will dramatically change the City's financial statements and disclosures and may result in the recognition of net pension liability.

We recommend the City develop a thorough implementation plan that addresses the unique and complex aspects of these new pension accounting and reporting standards will have on the City's financial statements next year.

Status of Recommendation:

The City implemented GASB Statement No. 68 during the fiscal year ending June 30, 2015.



City of Sunnyvale

Agenda Item

15-1071

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Adopt Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and the Corresponding Resolutions to (1) Amend the City's Salary Resolution and (2) Pay and Report the Value of Employer Paid Member Contributions for CalPERS Retirement

BACKGROUND

A tentative agreement (Attachment 1) has been reached between the City of Sunnyvale (City) and the Sunnyvale Managers Association (SMA) on a successor Memorandum of Understanding (MOU) (Attachments 2 and 3). SMA represents 76 budgeted positions City-wide. This report recommends adoption of the provisions of the 2015 - 2018 MOU. This agreement, if approved by the City Council, will be effective July 1, 2015 through and including June 30, 2018.

The MOU between the City and SMA expired on June 30, 2015. Negotiations for the City and SMA began the meet and confer process in February 2015 and met six times, in addition to numerous exchanges by telephone and email, in an effort to reach an agreement. On April 13, 2015, SMA declared impasse and invoked the impasse procedures.

The Municipal Employee Relations Officer (MERO) held an impasse meeting on May 5, 2015 with City and SMA representatives in an effort to reach agreement on the unresolved issues.

On July 28, 2015, the City and SMA met with a mediator assigned by the State Mediation and Conciliation Service. No agreement was reached through mediation. The parties started discussions again on November 2, 2015. A tentative agreement was reached on November 18, 2015, and the City was notified on November 18, 2015 that the SMA membership ratified the agreement.

EXISTING POLICY

Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The significant provisions of the proposed amendments to the MOU (Attachments 2 and 3) and Resolutions (Attachments 4 and 5) are as follows:

Wages

Salary adjustments during the term of the agreement:

- Year 1 - Effective July 1, 2015: 3.5% general wage increase.
- Year 2 - Effective July 3, 2016: 2.5% general wage increase.
- Year 3 - Effective July 2, 2017: 1.5% general wage increase.
- Off salary schedule pay equal to 1% of annual salary per year.

Retirement

Increase the CalPERS retirement employee contributions for CalPERS classic members:

- Effective July 1, 2015, employees shall pay an additional 1% of the employee contribution. Classic tier 1 employees shall pay 5% of the 8% employee contribution, and classic tier 2 employees shall pay 4% of the 7% employee contribution.
- Effective July 3, 2016, employees shall pay an additional 1% of the employee contribution. Classic tier 1 employees shall pay 6% of the 8% employee contribution, and classic tier 2 employees shall pay 5% of the 7% employee contribution.
- Effective July 2, 2017, employees shall pay an additional 1% of the employee contribution. Classic tier 1 employees shall pay 7% of the 8% employee contribution, and classic tier 2 employees shall pay 6% of the 7% employee contribution.

CalPERS allows the value of City-paid member contributions to be reported as compensation. The City has reported its contributions this way for several years and the attached Resolution adjusting the value of these employer-paid member contributions is required by CalPERS to reflect the revisions described above.

Cash In-Lieu of Medical Coverage

The existing cash in-lieu of medical coverage program affords SMA represented employees to receive a payment of \$82.33 to \$213.42 per month by reducing their medical coverage. The existing program does not require employees to waive medical coverage entirely. This program is modified so that employees are eligible for payment only by opting out of medical coverage entirely. The payment amount shall be \$82.33 to \$213.42 per month, depending on the number of dependents eligible to enroll.

Paid Leave

Paid Time Off (PTO)

A new PTO accrual tier is added for 17+ to 25 years of service, accruing at 11.5 hours per pay period. Currently, SMA represented employees with 10+ to 25 years of service accrue 10.5 hours per pay period. In addition, the City Manager may authorize a higher accrual rate for new hires or promoted employees.

Paid Medical Leave (PML)

The existing Paid Medical Leave (PML) program affords SMA represented employees with 90 days of paid leave per illness or injury, with a requirement of employees using PTO for the first 80 hours of absence for the illness or injury. PML is not an accrued benefit and is afforded to all SMA represented employees who have completed 26 consecutive pay periods of service.

The PML program is modified requiring employees to use PTO for the first 100 hours of absence for the illness or injury. Effective July 1, 2017, the PTO use requirement is further modified to 120 hours.

Workers' Compensation

SMA represented employees are eligible for Workers' Compensation benefits as provided by state law during the first 26 pay periods of service. After 26 pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) illness or injury during the first 60 calendar days of illness/injury. Employees are currently provided with full pay for 90 calendar days of illness or injury.

Floating Holiday

Increase annual floating holiday hours from 20 hours to 30 hours per payroll calendar year.

Administrative Leave

Increase annual administrative leave hours from 40 hours to 50 hours per payroll calendar year.

Other Benefits

Out of Class Pay for Special Assignment Work

A new provision is added, offering SMA represented employees a 5% premium for special/temporary assignment that is clearly beyond the scope of their regular job description.

Tuition Reimbursement

Increase tuition reimbursement from \$1,500 to \$2,000 per eligible employee per fiscal year.

Assistant Director of Finance Classification Unit Designation

The Assistant Director of Finance classification will move from SMA to unrepresented classified management (Category D). Due to the unit designation change, the Assistant Director of Finance will receive the 2% general wage increase already approved for Category D employees retroactive to July 2015, and the 1% off salary schedule pay in November 2015 for FY 2015/16. The new salary range is included in the revisions to the salary resolution (Attachment 4).

Minor Changes and Updates to MOU for Clarification

The MOU contains several minor changes and language clarifications.

Salary Resolution

Provisions of the Salary Resolution that will be affected by the adoption of the 2015 - 2018 SMA MOU are updated, including the salary table.

FISCAL IMPACT

The fiscal impact of the proposed amendments range from no impact to modest and additional costs for FY 2015/16 can be absorbed in the current budget. Items of note are wages, leaves and retirement costs. For the three year term of the proposed contract, the City's budget and long-term financial plan includes annual wage increases of 2% per year for a total of 6% over three years. The proposed MOU provides 7.5% over three years. For FY 2015/16, the additional cost for salaries is approximately \$177,000 and can be absorbed within the existing budget. The impact is across all funds where SMA positions are budgeted. Over the twenty-year plan, the additional cost is \$4.4

million. With the General Fund ending FY 2014/15 in a better fiscal position than budgeted, it is anticipated that the additional cost will have a modest impact on the General Fund long-term financial plan. The impact on other funds is small and can be absorbed with minimal impact.

The off salary schedule pay of 1% is approximately \$80,000 annually for three years and will be absorbed in the current budget. The additional leave hours calculates to approximately \$80,000 annually ongoing but the actual cost to the City will be less as some of the leave hours will replace work hours that are already budgeted. The additional employee contributions for the employee contribution rate for the three year term matches the proposed increased employee contributions reflected in the budget and long-term financial plan.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (Attachment 3), and the corresponding Resolutions (1) amending the City's Salary Resolution, No. 190-05, by amending the pay schedule and benefits for employees represented by the Sunnyvale Managers Association and the pay schedule for the unrepresented position of Assistant Director of Finance (Attachment 4), and (2) for Paying and Reporting the Value of Employer Paid Member Contributions to CalPERS (Attachment 5).
2. Do not adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association and the corresponding Resolutions and continue negotiations for a successor MOU.

STAFF RECOMMENDATION

Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and the corresponding Resolutions (1) amending the City's Salary Resolution 190-05, by amending the pay schedule and benefits for employees represented by the Sunnyvale Managers Association and the pay schedule for the unrepresented position of Assistant Director of Finance and (2) for Paying and Reporting the Value of Employer Paid Member Contributions to CalPERS.

Prepared by: Vienne Choi, Principal Human Resources Analyst
Reviewed by: Teri Silva, Director, Human Resources
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tentative agreement between the City of Sunnyvale and the Sunnyvale Managers Association
2. 2015 - 2018 MOU with track changes
3. 2015 - 2018 MOU
4. Resolution amending Resolution No. 190-05, the City's Salary Resolution, by amending the pay schedule and benefits for employees represented by the Sunnyvale Managers Association and the pay schedule for the unrepresented position of Assistant Director of

Finance

5. Resolution for Paying and Reporting the Value of CalPERS Employer Paid Member Contributions for the Sunnyvale Managers Association

2015 CITY OF SUNNYVALE – SMA NEGOTIATIONS**Tentative Agreement****Date: 11/18/2015**

This is a Tentative Agreement ("TA") contingent on an overall settlement on the terms of a successor Memorandum of Understanding. This TA is considered tentative and shall not be considered final or binding until ratified by the Union membership and approved by the City Council.

This document sets forth the full agreement of the parties; anything that is not included in this writing is not part of the TA. If the TA becomes part of a successor package agreement subject to approval by the parties, and either party rejects the package, all parties reserve their right to modify, amend, withdraw or add new proposals.

For the Sunnyvale Managers Association:

Nov. 18, 2015
Date

Robert Van Aruse
President

For the City of Sunnyvale:

11/18/2015
Date

Jeri Silva
Director of Human Resources

Article 4 TERM

The term of this Agreement shall be upon ratification of the parties and through June 30, ~~2015~~2018, and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

12.2 Salary Adjustments

1. Effective ~~August 31, 2014~~the first full pay period following ratification by the SMA membership and City Council approval ~~July 1, 2015: 2.5%~~3.5% across the board salary adjustment.
2. Effective the first full pay period in July 2016: 2.5% across the board salary adjustment.
3. Effective the first full pay period in July 2017: ~~2.5%~~1.5% across the board salary adjustment.
- ~~1. Effective the first full pay period following ratification by the SMA membership and approval by the City Council, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment~~
4. Effective the same pay period of ratification by the SMA membership and City Council approval: Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.15 Retirement.
5. Effective the last full pay period in November 2016: Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.15 Retirement.
- 2.6. Effective the last full pay period in November 2017: Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.15 Retirement.

12.3 Interim/Acting or Out-of-Class Pay

a) Interim/Acting Pay

Employees who are appointed by the City Manager in an acting/interim status to a higher level vacant position may receive placement within the control point of the vacant position; or a percentage over current pay as designated by the City Manager.

b) Out-of-Class Pay for Special Assignment Work

The City Manager or designee may authorize a temporary pay adjustment for an employee given a specific temporary assignment clearly beyond the scope of the

regular job description as determined by the Director of Human Resources or designee. Such assignment is to be made only as necessary to meet the business needs of the department. A request for such an assignment must be made to the City Manager or designee, in writing, from the Department Director prior to commencement of the assignment. Work in such assignment shall be at a minimum of two (2) consecutive weeks, and up to a maximum of one (1) year.

The request for special assignment shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with start and end date. Special assignment pay is five percent (5%) above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager or designee.

Special assignment pay shall be based on the full period of actual hours worked during the assignment and received for the full period of time in which the employee works in the assignment, and provided that such special assignment and related compensation has been authorized in advance by the Department Director, has been approved by the City Manager or designee, and has been processed by the Human Resources Department. Special assignment pay shall not be made retroactively. Special assignment pay shall not be paid for Paid Time Off, Holidays, Paid Medical Leave or any other leave during the special assignment; nor, shall such leave days be considered a break in the special assignment.

The special assignment pay shall be discontinued on the date originally identified for completion of the assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. Extension may be granted for up to an additional one (1) year for the same assignment.

12.4 Merit Increase

Upon completion of 13 pay periods of service, ~~any employees hired in a classification represented by the Association on or after July 1, 2013~~ who receives an overall rating of achieves or exceeds expectation on their most recent performance evaluation shall receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point. Consideration for each subsequent increase in salary will be given following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective the start of the pay period in which the day after the employee completes 26 pay periods from the prior increase in salary occurs.

~~The pay rate for employees hired prior to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service at the beginning of each new fiscal year after employment, up to but not exceeding the Control Point. The pay~~

~~rate adjustment is subject to a meets or exceeds performance evaluation. Increases of more than 5% require approval of the City Manager.~~

13.1 Medical Insurance

~~To maintain current benefit level, Effective January of each year during the term of this agreement, the City will contribute the cost of the premium of the plan selected by the employee or \$544.69 per month the lowest cost HMO premium for single coverage available through the CalPERS Bay Area regional medical plans, whichever is less, toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and his or her eligible dependents. Effective January of each year during the term of this Agreement, the City's contribution will be the lesser of: the cost of the premium or the lowest cost HMO premium for single coverage of the lowest cost HMO plan available through the CalPERS Bay Area regional medical plans.~~ Additionally, the City's contribution shall be no less than the highest City contribution for any of the other represented employee units.

13.2 Cafeteria Benefits Plan

~~To maintain current benefit level the~~ The City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, based upon the plan level in which the employee is enrolled, and less the City Contribution as stated in Section 13.1 above.

13.4 Premium Conversion

~~Insurance premium contributions are paid for on a pre-tax basis; however, T~~the City agrees to continue to provide employees with an option to pay their insurance premium contributions on a prepost-tax basis, as provided in to the extent permitted by the Internal Revenue Code.

13.5 Cash In-Lieu of Medical Coverage

The City will continue to provide employees with the option of to reducing-waive their medical coverage and receiving-receive payment of a portion of what otherwise would be the City contribution.

~~To be eligible for this plan, an employee must either:~~

- ~~Change from full family to employee plus one or employee only (available only when the employee continues to be eligible for full family coverage);~~
- ~~Change from employee plus one to employee only (available only when the employee continues to be eligible for employee plus one coverage);~~
- ~~Change from any level coverage to no coverage; or~~
- ~~A new employee may choose no coverage.~~

Effective with the first full pay period following ratification and approval by the City Council, Payment-payment shall be made on the following schedule:

| <u>CURRENT</u> | <u>NEW</u> | <u>PER PAY PERIOD</u> | <u>MONTHLY</u> |
|----------------|------------|-----------------------|----------------|
| E + 2 | None | \$98.50 | \$213.42 |
| E + 2 | E | \$60.50 | \$131.08 |
| E + 2 | E + 1 | \$22.50 | \$ 48.75 |
| E + 1 | None | \$76.00 | \$164.67 |
| E + 1 | E | \$38.00 | \$ 82.33 |
| —E | None | \$38.00 | \$ 82.33 |
| NEW | None | \$38.00 | \$ 82.33 |

| <u>Type of Coverage Waiving</u> | <u>Per Pay period Payment</u> |
|-----------------------------------|-------------------------------|
| <u>Employee only coverage</u> | <u>\$38.00</u> |
| <u>Employee +1 coverage</u> | <u>\$76.00</u> |
| <u>Employee + family coverage</u> | <u>\$98.50</u> |

~~The cash in-lieu payment shall not, when combined with the City's contribution for medical insurance and the cafeteria benefits plan, exceed the combined City contribution for medical insurance and the cafeteria benefits plan.~~

If the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that she or he does have alternative coverage and that she or he understands that he or she will no longer receive coverage through a City sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she may enroll in accordance with CalPERS procedures.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by ~~the City~~CalPERS.

Employees receiving cash in-lieu payments must provide documentation to verify their dependents' eligibility.

13.7 Vision Insurance

Vision insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City. Employee enrollment is mandatory.

13.8 Life/AD&D Insurance

The City shall provide Basic Life and Accidental Death and Dismemberment (Life/AD&D) insurance for each employee in an amount equal to that employee's base annual base salary, up to a maximum coverage of \$175,000.

Such insurance shall be at no cost to the employee, except that, insurance amounts above \$50,000 provided by the City shall be subject to tax law provisions.

At the time of hire, an employee may purchase additional-supplemental Life/AD&D insurance in an amount equal to the coverage provided by the Cityemployee's annual base salary, up to a combined-maximum coverage of \$175250,000.

Current employees, who did not purchase additional-supplemental Life/AD&D insurance at the time of hire, may purchase additional-supplemental Life/AD&D insurance during open enrollment, in an amount equal to the coverage provided by the Cityemployee's annual base salary, up to a combined-maximum coverage of \$175250,000, subject to approval by the carrier.

The supplemental life coverage is paid by the employee.

Upon renewal of the coverage, the City will make a good faith effort to find a carrier who will increase the voluntary coverage to \$250,000.

Employees who elected additional-supplemental Life/AD&D insurance on or before December 31, 2011 but did not elect for the increased maximum coverage of \$250,000, have coverage amount equal to the employee's annual base salary, up to a combined basic and additional-supplemental Life/AD&D insurance maximum coverage of \$175,000. Employees have the option to elect for the increased maximum-supplemental coverage efup to \$250,000 during open enrollment, subject to approval by the carrier.

13.9 Long Term Disability Insurance

To maintain current benefit level the City shall provide Long Term Disability insurance that provides 2/367% of the employee's ~~base~~ annual base salary to a maximum of \$11,000 per month of paid benefits, subject to the terms of the contract with the carrier. Such insurance shall be at no cost to the employee.

13.13-15 Retirement

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014 with the first full pay period following ratification and approval by the City Council July 1, 2015, the City shall contribute four-three percent (43%) of the eight percent (8%) employee contribution. Employees shall pay the remaining four-five percent (45%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016, the City shall contribute two percent (2%) of the eight percent (8%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017, the City shall contribute one percent (1%) of the eight percent (8%) employee contribution. Employees shall pay the remaining seven percent (7%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective ~~August 31, 2014~~ with the first full pay period following ratification and approval by the City Council July 1, 2015, the City shall contribute ~~four~~ three percent (~~43~~%) of the seven percent (7%) employee contribution. Employees shall pay the remaining ~~three~~ four percent (~~34~~%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016, the City shall contribute two percent (2%) of the seven percent (7%) employee contribution. Employees shall pay the remaining five percent (5%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017, the City shall contribute one percent (1%) of the seven percent (7%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model.

Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

13.13 Retirement~~Commuter~~ Transportation Benefits

The City shall provide a plan in accordance with the Internal Revenue Code Section 132(f) that provides an option for employees to pay for qualified work-related transportation expenses for mass transit, van pools, and parking on a pre-tax basis. The monthly election limit is regulated by the IRS.

13.14 Affordable Care Act

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and the Union will meet and confer to review the impact of such regulations on the benefit plans then in force. If modifications to the health benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and the Union will reopen the contract to meet and confer and determine how such mandated changes will be implemented. In the event of a reopener, the City will not unilaterally impose changes that would cause a reduction in City contributions toward benefits.

14.1 Paid Time Off Leave (PTO), Paid Medical Leave (PML), and Workers' Compensation

(a) Employees are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, ~~disability/illness/injury~~, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The recommended advance notice is 1 week. Shorter periods of advance notice may be acceptable with Supervisor or Director's approval. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

(b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave except as provided in Article 14.1(i). Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

(c) The accrual rates are listed below:

TABLE A

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr | Days/yr |
|---------------------------------------|--------------------------------|---------------|--------------------------------|----------------|
| 1-26. <u>99</u> | 0 to 1 | 6.5 | 169 | <u>21</u> |
| 27-130. <u>99</u> | 1+ to 5 | 7.5 | 195 | <u>24</u> |
| 131-260. <u>99</u> | 5+ to 10 | 9.0 | 234 | <u>29</u> |
| 261- 650 <u>442.99</u> | 10+ to <u>17</u> 25 | 10.5 | 273 | <u>34</u> |
| <u>443-650.99</u> | <u>17+ to 25</u> | <u>11.5</u> | <u>299</u> | <u>37</u> |
| 651+ | 25+ | 12.0 | 312 | <u>39</u> |

For new hire or promoted employees, the City Manager may authorize a higher accrual rate within the PTO accrual table.

(d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours (~~21.75 weeks, 108.75 work days~~). After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr | Work Days/yr |
|---------------------------------------|--------------|---------------|--------------------------------|-------------------------|
| 1-130. <u>99</u> | 0 to 5 | 5.0 | 130 | <u>16</u> |
| 131-650. <u>99</u> | 5+ to 25 | 6.5 | 169 | <u>21</u> |
| 651+ | 25+ | 8.0 | 208 | <u>27</u> |

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

(e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

(f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(g) PTO and Separation/Retirement. PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(h) PTO and ~~Disability~~ Paid Medical Leave (PML).

Effective the first full pay period following ratification by the SMA membership and City Council approval, the PML benefit will be provided as follow:

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) ~~disability~~illness/injury, beginning with work hour ~~84~~101 through 90 calendar days of ~~illness/injury~~disability. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No ~~disability leave~~PML will be provided until this requirement is satisfied.

To access the ~~Disability Leave~~PML Benefit (full pay from ~~40~~101 hours-90 calendar days), an employee must provide acceptable written medical documentation showing that the ~~disability~~illness/injury is a single ~~illness/injury~~disability, whether continuous time off has been taken or not for that ~~illness/injury~~disability. The first ~~80~~100 hours of a single ~~disability~~illness/injury are charged to the employee's PTO bank. Hours ~~84~~101 up through the maximum of calendar day 90 are eligible for coverage under the ~~Disability~~PML Benefit.

After 90 calendar days of (same occurrence) ~~disability~~illness/injury, the ~~disabled~~ employee shall be eligible to apply for Long Term Disability coverage. In addition, if, after having been off work for ~~80~~100 hours on a same ~~illness/injury~~ disability and becoming eligible for ~~disability leave~~PML pay, the ~~disabled~~ employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for ~~disability~~PML pay for the part of the day that the employee is unable to work.

Effective January July 1, 2017, the first 120 hours of a single illness/injury are charged to the employee's PTO bank. Hours 121 up through the maximum of calendar day 90 are eligible for coverage under the Paid Medical Leave Benefit.

(i) PTO and Workers' Compensation. During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, ~~have it paid off~~, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) ~~illness/injury~~disability, beginning with workday 1 through ~~90~~60 calendar days of ~~illness/injury~~disability. After 90 calendar days of (same occurrence) work-related ~~illness/injury~~disability, the ~~disabled~~ employee shall be eligible to apply for Long Term Disability coverage. Employees will accrue full seniority for the first 90 days of Workers' Compensation leave regardless of whether they use PTO to supplement Workers' Compensation benefits.

(j) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.

(k) Employees have the option to cash-out up to 80 hours of PTO ~~once at the end of effective the last pay day in October of~~ each payroll calendar year. To be eligible to cash out PTO, an employee must submit an irrevocable election form in the calendar year preceding the cash-out specifying the number of hours that he/she irrevocably elects to cash out. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

14.2 HOLIDAY LEAVE

(b) Floating Holiday

Employees shall be credited with twenty (20) hours of floating holiday leave on the first day of the first pay period in the payroll calendar year.

Effective the first full pay period following ratification by the SMA membership and City Council approval, additional pro-rated floating holiday leave will be provided based upon additional ten (10) hours per payroll calendar year.

Effective the first full payroll calendar year following ratification and City Council approval, floating holiday leave will be thirty (30) hours per payroll calendar year.

Newly hired employees shall be credited with a pro-rata share of floating holiday hours, based upon the proportion of the payroll calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to approval in advance by the employee's supervisor.

Employees separating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation.

Any employee who has used less than his/her pro-rated allotment for the portion of the calendar year worked, shall have the balance paid to him/her on his/her final paycheck.

Any employee who has used more than his/her pro-rated allotment for the portion of the calendar year worked, shall have the overage offset against any available accrued leave, on his/her final paycheck. The employee may also authorize the deduction from his/her final compensation. If the employee's final paycheck is insufficient to repay the overage, the employee shall reimburse the City immediately.

Unused floating holiday leave at the end of the payroll calendar year ~~may will~~ be paid out in cash ~~or rolled over into PTO leave subject to maximum accrual limits specified in this Agreement. To be eligible to cash out floating holiday leave, an employee must submit an irrevocable election form in the calendar year preceding the cash-out specifying the number of hours that he/she irrevocably elects to cash out.~~

14.6 Administrative Leave

Administrative Leave of forty (40) hours per payroll calendar year is subject to Department Director's approval and to the additional provisions in the Administrative Policy.

Effective the first full pay period following ratification by the SMA membership and City Council approval, administrative leave will be fifty (50) hours per payroll calendar year.

15.3 Tuition Reimbursement

Employees are eligible for tuition reimbursement as provided in the City's Administrative Policy. Effective with fiscal year 2016/2017, the maximum amount an employee may receive is \$2,000 per employee per fiscal year.

No reduction of City services will result due to the tuition reimbursement program.

Article 19 PAY DATE

Pursuant to the City's Compensation Policy, payday is normally on the Thursday following the end of the pay period, but may deviate because of a holiday in the pay period or due to an emergency. It is understood that at such time that the payday is changed City-wide, such change shall be applied to the Association.

Article 20 HRIS/FINANCIAL SYSTEM

The City contemplates implementing a new HRIS / Financial System during the term of this MOU. Accordingly, the parties agree to re-open MOU terms, as necessary, in order to implement any new system. The City agrees that the re-opener negotiations will not result in any material diminution in compensation.

Exhibit A

Classifications Represented by the Sunnyvale Managers Association

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|--|
| 0305 | Administrative Librarian |
| 0309 | Administrative Services Manager: Utility Billing |
| 0217 | Affordable Housing Manager |
| 0206 | Assistant City Engineer |
| 0259 | Assistant Director of Finance |
| 0205 | Assistant Director of Public Works/City Engineer |
| 0367 | Budget Analyst I |

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0368 | Budget Analyst II |
| 0388 | City Property Administrator |
| 0369 | Civilian Fire Marshal |
| 0316 | Communications Officer |
| 0342 | Community Resources Manager |
| 0213 | Community Services Manager |
| 0260 | Economic Development Manager |
| 0301 | Employment Training Manager |
| 0326 | Environmental Programs Manager |
| 0361 | Finance Manager: Accounting |
| 0380 | Fleet Manager |
| 0327 | Golf Operations Manager |
| 0302 | Head Golf Professional |
| 0202 | Housing Officer |
| 0338 | Internal Auditor |
| 0390 | Laboratory/Pretreatment Manager |
| 0303 | Library Circulation Manager |
| 0274 | Management Analyst: Employment Development |
| 0276 | Management Analyst: Public Safety |
| 0209 | Manager of Business Operations |
| 0211 | Manager of Job Seeker Services |
| 0332 | Manager, Applications Development |
| 0324 | Manager, Bureau of Technical Services-Public Safety |
| 0331 | Manager, Information Technology Services |
| 0204 | Neighborhood Preservation Manager |
| 0329 | Operations Manager: Facilities |
| 0330 | Parks Manager |
| 0230 | Planning Officer |
| 0375 | Program Quality and Operations Manager |
| 0245 | Public Safety Communications Manager |
| 0246 | Public Safety Records Manager |
| 0362 | Purchasing Officer |
| 0218 | Regulatory Programs Division Manager |
| 0373 | Senior Engineer |
| 0374 | Senior Environmental Engineer |
| 0339 | Senior Internal Auditor |
| 0322 | Senior Management Analyst |
| 0275 | Solid Waste Programs Division Manager |
| 0353 | Street Operations Manager |
| 0210 | Superintendent of Building Inspection |
| 0212 | Superintendent of Facilities Maintenance |
| 0270 | Superintendent of Public Works Operations |

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0222 | Superintendent of Parks and Golf |
| 0216 | Superintendent of Community Services |
| 0223 | Superintendent of Trees and Landscape |
| 0310 | Supervising Librarian |
| 0290 | Transportation and Traffic Manager |
| 0363 | Treasury Manager |
| 0344 | Urban Landscape Manager |
| 0315 | Utility Billing Manager |
| 0352 | Wastewater Operations Manager |
| 0201 | Water and Sewer Systems Division Manager |
| 0351 | Water Operations Manager |
| 0295 | Water Pollution Control Division Manager |
| 0395 | Water Pollution Control Maintenance and Manager |
| 0396 | Water Pollution Control Operations Manager |
| 0284 | Youth and Family Resources Manager |

CITY OF SUNNYVALE

AND

SUNNYVALE MANAGERS ASSOCIATION

MEMORANDUM OF UNDERSTANDING

July 1, ~~2014~~ 2015 to June 30, ~~2015~~ 2018



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Exhibits

A - Classifications Represented by the Sunnyvale Managers Association

~~B - Side Letter Agreement Regarding Cross Unit Bumping~~

~~C - Side Letter Agreement Regarding Educational Requirements and Protections~~

Article 1 PREAMBLE

This Memorandum of Understanding (MOU) is between the City of Sunnyvale (City) and the duly authorized representatives of the Sunnyvale Managers Association (SMA). Its purpose is to promote harmonious relations between the City, the Association, and employees (Employees) by setting forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding the wages, hours, and certain other terms and conditions of employment of employees in the classifications comprising this Bargaining Unit (Unit).

Article 2 RECOGNITION

The Sunnyvale Managers Association (Association) is hereby acknowledged as the exclusively recognized employee organization for those full-time employees in the classifications listed in Exhibit A as it currently reads or as modified by agreement of the parties during the term of the MOU.

The City shall notify the Association of the development of a new or revised management classification and, upon written request from the Association within seven (7) work days from the City's notice, shall consult with the Association concerning the new classification.

Article 3 RATIFICATION

It is agreed that the provisions of this MOU are of no force or effect until ratified by the Association and duly adopted by the City Council of the City of Sunnyvale.

Article 4 TERM

The term of this Agreement shall be upon ratification of the parties and through June 30, ~~2015~~2018, and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

Article 5 FULL UNDERSTANDING, MODIFICATIONS, AND WAIVERS

This Agreement sets forth the full and entire agreement of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements, including any prior memoranda of understanding, over the matters between parties, whether formal or informal, are hereby superseded or terminated in their entirety.

It is agreed and understood that, except as set forth herein, each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate with respect to any subject or matter covered herein or with respect to any other matters within the scope of representation, during the term of this Agreement.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties hereto, and if required, approved by the City and ratified by the membership of the Association.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

Article 6 SEVERABILITY

In the event any provision of this MOU is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the MOU shall remain in full force and effect.

If a provision is declared invalid or unenforceable as provided above, at the written request of either party submitted to the other within ten (10) work days of such action by the court, the parties shall meet promptly to negotiate the impact of such declaration by the court.

Article 7 ORDINANCES, CODES, AND RESOLUTIONS

Any written City ordinances, codes, or resolutions currently in effect that cover subjects within the scope of representation shall not be changed during the term of this Agreement without first giving the Association the opportunity to meet and confer concerning such changes, except as otherwise provided by this Agreement.

Such meeting and conferring shall be up to and including mediation.

Article 8 SCOPE OF NEGOTIATIONS

The scope of representation shall include all matters relating to employment conditions, and employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment, as provided by the Meyers-Milias-Brown Act and as may be amended.

Pursuant to the Meyers-Milias-Brown Act, as it currently exists, or may be amended, the City agrees to meet and confer with the Association in advance regarding any proposed

changes in working conditions within the scope of representation, except as provided elsewhere in this Agreement.

The City is required to comply with federal and state laws, and to the extent the City is required to meet and confer about any changes in federal or state law, it will do so; however, if there is no requirement to meet and confer, the City will implement any required policies and/or procedures.

Article 9 AUTHORIZED AGENTS

For purposes of administering the terms and provisions of this Agreement:

City's principal authorized representative shall be the City's Director of Human Resources or his/her duly authorized representative (address: 505 West Olive Avenue, Suite 200, Sunnyvale, CA 94086; telephone (408) 730-7495) except where a particular management representative is specifically designated in connection with the performance of a specified function or obligation set forth herein.

The Association's principal authorized agent shall be the President of the Sunnyvale Managers Association or his/her duly authorized representative. The Association's official mailing address is P.O. Box 70083, Sunnyvale, CA 94086.

Article 10 NON-DISCRIMINATION

The parties agree that they and each of them shall adhere to the City's policies concerning Equal Employment Opportunity (EEO) and non-discrimination, and other applicable Federal and State non-discrimination laws.

The parties agree that they and each of them shall not discriminate against any employee because of membership or non-membership in the Association, or because of any authorized activity on behalf of the Association, or because of the exercise of rights under this Agreement.

Article 11 NEGOTIATION PREPARATION

Up to three (3) Association negotiating team members and one note taker will be compensated for negotiation sessions that occur during their regular work schedules, notwithstanding leaves of absence. The City will compensate the negotiation team members for up to one (1) hour of preparation time either before or after the scheduled meeting. All other time spent on Association business will be on the member's own time. Only negotiation team members shall attend the negotiation sessions, unless mutually agreed otherwise.

Article 12 WAGES/COMPENSATION

12.1 Salaries

Pay rates for each classification within the Unit shall be assigned to a pay grade as set forth currently in Pay Plan Category D/E as defined in the City's Salary Resolution. The range for each classification extends from 85% of the Control Point up to the Control Point (100%).

12.2 Salary Adjustments

- ~~1. Effective August 31, 2014, 2% across the board salary adjustment~~
- ~~2. Effective the first full pay period following ratification by the SMA membership and approval by the City Council, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment~~
1. Effective July 1, 2015: 3.5% across the board salary adjustment.
2. Effective the first full pay period in July 2016 (July 3, 2016): 2.5% across the board salary adjustment.
3. Effective the first full pay period in July 2017 (July 2, 2017): 1.5% across the board salary adjustment.
4. Effective the same pay period of ratification by the SMA membership and City Council approval (pay day December 23, 2015): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.
5. Effective the last full pay period in November 2016 (November 6, 2016): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.
6. Effective the last full pay period in November 2017 (November 5, 2017): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.

12.3 Interim/Acting or Out-of-Class Pay

(a) Interim/Acting Pay

Employees who are appointed by the City Manager in an acting/interim status to a higher level vacant position may receive placement within the control point of the vacant position; or a percentage over current pay as designated by the City Manager.

(b) Out-of-Class Pay for Special Assignment Work

The City Manager or designee may authorize a temporary pay adjustment for an employee given a specific temporary assignment clearly beyond the scope of the regular job description as determined by the Director of Human Resources or designee. Such assignment is to be made only as necessary to meet the business needs of the department. A request for such an assignment must be made to the City Manager or designee, in writing, from the Department Director prior to commencement of the assignment. Work in such assignment shall be at a minimum of two (2) consecutive weeks, and up to a maximum of one (1) year.

The request for special assignment shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with start and end date. Special assignment pay is five percent (5%) above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager or designee.

Special assignment pay shall be based on the full period of actual hours worked during the assignment and received for the full period of time in which the employee works in the assignment, provided that such special assignment and related compensation has been authorized in advance by the Department Director, has been approved by the City Manager or designee, and has been processed by the Human Resources Department. Special assignment pay shall not be made retroactively. Special assignment pay shall not be paid for Paid Time Off, Holidays, Paid Medical Leave or any other leave during the special assignment; nor shall such leave days be considered a break in the special assignment.

The special assignment pay shall be discontinued on the date originally identified for completion of the assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. Extension may be granted for up to an additional one (1) year for the same assignment.

12.4 Merit Increase

Upon completion of 13 pay periods of service, ~~any employees hired in a classification represented by the Association on or after July 1, 2013~~ who receives an overall rating of achieves or exceeds expectations on their most recent performance evaluation shall receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point. Consideration for each subsequent increase in salary will be given following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective the start of the pay period in which the day after the employee completes 26 pay periods from the prior increase in salary occurs.

~~The pay rate for employees hired prior to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service at the beginning of each new fiscal year after employment, up to but not exceeding the Control Point. The pay rate adjustment is subject to a meets or exceeds performance evaluation. Increases of more than 5% require approval of the City Manager.~~

12.5 Change in Pay Upon Promotion

Employees who are promoted to a classification which has been assigned a Control Point greater than the classification from which the employee is being promoted shall be entitled to assignment to a pay rate in the new salary range which provides at least 5% above the employee's current pay rate, or the rate which the employee would have received with a meeting or exceeding expectations of performance within 2 pay periods had the promotion not been made, provided the increase does not exceed 95.0% of the Control Point for the new classification, except that upon recommendation of the Department Director and approval of the City Manager, the promoted employee's pay rate may be set at up to 100% of such Control Point. Thereafter, the employee is considered for merit increases in the same manner as other employees.

12.6 Change in Pay Upon Reclassification

When a position is reclassified to a classification with a higher pay range and the incumbent employee retains the position, the employee shall be placed at a pay level commensurate with his or her skills, knowledge and experience and within the range for the new position, or a salary 5% above the employee's present salary, whichever is higher.

Article 13 INSURANCE PLANS AND RETIREMENT

13.1 Medical Insurance

~~To maintain current benefit level, Effective January of each year during the term of this agreement, the City will contribute the cost of the premium of the plan selected by the employee or \$544.69 per month, the lowest cost HMO premium for single coverage available through the CalPERS Bay Area regional medical plans, whichever is less, toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and his or her eligible dependents. Effective January of each year during the term of this Agreement, the City's contribution will be the lesser of: the cost of the premium or the lowest cost HMO premium for single coverage of the lowest cost HMO plan available through the CalPERS Bay Area regional medical~~

~~plans.~~ Additionally, the City's contribution shall be no less than the highest City contribution for any of the other represented employee units.

13.2 Cafeteria Benefits Plan

~~To maintain current benefit level the~~ The City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, based upon the plan level in which the employee is enrolled, and less the City Contribution as stated in Section 13.1 above.

13.3 Employee Contribution

Any difference between the total cost of the employee's medical plan (for employee only, employee plus one or employee plus family) and the amount contributed by the City will be paid by the employee.

13.4 Premium Conversion

Insurance premium contributions are paid for on a pre-tax basis; however, the City agrees to continue to provide employees with an option to pay their insurance premium contributions on a ~~prepost~~-tax basis, as provided in to the extent permitted by the Internal Revenue Code.

13.5 Cash In-Lieu of Medical Coverage

The City will continue to provide employees with the option ~~of to reducing-waive~~ their medical coverage and ~~receiving-receive~~ payment of a portion of what otherwise would be the City contribution.

~~To be eligible for this plan, an employee must either:~~

- ~~• Change from full family to employee plus one or employee only (available only when the employee continues to be eligible for full family coverage);~~
- ~~• Change from employee plus one to employee only (available only when the employee continues to be eligible for employee plus one coverage);~~
- ~~• Change from any level coverage to no coverage; or~~
- ~~• A new employee may choose no coverage.~~

Effective with the first full pay period following ratification and approval by the City Council (December 20, 2015), Payment-payment shall be made on the following schedule:

| <u>CURRENT</u> | <u>NEW</u> | <u>PER PAY PERIOD</u> | <u>MONTHLY</u> |
|----------------|------------|-----------------------|----------------|
|----------------|------------|-----------------------|----------------|

| | | | |
|-----|------|---------|----------|
| E+2 | None | \$98.50 | \$213.42 |
| E+2 | E | \$60.50 | \$131.08 |
| E+2 | E+1 | \$22.50 | \$ 48.75 |
| E+1 | None | \$76.00 | \$164.67 |
| E+1 | E | \$38.00 | \$ 82.33 |
| —E | None | \$38.00 | \$ 82.33 |
| NEW | None | \$38.00 | \$ 82.33 |

| <u>Type of Coverage Waiving</u> | <u>Per Pay period Payment</u> |
|-----------------------------------|-------------------------------|
| <u>Employee only coverage</u> | <u>\$38.00</u> |
| <u>Employee +1 coverage</u> | <u>\$76.00</u> |
| <u>Employee + family coverage</u> | <u>\$98.50</u> |

~~The cash in-lieu payment shall not, when combined with the City's contribution for medical insurance and the cafeteria benefits plan, exceed the combined City contribution for medical insurance and the cafeteria benefits plan.~~

If the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that ~~she or he~~ or she does have ~~alternative~~ alternate coverage and that ~~she or he~~ or she understands that he or she will no longer receive coverage through a City sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she may enroll in accordance with CalPERS procedures.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by ~~the City~~ CalPERS.

Employees receiving cash in-lieu payments must provide documentation to verify their dependents' eligibility.

13.6 Dental Insurance

Dental insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

13.7 Vision Insurance

Vision insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

13.8 Life/AD&D Insurance

The City shall provide Basic Life and Accidental Death and Dismemberment (Life/AD&D) insurance for each employee in an amount equal to that employee's ~~base~~-annual base salary, up to a maximum coverage of \$175,000.

Such insurance shall be at no cost to the employee, except that, insurance amounts above \$50,000 provided by the City shall be subject to tax law provisions.

At the time of hire, an employee may purchase ~~additional-supplemental~~ Life/AD&D insurance in an amount equal to the ~~coverage provided by the City~~employee's annual base salary, up to a ~~combined~~-maximum coverage of ~~\$175~~250,000.

Current employees, who did not purchase ~~additional-supplemental~~ Life/AD&D insurance at the time of hire, may purchase ~~additional-supplemental~~ Life/AD&D insurance during open enrollment, in an amount equal to the ~~coverage provided by the City~~employee's annual base salary, up to a ~~combined~~-maximum coverage of ~~\$175~~250,000, subject to approval by the carrier.

The supplemental life coverage is paid by the employee.

~~Upon renewal of the coverage, the City will make a good faith effort to find a carrier who will increase the voluntary coverage to \$250,000.~~

Employees who elected ~~additional~~supplemental Life/AD&D insurance on or before December 31, 2011 but did not elect for the increased maximum coverage of \$250,000, have coverage amount equal to the employee's annual base salary, up to a combined basic and ~~additional~~supplemental Life/AD&D insurance maximum coverage of \$175,000. Employees have the option to elect for the increased ~~maximum-supplemental~~ coverage ~~of up to~~ \$250,000 during open enrollment, subject to approval by the carrier.

13.9 Long Term Disability Insurance

To maintain current benefit level the City shall provide Long Term Disability insurance that provides 2/3~~67~~% of the employee's ~~base~~-annual base salary to a maximum of \$11,000 per month of paid benefits, subject to the terms of the contract with the carrier. Such insurance shall be at no cost to the employee.

13.10 Employee Assistance Program

To maintain current benefit level the Employee Assistance Program will continue to be provided. Enrollment is mandatory, and the premium is fully paid by the City.

13.11 Dependent Care

The City shall continue to provide a plan in accordance with the Internal Revenue Code Section 129 which provides an option for employees to pay for dependent care expenses on a pre-tax basis.

13.12 Medical Reimbursement Account

A Section 125 medical reimbursement plan will be offered to all employees on a voluntary basis.

13.13 Commuter Transportation Benefits

The City shall provide a plan in accordance with the Internal Revenue Code Section 132(f) that provides an option for employees to pay for qualified work-related transportation expenses for mass transit, van pools, and parking on a pre-tax basis. The monthly election limit is regulated by the IRS.

~~13.13~~ 13.14 Retirement

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective ~~August 31, 2014~~ July 1, 2015, the City shall contribute ~~four-three~~ percent (43%) of the eight percent (8%) employee contribution. Employees shall pay the remaining ~~four-five~~ percent (45%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016 (July 3, 2016), the City shall contribute two percent (2%) of the eight percent (8%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017 (July 2, 2017), the City shall contribute one percent (1%) of the eight percent (8%) employee contribution. Employees shall pay the remaining seven percent (7%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective ~~August 31, 2014~~ July 1, 2015, the City shall contribute ~~four~~ three percent (~~43~~%) of the seven percent (7%) employee contribution. Employees shall pay the remaining ~~three~~ four percent (~~34~~%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016 (July 3, 2016), the City shall contribute two percent (2%) of the seven percent (7%) employee contribution. Employees shall pay the remaining five percent (5%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017 (July 2, 2017), the City shall contribute one percent (1%) of the seven percent (7%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model. Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

13.15 Affordable Care Act

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and the Union will meet and confer to review the impact of such regulations on the benefit plans then in force. If modifications to the health benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and the Union will reopen the contract to meet and confer and determine how such mandated changes will be implemented. In the event of a reopener, the City will not unilaterally impose changes that would cause a reduction in City contributions toward benefits.

Article 14 LEAVES

14.1 Paid Time Off Leave (PTO), Paid Medical Leave (PML), and Workers' Compensation

(a) Employees are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, ~~disability/illness~~/injury, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The recommended advance notice is 1 week. Shorter periods of advance notice may be acceptable with Supervisor or Director's approval. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

- (b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave except as provided in Article 14.1(i). Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

- (c) The accrual rates are listed below:

TABLE A

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr | Days/yr |
|---------------------------------------|--------------------------------|---------------|--------------------------------|----------------|
| 1-26. <u>99</u> | 0 to 1 | 6.5 | 169 | 21 |
| 27-130. <u>99</u> | 1+ to 5 | 7.5 | 195 | 24 |
| 131-260. <u>99</u> | 5+ to 10 | 9.0 | 234 | 29 |
| 261- 650 <u>442.99</u> | 10+ to 17 <u>25</u> | 10.5 | 273 | 34 |
| <u>443-650.99</u> | <u>17+ to 25</u> | <u>11.5</u> | <u>299</u> | |
| 651+ | 25+ | 12.0 | 312 | 39 |

For new hire or promoted employees, the City Manager may authorize a higher accrual rate within the PTO accrual table.

- (d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours (~~21.75 weeks, 108.75 work days~~). After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr | Work Days/yr |
|---------------------------------------|--------------|---------------|--------------------------------|-------------------------|
| 1-130. <u>99</u> | 0 to 5 | 5.0 | 130 | 16 |
| 131-650. <u>99</u> | 5+ to 25 | 6.5 | 169 | 21 |
| 651+ | 25+ | 8.0 | 208 | 27 |

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

- (e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

- (f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(g) PTO and Separation/Retirement

PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(h) PTO and ~~Disability~~ Paid Medical Leave (PML)

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), the PML benefit will be provided as follows:

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) ~~disability~~ illness/injury, beginning with work hour ~~84~~ 101 through 90 calendar days of ~~illness/injury~~ disability. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No ~~disability leave~~ PML will be provided until this requirement is satisfied.

To access the ~~Disability Leave~~ PML Benefit (full pay from ~~40~~ 101 hours-90 calendar days), an employee must provide acceptable written medical documentation showing that the ~~disability—illness/injury~~ is a single ~~illness/injury~~ disability, whether continuous time off has been taken or not for that ~~illness/injury~~ disability. The first ~~80~~ 100 hours of a single ~~disability~~ illness/injury are charged to the employee's PTO bank. Hours ~~84~~ 101 up through the maximum of calendar day 90 are eligible for coverage under the ~~Disability~~ PML Benefit.

After 90 calendar days of (same occurrence) ~~disability~~ illness/injury, the ~~disabled~~ employee shall be eligible to apply for Long Term Disability coverage. In addition, if, after having been off work for ~~80~~ 100 hours on a same ~~illness/injury~~ disability and becoming eligible for ~~disability leave~~ PML pay, the ~~disabled~~ employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for ~~disability~~ PML pay for the part of the day that the employee is unable to work.

Effective July 1, 2017, the first 120 hours of a single illness/injury are charged to the employee's PTO bank. Hours 121 up through the maximum of calendar day 90 are eligible for coverage under the Paid Medical Leave Benefit.

(i) PTO and Workers' Compensation

During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, ~~have it paid off~~, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) ~~illness/injury~~ disability, beginning with workday 1 through ~~90~~ 60 calendar days of ~~illness/injury~~ disability. After 90 calendar days of (same occurrence) work-related ~~illness/injury~~ disability, the ~~disabled~~ employee shall be eligible to apply for Long Term Disability coverage. Employees will accrue full seniority for the first 90 days of Workers' Compensation leave regardless of whether they use PTO to supplement Workers' Compensation benefits.

- (j) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.
- (k) Employees have the option to cash-out up to 80 hours of PTO ~~once at the end of~~ effective the last pay day in October of each ~~payroll~~ calendar year. To be eligible to cash out PTO, an employee must submit an irrevocable election form in the calendar year preceding the cash-out specifying the number of hours that he/she irrevocably elects to cash out. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

14.2 HOLIDAY LEAVE

(a) Holidays

Employees who were on pay status both before and after each holiday shall be entitled to take leave on each of the following holidays:

New Year's Eve
New Year's Day
Martin Luther King Jr. Day
Presidents' Day
Memorial Day
Independence Day
Labor Day

Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

When a City holiday falls on a Saturday the holiday will be observed on the Friday; when a holiday falls on a Sunday, the holiday will be observed on Monday; or as designated by the City Council.

(b) Floating Holiday

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), ~~Employees-employees~~ shall be credited with ~~twenty-thirty~~ (2030) hours of floating holiday leave on the first day of the first pay period in the payroll calendar year.

Newly hired employees shall be credited with a pro-rata share of floating holiday hours, based upon the proportion of the payroll calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to approval in advance by the employee's supervisor.

Employees separating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation.

Any employee who has used less than his/her pro-rated allotment for the portion of the calendar year worked, shall have the balance paid to him/her on his/her final paycheck.

Any employee who has used more than his/her pro-rated allotment for the portion of the calendar year worked, shall have the overage offset against any available accrued leave, on his/her final paycheck. The employee may also authorize the deduction from his/her final compensation. If the employee's final paycheck is insufficient to repay the overage, the employee shall reimburse the City immediately.

Unused floating holiday leave at the end of the payroll calendar year may will be paid out in cash ~~or rolled over into PTO leave subject to maximum accrual limits specified in this Agreement.~~

14.3 Bereavement Leave

Employees are entitled to bereavement leave where death has occurred to an employee's:

spouse or registered domestic partner, father, step-father, mother, step-mother, son, daughter, brother, sister, grandparents, or grandchildren, or to the father,

mother, son, daughter, brother, or sister, grandparents or grandchildren of an employee's spouse or registered domestic partner.

Employees are entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment. Except as provided herein, all bereavement leave must be used within six calendar months of the date of the eligible incident. Employees who are designated as the executor for a qualifying decedent's estate may use bereavement leave beyond the six month limitation. Any use of bereavement leave more than six months after the eligible incident requires the approval of the Human Resources Director.

The City reserves the right to require proof of death from the employee including, but not limited to: death certificates, obituaries, and funeral cards.

14.4 Jury Leave

An employee is entitled to jury leave in accordance with State Law and/or City Policy.

14.5 Military Leave

Employees assigned to active military duty are entitled to military leave in accordance with the provisions of applicable State and Federal laws and/or City policy.

14.6 Administrative Leave

Administrative Leave of forty (40) hours per payroll calendar year is subject to Department Director's approval and to the additional provisions in the Administrative Policy.

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), administrative leave will be fifty (50) hours per payroll calendar year.

Article 15 ADDITIONAL BENEFITS

15.1 Workers' Compensation Benefits

Workers' Compensation Benefits will be provided as required by law, and in accordance with the provisions of the City's Salary Resolution.

15.2 Deferred Compensation

Employees are eligible to participate in a 457 deferred compensation plan approved by the City. A 401 (a) plan is available, and procedures for contribution to such plan will be established by the City. With respect to any employee who enrolls in either of the two deferred compensation plans (457 or 401 (a)), the City shall contribute to such plan on behalf of the employee an amount equal to 2% of the employee's gross pay per pay period. Employees shall not be entitled to receive any or all of such payment except as payment into a deferred compensation account.

15.3 Tuition Reimbursement

Employees are eligible for tuition reimbursement as provided in the City's Administrative Policy. Effective with fiscal year 2016/2017, the maximum amount an employee may receive is \$2,000 per employee per fiscal year.

No reduction of City services will result due to the tuition reimbursement program.

15.4 City-Wide Employee Emergency Leave Relief Fund

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

15.5 Direct Deposit

The City shall make available deposit of all or a portion of an employee's net pay to financial institutions of his or her choice via direct electronic paycheck deposit.

15.6 Personal Vehicle Use

An employee eligible to receive an automobile allowance under the City's administrative policy shall receive \$310 per month.

Article 16 WORKING CONDITIONS

16.1 Special Work Schedule

An employee may request an alternative work schedule based on the guidelines found in the City's Administrative Policy related to Work Schedules.

This policy specifically allows the establishment of alternative work schedules, including flextime schedules. It also requires that the City establish schedules that are attentive to the needs of individual employees while also assuring prompt, efficient and cost effective public service.

A special work schedule implemented according to the above procedure may be terminated at the end of a pay period by the City Manager, the Department Director, or upon request of the employee upon three (3) weeks written notice to each other.

The City agrees to consider the needs and desires of employees requesting a special schedule. If the City denies a request for a special schedule, then the City will give the employee(s) the reasons for the denial in writing.

16.2 Reduction-In-Force

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in any Unit.

16.3 Grievance Procedure

Any employee covered by the Memorandum of Understanding may file a grievance.

(a) Purpose

To assure prompt and fair treatment of employee grievances related to employment.

(b) Definition

A grievance is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or the City's Administrative Policy.

(c) Limitations

A grievant and representative shall be allowed reasonable time during work hours to meet regarding any grievance as provided in this article without loss of pay. It is understood that the grievant and representatives shall:

- (i) provide their supervisor(s) with advance notice and request for such time;
- (ii) that such request will not be arbitrarily denied;
- (iii) that such time shall be charged on the grievant's/representative's timecard to the designated program code, if applicable.

Time limits may be extended by written mutual agreement of the parties.

(d) Procedures

Step I

The grievant will first attempt to resolve the grievance through informal discussions with successive levels of supervision beginning with his/her immediate supervisor through his/her department head. These discussions must be initiated within ten (10) work days following knowledge of the incident upon which the grievance is based. Every attempt will be made by the parties to settle the issue at this level.

Step II

If the grievance is not resolved through the informal discussions, the employee may submit a written appeal to his/her department head within ten (10) work days after the informal meeting.

The written appeal must contain in clear, factual, and concise language:

1. A brief statement as to the date of the occurrence on which the grievance is based and the facts, as the grievant sees them;
2. The rule, regulation or act on which the grievance is based;
3. The action the grievant believes will resolve the grievance;
4. Signature of the employee.

The department head shall have ten (10) work days following receipt of the appeal to review the matter and prepare a written response. Copies shall go to all parties involved and the Human Resources Department.

Step III

If the grievance is not resolved, the grievant may, and upon approval of the Association, within five (5) work days following receipt of the department head's response, appeal to the City Manager, stating in writing the basis for the appeal. The grievant may, and upon approval of the association, have the option to request advisory arbitration. If advisory arbitration is requested the parties shall mutually agree on an arbitrator or request a list of five arbitrators from the California State Mediation and Conciliation Service. An arbitrator shall then be selected by the parties by alternately striking names. A hearing before the arbitrator shall be held as soon as practical and the arbitrator shall render a decision which shall be advisory to the City Manager.

The City Manager shall render a written decision to all parties directly involved within fifteen (15) work days following the date of the hearing with the City Manager or the optional advisory arbitration. This decision will be final.

16.4 Disciplinary Appeal Procedure

Any employee holding a regular appointment who is suspended, demoted, dismissed or had a salary reduction shall be entitled to be heard before the Personnel Board at a duly constituted meeting in accordance with the provisions contained in the City's Administrative Policy.

Article 17 ASSOCIATION PROVISIONS

17.1 Bulletin Boards

The Association shall have the use of designated bulletin board space to post material related to Association business.

The City shall determine the placement of bulletin boards and the portion of the board to be made available to the Association.

Any materials posted must be dated and initialed by the Association representative responsible for the posting.

At the time of the posting, a copy of the material must be given to the management representative designated for that bulletin board.

The Association shall remove posted material after it has served its purpose, usually within 30 days.

The Association agrees that nothing of a libelous, obscene, defamatory, or of a partisan political nature, shall be posted.

The Association agrees that this Article provides the right to post materials only on designated bulletin boards.

Any material posted in violation of this Article may be removed by the management representative designated for a particular bulletin board. If material is removed, the City shall notify the Association in writing of the removal and the reasons therefore.

17.2 Use of City Facilities and Equipment

The Association may be granted the use of City facilities subject to the following conditions:

- the meeting is during non-work hours;
- the meeting is for City employees;
- the meeting is not for organizing activities;
- the meeting is not for a membership drive;

the Association makes a written request at least 24 hours in advance of the day it wants to use the facility, and stating the purpose of the meeting; and space is available.

The parties agree the City has the right to assess reasonable charges for the use of such facilities.

Use of City equipment, other than items normally used in the conduct of such business meetings, such as desks, chairs, and black/whiteboards, is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

17.3 Use of City E-mail System

The Association may use the City's e-mail system outside of work hours to post notices and results of elections, appointments of officers, to schedule and post notices of meetings, and to post notices of recreational, social and other organization events.

Per Section 2.24.100 of the Municipal Code, employees may only review and respond to such during non-work times.

17.4 Dues Deduction

Association dues and such other deductions as may be properly requested and lawfully permitted shall be deducted, in accordance with applicable state law, bi-weekly by the City from the salary of each employee who files with the City a written request that such deduction be made on their behalf.

Remittance of the aggregate amount of all deductions made pursuant to this Article shall be made to the Association by the City within thirty (30) days after such deductions are made. As soon as administratively possible, the City shall make such remittance by electronic transfer to the financial institution(s) as designated by the Association.

17.5 New Employee Roster/Orientation

The City shall provide the Association with a list of new Association hires including name, date of hire, classification and work location within one week of start date.

The Association may prepare a new employee information packet which shall be given by the City to employees during the Department of Human Resources orientation of new employees.

17.6 Release Time When Meeting With The City

If the President of the Association attends a mutually agreed upon meeting with the City, the President and up to three (3) designated Association Representatives, shall have reasonable release time to attend such meeting. Employees shall notify their supervisor or his/her designee as soon as possible in advance of such meeting. Travel time is included within the reasonable release time.

17.7 Association/Management Committee

The parties agree that regular meetings to explore mutual problems and issues will be beneficial to the relationship between the City and the Association. Consequently the parties agree to meet as needed to discuss any issue concerning the rights of either party or the relationship between the City and the Association or the City and employees the Association represents. The purpose of the meetings is to exchange information and to solve problems and issues.

The Association may have up to three (3) representatives attend these meetings. Association representatives shall receive reasonable release time to participate in these meetings.

The specific schedule and agenda shall be mutually agreed by the parties.

Article 18 RENEGOTIATIONS

18.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.

If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

Article 19 PAY DATE

Pursuant to the City's Compensation Policy, payday is normally on the Thursday following the end of the pay period, but may deviate because of a holiday in the pay period or due to an emergency. It is understood that at such time that the payday is changed City-wide, such change shall be applied to the Association.

Article 20 HRIS/FINANCIAL SYSTEM

The City contemplates implementing a new HRIS / Financial System during the term of this MOU. Accordingly, the parties agree to re-open MOU terms, as necessary, in order to implement any new system. The City agrees that the re-opener negotiations will not result in any material diminution in compensation.

Signed this _____ day of _____ 2014.

City of Sunnyvale

Sunnyvale Managers Association

Deanna J. Santana, City Manager

Robert van Heusen, President

Teri Silva, Director of Human
Resources

~~Scott Morton, Board Member~~Tony
Pineda, Vice President

Date

Date

EXHIBIT A

Classifications Represented by the Sunnyvale Managers Association

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0305 | Administrative Librarian |
| 0309 | Administrative Services Manager: Utility Billing |
| 0217 | Affordable Housing Manager |
| 0206 | Assistant City Engineer |
| 0259 | Assistant Director of Finance |
| 0205 | Assistant Director of Public Works/City Engineer |
| 0367 | Budget Analyst I |
| 0368 | Budget Analyst II |
| 0388 | City Property Administrator |
| 0369 | Civilian Fire Marshal |
| 0316 | Communications Officer |
| 0342 | Community Resources Manager |
| 0213 | Community Services Manager |
| 0260 | Economic Development Manager |
| 0301 | Employment Training Manager |
| 0326 | Environmental Programs Manager |
| 0361 | Finance Manager: Accounting |
| 0380 | Fleet Manager |
| 0327 | Golf Operations Manager |
| 0302 | Head Golf Professional |
| 0202 | Housing Officer |
| 0338 | Internal Auditor |
| 0390 | Laboratory/Pretreatment Manager |
| 0303 | Library Circulation Manager |
| 0274 | Management Analyst: Employment Development |
| 0276 | Management Analyst: Public Safety |
| 0209 | Manager of Business Operations |
| 0211 | Manager of Job Seeker Services |
| 0332 | Manager, Applications Development |
| 0324 | Manager, Bureau of Technical Services – Public Safety |
| 0331 | Manager, Information Technology Services |
| 0204 | Neighborhood Preservation Manager |
| 0329 | Operations Manager: Facilities |
| 0330 | Parks Manager |
| 0230 | Planning Officer |

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0375 | Program Quality and Operations Manager |
| 0245 | Public Safety Communications Manager |
| 0246 | Public Safety Records Manager |
| 0362 | Purchasing Officer |
| 0218 | Regulatory Programs Division Manager |
| 0213 | Recreation Supervisor |
| 0326 | Recycling Manager |
| 0373 | Senior Engineer |
| 0374 | Senior Environmental Engineer |
| 0339 | Senior Internal Auditor |
| 0322 | Senior Management Analyst |
| 0275 | Solid Waste Programs Division Manager |
| 0353 | Street Operations Manager |
| 0210 | Superintendent of Building Inspection |
| 0216 | Superintendent of Community Services |
| 0212 | Superintendent of Facilities Maintenance |
| 0222 | Superintendent of Parks and Golf |
| 0270 | Superintendent of Public Works Operations |
| 0223 | Superintendent of Trees and Landscape |
| 0310 | Supervising Librarian |
| 0290 | Transportation and Traffic Manager |
| 0363 | Treasury Manager |
| 0344 | Urban Landscape Manager |
| 0315 | Utility Billing Manager |
| 0352 | Wastewater Operations Manager |
| 0201 | Water and Sewer Systems Division Manager |
| 0351 | Water Operations Manager |
| 0295 | Water Pollution Control Division Manager |
| 0395 | Water Pollution Control Maintenance Manager |
| 0396 | Water Pollution Control Operations Manager |
| 0284 | Youth and Family Resources Manager |

CITY OF SUNNYVALE
AND
SUNNYVALE MANAGERS ASSOCIATION
MEMORANDUM OF UNDERSTANDING

July 1, 2015 to June 30, 2018



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Exhibits

A - Classifications Represented by the Sunnyvale Managers Association

Article 1 PREAMBLE

This Memorandum of Understanding (MOU) is between the City of Sunnyvale (City) and the duly authorized representatives of the Sunnyvale Managers Association (SMA). Its purpose is to promote harmonious relations between the City, the Association, and employees (Employees) by setting forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding the wages, hours, and certain other terms and conditions of employment of employees in the classifications comprising this Bargaining Unit (Unit).

Article 2 RECOGNITION

The Sunnyvale Managers Association (Association) is hereby acknowledged as the exclusively recognized employee organization for those full-time employees in the classifications listed in Exhibit A as it currently reads or as modified by agreement of the parties during the term of the MOU.

The City shall notify the Association of the development of a new or revised management classification and, upon written request from the Association within seven (7) work days from the City's notice, shall consult with the Association concerning the new classification.

Article 3 RATIFICATION

It is agreed that the provisions of this MOU are of no force or effect until ratified by the Association and duly adopted by the City Council of the City of Sunnyvale.

Article 4 TERM

The term of this Agreement shall be upon ratification of the parties and through June 30, 2018, and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

Article 5 FULL UNDERSTANDING, MODIFICATIONS, AND WAIVERS

This Agreement sets forth the full and entire agreement of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements, including any prior memoranda of understanding, over the matters between parties, whether formal or informal, are hereby superseded or terminated in their entirety.

It is agreed and understood that, except as set forth herein, each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate with respect to any subject or matter covered herein or with respect to any other matters within the scope of representation, during the term of this Agreement.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties hereto, and if required, approved by the City and ratified by the membership of the Association.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

Article 6 SEVERABILITY

In the event any provision of this MOU is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the MOU shall remain in full force and effect.

If a provision is declared invalid or unenforceable as provided above, at the written request of either party submitted to the other within ten (10) work days of such action by the court, the parties shall meet promptly to negotiate the impact of such declaration by the court.

Article 7 ORDINANCES, CODES, AND RESOLUTIONS

Any written City ordinances, codes, or resolutions currently in effect that cover subjects within the scope of representation shall not be changed during the term of this Agreement without first giving the Association the opportunity to meet and confer concerning such changes, except as otherwise provided by this Agreement.

Such meeting and conferring shall be up to and including mediation.

Article 8 SCOPE OF NEGOTIATIONS

The scope of representation shall include all matters relating to employment conditions, and employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment, as provided by the Meyers-Milias-Brown Act and as may be amended.

Pursuant to the Meyers-Milias-Brown Act, as it currently exists, or may be amended, the City agrees to meet and confer with the Association in advance regarding any proposed

changes in working conditions within the scope of representation, except as provided elsewhere in this Agreement.

The City is required to comply with federal and state laws, and to the extent the City is required to meet and confer about any changes in federal or state law, it will do so; however, if there is no requirement to meet and confer, the City will implement any required policies and/or procedures.

Article 9 AUTHORIZED AGENTS

For purposes of administering the terms and provisions of this Agreement:

City's principal authorized representative shall be the City's Director of Human Resources or his/her duly authorized representative (address: 505 West Olive Avenue, Suite 200, Sunnyvale, CA 94086; telephone (408) 730-7495) except where a particular management representative is specifically designated in connection with the performance of a specified function or obligation set forth herein.

The Association's principal authorized agent shall be the President of the Sunnyvale Managers Association or his/her duly authorized representative. The Association's official mailing address is P.O. Box 70083, Sunnyvale, CA 94086.

Article 10 NON-DISCRIMINATION

The parties agree that they and each of them shall adhere to the City's policies concerning Equal Employment Opportunity (EEO) and non-discrimination, and other applicable Federal and State non-discrimination laws.

The parties agree that they and each of them shall not discriminate against any employee because of membership or non-membership in the Association, or because of any authorized activity on behalf of the Association, or because of the exercise of rights under this Agreement.

Article 11 NEGOTIATION PREPARATION

Up to three (3) Association negotiating team members and one note taker will be compensated for negotiation sessions that occur during their regular work schedules, notwithstanding leaves of absence. The City will compensate the negotiation team members for up to one (1) hour of preparation time either before or after the scheduled meeting. All other time spent on Association business will be on the member's own time. Only negotiation team members shall attend the negotiation sessions, unless mutually agreed otherwise.

Article 12 WAGES/COMPENSATION

12.1 Salaries

Pay rates for each classification within the Unit shall be assigned to a pay grade as set forth currently in Pay Plan Category D/E as defined in the City's Salary Resolution. The range for each classification extends from 85% of the Control Point up to the Control Point (100%).

12.2 Salary Adjustments

1. Effective July 1, 2015: 3.5% across the board salary adjustment.
2. Effective the first full pay period in July 2016 (July 3, 2016): 2.5% across the board salary adjustment.
3. Effective the first full pay period in July 2017 (July 2, 2017): 1.5% across the board salary adjustment.
4. Effective the same pay period of ratification by the SMA membership and City Council approval (pay day December 23, 2015): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.
5. Effective the last full pay period in November 2016 (November 6, 2016): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.
6. Effective the last full pay period in November 2017 (November 5, 2017): Off salary schedule pay equal to 1% of current annual salary, reportable as special compensation for employees in tier 1 and tier 2 as defined in Article 13.14 Retirement.

12.3 Interim/Acting or Out-of-Class Pay

(a) Interim/Acting Pay

Employees who are appointed by the City Manager in an acting/interim status to a higher level vacant position may receive placement within the control point of the vacant position; or a percentage over current pay as designated by the City Manager.

(b) Out-of-Class Pay for Special Assignment Work

The City Manager or designee may authorize a temporary pay adjustment for an employee given a specific temporary assignment clearly beyond the scope of the regular job description as determined by the Director of Human Resources or designee. Such assignment is to be made only as necessary to

meet the business needs of the department. A request for such an assignment must be made to the City Manager or designee, in writing, from the Department Director prior to commencement of the assignment. Work in such assignment shall be at a minimum of two (2) consecutive weeks, and up to a maximum of one (1) year.

The request for special assignment shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with start and end date. Special assignment pay is five percent (5%) above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager or designee.

Special assignment pay shall be based on the full period of actual hours worked during the assignment and received for the full period of time in which the employee works in the assignment, provided that such special assignment and related compensation has been authorized in advance by the Department Director, has been approved by the City Manager or designee, and has been processed by the Human Resources Department. Special assignment pay shall not be made retroactively. Special assignment pay shall not be paid for Paid Time Off, Holidays, Paid Medical Leave or any other leave during the special assignment; nor shall such leave days be considered a break in the special assignment.

The special assignment pay shall be discontinued on the date originally identified for completion of the assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. Extension may be granted for up to an additional one (1) year for the same assignment.

12.4 Merit Increase

Upon completion of 13 pay periods of service, employees who receive an overall rating of achieves or exceeds expectations on their most recent performance evaluation shall receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point. Consideration for each subsequent increase in salary will be given following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective the start of the pay period in which the day after the employee completes 26 pay periods from the prior increase in salary occurs.

12.5 Change in Pay Upon Promotion

Employees who are promoted to a classification which has been assigned a Control Point greater than the classification from which the employee is being

promoted shall be entitled to assignment to a pay rate in the new salary range which provides at least 5% above the employee's current pay rate, or the rate which the employee would have received with a meeting or exceeding expectations of performance within 2 pay periods had the promotion not been made, provided the increase does not exceed 95.0% of the Control Point for the new classification, except that upon recommendation of the Department Director and approval of the City Manager, the promoted employee's pay rate may be set at up to 100% of such Control Point. Thereafter, the employee is considered for merit increases in the same manner as other employees.

12.6 Change in Pay Upon Reclassification

When a position is reclassified to a classification with a higher pay range and the incumbent employee retains the position, the employee shall be placed at a pay level commensurate with his or her skills, knowledge and experience and within the range for the new position, or a salary 5% above the employee's present salary, whichever is higher.

Article 13 INSURANCE PLANS AND RETIREMENT

13.1 Medical Insurance

Effective January of each year during the term of this agreement, the City will contribute the cost of the premium of the plan selected by the employee or the lowest cost HMO premium for single coverage available through the CalPERS Bay Area regional medical plans, whichever is less, toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and his or her eligible dependents. Additionally, the City's contribution shall be no less than the highest City contribution for any of the other represented employee units.

13.2 Cafeteria Benefits Plan

The City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, based upon the plan level in which the employee is enrolled, and less the City Contribution as stated in Section 13.1 above.

13.3 Employee Contribution

Any difference between the total cost of the employee's medical plan (for employee only, employee plus one or employee plus family) and the amount contributed by the City will be paid by the employee.

13.4 Premium Conversion

Insurance premium contributions are paid for on a pre-tax basis; however, the City agrees to continue to provide employees with an option to pay their insurance premium contributions on a post-tax basis, to the extent permitted by the Internal Revenue Code.

13.5 Cash In-Lieu of Medical Coverage

The City will continue to provide employees with the option to waive their medical coverage and receive payment of a portion of what otherwise would be the City contribution.

Effective with the first full pay period following ratification and approval by the City Council (December 20, 2015), payment shall be made on the following schedule:

| Type of Coverage Waiving | Per Pay period Payment |
|---------------------------------|-------------------------------|
| Employee only coverage | \$38.00 |
| Employee +1 coverage | \$76.00 |
| Employee + family coverage | \$98.50 |

If the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that he or she does have alternate coverage and that he or she understands that he or she will no longer receive coverage through a City sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she may enroll in accordance with CalPERS procedures.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by CalPERS.

Employees receiving cash in-lieu payments must provide documentation to verify their dependents' eligibility.

13.6 Dental Insurance

Dental insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

13.7 Vision Insurance

Vision insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

13.8 Life/AD&D Insurance

The City shall provide Basic Life and Accidental Death and Dismemberment (Life/AD&D) insurance for each employee in an amount equal to that employee's annual base salary, up to a maximum coverage of \$175,000.

Such insurance shall be at no cost to the employee, except that, insurance amounts above \$50,000 provided by the City shall be subject to tax law provisions.

At the time of hire, an employee may purchase supplemental Life/AD&D insurance in an amount equal to the employee's annual base salary, up to a maximum coverage of \$250,000.

Current employees who did not purchase supplemental Life/AD&D insurance at the time of hire, may purchase supplemental Life/AD&D insurance during open enrollment, in an amount equal to the employee's annual base salary, up to a maximum coverage of \$250,000, subject to approval by the carrier.

The supplemental life coverage is paid by the employee.

Employees who elected supplemental Life/AD&D insurance on or before December 31, 2011 but did not elect for the increased maximum coverage of \$250,000, have coverage amount equal to the employee's annual base salary, up to a combined basic and supplemental Life/AD&D insurance maximum coverage of \$175,000. Employees have the option to elect for the increased supplemental coverage up to \$250,000 during open enrollment, subject to approval by the carrier.

13.9 Long Term Disability Insurance

To maintain current benefit level the City shall provide Long Term Disability insurance that provides 67% of the employee's annual base salary to a maximum of \$11,000 per month of paid benefits, subject to the terms of the contract with the carrier. Such insurance shall be at no cost to the employee.

13.10 Employee Assistance Program

To maintain current benefit level the Employee Assistance Program will continue to be provided. Enrollment is mandatory, and the premium is fully paid by the City.

13.11 Dependent Care

The City shall continue to provide a plan in accordance with the Internal Revenue Code Section 129 which provides an option for employees to pay for dependent care expenses on a pre-tax basis.

13.12 Medical Reimbursement Account

A Section 125 medical reimbursement plan will be offered to all employees on a voluntary basis.

13.13 Commuter Transportation Benefits

The City shall provide a plan in accordance with the Internal Revenue Code Section 132(f) that provides an option for employees to pay for qualified work-related transportation expenses for mass transit, van pools, and parking on a pre-tax basis. The monthly election limit is regulated by the IRS.

13.14 Retirement

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective July 1, 2015, the City shall contribute three percent (3%) of the eight percent (8%) employee contribution. Employees shall pay the remaining five percent (5%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016 (July 3, 2016), the City shall contribute two percent (2%) of the eight percent (8%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017 (July 2, 2017), the City shall contribute one percent (1%) of the eight percent (8%) employee contribution. Employees shall pay the remaining seven percent (7%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective July 1, 2015, the City shall contribute three percent (3%) of the seven percent (7%) employee contribution. Employees shall pay the remaining four percent (4%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2016 (July 3, 2016), the City shall contribute two percent (2%) of the seven percent (7%) employee contribution. Employees shall pay the remaining five percent (5%) of the employee contribution on a pre-tax basis.

Effective the first full pay period in July 2017 (July 2, 2017), the City shall contribute one percent (1%) of the seven percent (7%) employee contribution. Employees shall pay the remaining six percent (6%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue

Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model. Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

13.15 Affordable Care Act

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and the Union will meet and confer to review the impact of such regulations on the benefit plans then in force. If modifications to the health benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and the Union will reopen the contract to meet and confer and determine how such mandated changes will be implemented. In the event of a reopener, the City will not unilaterally impose changes that would cause a reduction in City contributions toward benefits.

Article 14 LEAVES

14.1 Paid Time Off Leave (PTO), Paid Medical Leave (PML), and Workers' Compensation

- (a) Employees are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, illness/injury, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The recommended advance notice is 1 week. Shorter periods of advance notice may be acceptable with Supervisor or Director's approval. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

- (b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave except as provided in Article 14.1(i). Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.
- (c) The accrual rates are listed below:

TABLE A

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr |
|---------------------------------------|--------------|---------------|--------------------------------|
| 1-26.99 | 0 to 1 | 6.5 | 169 |
| 27-130.99 | 1+ to 5 | 7.5 | 195 |
| 131-260.99 | 5+ to 10 | 9.0 | 234 |
| 261-442.99 | 10+ to 17 | 10.5 | 273 |
| 443-650.99 | 17+ to 25 | 11.5 | 299 |
| 651+ | 25+ | 12.0 | 312 |

For new hire or promoted employees, the City Manager may authorize a higher accrual rate within the PTO accrual table.

- (d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours. After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr |
|---------------------------------------|--------------|---------------|--------------------------------|
| 1-130.99 | 0 to 5 | 5.0 | 130 |
| 131-650.99 | 5+ to 25 | 6.5 | 169 |
| 651+ | 25+ | 8.0 | 208 |

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

- (e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

- (f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(g) PTO and Separation/Retirement

PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(h) PTO and Paid Medical Leave (PML)

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), the PML benefit will be provided as follows:

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) illness/injury, beginning with work hour 101 through 90 calendar days of illness/injury. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No PML will be provided until this requirement is satisfied.

To access the PML Benefit (full pay from 101 hours-90 calendar days), an employee must provide acceptable written medical documentation showing that the illness/injury is a single illness/injury, whether continuous time off has been taken or not for that illness/injury. The first 100 hours of a single illness/injury are charged to the employee's PTO bank. Hours 101 up through the maximum of calendar day 90 are eligible for coverage under the PML Benefit.

After 90 calendar days of (same occurrence) illness/injury, the employee shall be eligible to apply for Long Term Disability coverage. In addition, if, after having been off work for 100 hours on a same illness/injury and becoming eligible for PML pay, the employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for PML pay for the part of the day that the employee is unable to work.

Effective July 1, 2017, the first 120 hours of a single illness/injury are charged to the employee's PTO bank. Hours 121 up through the maximum of calendar day 90 are eligible for coverage under the Paid Medical Leave Benefit.

(i) PTO and Workers' Compensation

During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) illness/injury, beginning with workday 1 through 60 calendar days of illness/injury. After 90 calendar days of (same occurrence) work-related illness/injury, the employee shall be eligible to apply for Long Term Disability coverage. Employees will accrue full seniority for the first 90 days of Workers' Compensation leave regardless of whether they use PTO to supplement Workers' Compensation benefits.

- (j) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.
- (k) Employees have the option to cash-out up to 80 hours of PTO effective the last pay day in October of each calendar year. To be eligible to cash out PTO, an employee must submit an irrevocable election form in the calendar year preceding the cash-out specifying the number of hours that he/she irrevocably elects to cash out. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

14.2 HOLIDAY LEAVE

(a) Holidays

Employees who were on pay status both before and after each holiday shall be entitled to take leave on each of the following holidays:

New Year's Eve
New Year's Day
Martin Luther King Jr. Day
Presidents' Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

When a City holiday falls on a Saturday the holiday will be observed on the Friday; when a holiday falls on a Sunday, the holiday will be observed on Monday; or as designated by the City Council.

(b) Floating Holiday

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), employees shall be credited with thirty (30) hours of floating holiday leave on the first day of the first pay period in the payroll calendar year.

Newly hired employees shall be credited with a pro-rata share of floating holiday hours, based upon the proportion of the payroll calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to approval in advance by the employee's supervisor.

Employees separating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation.

Any employee who has used less than his/her pro-rated allotment for the portion of the calendar year worked, shall have the balance paid to him/her on his/her final paycheck.

Any employee who has used more than his/her pro-rated allotment for the portion of the calendar year worked, shall have the overage offset against any available accrued leave, on his/her final paycheck. The employee may also authorize the deduction from his/her final compensation. If the employee's final paycheck is insufficient to repay the overage, the employee shall reimburse the City immediately.

Unused floating holiday leave at the end of the payroll calendar year will be paid out in cash.

14.3 Bereavement Leave

Employees are entitled to bereavement leave where death has occurred to an employee's:

spouse or registered domestic partner, father, step-father, mother, step-mother, son, daughter, brother, sister, grandparents, or grandchildren, or to the father, mother, son, daughter, brother, or sister, grandparents or grandchildren of an employee's spouse or registered domestic partner.

Employees are entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment. Except as provided herein, all bereavement leave must be used within six calendar months

of the date of the eligible incident. Employees who are designated as the executor for a qualifying decedent's estate may use bereavement leave beyond the six month limitation. Any use of bereavement leave more than six months after the eligible incident requires the approval of the Human Resources Director.

The City reserves the right to require proof of death from the employee including, but not limited to: death certificates, obituaries, and funeral cards.

14.4 Jury Leave

An employee is entitled to jury leave in accordance with State Law and/or City Policy.

14.5 Military Leave

Employees assigned to active military duty are entitled to military leave in accordance with the provisions of applicable State and Federal laws and/or City policy.

14.6 Administrative Leave

Administrative Leave of forty (40) hours per payroll calendar year is subject to Department Director's approval and to the additional provisions in the Administrative Policy.

Effective the first full pay period following ratification by the SMA membership and City Council approval (December 20, 2015), administrative leave will be fifty (50) hours per payroll calendar year.

Article 15 ADDITIONAL BENEFITS

15.1 Workers' Compensation Benefits

Workers' Compensation Benefits will be provided as required by law, and in accordance with the provisions of the City's Salary Resolution.

15.2 Deferred Compensation

Employees are eligible to participate in a 457 deferred compensation plan approved by the City. A 401 (a) plan is available, and procedures for contribution to such plan will be established by the City. With respect to any employee who enrolls in either of the two deferred compensation plans (457 or 401 (a)), the City shall contribute to such plan on behalf of the employee an amount equal to 2% of the employee's gross pay per pay period. Employees shall not be entitled to

receive any or all of such payment except as payment into a deferred compensation account.

15.3 Tuition Reimbursement

Employees are eligible for tuition reimbursement as provided in the City's Administrative Policy. Effective with fiscal year 2016/2017, the maximum amount an employee may receive is \$2,000 per employee per fiscal year.

No reduction of City services will result due to the tuition reimbursement program.

15.4 City-Wide Employee Emergency Leave Relief Fund

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

15.5 Direct Deposit

The City shall make available deposit of all or a portion of an employee's net pay to financial institutions of his or her choice via direct electronic paycheck deposit.

15.6 Personal Vehicle Use

An employee eligible to receive an automobile allowance under the City's administrative policy shall receive \$310 per month.

Article 16 WORKING CONDITIONS

16.1 Special Work Schedule

An employee may request an alternative work schedule based on the guidelines found in the City's Administrative Policy related to Work Schedules.

This policy specifically allows the establishment of alternative work schedules, including flextime schedules. It also requires that the City establish schedules that are attentive to the needs of individual employees while also assuring prompt, efficient and cost effective public service.

A special work schedule implemented according to the above procedure may be terminated at the end of a pay period by the City Manager, the Department Director, or upon request of the employee upon three (3) weeks written notice to each other.

The City agrees to consider the needs and desires of employees requesting a special schedule. If the City denies a request for a special schedule, then the City will give the employee(s) the reasons for the denial in writing.

16.2 Reduction-In-Force

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in any Unit.

16.3 Grievance Procedure

Any employee covered by the Memorandum of Understanding may file a grievance.

(a) Purpose

To assure prompt and fair treatment of employee grievances related to employment.

(b) Definition

A grievance is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or the City's Administrative Policy.

(c) Limitations

A grievant and representative shall be allowed reasonable time during work hours to meet regarding any grievance as provided in this article without loss of pay. It is understood that the grievant and representatives shall:

- (i) provide their supervisor(s) with advance notice and request for such time;
- (ii) that such request will not be arbitrarily denied;
- (iii) that such time shall be charged on the grievant's/representative's timecard to the designated program code, if applicable.

Time limits may be extended by written mutual agreement of the parties.

(d) Procedures

Step I

The grievant will first attempt to resolve the grievance through informal discussions with successive levels of supervision beginning with his/her immediate supervisor through his/her department head. These discussions

must be initiated within ten (10) work days following knowledge of the incident upon which the grievance is based. Every attempt will be made by the parties to settle the issue at this level.

Step II

If the grievance is not resolved through the informal discussions, the employee may submit a written appeal to his/her department head within ten (10) work days after the informal meeting.

The written appeal must contain in clear, factual, and concise language:

1. A brief statement as to the date of the occurrence on which the grievance is based and the facts, as the grievant sees them;
2. The rule, regulation or act on which the grievance is based;
3. The action the grievant believes will resolve the grievance;
4. Signature of the employee.

The department head shall have ten (10) work days following receipt of the appeal to review the matter and prepare a written response. Copies shall go to all parties involved and the Human Resources Department.

Step III

If the grievance is not resolved, the grievant may, and upon approval of the Association, within five (5) work days following receipt of the department head's response, appeal to the City Manager, stating in writing the basis for the appeal. The grievant may, and upon approval of the association, have the option to request advisory arbitration. If advisory arbitration is requested the parties shall mutually agree on an arbitrator or request a list of five arbitrators from the California State Mediation and Conciliation Service. An arbitrator shall then be selected by the parties by alternately striking names. A hearing before the arbitrator shall be held as soon as practical and the arbitrator shall render a decision which shall be advisory to the City Manager.

The City Manager shall render a written decision to all parties directly involved within fifteen (15) work days following the date of the hearing with the City Manager or the optional advisory arbitration. This decision will be final.

16.4 Disciplinary Appeal Procedure

Any employee holding a regular appointment who is suspended, demoted, dismissed or had a salary reduction shall be entitled to be heard before the Personnel Board at a duly constituted meeting in accordance with the provisions contained in the City's Administrative Policy.

Article 17 ASSOCIATION PROVISIONS

17.1 Bulletin Boards

The Association shall have the use of designated bulletin board space to post material related to Association business.

The City shall determine the placement of bulletin boards and the portion of the board to be made available to the Association.

Any materials posted must be dated and initialed by the Association representative responsible for the posting.

At the time of the posting, a copy of the material must be given to the management representative designated for that bulletin board.

The Association shall remove posted material after it has served its purpose, usually within 30 days.

The Association agrees that nothing of a libelous, obscene, defamatory, or of a partisan political nature, shall be posted.

The Association agrees that this Article provides the right to post materials only on designated bulletin boards.

Any material posted in violation of this Article may be removed by the management representative designated for a particular bulletin board. If material is removed, the City shall notify the Association in writing of the removal and the reasons therefore.

17.2 Use of City Facilities and Equipment

The Association may be granted the use of City facilities subject to the following conditions:

- the meeting is during non-work hours;
- the meeting is for City employees;
- the meeting is not for organizing activities;
- the meeting is not for a membership drive;
- the Association makes a written request at least 24 hours in advance of the day it wants to use the facility, and stating the purpose of the meeting;
- and space is available.

The parties agree the City has the right to assess reasonable charges for the use of such facilities.

Use of City equipment, other than items normally used in the conduct of such business meetings, such as desks, chairs, and black/whiteboards, is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

17.3 Use of City E-mail System

The Association may use the City's e-mail system outside of work hours to post notices and results of elections, appointments of officers, to schedule and post notices of meetings, and to post notices of recreational, social and other organization events.

Per Section 2.24.100 of the Municipal Code, employees may only review and respond to such during non-work times.

17.4 Dues Deduction

Association dues and such other deductions as may be properly requested and lawfully permitted shall be deducted, in accordance with applicable state law, bi-weekly by the City from the salary of each employee who files with the City a written request that such deduction be made on their behalf.

Remittance of the aggregate amount of all deductions made pursuant to this Article shall be made to the Association by the City within thirty (30) days after such deductions are made. As soon as administratively possible, the City shall make such remittance by electronic transfer to the financial institution(s) as designated by the Association.

17.5 New Employee Roster/Orientation

The City shall provide the Association with a list of new Association hires including name, date of hire, classification and work location within one week of start date.

The Association may prepare a new employee information packet which shall be given by the City to employees during the Department of Human Resources orientation of new employees.

17.6 Release Time When Meeting With The City

If the President of the Association attends a mutually agreed upon meeting with the City, the President and up to three (3) designated Association Representatives, shall have reasonable release time to attend such meeting. Employees shall notify their supervisor or his/her designee as soon as possible in advance of such meeting. Travel time is included within the reasonable release time.

17.7 Association/Management Committee

The parties agree that regular meetings to explore mutual problems and issues will be beneficial to the relationship between the City and the Association. Consequently the parties agree to meet as needed to discuss any issue concerning the rights of either party or the relationship between the City and the Association or the City and employees the Association represents. The purpose of the meetings is to exchange information and to solve problems and issues.

The Association may have up to three (3) representatives attend these meetings. Association representatives shall receive reasonable release time to participate in these meetings.

The specific schedule and agenda shall be mutually agreed by the parties.

Article 18 RENEGOTIATIONS

18.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.

If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

Article 19 PAY DATE

Pursuant to the City's Compensation Policy, payday is normally on the Thursday following the end of the pay period, but may deviate because of a holiday in the pay period or due to an emergency. It is understood that at such time that the payday is changed City-wide, such change shall be applied to the Association.

Article 20 HRIS/FINANCIAL SYSTEM

The City contemplates implementing a new HRIS / Financial System during the term of this MOU. Accordingly, the parties agree to re-open MOU terms, as necessary, in order to implement any new system. The City agrees that the re-opener negotiations will not result in any material diminution in compensation.

City of Sunnyvale

Sunnyvale Managers Association

Deanna J. Santana, City Manager

Robert van Heusen, President

Teri Silva, Director of Human
Resources

Tony Pineda, Vice President

Date

Date

EXHIBIT A

Classifications Represented by the Sunnyvale Managers Association

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0305 | Administrative Librarian |
| 0309 | Administrative Services Manager: Utility Billing |
| 0217 | Affordable Housing Manager |
| 0206 | Assistant City Engineer |
| 0205 | Assistant Director of Public Works/City Engineer |
| 0367 | Budget Analyst I |
| 0368 | Budget Analyst II |
| 0388 | City Property Administrator |
| 0369 | Civilian Fire Marshal |
| 0316 | Communications Officer |
| 0342 | Community Resources Manager |
| 0213 | Community Services Manager |
| 0260 | Economic Development Manager |
| 0301 | Employment Training Manager |
| 0326 | Environmental Programs Manager |
| 0361 | Finance Manager: Accounting |
| 0380 | Fleet Manager |
| 0327 | Golf Operations Manager |
| 0302 | Head Golf Professional |
| 0202 | Housing Officer |
| 0338 | Internal Auditor |
| 0390 | Laboratory/Pretreatment Manager |
| 0303 | Library Circulation Manager |
| 0274 | Management Analyst: Employment Development |
| 0276 | Management Analyst: Public Safety |
| 0209 | Manager of Business Operations |
| 0211 | Manager of Job Seeker Services |
| 0332 | Manager, Applications Development |
| 0324 | Manager, Bureau of Technical Services – Public Safety |
| 0331 | Manager, Information Technology Services |
| 0204 | Neighborhood Preservation Manager |
| 0329 | Operations Manager: Facilities |
| 0330 | Parks Manager |
| 0230 | Planning Officer |
| 0375 | Program Quality and Operations Manager |

| <u>Job Code</u> | <u>Classification</u> |
|-----------------|---|
| 0245 | Public Safety Communications Manager |
| 0246 | Public Safety Records Manager |
| 0362 | Purchasing Officer |
| 0218 | Regulatory Programs Division Manager |
| 0373 | Senior Engineer |
| 0374 | Senior Environmental Engineer |
| 0339 | Senior Internal Auditor |
| 0322 | Senior Management Analyst |
| 0275 | Solid Waste Programs Division Manager |
| 0353 | Street Operations Manager |
| 0210 | Superintendent of Building Inspection |
| 0216 | Superintendent of Community Services |
| 0212 | Superintendent of Facilities Maintenance |
| 0222 | Superintendent of Parks and Golf |
| 0270 | Superintendent of Public Works Operations |
| 0223 | Superintendent of Trees and Landscape |
| 0310 | Supervising Librarian |
| 0290 | Transportation and Traffic Manager |
| 0363 | Treasury Manager |
| 0344 | Urban Landscape Manager |
| 0315 | Utility Billing Manager |
| 0352 | Wastewater Operations Manager |
| 0201 | Water and Sewer Systems Division Manager |
| 0351 | Water Operations Manager |
| 0295 | Water Pollution Control Division Manager |
| 0395 | Water Pollution Control Maintenance Manager |
| 0396 | Water Pollution Control Operations Manager |
| 0284 | Youth and Family Resources Manager |

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AMENDING RESOLUTION NO. 190-05, THE CITY'S SALARY RESOLUTION, BY AMENDING THE PAY SCHEDULE AND BENEFITS FOR EMPLOYEES REPRESENTED BY SUNNYVALE MANAGERS ASSOCIATION AND THE PAY SCHEDULE FOR THE UNREPRESENTED CLASSIFIED MANAGEMENT POSITION OF ASSISTANT DIRECTOR OF FINANCE

WHEREAS, pursuant to the Memorandum of Understanding (MOU) between the City of Sunnyvale and the Sunnyvale Managers Association ("SMA"), past practice, and agreement with SMA regarding classification of the Assistant Director of Finance, amendments to the pay plan schedule and employee benefits must be included in the City's Salary Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Resolution No. 190-05 is hereby amended by amending the pay rates and benefits for Pay Plan Category E (Sunnyvale Managers Association), and the pay rate for the Assistant Director of Finance, as set forth in Exhibit "A" attached and incorporated by reference.
2. All other provisions of Resolution No. 190-05 shall remain in full force and effect.
3. The Salary Resolution amendments and pay rates described above shall be effective July 5, 2015 unless otherwise noted.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on _____, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Excerpts of the Salary Table - Showing only SMA Classifications

Effective July 1, 2015

Effective July 3, 2016

Effective July 2, 2017

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|---|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0305 | ADMINISTRATIVE LIBRARIAN | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0309 | ADMINISTRATIVE SERVICES MANAGER: UTILITY BILLING | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0217 | AFFORDABLE HOUSING MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0206 | ASSISTANT CITY ENGINEER | Mgmt-SMA | E | 19MA | 123,891 | | | | | 145,755 | 7/1/2015 |
| 0205 | ASSISTANT DIRECTOR OF PUBLIC WORKS/CITY ENGINEER | Mgmt-SMA | E | 21 | 146,538 | | | | | 172,398 | 7/1/2015 |
| 0258 | ASSISTANT TO THE DIRECTOR OF PARKS AND RECREATION | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0367 | BUDGET ANALYST I | Mgmt-SMA | E | 16 | 89,393 | | | | | 105,167 | 7/1/2015 |
| 0368 | BUDGET ANALYST II | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0388 | CITY PROPERTY ADMINISTRATOR | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0369 | CIVILIAN FIRE MARSHAL | Mgmt-SMA | E | 28 | 133,700 | | | | | 157,294 | 7/1/2015 |
| 0316 | COMMUNICATIONS OFFICER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0342 | COMMUNITY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0213 | COMMUNITY SERVICES MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0260 | ECONOMIC DEVELOPMENT MANAGER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0301 | EMPLOYMENT TRAINING MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0326 | ENVIRONMENTAL PROGRAMS MANAGER | Mgmt-SMA | E | 18MA | 110,266 | | | | | 129,714 | 7/1/2015 |
| 0361 | FINANCE MANAGER: ACCOUNTING | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0380 | FLEET MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0327 | GOLF OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0302 | HEAD GOLF PROFESSIONAL | Mgmt-SMA | E | 15 | 82,771 | | | | | 97,378 | 7/1/2015 |
| 0202 | HOUSING OFFICER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0338 | INTERNAL AUDITOR | Mgmt-SMA | E | 16 | 89,393 | | | | | 105,167 | 7/1/2015 |
| 0390 | LABORATORY/PRETREATMENT MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0303 | LIBRARY CIRCULATION MANAGER | Mgmt-SMA | E | 15 | 82,771 | | | | | 97,378 | 7/1/2015 |
| 0274 | MANAGEMENT ANALYST: EMPLOYMENT DEVELOPMENT | Mgmt-SMA | E | 16 | 89,393 | | | | | 105,167 | 7/1/2015 |
| 0276 | MANAGEMENT ANALYST: PUBLIC SAFETY | Mgmt-SMA | E | 16 | 89,393 | | | | | 105,167 | 7/1/2015 |
| 0209 | MANAGER OF BUSINESS OPERATIONS | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0211 | MANAGER OF JOB SEEKER SERVICES | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0332 | MANAGER, APPLICATIONS DEVELOPMENT | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0324 | MANAGER, BUREAU OF TECHNICAL SERVICES - PUBLIC SAFETY | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0331 | MANAGER, INFORMATION TECHNOLOGY SERVICES | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|--|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0204 | NEIGHBORHOOD PRESERVATION MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0329 | OPERATIONS MANAGER: FACILITIES | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0330 | PARKS MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0230 | PLANNING OFFICER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0375 | PROGRAM QUALITY AND OPERATIONS MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0245 | PUBLIC SAFETY COMMUNICATIONS MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0246 | PUBLIC SAFETY RECORDS MANAGER | Mgmt-SMA | E | 29 | 85,248 | | | | | 100,291 | 7/1/2015 |
| 0362 | PURCHASING OFFICER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0218 | REGULATORY PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0275 | SOLID WASTE PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0373 | SR ENGINEER | Mgmt-SMA | E | 26 | 112,121 | | | | | 131,789 | 7/1/2015 |
| 0374 | SR ENVIRONMENTAL ENGINEER | Mgmt-SMA | E | 26 | 112,121 | | | | | 131,789 | 7/1/2015 |
| 0339 | SR INTERNAL AUDITOR | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0322 | SR MANAGEMENT ANALYST | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0353 | STREET OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0210 | SUPERINTENDENT OF BUILDING INSPECTION | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0216 | SUPERINTENDENT OF COMMUNITY SERVICES | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0212 | SUPERINTENDENT OF FACILITIES MAINTENANCE | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0222 | SUPERINTENDENT OF PARKS AND GOLF | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0270 | SUPERINTENDENT OF PUBLIC WORKS OPERATIONS | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0223 | SUPERINTENDENT OF TREES AND LANDSCAPE | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0310 | SUPERVISING LIBRARIAN | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0290 | TRANSPORTATION AND TRAFFIC MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0363 | TREASURY MANAGER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0344 | URBAN LANDSCAPE MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0315 | UTILITY BILLING MANAGER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0352 | WASTEWATER OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 96,538 | | | | | 113,573 | 7/1/2015 |
| 0201 | WATER & SEWER SYSTEMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0351 | WATER OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |
| 0396 | WATER POLLUTION CONTROL OPERATIONS MANAGER | Mgmt-SMA | E | 19 | 116,818 | | | | | 137,434 | 7/1/2015 |
| 0395 | WPC MAINTENANCE MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|------------------------------------|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0295 | WPCP DIVISION MANAGER | Mgmt-SMA | E | 20 | 130,837 | | | | | 153,926 | 7/1/2015 |
| 0284 | YOUTH AND FAMILY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 108,346 | | | | | 127,465 | 7/1/2015 |

Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution

MGMT-SMA and MGMT-PSMA:

Category E, applies to Represented Classified Management Employees

Pay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|---|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0305 | ADMINISTRATIVE LIBRARIAN | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0309 | ADMINISTRATIVE SERVICES MANAGER: UTILITY BILLING | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0217 | AFFORDABLE HOUSING MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0206 | ASSISTANT CITY ENGINEER | Mgmt-SMA | E | 19MA | 126,988 | | | | | 149,399 | 7/3/2016 |
| 0205 | ASSISTANT DIRECTOR OF PUBLIC WORKS/CITY ENGINEER | Mgmt-SMA | E | 21 | 150,202 | | | | | 176,708 | 7/3/2016 |
| 0258 | ASSISTANT TO THE DIRECTOR OF PARKS AND RECREATION | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0367 | BUDGET ANALYST I | Mgmt-SMA | E | 16 | 91,628 | | | | | 107,796 | 7/3/2016 |
| 0368 | BUDGET ANALYST II | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0388 | CITY PROPERTY ADMINISTRATOR | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0369 | CIVILIAN FIRE MARSHAL | Mgmt-SMA | E | 28 | 137,042 | | | | | 161,226 | 7/3/2016 |
| 0316 | COMMUNICATIONS OFFICER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0342 | COMMUNITY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0213 | COMMUNITY SERVICES MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0260 | ECONOMIC DEVELOPMENT MANAGER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0301 | EMPLOYMENT TRAINING MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0326 | ENVIRONMENTAL PROGRAMS MANAGER | Mgmt-SMA | E | 18MA | 113,023 | | | | | 132,957 | 7/3/2016 |
| 0361 | FINANCE MANAGER: ACCOUNTING | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0380 | FLEET MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0327 | GOLF OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0302 | HEAD GOLF PROFESSIONAL | Mgmt-SMA | E | 15 | 84,840 | | | | | 99,812 | 7/3/2016 |
| 0202 | HOUSING OFFICER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0338 | INTERNAL AUDITOR | Mgmt-SMA | E | 16 | 91,628 | | | | | 107,796 | 7/3/2016 |
| 0390 | LABORATORY/PRETREATMENT MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0303 | LIBRARY CIRCULATION MANAGER | Mgmt-SMA | E | 15 | 84,840 | | | | | 99,812 | 7/3/2016 |
| 0274 | MANAGEMENT ANALYST: EMPLOYMENT DEVELOPMENT | Mgmt-SMA | E | 16 | 91,628 | | | | | 107,796 | 7/3/2016 |
| 0276 | MANAGEMENT ANALYST: PUBLIC SAFETY | Mgmt-SMA | E | 16 | 91,628 | | | | | 107,796 | 7/3/2016 |
| 0209 | MANAGER OF BUSINESS OPERATIONS | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0211 | MANAGER OF JOB SEEKER SERVICES | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0332 | MANAGER, APPLICATIONS DEVELOPMENT | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0324 | MANAGER, BUREAU OF TECHNICAL SERVICES - PUBLIC SAFETY | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0331 | MANAGER, INFORMATION TECHNOLOGY SERVICES | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|--|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0204 | NEIGHBORHOOD PRESERVATION MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0329 | OPERATIONS MANAGER: FACILITIES | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0330 | PARKS MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0230 | PLANNING OFFICER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0375 | PROGRAM QUALITY AND OPERATIONS MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0245 | PUBLIC SAFETY COMMUNICATIONS MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0246 | PUBLIC SAFETY RECORDS MANAGER | Mgmt-SMA | E | 29 | 87,379 | | | | | 102,798 | 7/3/2016 |
| 0362 | PURCHASING OFFICER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0218 | REGULATORY PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0275 | SOLID WASTE PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0373 | SR ENGINEER | Mgmt-SMA | E | 26 | 114,924 | | | | | 135,084 | 7/3/2016 |
| 0374 | SR ENVIRONMENTAL ENGINEER | Mgmt-SMA | E | 26 | 114,924 | | | | | 135,084 | 7/3/2016 |
| 0339 | SR INTERNAL AUDITOR | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0322 | SR MANAGEMENT ANALYST | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0353 | STREET OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0210 | SUPERINTENDENT OF BUILDING INSPECTION | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0216 | SUPERINTENDENT OF COMMUNITY SERVICES | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0212 | SUPERINTENDENT OF FACILITIES MAINTENANCE | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0222 | SUPERINTENDENT OF PARKS AND GOLF | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0270 | SUPERINTENDENT OF PUBLIC WORKS OPERATIONS | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0223 | SUPERINTENDENT OF TREES AND LANDSCAPE | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0310 | SUPERVISING LIBRARIAN | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0290 | TRANSPORTATION AND TRAFFIC MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0363 | TREASURY MANAGER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0344 | URBAN LANDSCAPE MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0315 | UTILITY BILLING MANAGER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0352 | WASTEWATER OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 98,951 | | | | | 116,412 | 7/3/2016 |
| 0201 | WATER & SEWER SYSTEMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0351 | WATER OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |
| 0396 | WATER POLLUTION CONTROL OPERATIONS MANAGER | Mgmt-SMA | E | 19 | 119,739 | | | | | 140,870 | 7/3/2016 |
| 0395 | WPC MAINTENANCE MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|------------------------------------|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0295 | WPCP DIVISION MANAGER | Mgmt-SMA | E | 20 | 134,108 | | | | | 157,774 | 7/3/2016 |
| 0284 | YOUTH AND FAMILY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 111,055 | | | | | 130,652 | 7/3/2016 |

Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution

MGMT-SMA and MGMT-PSMA:

Category E, applies to Represented Classified Management Employees

Pay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|---|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0305 | ADMINISTRATIVE LIBRARIAN | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0309 | ADMINISTRATIVE SERVICES MANAGER: UTILITY BILLING | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0217 | AFFORDABLE HOUSING MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0206 | ASSISTANT CITY ENGINEER | Mgmt-SMA | E | 19MA | 128,893 | | | | | 151,640 | 7/2/2017 |
| 0205 | ASSISTANT DIRECTOR OF PUBLIC WORKS/CITY ENGINEER | Mgmt-SMA | E | 21 | 152,455 | | | | | 179,359 | 7/2/2017 |
| 0258 | ASSISTANT TO THE DIRECTOR OF PARKS AND RECREATION | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0367 | BUDGET ANALYST I | Mgmt-SMA | E | 16 | 93,002 | | | | | 109,413 | 7/2/2017 |
| 0368 | BUDGET ANALYST II | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0388 | CITY PROPERTY ADMINISTRATOR | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0369 | CIVILIAN FIRE MARSHAL | Mgmt-SMA | E | 28 | 139,098 | | | | | 163,645 | 7/2/2017 |
| 0316 | COMMUNICATIONS OFFICER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0342 | COMMUNITY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0213 | COMMUNITY SERVICES MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0260 | ECONOMIC DEVELOPMENT MANAGER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0301 | EMPLOYMENT TRAINING MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0326 | ENVIRONMENTAL PROGRAMS MANAGER | Mgmt-SMA | E | 18MA | 114,718 | | | | | 134,951 | 7/2/2017 |
| 0361 | FINANCE MANAGER: ACCOUNTING | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0380 | FLEET MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0327 | GOLF OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0302 | HEAD GOLF PROFESSIONAL | Mgmt-SMA | E | 15 | 86,113 | | | | | 101,310 | 7/2/2017 |
| 0202 | HOUSING OFFICER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0338 | INTERNAL AUDITOR | Mgmt-SMA | E | 16 | 93,002 | | | | | 109,413 | 7/2/2017 |
| 0390 | LABORATORY/PRETREATMENT MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0303 | LIBRARY CIRCULATION MANAGER | Mgmt-SMA | E | 15 | 86,113 | | | | | 101,310 | 7/2/2017 |
| 0274 | MANAGEMENT ANALYST: EMPLOYMENT DEVELOPMENT | Mgmt-SMA | E | 16 | 93,002 | | | | | 109,413 | 7/2/2017 |
| 0276 | MANAGEMENT ANALYST: PUBLIC SAFETY | Mgmt-SMA | E | 16 | 93,002 | | | | | 109,413 | 7/2/2017 |
| 0209 | MANAGER OF BUSINESS OPERATIONS | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0211 | MANAGER OF JOB SEEKER SERVICES | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0332 | MANAGER, APPLICATIONS DEVELOPMENT | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0324 | MANAGER, BUREAU OF TECHNICAL SERVICES - PUBLIC SAFETY | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0331 | MANAGER, INFORMATION TECHNOLOGY SERVICES | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |

City of Sunnyvale
Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|--|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0204 | NEIGHBORHOOD PRESERVATION MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0329 | OPERATIONS MANAGER: FACILITIES | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0330 | PARKS MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0230 | PLANNING OFFICER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0375 | PROGRAM QUALITY AND OPERATIONS MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0245 | PUBLIC SAFETY COMMUNICATIONS MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0246 | PUBLIC SAFETY RECORDS MANAGER | Mgmt-SMA | E | 29 | 88,690 | | | | | 104,340 | 7/2/2017 |
| 0362 | PURCHASING OFFICER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0218 | REGULATORY PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0275 | SOLID WASTE PROGRAMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0373 | SR ENGINEER | Mgmt-SMA | E | 26 | 116,648 | | | | | 137,110 | 7/2/2017 |
| 0374 | SR ENVIRONMENTAL ENGINEER | Mgmt-SMA | E | 26 | 116,648 | | | | | 137,110 | 7/2/2017 |
| 0339 | SR INTERNAL AUDITOR | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0322 | SR MANAGEMENT ANALYST | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0353 | STREET OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0210 | SUPERINTENDENT OF BUILDING INSPECTION | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0216 | SUPERINTENDENT OF COMMUNITY SERVICES | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0212 | SUPERINTENDENT OF FACILITIES MAINTENANCE | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0222 | SUPERINTENDENT OF PARKS AND GOLF | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0270 | SUPERINTENDENT OF PUBLIC WORKS OPERATIONS | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0223 | SUPERINTENDENT OF TREES AND LANDSCAPE | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0310 | SUPERVISING LIBRARIAN | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0290 | TRANSPORTATION AND TRAFFIC MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0363 | TREASURY MANAGER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0344 | URBAN LANDSCAPE MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0315 | UTILITY BILLING MANAGER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0352 | WASTEWATER OPERATIONS MANAGER | Mgmt-SMA | E | 17 | 100,436 | | | | | 118,159 | 7/2/2017 |
| 0201 | WATER & SEWER SYSTEMS DIVISION MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0351 | WATER OPERATIONS MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |
| 0396 | WATER POLLUTION CONTROL OPERATIONS MANAGER | Mgmt-SMA | E | 19 | 121,535 | | | | | 142,983 | 7/2/2017 |
| 0395 | WPC MAINTENANCE MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |

Salary Table - Regular Full-Time and Part-Time Classifications

| Job Code | Job Title | Unit | Pay Categories | Range / Scale | Min. range / Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Max. range / Step 6 | Effective Date |
|----------|------------------------------------|----------|----------------|---------------|---------------------|--------|--------|--------|--------|---------------------|----------------|
| 0295 | WPCP DIVISION MANAGER | Mgmt-SMA | E | 20 | 136,120 | | | | | 160,141 | 7/2/2017 |
| 0284 | YOUTH AND FAMILY RESOURCES MANAGER | Mgmt-SMA | E | 18 | 112,720 | | | | | 132,611 | 7/2/2017 |

Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution

MGMT-SMA and MGMT-PSMA:

Category E, applies to Represented Classified Management Employees

Pay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

CITY OF SUNNYVALE
SALARY RESOLUTION
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CITY OF SUNNYVALE

SALARY RESOLUTION

1.000. PAY PLAN SCHEDULES. The schedule of pay for each classification in the Classified Service and in the Unclassified Service enumerated by pay category in Sections 2.000, 2.100, 2.200, 2.450, 2.500, 2.600, 2.700, and 2.900 consists of hourly pay rates for each available step in each classification. The schedule of pay for Unclassified and Classified Management classifications enumerated by pay category in Sections 2.300, 2.400, and 2.800 consists of the annual control point for each classification. Pay Plan Schedules A through L apply to employee categories as follows:

The section in which each classification is assigned to a pay range is indicated in parentheses () following the definition of the category.

Pay Plan Category A applies to employees represented by the Communications Officers Association (COA) (Section 2.000).

Pay Plan Category B applies to employees represented by the Sunnyvale Employees Association (SEA) (Section 2.100).

Pay Plan Category C applies to employees represented by the Public Safety Officers Association (PSOA) (Section 2.200).

Pay Plan Category D/E applies to unrepresented **Classified Management** employees, ~~and employees represented by the Sunnyvale Managers Association (SMA).~~ This category represents first-line supervisors, mid-management, and staff level employees who plan and implement established City programs, budgets, and policy (Section 2.300).

Pay Plan Category E applies to employees represented by the Sunnyvale Managers Association (SMA). This category represents first-line supervisors, mid-management, and staff level employees who plan and implement established City programs, budgets, and policy (Section 2.300).

Pay Plan Category F applies to employees in Unclassified **Department Director** positions who report directly to the City Manager. These classes are the highest level management positions at the department level. Employees in these positions are responsible for overall direction of their respective department operations within the context of City policy (Section 2.400).

Pay Plan Category G applies to unrepresented **Classified Confidential** employees (Section 2.450). [Note: For purposes of wage increases/decreases, benefits and leaves, Category G employees receive the same treatment as Category B employees, except as provided in Section

3.110 and Section 3.310.].

Pay Plan Category J applies to the **Unclassified** classifications listed under the **Job Training Partnership Act (JTPA)** (Section 2.700).

Pay Plan Category K applies to employees in unrepresented **Unclassified Management** classifications appointed directly by the City Attorney (Section 2.800).

Pay Plan Category L applies to **Classified Regular Part-time** employees represented by the Service Employee International Union (SEIU) (Section 2.900).

The Pay Ranges and Rates for each Subclass of a classification for which subclasses have been established shall be as set forth for the applicable classification.

The effective dates for each Pay Plan are indicated on the respective Pay Plan Schedules as set forth in Exhibit "A" (posted Salary Tables).

1.050. RETROACTIVE PAYMENT. SEPARATED/RETIRED EMPLOYEES. Retroactive salary adjustments which occur as a result of a collective bargaining settlement will be provided to those employees who are actively employed by the City at the time of the Memorandum of Understanding adoption by the City Council, and to those employees who have retired between the effective date for retroactivity and date of adoption by the City Council. Any employees who have separated or have been terminated prior to this adoption will not be eligible for any retroactive adjustments. Retroactivity will be provided for salary adjustment only. To be eligible for any other salary adjustment as a result of MOU provisions, the employee must be employed as of the established effective date of such action.

1.100. MANDATED DEDUCTIONS. Any state or federally mandated deductions are made in accordance with applicable law.

All employees hired after April 1986 shall be covered by Medicare. The employee and the City will each contribute the mandated percentage of the employee's wage toward the cost of Medicare.

Unemployment insurance is provided to employees at no cost to the employee.

2.000 THROUGH 2.900. ASSIGNMENT OF PAY RANGES AND RATES TO PAY PLAN. All Pay Ranges and Rates are contained in Exhibit "A" (posted Salary Tables) and incorporated by this reference.

3.000. LEAVE BENEFITS. The enumerated leave benefits are part of the Pay Plan or applicable Memoranda of Understanding.

3.010. LEAVE AUTHORIZATION. All leaves, with the exception of those of Category K members, must be approved in advance by the City Manager or designated Management

representative under established procedure. Leaves of Category K members must be approved in advance by the City Attorney.

3.020. LEAVE BENEFITS. TO WHOM APPLICABLE. Except as otherwise provided for herein, leave benefits are applicable to employees in Pay Plan Categories A, B, C, ~~D~~, E, F, G, K and L.

3.030. LEAVE PAYMENT. All leave time shall be paid at the hourly straight time rate. Only one type of paid leave shall be paid at any given time and when paid shall be to the exclusion of any other paid time.

3.040. LEAVE SUBSTITUTION. No leave may be substituted for the authorized leave once the employee is on leave except as provided in the Administrative Policy; nor may any leave be authorized in addition to another leave for the same period.

3.100. PAID TIME OFF LEAVE (PTO) AND PAID MEDICAL LEAVE (PML).
MANAGEMENT.

(a) Employees in Categories D, F and K are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, disability/illness, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The minimum advance notice is 1 week. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

(b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave, except in Section 3.100. (k) that employees use PTO or any other leave balance available to him/her to supplement workers' compensation benefits as provided by state law. Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

- (c) The accrual rates are listed below:

TABLE A

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/yr | Days/yr |
|---------------------------------------|--------------|---------------|--------------------------------|----------------|
| 1-26.99 | 0 to 1 | 6.5 | 169 | 21 |
| 27-130.99 | 1+ to 5 | 7.5 | 195 | 24 |
| 131-260.99 | 5+ to 10 | 9.0 | 234 | 29 |
| 261-442.99 | 10+ to 17 | 10.5 | 273 | 34 |
| 443-650.99 | 17 to 25 | 11.5 | 299 | 37 |
| 651+ | 25+ | 12.0 | 312 | 39 |

- (d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours (21.75 weeks, 108.75 work days). After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/Yr | Work Days/Yr |
|---------------------------------------|--------------|---------------|--------------------------------|-------------------------|
| 1-130.99 | 0 to 5 | 5.0 | 130 | 16 |
| 131-650.99 | 5+ to 25 | 6.5 | 169 | 21 |
| 651+ | 25+ | 8.0 | 208 | 27 |

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

- (e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

- (f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

- (g) For a newly-hired Category F employee, the City Manager may authorize an initial accrual rate higher than that provided in the above and/or an initial credit of hours. Such provision will be documented in the offer letter to the employee.

- (h) For a newly-hired Category K employee, the City Attorney may authorize an initial accrual rate higher than that provided in the above and/or an initial credit of hours. Such provision will be documented in the offer letter to the employee.

(i) PTO and Separation/Retirement. PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(j) PTO and Paid Medical Leave. After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) disability, beginning with work hour 121 through 90 calendar days of disability. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No disability leave will be provided until this requirement is satisfied.

To access the Paid Medical Leave (full pay from 16-90 calendar days), an employee must provide acceptable written medical documentation showing that the disability is a single disability, whether continuous time off has been taken or not for that disability. The first 120 hours of a single disability are charged to the employee's PTO bank. Hours 121 up through the maximum of calendar day 90 are eligible for coverage under the Disability Leave Benefit.

After 90 calendar days of (same occurrence) disability, the disabled employee shall be eligible to apply for Long Term Disability coverage as outlined in Section 3.630. In addition, if, after having been off work for 121 hours on a same disability and becoming eligible for disability leave pay, the disabled employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for disability pay for the part of the day that the employee is unable to work.

(k) PTO and Workers' Compensation. Employees will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, have it paid off, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) disability, beginning with workday 1 through 60 calendar days of disability. After 60 calendar days of (same occurrence) work-related disability, the disabled employee shall be eligible to apply for Long Term Disability coverage as outlined in Section 3.630.

(l) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.

(m) Employees in Categories ~~D~~^E, F and K will have the option to cash-out up to 80 hours of PTO once at the end of each payroll calendar year. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

3.110. PAID TIME OFF LEAVE (PTO) AND PAID MEDICAL LEAVE (PML).
CONFIDENTIAL EMPLOYEES.

(a) Employees in Category G are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, illness or injury, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, floating holiday, holiday, and workers' compensation leave. Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The minimum advance notice is 1 week. The City may at any time require written verification from a physician for a non-preplanned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

(b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave. Time off is paid provided there is adequate PTO accrual to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

(c) The accrual rates are listed below:

| Service Period Pay Periods | Years | Hrs/pp | Accrual Rate Hrs/Yr | Days/Yr* |
|---------------------------------------|--------------|---------------|--------------------------------|-----------------|
| 1-26 | 0 to 1 | 5.5 | 143 | 17.875 |
| 27-130 | 1+ to 5 | 6.5 | 169 | 21.125 |
| 131-260 | 5+ to 10 | 8.0 | 208 | 26.000 |
| 261-650 | 10+ to 25 | 9.5 | 247 | 30.875 |
| 651+ | 25+ | 11.0 | 286 | 35.750 |

*Based on an eight hour/day schedule.

(d) Accruals will stop at 700 hours (maximum cap) until total accrual is reduced below 700.

(e) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(f) PTO and Separation/Retirement. PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(g) PTO and PML. After 26 consecutive pay periods of service, the City shall provide full pay for medically certified same illness or injury, beginning with work hour 121 through 90 calendar days of same illness or injury. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No Paid Medical Leave will be provided until this requirement is satisfied.

To access the Paid Medical Leave Benefit, an employee must provide acceptable written medical documentation showing that the illness or injury is a single illness or injury, whether continuous time off has been taken or not for that illness or injury. The first 120 hours of a single illness or injury are charged to the employee's PTO bank. Hours 121 up through the maximum of calendar day 90 are eligible for coverage under the Paid Medical Leave Benefit.

After 90 calendar days of Paid Medical Leave, the employee shall be eligible to apply for Long-Term Disability coverage as outlined in Section 3.630. In addition, if, after having been off work for 120 hours on a same illness or injury and becoming eligible for Paid Medical Leave, the employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for Paid Medical Leave for the part of the day that the employee is unable to work.

(h) PTO and Workers' Compensation. During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, have it paid off, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related same illness or injury, beginning with workday 1 through 90 calendar days of illness or injury. After 90 calendar days of a work-related same illness or injury, the employee shall be eligible to apply for Long-Term Disability coverage as outlined in Section 3.630.

(i) Employees in Category G will have the option to cash-out up to 80 hours of PTO once at the end of each payroll calendar year. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the

minimum number of hours that may be cashed-out is 8.

3.200. **BEREAVEMENT LEAVE.** Employees in Categories D, F and K are entitled to bereavement leave where death has occurred to an employee's spouse or registered domestic partner, father, mother, son, daughter, brother, sister, grandparents or grandchildren, or to the father, mother, son, daughter, brother, sister, grandparents or grandchildren of an employee's spouse or registered domestic partner. The City reserves the right to require proof of death from the employee. Employees in Categories D, F and K shall be entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment.

3.300. **HOLIDAY LEAVE.** Employees in Categories B, C (except those scheduled to work holidays), ~~D~~₂, E, F and K who were on pay status both before and after each holiday shall be entitled to take leave on each of the following holidays and be paid at the straight time rate, except as provided in Section 3.320.

CITY OBSERVED HOLIDAYS

| | | |
|------------------------|----------------|----------------------------------|
| Independence Day | Christmas Eve | Martin Luther King, Jr. Birthday |
| Labor Day | Christmas Day | President's Holiday |
| Thanksgiving Day | New Year's Eve | Memorial Day |
| Day After Thanksgiving | New Year's Day | |

When a City holiday falls on a Saturday the holiday will be observed on the Friday; when a holiday falls on a Sunday, the holiday will be observed on Monday; or as designated by the City Council.

3.310. **FLOATING HOLIDAY LEAVE.** Employees in Categories ~~D~~₂, E, F, G and K shall be credited with 20 hours of floating holiday leave at the beginning of each payroll calendar year. New employees shall be credited with a pro-rata share based upon the proportion of the payroll calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to the approval of the employee's supervisor.

Employees terminating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation. Employees who have used less than their pro-rated allotment for the portion of the payroll calendar year worked shall have the balance paid to them on their final paycheck. Employees who have used more than their pro-rated allotment for the portion of the payroll calendar year worked, shall have the overage deducted from their final paycheck.

Further, employees in Categories ~~D~~₂, E, F, G and K who have unused floating holiday hours at the end of the payroll calendar year have the option of having all of the unused hours either paid in cash or added to their PTO balance if such addition does not exceed the maximum accrual

allowed for PTO.

3.320. SPECIAL SCHEDULE. HOLIDAY LEAVE. Holiday leave for employees on a Special Schedule is paid in accordance with policies set forth in the Special Schedule Agreement, applicable MOU, or in the Administrative Policy Manual as the same exists or is amended hereafter.

3.400. JURY LEAVE. An employee is entitled to jury leave subject to conditions and limitations contained in the applicable MOU, or in the Administrative Policy Manual, as the same exists or is amended hereafter.

3.500. MILITARY LEAVE. Employees assigned to active military duty are entitled to military leave in accordance with the provisions of applicable State and Federal laws and the Administrative Policy Manual as the same exists or is amended hereafter. This leave is granted on a fiscal year basis.

3.550. MILITARY RESERVISTS. EXTENSION OF BENEFITS AND SUPPLEMENTAL SALARY.

(a) A person is eligible for the benefits established in this section if he or she meets all of the following qualifications:

- (1) Is an active probationary or regular part-time or full-time employee of the City in Pay Plan Categories A, B, C, D, ~~E~~, E, F, G, K or L;
- (2) Is a member of the Armed Forces, Naval Militia or National Guard;
- (3) Is called to active duty per Executive Order 13223 issued on September 14, 2001;
- (4) Returns to City employment within 60 days after the end of active duty status; and
- (5) Remains as an employee of the City for at least six months following his or her return to City employment.

Eligible employees will be required to sign an agreement with the City which details their rights and obligations with respect to these benefits and supplemental salary prior to their initial receipt of benefits beyond the mandatory 30 days of benefits otherwise provided by law. Employees who elect not to return to City service shall be required to repay the City for the cost of the supplementary salary and benefits plus interest at the 26-week T-bill rate at the time that the final supplementary compensation was provided and for the period that exceeded the mandatory 30 days of benefits otherwise provided by law.

(b) The City will continue to pay a bi-weekly check to eligible employees equal to base

salary, plus any other compensation the employee would have received had he/she been actually working. The employee then will reimburse the City the amounts paid for military service plus allowances, including Basic Allowance for Housing.

(c) Eligible employees will be required to send copies of their military pay stubs to the Department of Human Resources for purposes of reconciliation. The payments will be reconciled by the Payroll unit of the Accounting Division of the Department of Finance. If the Payroll unit has not received the copies within three weeks after the end of the month, future checks will be withheld until the information is provided.

(d) All employees who receive the benefits and supplemental salary under this section will be eligible to remain covered under their current retirement, medical, dental, employee assistance, and vision plans while Executive Order 13223 remains active or until such time as Council takes action to amend or discontinue such benefits and supplemental salary. The City will provide eligible employees, along with the supplemental salary, the amount that the City currently contributes toward the benefits plans. If the employee is currently paying a deduction toward these plans, the employee will continue to make those payments.

3.600. PAID MEDICAL LEAVE. NONMANAGEMENT ENTITLEMENT. Employees in Categories B and C qualify for Paid Medical Leave (PML) after completion of twenty-six (26) consecutive pay periods from the date of original appointment; provided, however, that employees may be authorized up to 40 hours of interim PML from the date of employment for the first 26 pay periods; provided, however, that at the conclusion of the 26th pay period the interim PML shall terminate, including any unused amount. The total allowable paid interim PML leave for employees in Categories B and C for work- related and non-work related illness or injury combined is 40 hours.

3.610. PAID MEDICAL LEAVE. NONMANAGEMENT PROVISIONS. For employees in Categories B and C upon completion of the 26th consecutive pay periods of service; the City shall provide regular salary for Paid Medical Leave (PML), less any coverage provided by any other insurance program for the first 90 calendar days of illness or injury.

3.620. PAID MEDICAL LEAVE. AUTHORIZATION. Paid Medical leave may be authorized by Management staff in accordance with procedures set forth in the applicable MOU or Administrative Policy Manual as the same now exists or is hereafter amended.

3.625. STATE DISABILITY INSURANCE (SDI), INCLUDING PAID FAMILY LEAVE INSURANCE (PFLI). Category L employees are eligible for SDI benefits in accordance with the applicable MOU. Benefits are provided due to non-work related disability. The cost is paid by

employee. SDI includes Paid Family Leave Insurance. These programs are administered by the State of California.

3.630. LONG TERM DISABILITY. For employees in Categories A, B, D~~/~~E and K, the City shall provide, after completion of 26 consecutive pay periods of service, income protection insurance which will take effect after 90 calendar days from the original date of disability and which, subject to standard policy provisions, exclusions and limitations, will pay 2/3 of the employee's salary while the employee is disabled and unable to work. For employees in Category F, income protection insurance is provided as of the first of the month after date of hire. Eligibility and procedural limitations are set forth in the Administrative Policy Manual and the current Long Term Disability contract as the same now exists or is hereafter amended. For employees in Category C, the Public Safety Officers Association shall contract with a long-term disability insurance provider and make long-term disability insurance available to represented employees in accordance with provisions of the MOU.

3.640. PAID MEDICAL LEAVE REQUIREMENT WAIVER. For employees in Categories D~~/~~E, F and K, the requirement of 26 pay periods of service for eligibility for City-provided Paid Medical Leave, i.e., full pay for a medically certified (same occurrence) ~~disability illness/injury~~ beginning with ~~work hour 81 through 90 calendar days of disability for Category E; and work hour 121 through 90 calendar days for Categories D, F and K; work hour 101 through 90 calendar days for Category E; and work hour 121 through 90 calendar days for Category E effective July 1, 2017;~~ may be waived by the City Manager in the case of catastrophic and/or life-threatening illness ~~or disability/injury~~.

3.700. MEDICAL APPOINTMENT LEAVE. For employees in Category C, medical appointment leave for employee appointments with medical doctors and dentists may be authorized after the employee has completed 26 consecutive pay periods of service. This leave will not exceed 2 hours during a standard daily work schedule.

3.800. VACATION LEAVE. Casual / Temporary employees hired prior to August 30, 1992 with 2,500 hours of City employment which is continuous or separated by no more than 26 pay periods of service are entitled to .1 hour of vacation leave for each hour of work. Casual/Temporary employees hired after August 30, 1992 are not entitled to vacation leave accrual.

3.810. VACATION LEAVE ACCUMULATION. USE. For Casual / Temporary employees hired prior to August 30, 1992, vacation leave may be accumulated up to 50 hours. Accumulated leave time unused at the end of the payroll calendar year will be paid at the

employee's current pay rate on one of the last paychecks of the payroll calendar year. Casual/Temporary employees who have accumulated 50 hours of vacation leave at any time shall not accrue additional vacation leave or be compensated for any unused vacation leave in excess of 50 hours.

Accrued vacation leave for all categories of employees shall be paid off to the employee on the employee's last day of work and will be included in the employee's final paycheck. The City Manager may, however, approve the utilization of available accrued vacation to extend the date of retirement, and in special circumstances, the date of separation.

3.900. MANAGEMENT. ADMINISTRATIVE LEAVE FOR MANAGEMENT. Employees in Categories D and K shall be credited with 50 hours of Administrative Leave at the beginning of the first pay period of the payroll calendar year. Employees in Category F shall be credited with 70 hours. All employee categories must complete 6 months of employment to meet eligibility. Use of Administrative Leave for Category F is subject to the City Manager's approval, Categories D to Department Director's approval and to the additional provisions in the Administrative Policy. Provisionally appointed managers not previously holding a regular management position are ineligible for Administrative Leave.

3.950. EMPLOYEE EMERGENCY LEAVE RELIEF FUND. The Employee Emergency Leave Relief Fund is a program that allows any City employee who has leave hours accrued, the opportunity to donate a portion of his/her accrued leave to benefit another employee needing paid emergency leave. To benefit from this fund, the receiving employee must be eligible to accrue City paid leave time, must have used all available accrued leave and must have a personal emergency that requires the employee to be on leave from work responsibilities to attend to the emergency. The employee must request in writing to the City Manager that this Employee Relief Fund be enacted. The City Manager will have administrative authority to accept or reject the employee's request. The City Manager will also have the administrative authority in defining all procedures to be followed in setting up and utilizing this fund.

4.000. OVERTIME PAY. WHO IS ENTITLED. All employees of the City shall be entitled to overtime pay, except those in Management positions in Categories D, ~~F~~, E, F and K which are hereby designated as exempt from the provisions of the Fair Labor Standards Act.

4.010. OVERTIME AUTHORIZATION. All overtime must be approved in advance by the City Manager or designated Management representative under established procedure.

4.020. OVERTIME COMPUTATION. Overtime, when applicable, shall be paid at the rate of 1½ times the straight-time rate, except as otherwise provided for in an applicable MOU or

herein.

4.030. OVERTIME PAY. WHEN APPLICABLE. An employee in Category C on tour of fire duty who has worked more than 24 hours of fire tour duty shall be entitled to overtime pay.

Employees in Categories C (other than those assigned to a tour of fire duty), only for hours worked in excess of 80 hours in a biweekly pay period. Casual/Temporary employees and regular part-time employees in Category L shall be entitled to overtime pay in accordance with the Fair Labor Standards Act (FLSA). Casual / Temporary employees who meet the FLSA exempt requirements are designated as such.

Employees assigned to a special schedule shall be entitled to overtime only for hours worked in excess of 40 hours in a work week as defined in the applicable MOU and Administrative Policy Manual, or as provided in the written special schedule agreement. See also Section 6.150 regarding flex time for designated Category B employees.

4.100. COMPENSATORY TIME. Employees in Category G shall have the same accumulation and use options as employees in Category B.

4.200. CALL-BACK PAY. OVERTIME. WHEN APPLICABLE. For full-time employees and for Category C employees the call-back provisions apply when an employee has gone off duty and left the job site. Overtime pay for call-back duty shall not continue into the next work schedule nor shall it be counted toward fulfillment of a work period.

4.300. CONFIDENTIAL PREMIUM PAY. The City shall provide a 3.5% premium on all paid hours for employees in Category D, G, and K, ~~and for Classified Confidential Management employees in Category D/E and for Unclassified Confidential Management employees in Category K appointed by the City Attorney.~~

5.000. WAGE SUPPLEMENTS. Wage supplements shall consist of payments to the employee outside the standard pay schedule for paid work time, and which are paid by the City either in part or in total as provided for herein or in applicable Memoranda of Understanding.

5.010. INTERIM/ACTING PAY. MANAGEMENT. Employees who are appointed by the City Manager in an acting/interim status to a vacant position in Pay Plan Categories ~~D/E or~~ and F may receive placement within the control point of the vacant position; or a percentage over his/her current pay as designated by the City Manager.

5.020. Y-RATING PAY. Y-rating may be authorized by the City Manager or his/her designee when an employee is allocated to a classification with a lower salary range. If the current salary of the employee is more than the maximum of the revised allocated classification, the employee may be Y-rated and he/she will continue to receive the former rate of pay until the

maximum salary of the new classification is raised to an amount higher than the rate of pay received in the former classification.

5.100. UNIFORMS. The City shall provide uniforms for Category B employees assigned to meter reading, public facility maintenance, public safety records, and others as designated by the City Manager.

5.200. WORK EQUIPMENT. The City shall provide mattresses, sheets, pillows, pillow cases and blankets at the fire stations and safety gear in all departments as required by law.

5.210. SAFETY GLASSES. The City shall provide employees in Categories A, B, C, ~~D~~E and L prescription safety glasses, provided (a) that safety glasses are required on the job; (b) the employee provides the prescription at no cost to the City; and (c) the glasses are provided by an optical firm approved by the City.

5.220. SAFETY FOOTWEAR. Employees in Category L in classifications required by the City to wear safety footwear shall be eligible to receive an annual allowance in accordance with the provisions of the applicable MOU. Employees hired after the start of the fiscal year shall be eligible for a pro-rated allowance.

The Human Resources Risk Manager may authorize additional classifications to receive the safety footwear allowance if it is determined that safety footwear is required for the work being performed.

5.300. TRAINING ASSISTANCE. The City shall reimburse employees in Categories A, B, C, ~~D~~E, F, K, L, those in the Public Safety Cadet program, and employees in the classification of Crime Prevention Assistant for all or part of the cost of tuition and books for courses approved in advance by the City, provided the course is completed successfully and documentation of costs and certificates of completion are presented according to Administrative Policy or applicable MOU. The amount of reimbursement based on relatedness to the employee's present position may be taxable in accordance with state and federal law.

5.500. HEALTH INSURANCE. ELIGIBILITY AND EFFECTIVE DATES.

(a) Medical. Participation in the medical insurance plan is available to employees in all full-time and regular part-time Categories and to members of the City Council at the time of appointment in accordance with the provisions of the plan selected, with the effective date the first day of the month following enrollment.

(b) Dental. Employees in Categories ~~D~~E, F, K and members of the City Council are eligible for dental coverage at the time of appointment, with an effective date of the first day of the month following enrollment. Employees in Categories B and L shall become eligible for dental

coverage, in accordance with the provisions of the plan selected, upon completion of 13 pay periods of service with the effective date on the first of the month following enrollment. For employees in Category C, the Public Safety Officers Association shall contract with a dental provider and make dental insurance available to represented employees in accordance with the provisions of the respective MOU. Effective January 1, 2010, employees and members of the City Council may elect to enroll in an enhanced “voluntary buy-up” dental plan. The cost of the voluntary buy-up plan is solely funded by employee / City Council member contributions.

(c) Vision. Employees in all full-time and regular part-time Categories and members of the City Council are eligible for vision coverage at the time of appointment, with an effective date of the first day of the month following enrollment. Effective January 1, 2010, employees and members of the City Council may elect to enroll in an enhanced “voluntary buy-up” vision plan. The cost of the voluntary buy-up plan is solely funded by employee/City Council member contributions.

(d) Employee Assistance Plan (EAP). Employees in all full-time and regular part-time Categories are covered by the employee assistance program at the time of appointment in accordance with the provisions of the plan.

5.501. CASH IN-LIEU. MEDICAL COVERAGE.

(a) Employees in Categories ~~D/E~~, F, K and members of the City Council have the option of reducing their medical coverage and receiving payment of a portion of the City contribution. However, if the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

To be eligible for this plan, an employee must either:

- (1) Change from full family to employee plus one or employee only;
- (2) Change from employee plus one to employee only;
- (3) Change from any level coverage to no coverage; or
- (4) A new employee may choose no coverage. Payment shall be made based on the following schedule:

| <u>Current</u> | <u>New</u> | <u>Monthly</u> |
|----------------|---------------|----------------|
| Employee + 2 | No coverage | \$213.42 |
| Employee + 2 | Employee only | \$131.08 |
| Employee + 2 | Employee +1 | \$ 48.75 |
| Employee + 1 | No coverage | \$164.67 |

| | | |
|---------------|-------------|----------|
| Employee + 1 | Employee | \$ 82.33 |
| Employee only | No coverage | \$ 82.33 |
| NEW employee | No coverage | \$ 82.33 |

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that she or he does have alternative coverage and that he or she understands that he or she will no longer receive coverage through a City- sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she must enroll during the annual open enrollment period, unless a qualifying event occurs.

See the Department of Human Resources for additional information on what constitutes a qualifying event.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by the City.

5.502. CASH REIMBURSEMENT. CITY RETIREE COUNCIL MEMBERS.

Members of the City Council who are City retirees and are enrolled in the CalPERS medical program as a retiree, are eligible to receive a reimbursement equal to the difference of the current City contribution to medical insurance included under Section 5.505 and the current cost of the CalPERS medical premium.

In addition, if Members of the City Council who are City retirees and have an alternative dental plan, and they waive City coverage, the City will reimburse the cost of dental insurance up to the amount specified under Section 5.506 (f).

5.505. CITY CONTRIBUTION. MEDICAL INSURANCE. Effective January 1, 2016, the City will contribute the following amounts toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee in the respective categories listed below, and his or her eligible dependents, and for each annuitant in CalPERS formerly in the respective categories listed below and his or her eligible dependents:

- (a) Category A. The cost of the premium or \$472.98 per month, whichever is less.
- (b) Categories B and G. The cost of the premium or \$757.97 per month, whichever is less.
- (c) Category C. The cost of the premium or \$467.46 per month, whichever is less.

(d) Category L. The cost of the premium or \$416.90 per month, whichever is less.

(e) Categories ~~D~~E, F and K. The cost of the premium or \$757.97 per month, whichever is less. Effective January 1st each year, the City's contribution will be the lesser of the cost of the premium or the lowest cost HMO premium for single coverage of the lowest cost HMO plan available through the CalPERS Bay Area regional medical plans. Additionally, the City's contribution shall be no less than the highest City contribution for any of the employee represented units; including COA, PSOA, SEA and SEIU.

(f) Members of the City Council. The City's contribution will be the lesser of the cost of the premium or the minimum monthly contribution pursuant to Government Code Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA). For calendar year 2015, the amount is \$122.00 and for calendar year 2016, the amount is \$125.00.

5.506. CITY CONTRIBUTION. DENTAL INSURANCE.

(a) Category A. The City's contribution is up to a maximum of \$140.55 per month, pursuant to the provisions of the COA MOU.

(b) Category B. The City's contribution is included under Section 5.515 (b) below.

(c) Category C. The City's contribution is up to a maximum of \$140.55 per month, pursuant to the provisions of the PSOA MOU.

(d) Category L. The City's contribution is included under Section 5.515 (d) below.

(e) Categories ~~D~~E, F and K. The City will contribute the premium for employee only, employee plus one dependent, or employee plus family coverage.

(f) Members of the City Council. The City will contribute the premium for council member only coverage. Dependent coverage is available at the council member's cost.

5.507. CITY CONTRIBUTION. VISION INSURANCE.

(a) Category A. The City's contribution is included under Section 5.515 (a) below.

(b) Category B. The City will contribute the premium for employee only or employee plus one dependent coverage.

(c) Category C. The City's contribution is included under Section 5.515 (c) below.

(d) Category L. The City will contribute the premium for employee only or employee plus one dependent coverage.

(e) Categories ~~D~~E, F and K. The City will contribute the premium for employee only, employee plus one dependent, or employee plus family coverage.

(f) Members of the City Council. The City will contribute the premium for council member only coverage. Dependent coverage is available at the council member's cost.

5.515. CITY CONTRIBUTION. CAFETERIA BENEFITS PLAN.

(a) Category A. Effective September 27, 2015, the City will contribute \$142.02 per month, the difference between \$615.00 and the amount stated in 5.505 (a) above. Effective calendar year 2016, the City will contribute \$242.02 per month, the difference between \$715.00 and the amount stated in 5.505 (a) above. Effective calendar year 2017, the City will contribute \$342.02 per month, the difference between \$815.00 and the amount stated in 5.505 (a) above.

(b) Category B. The City will contribute a maximum of \$588.69 per month toward a Cafeteria Benefits Plan for employees and dependent medical coverage and a minimum of \$196.21 per month for employees with employee only medical coverage.

(c) Category C. The City will contribute \$47.54 per month, the difference between \$515.00 per month and the amount stated in 5.505 (c) above.

(d) Category L. The amount the City contributes towards the Cafeteria Benefits Plan shall be made based on the number of hours in paid status as provided in the SEIU MOU.

(e) Categories ~~D~~, E, F and K. The City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, effective January 1 each year, less the City Contribution as stated in Section 5.505 (e) above, and shall be based upon the plan level in which the employee is enrolled (i.e., employee only, employee plus one dependent, or employee plus family).

(f) Members of the City Council. The City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, effective January 1 each year, less the City Contribution as stated in Section 5.505 (f) above, and shall be based upon the plan level in which the council member is enrolled (i.e., council member only, council member plus one dependent or council member plus family).

5.520. MAXIMUM CITY CONTRIBUTION. HEALTH INSURANCE.

(a) Category A. Including the amounts specified in Sections 5.505 (a) and 5.515 (a), the City's maximum contribution is \$615.00 per month (\$283.85 per pay period) effective September 27, 2015, \$715 per month (\$330.00 per pay period) effective calendar year 2016, and \$815 per month (\$376.15 per pay period) effective calendar year 2017. The City's maximum contribution is payable towards the employee assistance program insurance, employee and

dependent medical insurance, employee and dependent vision insurance, optional life insurance or any combination thereof.

(b) Category B. Including the amounts specified in Sections 5.505(b) and 5.515(b) the City's maximum monthly contribution is \$1154.29 (\$532.75 per pay period). For employees with employee only medical coverage, the City's maximum monthly contribution is \$761.81 (\$351.60 per pay period). The City's health insurance contribution is payable towards the cost of employee and dependent medical insurance, employee and dependent dental insurance, family coverage vision insurance, optional life / AD&D insurance or any combination thereof. In addition, the City pays the full premium for the employee assistance program.

(c) Category C. Including the amounts specified in Sections 5.505 (c) and 5.5150 (c), the City's maximum contribution is \$515.00 per month (\$237.69 per pay period) towards the employee assistance program insurance, employee and dependent medical insurance, employee and dependent vision insurance, optional life insurance or any combination thereof.

(d) Category L. Including the amounts specified in Sections 5.505 (d) and 5.515 (d), the City's maximum contribution is up to \$923.42 per month (\$426.19 per pay period) towards employee and dependent medical insurance, employee and dependent dental insurance, family coverage vision insurance, or any combination thereof. The actual City maximum is pro-rated based on the number of hours in paid status as provided in the SEIU MOU. In addition, the City pays the full premium for the employee assistance program.

(e) Categories ~~D~~, E, F and K. In addition to the amounts contributed by the City as specified in Sections 5.505 (e), 5.508 (e), 5.510 (e) and 5.515 (e), the City pays the full premium for the employee assistance program.

(f) Members of the City Council. For calendar year 2010, the maximum monthly City contribution, as described in Sections 5.505 (f), 5.506 (f), 5.507 (f) and 5.515(f), ranges from \$630.55 to \$1554.28. The actual amount is based upon the plan level in which the council member is enrolled in medical coverage (e.g.; council member only, council member plus one dependent or council member plus family).

5.525. EMPLOYEE CONTRIBUTION. HEALTH INSURANCE. To the extent that any full or part-time employee or member of the City Council elects health insurance coverage that exceeds the amount stated in Section 5.520, the employee/member of the City Council shall pay the difference.

5.530. PREMIUM CONVERSION. If applicable, pursuant to IRS Code §125, regular full-time and regular part-time employees shall pay their contribution toward health insurance on a

pre-tax basis, unless the employee chooses to pay on a post-tax basis and notifies the Department of Human Resources of this request in writing.

5.540. POST RETIREMENT MEDICAL BENEFITS.

(a) Categories ~~D~~E, F and K. Employees who retire from City service under the provisions of the City's contract with CalPERS (minimum of age 50 and 5 years of service) are eligible for post-retirement medical benefits as stated below:

(a.1) Group A – Retirement date prior to January 1, 2008.

The City shall contribute an amount equal to that which is stated in Section 5.505 (e) for the cost of retiree medical premiums. Additionally, the City's Retiree Health Reimbursement Program will provide the retiree a monthly reimbursement amount equal to the difference between the City Contribution, as stated in Section 5.505 (e) and the retiree's premium for his/her selected medical plan.

(a.2) Group B – Retirement date on or after January 1, 2008 with an appointment date prior to July 1, 2007.

The City shall contribute an amount equal to that which is stated in Section 5.505 (e) for the cost of retiree medical premiums. Additionally, the City's Retiree Health Reimbursement Program will provide the retiree a monthly reimbursement amount equal to the difference between the City Contribution, as stated in Section 5.505 (e) and the retiree's premium for his/her selected medical plan, subject to a cap based on the cost of the premium of the highest price plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan effective January 1st of each year.

(a.3) Group C – Retirement date on or after January 1, 2008 with an appointment date on or after July 1, 2007.

The City shall contribute an amount equal to that which is stated in Section 5.505 (e) for the cost of retiree medical premiums. Additionally, the City's Retiree Health Reimbursement Program (RHR) will provide the retiree a monthly reimbursement amount equal to the difference between the City Contribution, as stated in Section 5.505 (e) and the retiree's premium for his/her selected medical plan, subject to the cap indicated in (a.3) above and according to the following vesting schedule:

Vesting Schedule

| City of Sunnyvale Management Years of Service | % of RHR paid to Retiree |
|---|---------------------------------|
| 5 | 50% |
| 6 | 55% |
| 7 | 60% |
| 8 | 65% |
| 9 | 70% |
| 10 | 75% |
| 11 | 80% |
| 12 | 85% |
| 13 | 90% |
| 14 | 95% |
| 15+ | 100% |
| Combined Years of Service 5 years management service with City of Sunnyvale and 15 years or more of non- management City service | 100% |

5.550. LIFE INSURANCE. The City shall provide life insurance equal to one times annual base salary for employees in Categories D/AE, F and K. In addition, the employee has the option of buying additional insurance of one times his/her annual base salary up to the maximum allowable coverage. Coverage is subject to the terms and conditions of the insurance policy and to current tax law provisions.

5.560. DEPENDENT CARE REIMBURSEMENT ACCOUNT. Employees in Categories B, C, D/AE, F, K and L are provided with an option to pay for dependent care expenses on a pre-tax basis, as provided in the Internal Revenue Code.

5.561. HEALTH CARE REIMBURSEMENT ACCOUNT. Employees in Categories A, B, C, D/AE, F, K and L are provided with an option to pay for health care expenses on a pre-tax basis, as provided in the Internal Revenue Code.

5.600. WORKERS' COMPENSATION BENEFITS. The City self-insures for Workers' Compensation benefits. Workers' Compensation benefits will be provided as required by law. Employees who are injured on the job are to comply with the legal requirements governing the use of Workers' Compensation benefits. ~~Employees in Category E who are eligible for temporary disability payments under Workers' Compensation law, shall receive salary continuation from the~~

~~City's disability program for the first 90 calendar days of temporary disability.~~ Employees in Categories B, D, F and K, who are eligible for temporary disability payments under Workers' Compensation law, shall receive salary continuation from the City's disability program for the first 60 calendar days of temporary disability. Pursuant to current tax laws, a portion of salary continuation, in lieu of temporary disability payments, is exempt from federal and state withholding taxes. The amount of tax-free salary continuation is up to 2/3 of an employee's average wage, subject to minimums and maximums set by state law. Employees who remain temporarily totally disabled after 90 calendar days shall receive temporary disability payments directly from the City's Workers' Compensation third party administrator.

5.700. RETIREMENT SYSTEMS. The City shall provide a retirement system to eligible employees and to members of the City Council who elect to join the California Public Employees' Retirement System, in accordance with the provisions of the City Charter, and as specifically described herein.

5.710. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS). The City shall contract with the State of California Public Employees' Retirement System (CalPERS) for retirement plans for qualified Safety and Miscellaneous employees. Both plans shall include the 1959 Survivor Benefits. Miscellaneous and Safety employees, and members of the City Council who have elected CalPERS membership, receive the 1959 Survivor Benefit at the increased benefit level (Third Level). Miscellaneous and Safety employees are eligible for the optional Military Buy-Back benefit (Military Service Credit as Public Service).

5.711. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM. QUALIFIED EMPLOYEES. Qualified employees are those in Categories A, B, C, D, ~~D~~E, F, G, K, L and those employees in any other Category who are required by CalPERS to be covered. In addition, members of the City Council are qualified to participate in the California Public Employees Retirement System and may elect optional membership in CalPERS.

5.715. PUBLIC AGENCY RETIREMENT SYSTEM (PARS). In appropriate situations for employees hired on or after July 1, 1996, who retire in good standing, City agrees to provide a supplemental retirement benefit through the Public Agency Retirement System (PARS) so that the employee's retirement benefit equals what the employee would have received from CalPERS had the employee been hired by the City prior to July 1, 1996 as outlined in the CalPERS Circular Letter No. 200-002 (circular letter available in the Department of Human Resources).

5.720. TIER 1 – 3%-AT-50 SAFETY PLAN. The City shall provide qualified Safety employees with the basic "3%-at-50" plan with the one-half continuance option under the

California Public Employees' Retirement System (CalPERS). Final compensation shall be calculated using the single highest year model.

5.721. TIER 2 – 3%-AT-55 SAFETY PLAN. The City shall provide qualified Safety employees with the basic “3%-at-55” plan with the one-half continuance option under the California Public Employees’ Retirement System (CalPERS). This benefit will apply to Safety employees hired after February 19, 2012. Final compensation shall be calculated using the single highest year model.

5.722. TIER 3 – 2.7%-AT-57 SAFETY PLAN. The City shall provide qualified safety employees hired beginning January 1, 2013 who are not current CalPERS members or who are not members of a reciprocal retirement system as defined by CalPERS the safety 2.7% at age 57 retirement formula with the one-half continuance option under CalPERS. Final compensation shall be calculated using the average of the three highest years model.

5.730. TIER 1 – 2.7%-AT-55 MISCELLANEOUS PLAN. The City shall provide qualified Miscellaneous employees and members of the City Council with the “2.7%-at-55” plan under the California Public Employees' Retirement System (CalPERS). Final compensation shall be calculated using the single highest year model.

5.731. TIER 2 – 2%-AT-60 MISCELLANEOUS PLAN. The City shall provide qualified Miscellaneous employees and members of the City Council hired/appointed beginning in the last full pay period in December 2012 the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model. Employees hired on or after January 1, 2013 who are current CalPERS members or who are members of a reciprocal retirement system, as defined by CalPERS shall also receive the 2% at 60 retirement plan.

5.732. TIER 3 – 2%-AT-62 MISCELLANEOUS PLAN. The City shall provide qualified Miscellaneous employees and members of the City Council hired/appointed beginning January 1, 2013 who are not current CalPERS members or who are not members of a reciprocal retirement system as defined by CalPERS the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the average of the three highest years model.

5.740. CalPERS CONTRIBUTION.

(a) Effective August 31, 2014, employees in categories D, F (except for the Director of Public Safety), and K who are also in Tier 1, shall be responsible for contributing 4% of the member contribution, and the City shall contribute 4%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member

Contribution (EPMC) of 4% as additional compensation.

Effective first full pay period of July 2015, employees shall be responsible for contributing 5% of the member contribution, and the City shall contribute 3%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member Contribution (EPMC) of 3% as additional compensation.

Effective first full pay period of July 2016, employees shall be responsible for contributing 6% of the member contribution, and the City shall contribute 2%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member Contribution (EPMC) of 2% as additional compensation.

(b) Effective August 31, 2014, employees in categories D, F and K in Tier 2 shall be responsible for contributing 3% of the member contribution, and the City shall contribute 4%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member Contribution (EPMC) of 4% as additional compensation.

Effective first full pay period of July 2015, employees shall be responsible for contributing 4% of the member contribution, and the City shall contribute 3%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member Contribution (EPMC) of 3% as additional compensation.

Effective first full pay period of July 2016, employees shall be responsible for contributing 5% of the member contribution, and the City shall contribute 2%; such payment shall be made pursuant to IRC Section 414(h)(2). The City will report the value of the Employer Paid Member Contribution (EPMC) of 2% as additional compensation.

(c) Employees in categories D, F and K in Tier 3 shall be responsible for paying 50% of the normal cost toward their retirement.

(d) Effective August 31, 2014, the Director of Public Safety shall be responsible for paying 3% of the member contribution, and the City shall contribute 6%; such payment shall be made pursuant to IRC Section 414(h)(2). In addition, the City shall continue to pay to CalPERS a total of 2.25% of the employee's salary to fund the cost of the single highest year retirement benefit. The City will report the value of the Employer Paid Member Contribution (EPMC) of 6% as additional compensation.

Effective first full pay period of July 2015, the Director of Public Safety shall be responsible for paying 4% of the member contribution, and the City shall contribute 5%; such payment shall be made pursuant to IRC Section 414(h)(2). In addition, the City shall continue to pay to CalPERS a total of 2.25% of the employee's salary to fund the cost of the single highest

year retirement benefit. The City will report the value of the Employer Paid Member Contribution (EPMC) of 5% as additional compensation.

Effective first full pay period of July 2016, the Director of Public Safety shall be responsible for paying 5% of the member contribution, and the City shall contribute 4%; such payment shall be made pursuant to IRC Section 414(h)(2). In addition, the City shall continue to pay to CalPERS a total of 2.25% of the employee's salary to fund the cost of the single highest year retirement benefit. The City will report the value of the Employer Paid Member Contribution (EPMC) of 4% as additional compensation.

(e) For employees in other Categories who are required by the CalPERS to be covered, such as City Council members who elect to enroll in CalPERS and eligible casual employees, the employee shall be responsible for the full normal member contribution to CalPERS.

5.750. SOCIAL SECURITY. FICA PORTION. All employees not covered by CalPERS shall be covered by Social Security/FICA. The employee and the City will each contribute the mandated percentage of the employee's wages toward the cost of Social Security/FICA. No Social Security/FICA will be withheld for retired CalPERS members who return to work as a temporary employee.

5.800. PUBLIC SAFETY NONMANAGEMENT. DIFFERENTIAL. When salaries are set for Public Safety Officer II, the following classifications of Public Safety Non Management will be adjusted, since they are tied to differentials established by the Public Safety Officer II, to maintain the appropriate relationships:

| | |
|-----------------------------------|---|
| Public Safety Officer-in-Training | Step 1 is set at 10% below Step 1 of Public Safety Officer II; Step 2 is 5% above Step 1 |
| Public Safety Officer I | Step 1 is set at 5% above Step 1 of Public Safety Officer-in-Training; Steps 2 through 4 are set at 5% above each previous step |

6.000. SPECIAL PROVISIONS. Those provisions which are in a non-pay category, but which confer a benefit on an employee, are provided in accordance with the provisions in the Administrative Policy Manual.

6.100. WORK SCHEDULES. Employees in the Civil Service are to work in accordance with the schedules, shifts, tours of duty and work periods or cycles established by their respective departments in accordance with the provisions of the applicable MOU or the Administrative Policy

Manual as the same now exists or is hereafter amended.

6.150. FLEX SCHEDULES. DESIGNATED CATEGORY B EMPLOYEES. Category B employees, designated under the terms of the applicable MOU as exempt under the Fair Labor Standards Act, may have their work schedules adjusted, at the discretion of their managers, in order to minimize the cost of overtime pay. Such adjustments shall be made in accordance with the provisions of the applicable MOU.

6.200. ALTERNATE SCHEDULES. MANAGEMENT EMPLOYEES. Alternate schedules for individual employees in Categories D~~/~~2E, F, and K may be authorized by the City Manager and the City Attorney in accordance with the Administrative Policy Manual.

6.300. DEFERRED COMPENSATION. Employees in Categories A, B, C, D~~/~~2E, F, K and L and members of the City Council shall be entitled to participate in a 457 deferred compensation plan approved by the City. For employees in Categories D~~/~~2E, F and K, a 401 (a) plan is available and procedures for contribution to such plan will be established by the City. With respect to any employee in Categories D~~/~~2E, F and K who enrolls in any of the two deferred compensation plans (457 or 401 (a)), the City shall contribute to such plan on behalf of the employee an amount equal to 2% of the employee's gross pay per pay period. Such employees shall not be entitled to receive any or all of such payment except as payment into a deferred compensation account.

6.400. YOUTH PARTICIPATION INCENTIVES. Incentive Payments may be made in accordance with 29 USC § 2854, to provide incentives for recognition and achievements of the participants in the youth activities through the Department of Employment Development.

6.500. AUTOMOBILE ALLOWANCE. Any Management employee authorized and assigned exclusive use of a City vehicle on a 24-hour basis may, at the option of the employee, receive a car allowance, payable monthly, in lieu of the assignment and authorization to use such City vehicle. Such car allowance is only available while the employee is actively at work (i.e., not absent from work for more than one month, irrespective of reason). When not actively at work, the automobile allowance will cease the first of the month following the last date the employee is actively at work. A Management employee in Category D~~/~~2E who is not assigned exclusive use of a City vehicle and who ordinarily does not have access to pool vehicles at his or her work site and who averages 300 or more miles per month of City business travel in his or her own personal vehicle, excluding normal travel to and from work, shall be eligible for a car allowance. This option shall not be available in the event the City Manager or the employee's Department Director determines that the vehicle assigned is a special purpose vehicle or a vehicle especially equipped so that it cannot be adequately replaced by the employee's private vehicle. Effective July 1, 2007,

the monthly vehicle allowance for Department Directors will be \$450.00 and for designated management employees \$310.00. The City Manager may authorize a change in this allowance in accordance with the change in the IRS standard mileage rate.

6.600. RELOCATION ASSISTANCE. Employees in Categories D~~2~~2E and K may be offered up to \$5,000 of relocation assistance, including expenses incurred in connection with the final trip for employee and immediate family to the area, provided that their primary residence at the time they receive their offer of employment with the City is located outside a 50 mile radius of the City and they move to a location within Santa Clara County within 1 year of appointment. In addition, these employees are also eligible for interim living expenses, at the maximum rate of \$100 per day for a period not to exceed 30 days, incurred while searching for a new residence. Category F employees may be offered up to the full cost of relocation assistance, including interim living expenses, if they move into the City limits within 1 year of appointment. Such assistance may be taxable to the employee. This assistance must be documented in the offer letter to the employee.

6.700. EXECUTIVE MORTGAGE ASSISTANCE PROGRAM. Category F employees are eligible for benefits provided pursuant to the Executive Mortgage Assistance Program. Provisions of the program have been approved through separate resolution and may be amended as necessary.

7.000. ADMINISTRATION. CLASSIFIED SERVICE AND UNCLASSIFIED MANAGEMENT. The Pay Plan for all City employees shall be administered by the City Manager in accordance with policies stated herein and in the Administrative Policy Manual and any applicable MOU. The City Manager shall issue such rules and procedures as are necessary to put the policies into effect.

7.100. HOURLY RATES. Employees in Categories A, B, C, G and L at the time of appointment are ordinarily assigned the hourly rate in the first step of the pay range. In cases where it is necessary to attract qualified personnel the employee may be assigned the hourly rate in the second or third step of the pay range. Under extraordinary circumstances, employees may be assigned to a higher step than the first step of the pay range, upon recommendation of the Department Director and approval of the City Manager.

7.105. SALARY RATES. The minimum rate at which employees in Categories D~~2~~2E, F and K may be hired is 85.0% of the Control Point for that classification; the maximum is 100% of Control Point. Appointments made above 95.0% of Control Point require recommendation of the Department Director, and approval of the City Manager for all, but Category K.

Determinations on Category K employees are made by the City Attorney.

7.110. CONTROL POINTS AND SALARY RANGES. MANAGEMENT. Control Points for Management classifications are as established in Sections 2.300, 2.400 and 2.800. The range for each classification extends from 85.0% of the Control Point up to the Control Point (100%).

7.115. DIFFERENTIAL PAY. MANAGEMENT. In the event that a pay differential of less than 15% is identified between the Control Point for a Management classification and the top step base salary for a direct-report non-management classification, a department director may recommend a pay differential of up to 15%. The differential will not be applied automatically, and an identifiable need for such differential must exist prior to providing the differential pay. All differentials require review by the Director of Human Resources and approval of the City Manager.

7.120. MERIT INCREASE. NONMANAGEMENT. Upon completion of 13 pay periods, employees in Categories A, B, C and G may be assigned the next step in the pay range to which the classification is assigned. Such merit increases shall not be approved unless the employee's work performance is acceptable. Consideration for each subsequent one step merit adjustment is given at 26 pay period intervals until the employee's hourly pay rate reaches the top step of the pay range. Increases may be granted effective with the pay period immediately following the anniversary date.

Upon completion of 6 months of continuous City service, employees in Category L may be assigned the next step in the pay range to which the classification is assigned. Such merit increase shall not be approved unless the employee's work performance is acceptable. Consideration for each subsequent one step merit adjustment is given upon completion of intervals of 12 months of continuous service until the employee's hourly pay rate reaches the top step of the pay range. Increases may be granted effective with the pay period immediately following completion of the requisite hours.

7.130. MERIT INCREASE. MANAGEMENT. Upon completion of 13 pay periods of service, employees in Categories D, F and K who receive an overall rating of achieves or exceeds expectations on their most recent performance evaluation may receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point.

The pay rate for employees in Categories D, F and K hired or appointed to management positions prior to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service at the beginning of each new fiscal year after employment. The pay rate

adjustment is subject to an overall rating of achieves or exceeds expectations on the employee's most recent performance evaluation. Increases of more than 5% require approval of the City Manager.

The pay rate for employees in Categories D, F and K hired or appointed to management positions on or after to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective with the pay period immediately following the completion of 26 pay periods. Increases of more than 5% require approval of the City Manager.

7.140. PROMOTION. NONMANAGEMENT. Upon promotion to a full-time non-management classification having an assigned pay range greater than the classification from which the employee is being promoted, employees in Categories A, B, C and G shall be entitled either to that hourly pay step in the pay range of the higher class which is at least 5% above the employee's current hourly step rate, or that step the employee would have received within 2 pay periods had the promotion not been made, provided the increase does not exceed the rate contained in the top salary step. Thereafter, the employee will be considered for merit increases in the same manner as other probationary employees.

Upon promotion to a regular part-time classification having an assigned pay range greater than the classification from which the employee is being promoted, the employee shall be entitled to that hourly pay step in the pay range of the higher classification which is at least 5% above the employee's current hourly step rate, provided the increase does not exceed the rate contained in the 5th salary step. Thereafter, the employee will be considered for merit increases in the same manner as other probationary employees.

7.150. PROMOTION. MANAGEMENT. Employees in Category D~~/~~ and E who are promoted to a classification which has been assigned a Control Point greater than the classification from which the employee is being promoted shall be entitled to assignment to a pay rate in the new salary range which provides at least 5% above the employee's current hourly rate, or the rate which the employee would have received with a meeting or exceeding expectation of performance within 2 pay periods had the promotion not been made, provided the increase does not exceed 95.0% of the Control Point for the new classification, except that upon recommendation of the Department Director and approval of the City Manager, the promoted employee's pay rate may be set at up to 100% of such Control Point. Employees in Category K who are promoted in similar circumstances shall likewise receive an increase, subject to the determination of the City

Attorney. Thereafter, the employee is considered for merit increases in the same manner as other Management employees.

7.160. PROVISIONAL APPOINTMENT. The pay periods of service of a probationary or regular employee shall not be affected by a provisional appointment. Merit pay increases are to be considered as though the employee had not accepted the provisional appointment.

7.170. GRANT FUNDED EMPLOYMENT.

(a) The City may hire employees in grant-funded (limited duration) positions where the position is funded by grant funds or similar types of non-City funding sources.

(b) Job classification titles for grant-funded positions shall be distinct from job classification titles for regular positions.

(c) Prospective employees shall be informed of the duration of the appointment in the job announcement and at the time of employment, and shall be advised of and acknowledge in writing the impact of the grant-funded (limited duration) status, including that the City has the authority to terminate employment at the completion of the grant or for reduction or loss of grant funding.

(d) Unless otherwise stated by the funding source or agency, if the appointment is for a period of twelve months or more, employees in grant-funded positions shall receive the same benefits as regular employees. Employees who will be working a full-time schedule in a management classification will be included in the Sunnyvale Managers Association bargaining unit; employees who will be working a full-time schedule in a non-management classification will be included in the Sunnyvale Employees Association bargaining unit; and employees who will be working a schedule of 1,092 -1,716 hours per fiscal year will be included in the Services Employees International Union bargaining unit.

(e) If the appointment is for less than twelve months, employees shall be employed in the unclassified service as temporary employees. Temporary employees are unrepresented, are eligible for only those benefits applicable to this category of employment, and are limited to 900 hours of work in the fiscal year.

(f) Should an employee who was originally hired to fill a grant-funded position of twelve months or more be later appointed to a regular position, his/her hire date will be the date that service commenced in the grant-funded position.

8.000. CASUAL/TEMPORARY PAY RATE ASSIGNMENTS AND STEP INCREASES.

Pay rate assignments and pay step increases for Casual/Temporary employees shall be

administered by the City Manager in accordance with the policies stated herein. The City Manager shall promulgate such rules and procedures as are necessary to put said policies into effect.

Casual/Temporary employees at the time of appointment are ordinarily assigned the hourly rate in the first step of the pay range; however, the department may assign employees to a higher step based on qualifications and experience, and/or specific job functions, or in cases where it is necessary to attract qualified personnel. Casual/Temporary employees may be considered for an initial merit step increase after completion of 1040 hours of service and additional merit step increases upon completion of intervals of 2080 hours of service up to top step. However, a merit increase shall not be approved unless the employee's work performance is rated satisfactory or better. In situations where the above hour criteria for merit increases is not reasonable given the nature of a Casual/Temporary assignment, individual departments may assign a Casual/Temporary employee to the next step in the series upon completion of a minimum of 12 months of service in the current job classification and step, and a minimum number of hours worked as established by the department.

8.100. REDUCED TIME JOB STATUS PROGRAM. CATEGORY G. Designated classifications within Category G may work a reduced time work job share schedule pursuant to the provisions of the Reduced Time Job Status Program.

9.000. PAY BASIS. An eligible employee may be paid under multiple pay ranges or scheduled amounts in any given pay period, in addition to working out of class, on special assignment or under special circumstances.

10.000. EFFECTIVE DATE. Unless otherwise specifically indicated, all provisions herein contained shall be effective as of the date of posting. This version of the Salary Resolution supersedes any prior versions and amendments thereto.

| Posted: December 15, 2015

City of Sunnyvale

Excerpt of the Salary Table - Showing only Assistant Director of Finance Classification

| Job Code | Job Title | Unit | Pay Categories | Range | Min. Range | Max. Range | Effective Date |
|----------|-------------------------------|-----------|----------------|--------|------------|------------|----------------|
| 0259 | ASSISTANT DIRECTOR OF FINANCE | Mgmt-CONF | D | 30CONF | 137,700 | 162,000 | 7/5/2015 |

Notes

CONF and Mgmt-CONF:

In addition to base pay, employees assigned to Confidential classifications receive a 3.5% confidential premium.

Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution**MGMT-CONF:****Category D**, applies to Unrepresented Classified Management EmployeesPay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE FOR PAYING AND REPORTING THE
VALUE OF EMPLOYER PAID MEMBER
CONTRIBUTIONS TO THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM FOR SUNNYVALE
MANAGERS ASSOCIATION**

WHEREAS, the governing body of the City of Sunnyvale (the City) has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691;

WHEREAS, the City has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the City has identified the following conditions for the purpose of its election to pay EPMC;

1. This benefit shall apply to all employees of Sunnyvale Managers Association.
2. This benefit shall consist of paying the following percentage of the normal member contributions as EPMC:
 - a) For employees who are classic CalPERS members in Tier1 and Tier 2:
 - (i) Effective July 1, 2015, three (3) percent employer paid, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c)(4)] as additional compensation; and
 - (ii) Effective July 3, 2016, two (2) percent employer paid, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c)(4)] as additional compensation; and
 - (iii) Effective July 2, 2017, one (1) percent employer paid, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c)(4)] as additional compensation; and

3. The effective date of this Resolution is December 15, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT it hereby elects to pay and report the value of EPMC as set forth above.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney



City of Sunnyvale

Agenda Item

15-1088

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Approve the Appointment of the City Attorney and Approve the Employment Agreement

BACKGROUND

The City Council started the recruitment and selection process in July 2015 to seek a new City Attorney to replace outgoing City Attorney, Joan Berger. The process has now concluded, and the City Council is asked: 1) to take action on the appointment of a specific City Attorney candidate, and 2) to approve an employment agreement for services which outlines the compensation and terms of employment. Additionally, the City Council is asked to appoint an acting City Attorney during the transition.

EXISTING POLICY

The City of Sunnyvale City Charter Section 900 established that the City Attorney shall be appointed by the City Council. Entering into a contract is consistent with the City of Sunnyvale Charter Section 900.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The City Council selected Bob Murray & Associates to manage the recruitment and selection process for the City Attorney position. The application deadline was October 2, 2015 and the initial interview with the most qualified candidates was conducted on November 10, 2015. From the initial interviews, the final candidates were invited to a final interview with the City Council on November 20, 2015. From this interview process the City Council determined to move forward with background and reference checks.

Discussions regarding terms and conditions of employment were completed with the final candidate resulting in the attached employment agreement.

The current City Attorney's last day is December 30, 2015. It is anticipated that the new City Attorney will begin working January 19, 2016. It is requested that Senior Assistant City Attorney Rebecca Moon be appointed to serve as acting City Attorney during any transition period, and that Council authorize a 5% pay increase for the period Ms. Moon serves as acting City Attorney, consistent with City practice when employees are serving in an acting/interim position.

FISCAL IMPACT

The current funding budgeted for the City Attorney position will cover the compensation costs detailed in the employment agreement.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Approve the appointment of John Nagel as the City Attorney.
2. Approve the employment agreement as outlined in Attachment 1 or approve a revised employment agreement.
3. Do not appoint John Nagel as the City Attorney and provide direction to staff.
4. Appoint Senior Assistant City Attorney Rebecca Moon as acting City Attorney during any transition period, and authorize a 5% pay increase during her period of service.

STAFF RECOMMENDATION

Staff makes no recommendations.

Prepared by: Vienne Choi, Principal Human Resources Analyst

Reviewed by: Teri Silva, Director, Human Resources

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Employment agreement

**AGREEMENT FOR SERVICES
BETWEEN CITY OF SUNNYVALE AND JOHN A. NAGEL**

This Agreement for Services, dated December 15, 2015, is between the City Council of the City of Sunnyvale ("City Council") and John A. Nagel ("Employee") for services to be performed by Employee in the position of City Attorney.

Section 1. Duties

The City Attorney shall perform the functions and duties specified in Section 908 of the Charter of the City of Sunnyvale, the Sunnyvale Municipal Code, and other legally permissible and proper duties and functions as the City shall from time to time assign. During the period of the City Attorney's employment as City Attorney, the City Attorney shall devote his best efforts to the performance of his duties, and shall not be employed in any other capacity while employed as City Attorney, without the express prior written consent of the City Council.

Section 2. Term

This Agreement shall commence January 19, 2016, and extend until terminated as provided hereinafter.

Section 3. Termination/Severance

A. Because an intimate and confidential relationship is necessary between City and Employee, the Employee serves at the pleasure of the City Council, and nothing herein shall be taken to prevent, limit, or otherwise interfere with the right of the City Council to terminate the service of Employee with or without cause. However, the City Council shall take no action to terminate the services of the Employee within ninety (90) days after the seating of a new member following any election at which one or more new members are elected to the City Council. There is no express or implied promise made to the Employee for any form of continued employment. The Employee shall have no right to a termination hearing. The City and the Employee acknowledge that an excellent City-City Attorney relationship is in the best interest of the City, and accordingly agree to use their best efforts to foster City-City Attorney communications. This Agreement is the sole and exclusive basis for an employment relationship between Employee and the City Council.

B. If the Employee is terminated by the City Council while the Employee is still willing and able to perform the duties of the City Attorney, the City Council agrees to pay the Employee a single lump sum payment, made on the effective day of the termination, of an amount calculated as follows: twelve (12) months aggregate salary and an amount equivalent to twelve (12) months aggregate medical insurance benefit allowance for termination on or before January 19, 2017, nine (9) months aggregate pay and benefits for termination between January 19, 2017 and January 19, 2019, and six (6) months aggregate pay and benefits for termination after January 19, 2019. Any such payments will release the City Council from any further obligations under this Agreement. Contemporaneously with the delivery of the separation pay herein above set out, the Employee agrees to execute and deliver to City a release releasing the

City from liability for all claims that the Employee may have against the City, except those claims prohibited from such a release under either California or federal law.

C. Notwithstanding paragraph 3(B), above, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provision of paragraph 3(B) if the Employee is terminated because of:

- 1) the conviction of or a plea of nolo contendere to a crime,
- 2) an offense of moral turpitude,
- 3) a violation of statute or law constituting misconduct in office, or
- 4) willful misconduct.

Further, City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph 3(B), in the event the Employee retires or voluntarily resigns in writing prior to termination without affirmative action by the City to terminate, initiate termination proceedings or request the Employee's resignation.

D. In the event that the Employee, voluntarily and without the official request of the City, retires or resigns his position before the termination of this Agreement, the Employee shall provide written notice to the City at least two (2) months in advance of the Employee's final date of employment, unless the parties agree otherwise. Such resignation shall not be deemed a "termination" which triggers the requirement of the lump sum payments in Paragraph 3(B), above.

Section 4. Resignation

A. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position as City Attorney, or to retire from public service. In the event the Employee voluntarily resigns his position, or retires, Employee shall give City two (2) months' notice in advance, unless the parties agree otherwise. Further should Employee begin to actively seek other employment, Employee will notify Employer forthwith of Employee's intention to seek other employment. In the case of a voluntary resignation or retirement, no severance will be paid to Employee.

B. Notwithstanding paragraph 4(A), above, in the event the City Council at any time during the course of this Agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of the City of Sunnyvale, or in the event the City Council refuses following written notice to comply with any provision herein benefiting Employee, or Employee resigns following a suggestion, whether formal or informal, by the City Council that he resign, then, in that event, Employee may, at his option, be deemed "terminated" at the date of such reduction, such refusal to comply, or resignation with the meaning and context of the severance pay provision. A reduction in salary resulting from the annual performance evaluation pursuant to the City's "Pay for Performance Plan" detailed in Section 5(B) or an across-the-board reduction for all employees, shall not trigger the provisions of this paragraph.

Section 5. Salary

A. The Employee's starting salary shall be two hundred five thousand dollars (\$205,000) per annum.

B. The Employee's compensation shall be evaluated on an annual basis. This evaluation will include consideration of both merit increases and "across-the board" increases provided to department directors and non-represented management employees. It will also include consideration of the competitive market compensation for City Attorneys in comparable Northern California cities at the time of the performance evaluation. The annual base salary may be increased by written agreement of the parties or by inclusion of the agreed salary amount in any duly adopted ordinance or resolution of the city setting the City Attorney's salary on employee salaries generally. Nothing in this provision shall require the City to use a set formula, or require the City to provide either a merit or other salary increase at the annual evaluation. However, where the annual performance evaluation is good or excellent, the City shall normally adjust the compensation to provide Employee with a reasonable and market-competitive compensation as provided to city attorneys in comparable Northern California cities.

Section 6. Benefits

The Employee shall be entitled to retirement and other benefits in the Pay Plan applicable to employees in Classification Category "F" as set forth in the City's current Salary Resolution, except as listed below in Items A-F. The City has the express right to increase employee's contributions to CalPERS consistent with the increased contributions of City Department Heads and/or the City Manager.

A. The Employee shall not be entitled to a monthly vehicle allowance.

B. The Employee shall be credited with 25 days of Paid Time Off (PTO) effective on his first day of employment with the City. Beginning with the first pay period after January 18, 2016, Employee shall accrue PTO at the rate of employees at the 5-10 year longevity rate of 9.0 hours per pay period (29 days PTO/year). The maximum accrual cap is provided for in the Salary Resolution. At the time of leaving City employment, the Employee may, at his option, take compensation for accrued PTO in a single lump sum, or remain on the payroll for the period of time of the accrued PTO with continued receipt of all benefits until all applicable leave time is used. If the Employee elects to remain on the City's payroll for any length of time after his termination, it shall be for compensation purposes only and he shall have none of the duties and authority of the Employee, or represent himself as such.

C. The Employee shall receive sixty (60) hours of Administrative Leave each calendar year.

D. In addition to the standard life insurance provided to employees, City Council shall purchase additional term life insurance coverage sufficient to equal Employee's annual salary.

E. The City Council shall contribute to the City's deferred compensation plan on behalf of the Employee the maximum amount allowed by the United States Tax Code for

employees age 50 or older (currently \$24,000), pro-rated over the number of pay periods in the fiscal year. At such time as the City of Sunnyvale increases the maximum deferral amount available to all employees, the contribution amount shall be adjusted for the cost of living in accordance with Internal Revenue Code Section 457(e)(15) or 33-1/3% of the includable compensation for the taxable year. Payments shall be made each month following employment.

F. City Council agrees to reimburse Employee for reasonable job-related expenses incurred in carrying out his duties as City Attorney, subject to reasonable budgetary restrictions.

Section 7. Mortgage Assistance

The City Council shall provide Mortgage Assistance to Employee as provided and subject to the terms in Council Resolution No. 712-15. Employee's eligibility for participation in the City's Mortgage Assistance Program is conditioned on Employee's application to participate in the Mortgage Assistance program within two years of commencing employment with the City on January 19, 2016, the purchase of a residence within the City of Sunnyvale within two years of commencing employment with the City on January 19, 2016 (as documented by a purchase and sale agreement and the opening of escrow for the purchase of the property) and the actual and continued residence of Employee in the property within the City of Sunnyvale purchased with City Mortgage Assistance.

Section 8. Performance Evaluation

The City Council shall formally review and evaluate the performance of the Employee by December 31 of each year. Such review and evaluation shall be in accordance with the specific criteria developed by the City Council in consultation with the Director of Human Resources and Employee. The City Council shall provide Employee with their written comments and may discuss the review with Employee, at the choice of either the City Council or the Employee. The Employee shall have the right to respond orally or in writing to the evaluation.

The City Council shall also provide an informal mid-year performance review of the Employee after his first six (6) months of employment and every year thereafter.

Section 9. Indemnification

The City Council shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, or demand, or civil rights or other legal action, arising out of any act, event or omission occurring in the performance of Employee's professional duties as City Attorney, except to the extent that Employee's actions are the result of gross negligence or willful misconduct. The City Council will defend, compromise or settle any such claim or suit, as appropriate, and pay the amount of any settlement or judgment rendered thereon. This indemnification shall extend beyond termination of employment or other expiration of this Agreement, to provide full and complete protection to Employee for acts undertaken or committed by Employee in his capacity as City Attorney, regardless of whether receipt of notice or filing of any claim or lawsuit occurs during or following Employee's employment with the

City. The extent of defense or indemnification may be limited by the provisions of California State law.

Section 10. Professional Development

City Council acknowledges that participation in local, state and national municipal law organizations by the Employee benefits the City. The City agrees to pay for the Employee's annual dues for membership in the State Bar of California, the Santa Clara County Bar Association, and the League of California City's City Attorneys Division.

Section 11. Bonding

The City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 12. Binding Agreement

This Agreement reflects the complete Agreement between the parties. This Agreement shall be binding and inure to the benefit of the heirs of the estate of Employee.

Section 13. Severability

If any provision or portion of this Agreement is held unconstitutional, invalid or unenforceable, the remainder of the Agreement or any portion thereof shall not be affected and shall remain in full force and effect.

The signatures of the parties below indicate that each has read and understood the Agreement and will abide by the terms stated herein.

This Agreement has been executed by the parties on the dates noted.

ATTEST:

CITY OF SUNNYVALE
CITY COUNCIL

CITY CLERK

MAYOR

Date: _____

JOHN A. NAGEL, CITY ATTORNEY

Date: _____



City of Sunnyvale

Agenda Item

15-1083

Agenda Date: 12/15/2015

REPORT TO COUNCIL

SUBJECT

Discussion and Possible Action Regarding the City's Crossing Guard Program

BACKGROUND

Council directed staff to prepare a report on policy options related to the City's Crossing Guard program for its consideration during the December 15, 2015 regular Council meeting. Council also directed staff to provide regular reports on the status of staffing and services; unless Council action is required, these updates will be provided via the City Manager's Bi-Weekly Report (CMBWR) to Council available on the City's Website, on the City Manager's Blog at <http://sunnyvale.ca.gov/Newsroom/CityManagersBlog.aspx>.

The City's Crossing Guard Program was implemented approximately 50 years ago. This General Fund program is managed by the Department of Public Safety (DPS) and provides services at 38 intersections throughout the City to offer safer crossings for students walking and biking to and from school. The Crossing Guards are classified as Casual, which means the employees do not receive the same level of benefits that permanent full-time employees receive, but do receive some benefits (e.g. Workers' Compensation and sick leave).

Over the last several years, the City has experienced a decline in applications received for the crossing guard positions, as well as an increase in turnover rates, which has resulted in the need for supplemental backfill through the use of full time DPS staff or the inability to provide services for some intersections. Staff has been working to address programmatic needs, as reported to Council in August, October and November CMBWRs, and has taken several steps to recruit and retain crossing guards, such as:

- Completed a salary survey and found that the City's compensation is in line with the current market rate;
- Evaluated and modified the salary step placement requirements allowing for quicker movement within the salary range to address retention concerns; and
- Concentrated recruitment efforts via social media and other communication methods; for example, the crime prevention unit has worked with each school and the Senior Center to provide information on recruitment efforts, and staff has posted the job announcements at the Sunnyvale Senior Center, Santa Clara Senior Center, NOVA, the local community colleges and with all of the administrations of the schools.

Council has the following policy options:

1. Amend the City's Salary Resolution with a new salary schedule for the Crossing Guards. Since this is a non-represented casual position, salary adjustments do not occur through negotiated labor processes.

2. Sponsor a Study Issue on the effectiveness of the Crossing Guard program and suggestions for improvement and stabilization
3. Consider alternative methods of service delivery options for the City's Crossing Guard Program, in accordance with the guidelines in Council Policy 7.3.6 [Service Delivery Options <http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CodesAndPolicies/7.03.06.pdf>](http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CodesAndPolicies/7.03.06.pdf).
4. Take no policy action and allow staff to continue current robust recruitment and retention efforts, and report regularly (via CMBWR) on progress.

EXISTING POLICY

Council Policy 7.3.1 Legislative Management - Goals and Policies

Goal 7.3D: Maintain a quality work force, Consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

Policy 7.3D.1: Maintain a recruitment and selection process that ensures a highly competent workforce.

General Plan Chapter 6 - Safety and Noise, Policy SN-3.5 - Facilitate the Safe Movement of Pedestrians, Bicyclists and Vehicles

Council Policy 7.3.6 Service Delivery Options

The purpose of this policy is to establish guidelines for considering alternative methods of service delivery, whether that be the contracting of services currently provided by in-house staff, or bringing in-house a service currently provided by contract.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The program, currently budgeted for 45 crossing guards to cover 38 intersections, provides services to the Sunnyvale, Santa Clara, and Cupertino School Districts. The job structure of Crossing Guards offers seasonal, limited and unusual working hours. The work schedule is generally 10 to 15 hours per week during the regular school year with no work during school breaks and summer. It requires working a split shift, beginning in the morning as school starts and returning in the afternoon when school is letting out. In addition, applicants are subject to a criminal background check, fingerprinting, and a medical exam that includes a physical exam, range of motion back exam, tuberculosis test and drug test.

As of November 30, 2015, there are 35 Crossing Guard positions filled (10 vacancies). Four of the 35 current Crossing Guards are currently on leave. To provide supplemental coverage, DPS has been utilizing Cadets, Vehicle Abatement Officers (VAOs), Community Services Officers (CSOs), and Public Safety Officers (PSOs). Cadets and VAOs have been reassigned to Crossing Guard, and CSOs and PSOs on duty but not assigned to a priority call for service have been providing assistance in staffing the intersections.

There are currently seven applicants in various stages of the recruitment process. Statistics related to the crossing guard program and referenced in this report are provided in Attachment 1.

Salary Survey and Methodology

The City Council has a long-standing methodology of surveying 10 municipal agencies (identified in the Sunnyvale Employees' Association Memorandum of Understanding) for external salary comparisons for the various bargaining groups. In August 2015, the City conducted a salary survey (Attachment 2) using this same methodology. Five of the agencies are not comparable due to contracting the services with private service providers or school districts. With the five agencies that have a comparable classification, staff found that the City's compensation for Crossing Guards is in line with the current market rate. The average top step hourly rate is \$14.44, and the Sunnyvale Crossing Guard top step hourly rate is \$14.50, or 0.4% higher. The outcome of this survey did not indicate a change needed and, as a result, staff did not take action to increase salary rates or add a higher top step to the salary table.

The Council, upon review of the salary survey, may make its own adjustments beyond the salary survey findings. Since this is a non-represented casual position, salary adjustments do not occur through negotiated labor processes.

Retention

The City's turnover rate for this position has been increasing over the past several years; in FY 2014/15 the turnover rate was 46.6% compared with 22.5% in FY 2012/13. Based on a survey of former Crossing Guards that separated from the City in FY 2013/14 and FY 2014/15, approximately one-third obtained full time employment, while 18% moved out of the area and another 18% left for undisclosed personal reasons. Of those surveyed, 7% were rehired for the next school year. Based on these findings, programs or initiatives that would work toward retaining staff are not easily designed, given that separations are not for workplace conditions or morale but rather for personal choices.

Recruitment Efforts

Likely due to a strong economy and low unemployment rate, the number of applicants has been decreasing. The City received 45 applicants in 2015, compared with 96 in 2013 (53% decrease). As noted above, approximately 32% of Crossing Guard separations over the last two years were due to full time employment obtained elsewhere. Staff has increased recruitment efforts through collaboration with the School Districts and the City's social media platforms, and has included outreach with local colleges, NOVA Workforce Services, Sunnyvale and Santa Clara Senior Centers, Downtown Streets Team, Sunnyvale Neighborhood Associations and several other public locations to advertise the need for crossing guards. The crime prevention unit has worked with each of the schools within the City to recruit and make them aware of the staffing situation. A pay rate well above the average may work to recruit and retain crossing guards, but will not compete with compensation and benefits offered through full-time employment, which is a large part of employee departures.

As part of the City's recruitment and retention efforts, in August 2015, the City modified program requirements to provide movement on the salary schedule based on hours of work or time in the position, which allows greater flexibility and opportunities for employees to achieve the top step (Step 5) earlier than previously available. The schedule previously required 200 hours of service to advance from Step 1 to Step 2. To advance from Step 2 or higher, 420 hours of service was required in each Step. The recent modification to the program reduces the time period at each Step. The City also began placing new hire Crossing Guards at Step 4. Advancing from Step 4 to Step 5 requires 12 months and 400 hours of service with a performance rating of satisfactory or better. The salary step

placement of current Crossing Guards was also adjusted according to these new guidelines.

Private Contract Services

Staff contacted neighboring agencies that use contracted crossing guard services, and all provided high regard for the professional contract services as an effective program for their community. The cities indicated that all personnel aspects for hiring, staffing, termination and supervision were managed by the contractor. All workers' compensation, employee appreciation and recognition are also managed by the contractor. The cost of the services is negotiated based upon the hours and number of locations, and the City may opt to include retention efforts in the contract negotiations.

Should Council direct staff to study private contract services to replace or supplement the City's Crossing Guard Program, Council Policy 7.3.6 *Service Delivery Options* provides clear guidelines to begin the process.

Policy Options

As staff has reviewed and monitored the Crossing Guard program over the past several years, there are three policy areas to stabilize the recruitment and retention of Crossing Guards:

1. **Compensation.** The recent salary survey, which used the same methodology that staff has historically used to initiate an increase, did not yield statistics in support of a salary increase. Nevertheless, anecdotal information suggests that there are Crossing Guards that desire higher pay to which Council may want to respond. Council may direct staff to:
 - a. Increase the current hourly rate;
 - b. Add a Step 6;
 - c. Offer longevity pay; the City could offer eligible Crossing Guards additional pay (such as a standard 5%) after a defined amount of service. Staff's initial recommendation would be longevity pay after seven years of service.

If Council directs staff to make compensation changes, the estimated annual costs are outlined in the Fiscal Impact section.

2. **Retention.** The Crossing Guard position is unique in terms of work schedule, due to the morning and afternoon shift and to the seasonal school year calendar. Such a unique job specification is not as attractive to candidates in a competitive, booming economy where other positions, with more flexibility, are readily available.

Based on the survey responses from former Crossing Guards, the primary reasons for separations were significant life choices, such as relocating out of the area or obtaining full time employment, not attributed to workplace or job dissatisfaction. Recruitment and retention efforts, no matter how successful, will not overcome those choices.

3. **Program Design.** The changing landscape of the City may warrant further study of the locations where Crossing Guards are currently stationed. To determine if the City's program is effective and appropriate, Council may consider one or both of the following:
 - (a) A consultant's review of the number of Crossing Guards, locations and traffic conditions;
 - (b) Contracting out for professional services to provide and administer a Crossing Guard

program.

FISCAL IMPACT

Fiscal impact is dependent upon the direction from Council. Analysis to supplement or replace the program in any way will include consideration of the current budget, and other relevant factors; in FY 2015/16, the DPS operating budget includes approximately \$279,000 for crossing guards and direct program administration. The current budget includes approximately \$5,000 per Crossing Guard.

After insurances and leaves are considered, every one dollar per hour increase is equal to approximately \$1.10 in cost; this applies to any kind of wage increase, such as if Council directs staff to raise the current hourly rate, add a Step 6, or add longevity pay. For FY 2015/16, a 5% hourly increase would make the top step \$15.2251 per hour.

Direction from Council will result in the following estimated budget increases:

| | <u>FY 2015/16</u> | <u>20 Year</u> <u>Total</u> | <u>Cost</u> <u>Multiplier</u> |
|---|-------------------|--------------------------------|----------------------------------|
| <u>Compensation:</u> | | | |
| Each increase of 5% per hour | \$11,240 | \$224,800 | (x # of increases) |
| <u>Program Design</u> | | | |
| Increase budgeted number of positions (Cost per Crossing Guard) | \$5,000 | \$100,000 | (x # of positions added) |
| Increase budgeted number of positions and add 5% per hour (Cost per Crossing Guard) | \$16,490 | \$329,800 | (x # of positions added) |

Staff would need to evaluate the overall fiscal impact of any Council directed compensation change to determine if it warranted a budget modification, or if it could be absorbed with the current FY 2015/16 DPS Operating Budget.

If the City were to contract out for crossing guard services, as long as the cost of the contract was equal to or less than the current budget, there would be no fiscal impact. Staff feels that this option can be considered within the current FY 2015/16 DPS Operating Budget.

Should Council direct staff prepare a Study Issue paper to review the crossing guard program and make recommendations, it would include additional resources needed for a consultant to complete the review, as staff are at capacity and cannot complete this in-house; a budget modification would be required if Council directed staff to pursue this option.

Funding Source

The Crossing Guard Program is funded by the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Direct staff to continue robust recruitment and retention efforts and return in six months with a progress report.
2. Direct staff to introduce a Resolution amending the City's Salary Resolution with a new salary schedule for the Casual Crossing Guard and Casual Seasonal Crossing Guard classifications.
3. Direct staff to prepare a Study Issue paper on the effectiveness of the Crossing Guard program and suggestions for improvement and stabilization.
4. Direct staff to consider alternative methods of service delivery options for the City's Crossing Guard Program, in accordance with the guidelines in Council Policy 7.3.6 *Service Delivery Options* and report back to Council with recommendations for service delivery.

STAFF RECOMMENDATION

Staff makes no recommendation and will continue our robust recruitment efforts to employ Crossing Guards.

Feedback received from crossing guards who have resigned over the last two years identified two primary reasons for leaving casual employment: (1) full-time employment opportunities and (2) relocation out of the area. Staff will continue to address program staffing shortages through concentrated recruitment efforts, modifying salaries or salary steps if and when appropriate, and by assigning additional personnel to program administration.

Prepared by: Jeffrey Hunter, Captain, Public Safety
Reviewed by: Teri Silva, Director, Human Resources
Reviewed by: Frank Grgurina, Director, Public Safety
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Crossing Guard Program Statistics
2. Crossing Guard Salary Survey

City of Sunnyvale Crossing Guard Program Statistics

November 2015

| Tenure | Years of Service | Number of Crossing Guards |
|---------------|-------------------------|----------------------------------|
| | Less than 1 | 10 |
| | 1 to 5 | 9 |
| | 5+ to 10 | 11 |
| | 10+ to 15 | 4 |
| | 15+ | 1 |
| | Total | 35 |

| Turnover Rate | Fiscal Year | Turnover Rate |
|----------------------|--------------------|----------------------|
| | FY 12/13 | 22.5% |
| | FY 13/14 | 32.1% |
| | FY 14/15 | 46.6% |
| | Average | 33.7% |

| Applications Received | Year | Number Received |
|------------------------------|----------------|------------------------|
| | 2013 | 96 |
| | 2014 | 97 |
| | 2015 | 45 |
| | Average | 79 |

| Separations | Fiscal Year | Number Separated |
|--------------------|--------------------|-------------------------|
| | FY 12/13 | 10 |
| | FY 13/14 | 13 |
| | FY 14/15 | 17 |
| | Average | 13 |

| Separations Survey¹ | Reason | Quantity | % of Total |
|---------------------------------------|--------------------------------|-----------------|-------------------|
| | Full-Time Employment | 9 | 32.1% |
| | Moved Out of Area | 5 | 17.9% |
| | Personal Reasons – Undisclosed | 5 | 17.9% |
| | Personal Medical Reasons | 4 | 14.3% |
| | Care for Parent | 1 | 3.6% |
| | Attend Medical School | 1 | 3.6% |
| | Deceased | 1 | 3.6% |
| | Rehired – next school year | 2 | 7.1% |
| | Total | 28 | |

¹ Survey of employees that separated in FY 2013/14 and FY 2014/15; as of December 1, two had not responded.

City of Sunnyvale Salary Survey Results

August 2015

Conducted in August 2015 and included municipal agencies identified in the Sunnyvale Employees' Association Memorandum of Understanding for comparison¹:

| Agency | Top Step |
|----------------|-----------------|
| Alameda | \$13.46 |
| Milpitas | \$15.69 |
| Richmond | \$16.16 |
| San Leandro | \$11.38 |
| Santa Clara | \$15.51 |
| Average | \$14.44 |

Sunnyvale Top Step \$14.50
 % above average **0.4%**

Five of the agencies identified in the SEA MOU are not comparable due to contracting the services with private service providers or school districts:

Contracting with private service providers:

- City of Fremont
- City of Mountain View
- City of Palo Alto

Agreement with school districts:

- City of San Mateo
- City of Hayward

Additionally, staff researched several other local cities

| Agency | Top Step |
|---------------|-------------------|
| San Jose | \$19.11 |
| Campbell | \$16.00 |
| Cupertino | Contract Services |
| Los Altos | Contract Services |
| Los Gatos | Contract Services |

¹ At the request of Council, the salary average reported in the August 24, 2015 City Manager's Bi-Weekly Report included cities that are not included as part of our standard methodology.



City of Sunnyvale

Agenda Item

15-0459

Agenda Date: 12/15/2015

Tentative Council Meeting Agenda Calendar



City of Sunnyvale

Tentative Council Meeting Agenda Calendar

Tuesday, January 5, 2016 - City Council

Public Hearings/General Business

- | | |
|----------------|--|
| 16-0001 | Select Mayor for 2016 |
| 16-0002 | Select Vice Mayor for 2016 |
| 16-0003 | Annual Public Hearing - Discussion of Potential Council Study Issues and Budget Issues for Calendar Year 2016 |
| 16-0004 | City Council 2016 Appointments to Intergovernmental and Internal Assignments, Council Subcommittees, and Community Member Appointments |
| 16-0005 | Approve the Proposed 2016 Priority Issues and Short and Long-term Legislative Advocacy Positions (LAPs) |
| 16-0009 | Approve the 2016 City Council Meeting Calendar |
| 15-0890 | Consider Approval of Conversion Impact Report for Nick's Trailer Court, located at 1008 E. El Camino Real in Sunnyvale |
| 16-0006 | 2016 Seating Arrangements for City Council |

Tuesday, January 12, 2016 - City Council

Special Order of the Day

- | | |
|----------------|--|
| 16-0007 | SPECIAL ORDER OF THE DAY - Recognition of Outgoing Mayor |
| 16-0008 | SPECIAL ORDER OF THE DAY - Recognition of Outgoing Vice Mayor |
| 16-0010 | SPECIAL ORDER OF THE DAY - Ceremonial Oath for Incoming Mayor |
| 16-0011 | SPECIAL ORDER OF THE DAY - Ceremonial Oath for Incoming Vice Mayor |

Thursday, January 14, 2016 - City Council

Public Hearings/General Business

- | | |
|----------------|-----------------------------------|
| 16-0013 | 8:30 A.M. SPECIAL COUNCIL MEETING |
|----------------|-----------------------------------|

Council Strategic Session - Prioritization and Policy Priorities Update
Location: Sunnyvale Community Center Neighborhood Room

Friday, January 29, 2016 - City Council

Public Hearings/General Business

15-0084 8:30 A.M. SPECIAL COUNCIL MEETING
Study/Budget Issues Workshop

Tuesday, February 9, 2016 - City Council

Presentation

15-1084 Midpeninsula Regional Open Space District Presentation on Measure AA Projects

Public Hearings/General Business

15-0383 Amend Chapter 9.28 (Smoking Regulations) to Prohibit Smoking in All Units and Common Areas of Multi-Family Residences, in all outdoor dining areas, and and Expand Smoking Regulations to Prohibit Smoking near Doorways and Outdoor Areas of and other openings to Retail and Commercial Businesses; Finding of CEQA Exemption Pursuant to Guideline Section 15061(b)(3) (Study Issue)

15-0392 Introduce an Ordinance to Amend Titles 3 (Revenue and Finance) and 19 (Zoning) of the Sunnyvale Municipal Code related to the Transportation Impact Fee and Housing Impact Fees in conjunction with the Evaluate the Timing of Park Dedication In-lieu Fee Calculation and Payment Study Issue (2015-7151).

16-0015 Discussion and Possible Action Regarding Adoption of Council-ranked Study Issue Presentation Dates for 2016

Tuesday, February 23, 2016 - City Council

Public Hearings/General Business

15-1009 Approve Loan Agreement with MidPen Housing and Application for AHSC Grant for Benner Plaza Project, located at 460 Persian Drive

15-1019 Approve the 2015 Annual Progress Report on Implementation of the General Plan's Housing Element

Date to be Determined - City Council

Public Hearings/General Business

14-0035 Pilot Bicycle Boulevard Project on East-West and North-South Routes (Study Issue)

| | |
|----------------|---|
| 14-0273 | Optimization of Wolfe Road for Neighborhood and Commuters via Reconfiguration and Signalization (Study Issue) (June 2016) |
| 14-0429 | Resolution Forming Homestead Road Underground Utility District - Public Hearing |
| 15-0588 | Peery Park Specific Plan and Environmental Impact Report (Spring 2016) |
| 15-0603 | Lawrence Station Area Plan and Final Environmental Impact Report (Spring 2016) |
| 15-0605 | Land Use and Transportation Element and Environmental Impact Report (Summer 2016) |
| 15-0717 | Consider Multi-family Residential Transportation Demand Management Programs |
| 15-0788 | Sunnyvale Golf Course Concession License Agreement |



City of Sunnyvale

Agenda Item

15-0919

Agenda Date: 12/15/2015

Information/Action Items

2015 INFORMATION/ACTION ITEMS

COUNCIL DIRECTIONS TO STAFF

| No. | Date Assigned | Directive/Action Required | Dept | Due Date | Date Completed |
|------------|----------------------|---|-------------|-----------------|-----------------------|
| 1. | 8/18/15 | Look for potential matching funds for the Lawrence/Wildwood project and adjust TIF assumptions as needed | DPW | March 2016 | |
| 2. | 11/10/15 | Try to locate and make available to Council a copy of the 1983 North – South Transportation Study | DPW | | |
| 3. | 11/10/15 | Provide a Report to Council with alternatives to provide full coverage for the school crossing guard program | DPS | | 12/10/15 |
| 4. | 11/10/15 | Consider including a member of the Teen Advisory Committee as part of the Advisory Committee on Accessibility | LCS | | 12/3/15 |
| 5. | 11/10/15 | Finalize time for the December 10 special Council meeting on downtown | OCM | | 11/12/15 |
| 6. | 11/17/15 | Follow up with Councilmember Meyering to provide a previous staff memo on Civic Center repair needs | OCM | | 11/19/15 |
| 7. | 12/1/15 | UUT Study Session follow up: return to Council with alternatives to modernize the UUT around telecommunications (without broadening to other utilities or increasing the rate), evaluate previous City Council UUT rate reduction (City Attorney), try and better understand modernization tax impacts to typical consumers, evaluate whether a low income exemption can be implemented with PG&E's standards if the City forms a CCE | FIN | | |
| 8. | 12/1/15 | Work with the Mayor to draft a letter to the City of Mountain View requesting a change in the minimum wage annual adjustment calculations | OCM | | |

NEW STUDY/BUDGET ISSUES SPONSORED BY COUNCIL IN 2015

| No. | Date Requested | Study Issue Title | Requested By | Dept | Issue Paper Approved by City Manager |
|-----|----------------|---|------------------------|------|--------------------------------------|
| 1. | 11/10/15 | Development of a Policy for Consolidation of Curb Cuts on Properties Located on Transit Lines | Whittum/ Meyering | DPW | 11/29/15 |
| 2. | 11/10/15 | Explore Expanding Friendship City Relationship with Iizuka, Japan to a Sister City Relationship | Griffith/ Hendricks | OCM | 11/29/15 |
| 3. | 11/17/15 | Measures to Improve Pedestrian Safety on Homestead Road | Whittum/ Hendricks | DPW | 12/3/15 |



City of Sunnyvale

Agenda Item

15-0198

Agenda Date: 12/15/2015

Study Session Summary of September 29, 2015 - Update on Sunnyvale Municipal Golf Course Restaurant Operations and Golf Finances

Call to Order:

Vice Mayor Martin-Milius called the meeting to order at 6 p.m.

City Councilmembers Present:

Mayor Jim Griffith

Vice Mayor Jim Davis

Councilmember David Whittum

Councilmember Pat Meyering

Councilmember Tara Martin-Milius

Councilmember Glenn Hendricks

Councilmember Gustav Larsson

Study Session Summary:

Director of Public Works Manuel Pineda presented information about the City's golf program. The presentation described the status of the golf industry, golf revenues, expenditures and profitability, golf as recreation and how it compares to other recreation services, and possible future options for golf.

Councilmembers asked questions, made comments, and requested additional information (some comments were made by more than one councilmember and are only listed once):

- Requested additional information on capital costs
- Requested that staff make contact with City of Santa Clara
- Asked questions regarding the recreation cost of golf and required subsidy
- Asked questions regarding the 20 year plan and subsidy
- Discussed how golf compares to other recreational uses
- Discussed the trends in the golf industry
- Discuss looking at other golf uses such as foot golf
- Discussed the status of the restaurant operators
- Discussed a hotel at the Sunnyvale golf course parking lot
- Discussed the cost per round of golf to the City

Adjournment:

Vice Mayor Martin-Milus adjourned the meeting at 7 p.m.



City of Sunnyvale

Agenda Item

15-0514

Agenda Date: 12/15/2015

Board/Commission Meeting Minutes



City of Sunnyvale

Meeting Minutes - Draft

Housing and Human Services Commission

Wednesday, November 18, 2015

7:00 PM

West Conference Room, City Hall, 456 W.
Olive Ave., Sunnyvale, CA 94086

Special Meeting

CALL TO ORDER

Chair Evans called the meeting to order at 7:03 p.m.

SALUTE TO THE FLAG

Chair Evans led the salute to the flag.

ROLL CALL

Present: 4 - Chair Patti Evans
Vice Chair Barbara Schmidt
Commissioner Diana Gilbert
Commissioner Younil Jeong
Absent: 1 - Commissioner Dennis Chiu

ORAL COMMUNICATIONS

Kim Torres of MidPen Housing gave an update on Onizuka Crossing, MidPen's newest affordable housing community in Sunnyvale, and noted that applications for the lottery that will take place in December are now available online. She also brought some paper copies to share.

CONSENT CALENDAR

- 1A.** [15-1015](#) Draft Minutes of the Housing and Human Services
Commission Meeting of October 28, 2015.

Commissioner Gilbert moved and Commissioner Jeong seconded the motion to approve the Consent Calendar which is comprised of the Draft Minutes of the Housing and Human Services Commission Meeting of October 28, 2015. The motion failed by the following vote:

Yes: 4 - Chair Evans
Vice Chair Schmidt
Commissioner Gilbert
Commissioner Jeong

No: 0

Absent: 1 - Commissioner Chiu

PUBLIC HEARINGS/GENERAL BUSINESS

2 [15-1014](#) Review and Rank Study Issues

Housing Officer Suzanne Isé reviewed each of the study issues and answered commissioners' questions before the ranking process began.

Chair Evans opened the public hearing at 7:27 p.m.

Linda Davis noted that she was not clear on the intent of Study Issue CDD 16-11: Consider Methods to Encourage Alternative, Non-traditional Housing in High-density Residential Areas, and asked for some explanation of "live-work" units. Staff provided some brief background and described what live-work units are.

Chair Evans closed the public hearing at 7:32 p.m.

Chair Evans initiated the study issues ranking using the procedures provided by the City Manager's office. First she asked if there were any study issues that the commission would recommend to be dropped or deferred.

Commissioner Schmidt moved and Chair Evans seconded to recommend deferring Study Issue CDD 16-01: Feasibility of A Plan to Seek Voter Approval for A New Bond Financing Measure to Generate Additional Funds for Affordable Housing Development in Sunnyvale. The motion carried unanimously 4-0-1, with Commissioner Chiu absent.

One additional study issue, CDD-16-11, remained to be ranked.

Commissioner Gilbert moved and Commissioner Jeong seconded to accept Study Issue CDD 16-11: Consider Methods to Encourage Alternative, Non-traditional Housing in High-density Residential Areas as ranked #1, and to encourage Council to also rank it highly, since affordable housing is a dominant and important issue for the community and for the housing commission, and conventional solutions are not meeting the existing need. Motion carried unanimously 4-0-1, with Commissioner

Chiu absent.

- 3 [15-1044](#) Nominate a Housing and Human Services Commissioner to the El Camino Real Specific Plan Advisory Committee

Ms. Isé explained that, due to the resignation of Commissioner McCloud, the commission needed to nominate a new representative to the El Camino Real Corridor Plan Advisory Committee.

Chair Evans asked if any of the commissioners was interested in serving on the Committee. Chair Evans added that she was interested, but wanted others to have an opportunity to participate if they wished to do so.

Commissioner Gilbert moved and Vice Chair Schmidt seconded the motion to nominate Chair Evans to participate in the El Camino Real Corridor Plan Advisory Committee. The motion carried by the following vote:

Yes: 4 - Chair Evans
 Vice Chair Schmidt
 Commissioner Gilbert
 Commissioner Jeong

No: 0

Absent: 1 - Commissioner Chiu

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

None.

-Staff Comments

Staff mentioned that, either on the 13th or on another date when a quorum can be present, there will be a special meeting in January. After some discussion and potentially not having a quorum on the 13th, staff agreed to look at the 27th as an option, as long as it did not delay certain actions needed to meet HUD deadlines. She noted that staff would follow up by email to confirm the date.

ADJOURNMENT

Chair Evans adjourned the meeting at 8 p.m.



City of Sunnyvale

Meeting Minutes - Draft Arts Commission

Wednesday, November 18, 2015

7:00 PM

Neighborhood Room - Recreation Center,
Sunnyvale Community Center, 550 E.
Remington Drive, Sunnyvale, CA 94087

CALL TO ORDER

Chair Park called the meeting to order at 7 p.m. in the Neighborhood Room.

Chair Park SALUTE TO THE FLAG

Chair Park led the salute to the flag.

ROLL CALL

Present: 3 - Chair Misuk Park
Commissioner David Koppel
Vice Chair Robert Lawson
Absent: 1 - Commissioner Roberta Kiphuth

Commissioner Kiputh's absence is excused.
Council Liaison Larsson (present)

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

[15-0409](#) Draft Minutes of 9/16/15.

Chair Park proposed to amend the minutes to reflect Civic Center "Modernization" project. Vice Chair Lawson moved and Commissioner Koppel seconded the motion to approve the minutes as submitted and amended. The motion carried by the following vote:

Yes: 3 - Chair Park
Commissioner Koppel
Vice Chair Lawson

No: 0

Absent: 1 - Commissioner Kiphuth

PUBLIC HEARINGS/GENERAL BUSINESS

[15-0996](#) Christensen Holdings/433 N. Mathilda Avenue

Superintendent of Community Services Daniel Wax introduced Steven Dolan, representing Artist Albert Dicruttalo. Mr. Dolan described the proposed art and location. He described the visibility of the art from the street (below the high canopy of the Magnolia trees), the interior of the building, the driveway and the opposite side of Mathilda. He provided samples of the material and explained the artist's intention to determine the level of polish after he tests the reflective shine of the material at the actual site. He answered Commissioners' questions. Vice Chair Lawson inquired about the thickness of the material, how it wears down, the maintenance required; and he asked about the size of the buildings. Commissioner Koppel asked how the art can be cleaned if it is tagged. Chair Park asked about the landscaping around the base of the art.

Chair Park opened the public hearing. There were no public comments and she closed the public hearing.

Vice Chair Lawson moved and Commissioner Koppel seconded the motion to approve the staff recommendation: Approve the artwork as it is proposed.

The motion carried by the following vote:

Yes: 3 - Chair Park
Commissioner Koppel
Vice Chair Lawson

No: 0

Absent: 1 - Commissioner Kiphuth

Commissioners provided the rationale for their vote. Commissioner Koppel stated he voted yes because the art meets the criteria, fits the setting, and it is inviting to the community. Vice Chair Lawson voted yes, stating he likes the art and feels its size is appropriate to the building. In addition he likes the placement, commented that it is a substantial piece, and it is easy to clean. Chair Park voted yes, indicating it meets the criteria. She also stated it is beautiful piece, substantial, and it enhances features within its environment. The Commissioners all expressed that they prefer the shinier finish.

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Commissioner Koppel stated he supports the idea of an art contest as discussed at the last meeting. He shared two ideas which were suggested to him by members of the public: an art / performance art festival on Sunnyvale Saratoga Rd; and more public art on El Camino Real.

Chair Park and Superintendent Wax provided information about the study issue process.

No study issues were proposed at this time.

NON-AGENDA ITEMS & COMMENTS**-Commissioner Comments**

Vice Chair Lawson suggested the Art in Private Development application process include a requirement that the pictures submitted are to scale and the scale is reflected on the document. He also commented on areas of improvement for the Murphy Park Mural: to create a path up to the murals; install benches to view the mural; improve the visual aspects of the door between the murals; cleanup the grout related stains; and review the caulking to ensure no water will seep into the mural.

Chair Park announced that she attended the Council meeting on September 29 to accept the proclamation for October is "National Art and Humanities Month."

-Staff Comments

Superintendent Wax introduced and welcomed Trenton Hill the new community services manager. Mr. Hill will manage the Arts and Marketing unit.

Superintendent Wax provided information requested by the Commissioners at the last meeting, detailing the art contest in Mountain View which is sponsored by the IOOF and the Mountain View Women's Club. The art is shown at Mountain View's City Hall and Library.

Manager Hill responded to Vice Chair Lawson's request from the last meeting which was to provide information about what other Commissions do. He provided six ways the Commissioners could engage the community through programs, collaboration, grants, awards, education, and networking. He gave specific examples of each category.

ADJOURNMENT

Chair Park adjourned the meeting at 8:20 p.m.



City of Sunnyvale

Meeting Minutes Parks and Recreation Commission

Wednesday, November 11, 2015

7:00 PM

Council Chambers, City Hall, 456 W. Olive
Ave., Sunnyvale, CA 94086

CALL TO ORDER

Chair Pasqua called the meeting to order at 7:03 p.m. in the Council Chambers.

SALUTE TO THE FLAG

Chair Pasqua led the salute to the flag.

ROLL CALL

Present: 4 - Chair Craig Pasqua
Vice Chair Ralph Kenton
Commissioner Henry Alexander III
Commissioner Robert Pochowski

Council Liaison Davis (present)

PRESENTATION

[15-0846](#) Teen Advisory Committee Presentation

President Kevin Chan and Vice President Anjuli Corzine of the Teen Advisory Committee reported on their goals of increasing committee visibility; recruiting for the fall committee vacancies; and conducting nine special events. They answered Commissioners' questions regarding publicity; the schools with which they work; the number of hours volunteered by teens; and the challenges to recruiting new members.

[15-0955](#) Friends of Stevens Creek Trail Annual Report

Vice President of Friends of Stevens Creek Trail (FOSCT), Garth Williams reported on their activities during the year. During the last year FOSCT partnered with Acterra for Greenfingers (a habitat restoration program); conducted work days on the trail; held the 31st Trailblazer Race; provided Creekopedia (an education tool) to DeAnza students; and conducted community outreach. Additionally, four members participated on the Joint Cities Working Team Feasibility Study. He

shared a video showing Mountain View residents who support the Stevens Creek Trail.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

1A [15-0981](#) Draft Minutes of September 9, 2015.

Vice Chair Kenton moved and Commissioner Pochowski seconded the motion to approve the consent calendar. The motion carried by the following vote:

Yes: 3 - Chair Pasqua
 Vice Chair Kenton
 Commissioner Pochowski

No: 0

Abstain: 1 - Commissioner Alexander III

PUBLIC HEARINGS/GENERAL BUSINESS

2 [15-0900](#) Support the Preferred Alignment of the Stevens Creek Trail as Recommended by the Joint Cities Working Team

Assistant City Manager Kent Steffens presented the staff report. He noted that this is the beginning of a process. If approved, it will require permits and difficult construction along the creek. To complete parts of the trail could take another 5-10 years. He responded to the Commissioners' questions. In response to Commissioner Pochowski's question about alternatives to Segment 2, he explained that the Working Team needs more information to consider further alternatives. In response to Commissioner Alexander's questions about effects on the environment, he explained CEQA requirements will be met in any future studies, including environmental impacts such as additional carbon emissions from idling cars due to increased congestion. He addressed Vice Chair Kenton's question about the feasibility of an elevated path. He answered Commissioner Alexander's question about the types of support the City, which has no financial obligation, can offer. He answered Chair Pasqua's questions regarding public safety on the trail. He also addressed how the City is working with partners to expedite the process. He indicated that there was no attempt to summarize Appendix C - Summary of Public Comments.

Chair Pasqua opened Public Comments.

Vivian Euzent spoke in opposition to alignment on Bernardo Avenue due to traffic issues, and provided pictures of the current congestion. She is opposed to disrupting the neighborhood when there is no alignment beyond Homestead Road. She also expressed disappointment that emails were not categorized. She uses the Stevens Creek Trail and supports the recommendations in Segment 1.

Angela Huang spoke in opposition to the proposed path on Bernardo Avenue due to safety concerns, traffic, limited parking, and her opinion that users of the path would not experience a connection with nature, like they can on the trail in Mt. View.

Anne Ng spoke in support of the Stevens Creek Trail. She is a board member of Friends of Stevens Creek Trail and was in a citizens work group on the Joint Cities Working Team. She shared her own informal categorization of the public comments. She also thanked the City for being the lead City for the study, and expressed hope that residents could see it differently and that it might simplify the traffic flow.

Bruce Euzent spoke in opposition to the proposed path on Bernardo Avenue because the school district boundaries end at Fremont Avenue and students don't need to connect Bernardo Avenue across West Fremont Avenue. He attended both the Cupertino and Sunnyvale Joint Cities Work Group public meetings and observed that local residents were supportive of the path on public property but opposed to a trail on streets. He said the consultant also expressed that building a trail on the road is not preferred.

Kathleen Cordova spoke in response to the video shown by FOSCT, about the sense of community that already exists in the neighborhood around the proposed path on Bernardo Avenue. She expressed concern that the path would not solve traffic problems and explained that students living on the north side of Bernardo do not cross West Fremont Avenue to attend school, and therefore, do not benefit from a bridge over West Fremont Avenue.

There were no further speakers and Chair Pasqua closed Public Comments.

Vice Chair Kenton moved and Commissioner Pochowski seconded the motion to approve staff's recommendation:

Alternatives 1, 2(a), 3, 4, and 5:

1. Support the recommended alignment of the JCWT in Study Segment 1 (Dale Avenue/Heatherstone Way to Fremont Avenue). This includes an off-street trail

along the 22 acres of open space along State Route (SR) 85 from Dale Avenue/Heatherstone Way to Fremont Avenue, and connections at Fremont Avenue, on both sides of SR 85. Collaborate with Mountain View to seek out grant funding for the master planning, environment review, and potential construction.

2. (a) Upon completing environmental review and securing funding for potential construction of Study Segment 1, initiate a comprehensive traffic and parking study for an off-street bicycle/pedestrian trail on Bernardo Avenue for Study Segment 2 (Fremont Avenue to Homestead Road). If the traffic study indicates that an off-street facility is desirable as determined by the Sunnyvale City Council, then proceed to seek grant funding for trail master planning, environment review and potential construction of Study Segment 2.

3. Collaborate with Cupertino and Los Altos to seek out grant funding for the master planning, environmental review, and construction of Study Segment 3 (Homestead Road to Stevens Creek Boulevard) improvements at Homestead Road (i.e., the Homestead Road bridge widening or Homestead Road pedestrian/bike bridge).

4. Support our regional partners as they pursue funding for closing the gap for the Stevens Creek Trail between Mountain View and Cupertino.

5. In an effort to achieve the regional goal of extending the Stevens Creek Trail the City will support and adopt the following policies as identified in the JCWT recommendation summary:

- a. All trail projects should try to improve habitat values in and around the Creek.
- b. Existing public lands near Stevens Creek should be maintained as public land to preserve habitat and future trail opportunities.
- c. The City will continue collaboration with regional partners for extension of the Stevens Creek Trail.

The motion carried by the following vote:

Yes: 4 - Chair Pasqua
Vice Chair Kenton
Commissioner Alexander III
Commissioner Pochowski

No: 0

Commissioners expressed their support of Alternative 1. While they had some concerns about Alternative 2(a), they were in favor of further study as recommended. They also were in favor of Alternatives 3, 4 and 5 so that the efforts towards the trail could continue to move forward.

The Commission would like to advise Council that Alternative 2(a) [comprehensive

traffic and parking study] should take into account the traffic patterns involved on Bernardo to make it friendlier to traffic and the environment.

3 [15-1011](#) Review and Rank Study Issues

Superintendent of Parks and Golf James Stark provided the staff report on study issue DPW 16-07, Golf Course Land Use Options and Opportunities. He answered Commissioners' questions about what the study would include, and the current efforts to increase revenue.

Chair Pasqua opened the public hearing. There were no public comments and he closed the public hearing.

Commissioner Pochowski moved and Vice Chair Kenton seconded the motion to Rank Study Issue DPW 16-07 number one. The motion carried by the following vote:

Yes: 4 - Chair Pasqua
 Vice Chair Kenton
 Commissioner Alexander III
 Commissioner Pochowski

No: 0

Commissioners expressed interest in keeping a golf course in Sunnyvale, and did not support selling the land. They supported a study to identify additional options for the land.

4 [15-0886](#) Annual Review of Code of Ethics and Conduct for Elected and Appointed Officials

Superintendent of Community Services Daniel Wax provided an overview of the Code of Ethics and Conduct. Commissioners had no questions.

Chair Pasqua opened the public hearing. There were no public comments and he closed the public hearing.

Vice Chair Kenton moved and Commissioner Alexander III seconded the motion to approve passing the Code of Ethics and Conduct on to Council and supporting it. The motion carried by the following vote:

Yes: 4 - Chair Pasqua
Vice Chair Kenton
Commissioner Alexander III
Commissioner Pochowski

No: 0

5 STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

None.

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

Commissioner Alexander III suggested the Commissioners conduct outreach at neighborhood associations. Superintendent Wax committed to providing Commissioners with information about the neighborhood associations and their meetings.

Commissioner Pochowski announced that AYSO has been permitted to use the fields for their tournament in December. He thanked staff.

-Staff Comments

Superintendent Wax provided information about upcoming events:

- Evenings of Cultural Arts will present LoveNotes on 11/28 in the Sunnyvale Theatre
- Sunnyvale Community Players presents Evita from 11/7-11/22 in the Sunnyvale Theatre
- The Creative Arts Center is hosting a Pottery Sale from 12/4-12/5, 10 a.m. - 5 p.m.
- The Senior Center will host Breakfast with Santa on 12/5

ADJOURNMENT

Chair Pasqua adjourned the meeting at 9:19 p.m.