



City of Sunnyvale

Notice and Agenda - Revised City Council

Tuesday, October 3, 2017

5:30 PM

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

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

5:30 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

[17-0862](#)

Closed Session held pursuant to California Government Code
Section 54956.8: CONFERENCE WITH REAL PROPERTY
NEGOTIATORS

Property: 1050 Innovation Way and 1060 Innovation Way,
Sunnyvale (a portion of the former Onizuka Air Force Station)
Agency negotiator: Kent Steffens, Interim City Manager; Craig
Mobeck, Interim Director of Public Works

Negotiating parties: Four Corner Properties, Google, Inc.,
Grupo SEB DBA Concept Silicon Valley LLC and Jay Paul
Company

Under negotiation: Price and Terms of Payment

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**[17-0786](#)

Evaluation of Work Plan for New Revenue Strategies to Fund New and Increasing Service Demands and/or Unfunded Capital Investments (Study Issue)

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****SPECIAL ORDER OF THE DAY**[17-0352](#)

SPECIAL ORDER OF THE DAY - Arts and Humanities Month

[17-0881](#)

SPECIAL ORDER OF THE DAY - National Breast Cancer Awareness Month

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** [17-0187](#) 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.B** [17-0830](#) Award a Contract for Climate Action Plan 2.0 Technical Development and Community Engagement Services (F17-151)

Recommendation: 1) Award a contract not to exceed \$235,480 to DNV GL for Climate Action Plan (CAP) 2.0 technical development and community engagement services, in substantially the same form as Attachment 1 to the report, and authorize the City Manager to execute the contract when all necessary conditions have been met; and 2) approve a contract contingency in the amount of \$14,000.

- 1.C** [17-0836](#) Award of Bid No. PW17-34 for the Street Lights Conduit Replacement Project (ST-16-04) and finding of California Environmental Quality Act (CEQA) Categorical Exemption

Recommendation: 1) Make a finding of California Environmental Quality Act (CEQA) Categorical Exemption pursuant to CEQA Guidelines Section 15301 as the project relates to existing public facilities (street lights) involving negligible or no expansion of use beyond that presently existing. 2) Award a contract, in substantially the same form as Attachment No. 2 to the report, and in the amount of \$120,320, to Columbia Electric, Inc. of San Leandro, California for the Street Light Conduit Replacement, and authorize the City Manager to execute the contract when all necessary conditions have been met; and 3) approve a 10% construction contingency in the amount of \$12,032.

- 1.D [17-0773](#) Award of Contract for Traffic Signal Timing and Optimization (F17-106)

Recommendation: 1) Award a contract in substantially the same form as Attachment 1 to the report and in the amount of \$162,520 to DKS Associates for professional engineering services for the Signal Coordination Timing and Coordination Optimization Project and authorize the City Manager to execute the contract when all necessary conditions have been met; and 2) approve a 10% contract contingency for the project.

- 1.E [17-0775](#) Adopt the City's Investment Policy for Fiscal Year 2017/18 and Receive the Annual Performance Report for Fiscal Year 2016/17

Recommendation: Adopt the City's Investment Policy for FY 2017/18.

- 1.F [17-0777](#) Review and File the City of Sunnyvale Other Post-Employment (OPEB) Trust Account Investment Summary and Approve the Investment Policy Statement as Amended and Presented

Recommendation: Find that the action does not require environmental review pursuant to California Environmental Quality Act Guidelines Section 15378(b)(4), and review and file the City of Sunnyvale Other Post-Employment (OPEB) Trust Account Investment Summary and approve the Investment Policy Statement as amended and presented in Attachment 2 to the report.

- 1.G [17-0958](#) Adopt Ordinance No. 3125-17 to Amend Chapter 9.86 of Title 9 (Public Peace, Safety or Welfare) and various sections of Title 19 (Zoning) of the Sunnyvale Municipal Code to Update the Existing Prohibition Against Commercial Marijuana Activity in the City to include Non-Medical Marijuana, to Reasonably Regulate Indoor Personal Cultivation of Marijuana Consistent with State Law, and to Prohibit Outdoor Personal Cultivation of Marijuana

Recommendation: Adopt Ordinance No. 3125-17.

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 [16-0618](#) Consider Below Market Rate Alternative Compliance Plans for Residential Developments at 803 W. El Camino Real (Pastoria Corners) and 871 E. Fremont Avenue (Butcher's Corner).
Applicant: De Anza Properties; Planning Files 2016-7568 and 2016-7569

Recommendation: Alternatives 1 and 3: 1) Approve the Applicant's Below Market Rate Alternative Compliance Plan for Pastoria Corners, located at 803 W. El Camino Real, as shown in Attachment 2 to the report; and 3) Approve the Applicant's Below Market Rate Alternative Compliance Plan for Butcher's Corner, located at 871 E. Fremont Avenue, as shown in Attachment 3 to the report.

COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS

NON-AGENDA ITEMS & COMMENTS

-Council

-City Manager

INFORMATION ONLY REPORTS/ITEMS

- [17-0681](#) Tentative Council Meeting Agenda Calendar
- [17-0851](#) Information/Action Items
- [17-0943](#) Appointed Members to the Climate Action Plan (CAP 2.0) Advisory Committee (Information Only)
- [17-0886](#) Joint City Council and Arts Commission Study Session
Summary of August 15, 2017 - Master Plan for Public Art

ADJOURNMENT

NOTICE TO THE PUBLIC

The agenda reports to council (RTCs) may be viewed on the City's website 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 35.160 (b) (1))

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" available on the City website at sunnyvale.ca.gov.

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 <https://sunnyvaleca.legistar.com> for upcoming Council, board and commission meeting information.



City of Sunnyvale

Agenda Item

17-0862

Agenda Date: 10/3/2017

Closed Session held pursuant to California Government Code Section 54956.8: CONFERENCE
WITH REAL PROPERTY NEGOTIATORS

Property: 1050 Innovation Way and 1060 Innovation Way, Sunnyvale (a portion of the former Onizuka
Air Force Station)

Agency negotiator: Kent Steffens, Interim City Manager; Craig Mobeck, Interim Director of Public
Works

Negotiating parties: Four Corner Properties, Google, Inc., Grupo SEB DBA Concept Silicon Valley
LLC and Jay Paul Company

Under negotiation: Price and Terms of Payment



City of Sunnyvale

Agenda Item

17-0786

Agenda Date: 10/3/2017

Evaluation of Work Plan for New Revenue Strategies to Fund New and Increasing Service Demands and/or Unfunded Capital Investments (Study Issue)



City of Sunnyvale

Agenda Item

17-0352

Agenda Date: 10/3/2017

SPECIAL ORDER OF THE DAY - Arts and Humanities Month



City of Sunnyvale

Agenda Item

17-0881

Agenda Date: 10/3/2017

SPECIAL ORDER OF THE DAY - National Breast Cancer Awareness Month



City of Sunnyvale

Agenda Item

17-0187

Agenda Date: 10/3/2017

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 |
|----------|---------------------------|---------------------|
| 886 | 09-10-17 through 09-16-17 | \$2,059,444.17 |

Payments made by the City are controlled in a variety of ways. In general, payments are reviewed by the appropriate City staff for compliance with the goods or services provided. Any discrepancies are resolved and re-submitted for payment. Different levels of dollar amounts for payments require varying levels of approval within the organization. Ultimately payments are reviewed and processed by the Finance Department. Budgetary control is set by Council through the budget adoption resolution.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

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: Timothy J. Kirby, Director of Finance

Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

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

9/18/2017

City of Sunnyvale

LIST # 886

Page 1

List of All Claims and Bills Approved for Payment
For Payments Dated 9/10/2017 through 9/16/2017

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|-------------|--------------|-------------------------------------|-------------|---------------------------------------|----------------|----------------|-------------|--------------------|
| xxx295314 | 9/12/17 | ACE FIRE EQUIPMENT & SERVICE CO INC | 2790 | Inventory Purchase | 505.11 | 0.00 | 505.11 | \$505.11 |
| xxx295315 | 9/12/17 | ACOM SOLUTIONS INC | 0299079-IN | Hardware Maintenance | 1,782.00 | 0.00 | 1,782.00 | \$4,679.00 |
| | | | 0299104-IN | Software Licensing & Support | 2,897.00 | 0.00 | 2,897.00 | |
| xxx295316 | 9/12/17 | ACTERRA | SUNNYVALE1 | Consultants | 18,000.00 | 0.00 | 18,000.00 | \$18,000.00 |
| xxx295317 | 9/12/17 | AD CLUB | 283715 | Advertising Services | 805.00 | 0.00 | 805.00 | \$805.00 |
| xxx295318 | 9/12/17 | AMERICAN WATER WORKS ASSN | 7001412294 | Membership Fees | 5,702.00 | 0.00 | 5,702.00 | \$5,702.00 |
| xxx295319 | 9/12/17 | BAUER COMPRESSORS INC | 0000228707 | Clothing, Uniforms & Access | 564.10 | 0.00 | 564.10 | \$3,094.48 |
| | | | 0000228756 | Safety Equipment Maintenance & Repair | 1,966.28 | 0.00 | 1,966.28 | |
| | | | 0000229526 | Clothing, Uniforms & Access | 564.10 | 0.00 | 564.10 | |
| xxx295320 | 9/12/17 | BAY COUNTIES WASTE SERVICES | 023451 | Recycling Services | 18,889.52 | 0.00 | 18,889.52 | \$18,889.52 |
| xxx295321 | 9/12/17 | BAY PRO LANDSCAPE SERVICES INC | 11266 | Services Maintain Land Improv | 390.00 | 0.00 | 390.00 | \$390.00 |
| xxx295322 | 9/12/17 | BAY-VALLEY PEST CONTROL INC | 0226633 | Services Maintain Land Improv | 58.00 | 0.00 | 58.00 | \$1,141.00 |
| | | | 0227213 | Facilities Maintenance & Repair Labor | 64.00 | 0.00 | 64.00 | |
| | | | 0227225 | Facilities Maintenance & Repair Labor | 65.00 | 0.00 | 65.00 | |
| | | | 0227230 | Facilities Maintenance & Repair Labor | 68.00 | 0.00 | 68.00 | |
| | | | 0227252 | Services Maintain Land Improv | 58.00 | 0.00 | 58.00 | |
| | | | 0229118 | Services Maintain Land Improv | 372.00 | 0.00 | 372.00 | |
| | | | 0229132 | Facilities Maintenance & Repair Labor | 456.00 | 0.00 | 456.00 | |
| xxx295323 | 9/12/17 | BOUND TREE MEDICAL LLC | 82611870 | Inventory Purchase | 59.12 | 0.00 | 59.12 | \$353.94 |
| | | | 82613196 | Inventory Purchase | 294.82 | 0.00 | 294.82 | |
| xxx295324 | 9/12/17 | BRUCE BARTON PUMP SERVICE INC | 0093717-IN | Bldg Maint Matls & Supplies | 426.17 | 0.00 | 426.17 | \$426.17 |
| xxx295325 | 9/12/17 | CENTURY GRAPHICS | 47324 | Clothing, Uniforms & Access | 1,737.49 | 0.00 | 1,737.49 | \$2,530.78 |
| | | | 47325 | Clothing, Uniforms & Access | 793.29 | 0.00 | 793.29 | |
| xxx295326 | 9/12/17 | CHEMSEARCH | 2797272 | Chemicals | 1,311.27 | 0.00 | 1,311.27 | \$1,311.27 |
| xxx295327 | 9/12/17 | CORIX WATER PRODUCTS (US) INC | 17713025409 | Water Backflow Valves | 543.68 | 0.00 | 543.68 | \$914.93 |
| | | | 17713025830 | Water Backflow Valves | 371.25 | 0.00 | 371.25 | |
| xxx295328 | 9/12/17 | CROP PRODUCTION SERVICES INC | 34147920 | Materials - Land Improve | 239.80 | 0.00 | 239.80 | \$2,484.66 |
| | | | 34181055 | Materials - Land Improve | 1,141.78 | 0.00 | 1,141.78 | |
| | | | 34181056 | Materials - Land Improve | 1,103.08 | 0.00 | 1,103.08 | |

List of All Claims and Bills Approved for Payment

For Payments Dated 9/10/2017 through 9/16/2017

Sorted by Payment Number

| Payment | Payment | | | | | | | | |
|-----------|---------|--|-------------|---------------------------------------|----------------|----------|-------|-------------|---------------|
| No. | Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount | Taken | Amount Paid | Payment Total |
| xxx295329 | 9/12/17 | DELTA DENTAL INSURANCE CO | BE002359308 | Insurances - Dental | 1,675.73 | | 0.00 | 1,675.73 | \$1,675.73 |
| xxx295330 | 9/12/17 | ELIZABETH J STRAIN | ES2017JA | Rec Instructors/Officials | 851.40 | | 0.00 | 851.40 | \$851.40 |
| xxx295331 | 9/12/17 | EMPIRE SAFETY & SUPPLY | 0089357-IN | Inventory Purchase | 165.90 | | 0.00 | 165.90 | \$165.90 |
| xxx295332 | 9/12/17 | ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE | 93336564 | Software Licensing & Support | 15,500.00 | | 0.00 | 15,500.00 | \$15,500.00 |
| xxx295333 | 9/12/17 | FAILSAFE TESTING | 9237 | Safety Equipment Maintenance & Repair | 2,860.25 | | 0.00 | 2,860.25 | \$2,860.25 |
| xxx295334 | 9/12/17 | FIRST STUDENT INC | 80254381 | Travel Related Services | 573.25 | | 0.00 | 573.25 | \$573.25 |
| xxx295335 | 9/12/17 | FITGUARD INC | 0000132742 | Misc Equip Maint & Repair - Labor | 95.00 | | 0.00 | 95.00 | \$436.80 |
| | | | 0000132747 | Misc Equip Maint & Repair - Labor | 95.00 | | 0.00 | 95.00 | |
| | | | 0000132757 | Misc Equip Maint & Repair - Labor | 95.00 | | 0.00 | 95.00 | |
| | | | 0000132758 | Misc Equip Maint & Repair - Labor | 95.00 | | 0.00 | 95.00 | |
| | | | 0000132760 | Misc Equip Maint & Repair - Labor | 95.00 | | 0.00 | 95.00 | |
| | | | 130658_CM | Professional Services | -38.20 | | 0.00 | -38.20 | |
| xxx295336 | 9/12/17 | GARDENLAND POWER EQUIPMENT | 507534 | Misc Equip Maint & Repair - Labor | 164.89 | | 0.00 | 164.89 | \$782.10 |
| | | | 507534 | Misc Equip Maint & Repair - Materials | 116.75 | | 0.00 | 116.75 | |
| | | | 507538 | Misc Equip Maint & Repair - Materials | 61.34 | | 0.00 | 61.34 | |
| | | | 509072 | Misc Equip Maint & Repair - Materials | 439.12 | | 0.00 | 439.12 | |
| xxx295337 | 9/12/17 | IMPERIAL SPRINKLER SUPPLY | 2987918-01 | Materials - Land Improve | 81.56 | | 0.00 | 81.56 | \$2,363.43 |
| | | | 3003995-00 | Materials - Land Improve | 315.82 | | 0.00 | 315.82 | |
| | | | 3026323-00 | Materials - Land Improve | 126.03 | | 0.00 | 126.03 | |
| | | | 3033859-01 | Materials - Land Improve | 1,420.68 | | 0.00 | 1,420.68 | |
| | | | 3043043-00 | Materials - Land Improve | 419.34 | | 0.00 | 419.34 | |
| xxx295338 | 9/12/17 | INSIGHT PUBLIC SECTOR INC | 1100551948 | Computer Hardware | 706.21 | | 0.00 | 706.21 | \$760.33 |
| | | | 1100551948 | Hardware Maintenance | 54.12 | | 0.00 | 54.12 | |
| xxx295340 | 9/12/17 | KENYATTA ALI | 2014-6 | Rec Instructors/Officials | 300.00 | | 0.00 | 300.00 | \$300.00 |
| xxx295341 | 9/12/17 | KIDZ LOVE SOCCER | KLS2017JA | Rec Instructors/Officials | 11,073.12 | | 0.00 | 11,073.12 | \$11,073.12 |
| xxx295342 | 9/12/17 | LANGUAGE SELECT LLC | 48070 | Miscellaneous Services | 773.06 | | 0.00 | 773.06 | \$773.06 |
| xxx295343 | 9/12/17 | LEVEL 3 COMMUNICATIONS LLC | 60108312 | Telecommunication Services | 4,621.31 | | 0.00 | 4,621.31 | \$8,243.49 |
| | | | 60119719 | Telecommunication Services | 3,622.18 | | 0.00 | 3,622.18 | |
| xxx295344 | 9/12/17 | LINKO TECHNOLOGY INC | 5158 | Software Licensing & Support | 2,775.00 | | 0.00 | 2,775.00 | \$2,775.00 |
| xxx295345 | 9/12/17 | LORI NEUMANN | LN2017JA | Rec Instructors/Officials | 896.40 | | 0.00 | 896.40 | \$896.40 |
| xxx295346 | 9/12/17 | MGT OF AMERICA CONSULTING LLC | | | | | | | \$4,350.00 |

List of All Claims and Bills Approved for Payment
For Payments Dated 9/10/2017 through 9/16/2017

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--------------------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | 32067 | Mandated Cost SB 90 | 4,350.00 | 0.00 | 4,350.00 | |
| xxx295347 | 9/12/17 | MCMaster CARR SUPPLY CO | 45144891 | Miscellaneous Equipment Parts & Supplies | 584.56 | 0.00 | 584.56 | \$584.56 |
| xxx295348 | 9/12/17 | MIND IN PROGRESS INC | SUMMER2017 | Rec Instructors/Officials | 18,816.00 | 0.00 | 18,816.00 | \$18,816.00 |
| xxx295349 | 9/12/17 | NEOGOV | INV22087 | Software As a Service | 10,896.15 | 0.00 | 10,896.15 | \$10,896.15 |
| xxx295350 | 9/12/17 | OCLC INC | 0000552435 | Lib Database Services (OCLC) | 2,248.23 | 0.00 | 2,248.23 | \$2,248.23 |
| xxx295351 | 9/12/17 | PAYFLEX SYSTEMS USA INC | 130534-1034394 | Professional Services | 185.00 | 0.00 | 185.00 | \$245.00 |
| | | | 130536-1034396 | Professional Services | 60.00 | 0.00 | 60.00 | |
| xxx295352 | 9/12/17 | PLAY & PARK STRUCTURES | PJI-0017717 | Materials - Land Improve | 16,624.56 | 0.00 | 16,624.56 | \$16,624.56 |
| xxx295353 | 9/12/17 | PRIORITY 1 PUBLIC SAFETY EQUIPMENT | 4353 | Vehicles & Motorized Equip | 0.00 | 0.00 | 0.00 | \$33,952.47 |
| | | | 6334 | Parts, Vehicles & Motor Equip | 520.00 | 0.00 | 520.00 | |
| | | | 6341 | Vehicles & Motorized Equip | 200.00 | 0.00 | 200.00 | |
| | | | 6353 | Vehicles & Motorized Equip | 10,473.69 | 0.00 | 10,473.69 | |
| | | | 6356 | Vehicles & Motorized Equip | 348.80 | 0.00 | 348.80 | |
| | | | 6357 | Vehicles & Motorized Equip | 10,843.51 | 0.00 | 10,843.51 | |
| | | | 6381 | Vehicles & Motorized Equip | 11,217.67 | 0.00 | 11,217.67 | |
| | | | 6389 | Vehicles & Motorized Equip | 348.80 | 0.00 | 348.80 | |
| xxx295354 | 9/12/17 | RFSIGNALMAN | 776 | Miscellaneous Services | 10,125.00 | 0.00 | 10,125.00 | \$10,125.00 |
| xxx295355 | 9/12/17 | READYREFRESH BY NESTLE | 17H0024199309 | Miscellaneous Services | 53.17 | 0.00 | 53.17 | \$53.17 |
| xxx295356 | 9/12/17 | REED & GRAHAM INC | 896952 | Materials - Land Improve | 3,849.77 | 0.00 | 3,849.77 | \$16,613.18 |
| | | | 897071 | Materials - Land Improve | 3,155.45 | 0.00 | 3,155.45 | |
| | | | 897375 | Materials - Land Improve | 3,079.94 | 0.00 | 3,079.94 | |
| | | | 897530 | Materials - Land Improve | 3,870.39 | 0.00 | 3,870.39 | |
| | | | 897667 | Materials - Land Improve | 2,234.18 | 0.00 | 2,234.18 | |
| | | | 898211 | Materials - Land Improve | 423.45 | 0.00 | 423.45 | |
| xxx295357 | 9/12/17 | SAFEWAY INC | 802283-082617 | Food Products | 90.16 | 0.00 | 90.16 | \$105.93 |
| | | | 804591-071317 | Food Products | 15.77 | 0.00 | 15.77 | |
| xxx295358 | 9/12/17 | SCHAAF & WHEELER | 28513 | Engineering Services | 713.70 | 0.00 | 713.70 | \$713.70 |
| xxx295359 | 9/12/17 | SILICON VALLEY SECURITY & PATROL INC | 2033230 | Miscellaneous Services | 456.00 | 0.00 | 456.00 | \$456.00 |
| xxx295360 | 9/12/17 | SMART & FINAL INC | 030253-082617 | Food Products | 35.10 | 0.00 | 35.10 | \$113.96 |
| | | | 053546-082517 | Food Products | 41.88 | 0.00 | 41.88 | |

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For Payments Dated 9/10/2017 through 9/16/2017

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|--------------------------------|--------------------|---------------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 055533-083017 | General Supplies | 36.98 | 0.00 | 36.98 | |
| xxx295361 | 9/12/17 | SMITHGROUPJJR | 0125533 | Professional Services | 120,311.54 | 0.00 | 120,311.54 | \$120,311.54 |
| xxx295362 | 9/12/17 | STATCOMM INC | 121512 | Facilities Maint & Repair - Labor | 1,877.75 | 0.00 | 1,877.75 | \$2,743.09 |
| | | | 121512 | Facilities Maint & Repair - Materials | 343.74 | 0.00 | 343.74 | |
| | | | 121592 | Facilities Maint & Repair - Labor | 454.63 | 0.00 | 454.63 | |
| | | | 121592 | Facilities Maint & Repair - Materials | 66.97 | 0.00 | 66.97 | |
| xxx295363 | 9/12/17 | STUDIO EM GRAPHIC DESIGN | 16752 | Books & Publications | 463.25 | 0.00 | 463.25 | \$1,896.60 |
| | | | 16754 | Graphics Services | 179.85 | 0.00 | 179.85 | |
| | | | 16755 | Graphics Services | 299.75 | 0.00 | 299.75 | |
| | | | 16756 | Graphics Services | 136.25 | 0.00 | 136.25 | |
| | | | 16775 | Graphics Services | 327.00 | 0.00 | 327.00 | |
| | | | 16776 | Graphics Services | 490.50 | 0.00 | 490.50 | |
| xxx295364 | 9/12/17 | SUNNYVALE BUILDING MAINTENANCE | 99814 | Professional Services | 23,837.44 | 0.00 | 23,837.44 | \$23,837.44 |
| xxx295365 | 9/12/17 | SUNNYVALE TOWING INC | 288771 | Vehicle Towing Services | 35.00 | 0.00 | 35.00 | \$1,490.00 |
| | | | 298678 | Vehicle Towing Services | 300.00 | 0.00 | 300.00 | |
| | | | 298680 | Vehicle Towing Services | 300.00 | 0.00 | 300.00 | |
| | | | 299791 | Vehicle Towing Services | 50.00 | 0.00 | 50.00 | |
| | | | 299825 | Vehicle Towing Services | 74.00 | 0.00 | 74.00 | |
| | | | 299834 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 299846 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 299847 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 300409 | Vehicle Towing Services | 72.00 | 0.00 | 72.00 | |
| | | | 300427 | Vehicle Towing Services | 35.00 | 0.00 | 35.00 | |
| | | | 300448 | Vehicle Towing Services | 74.00 | 0.00 | 74.00 | |
| | | | 301202 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301235 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301240 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301243 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301244 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301268 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 301293 | Vehicle Towing Services | 75.00 | 0.00 | 75.00 | |

List of All Claims and Bills Approved for Payment
For Payments Dated 9/10/2017 through 9/16/2017

Sorted by Payment Number

| Payment No. | Payment Date | Vendor Name | Invoice No. | Description | Invoice Amount | Discount Taken | Amount Paid | Payment Total |
|--------------------|---------------------|-------------------------------------|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | 302326 | Vehicle Towing Services | 35.00 | 0.00 | 35.00 | |
| | | | 311764 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| | | | 311765 | Vehicle Towing Services | 40.00 | 0.00 | 40.00 | |
| xxx295367 | 9/12/17 | SUPPLYWORKS | 41230666 | Inventory Purchase | 746.21 | 6.85 | 739.36 | \$739.36 |
| xxx295368 | 9/12/17 | TMT ENTERPRISES INC | 91717 | Materials - Land Improve | 4,591.44 | 0.00 | 4,591.44 | \$4,591.44 |
| xxx295369 | 9/12/17 | TAYLORMADE-ADIDAS GOLF CO | 32768586 | Inventory Purchase | 1,114.83 | 0.00 | 1,114.83 | \$1,114.83 |
| xxx295370 | 9/12/17 | TELMAR NETWORK TECHNOLOGY INC | 9000011087 | Comm Equip Maintain & Repair - Labor 1 | 420.00 | 0.00 | 420.00 | \$420.00 |
| xxx295371 | 9/12/17 | THOMSON REUTERS ELITE | 06-806952 | Software Licensing & Support | 2,220.11 | 0.00 | 2,220.11 | \$2,220.11 |
| xxx295372 | 9/12/17 | THRASHER TERMITE & PEST CONTROL INC | 16382 | Facilities Maintenance & Repair Labor | 695.00 | 0.00 | 695.00 | \$695.00 |
| xxx295373 | 9/12/17 | TIGER MARTIAL ARTS ACADEMY INC | TMA2017JA | Rec Instructors/Officials | 1,031.80 | 0.00 | 1,031.80 | \$1,031.80 |
| xxx295374 | 9/12/17 | TINT OF CLASS | 17831 | Bldg Maint Matls & Supplies | 175.00 | 0.00 | 175.00 | \$175.00 |
| xxx295375 | 9/12/17 | TRENDTEC INC | 267310 | Salaries - Contract Personnel | 1,821.20 | 0.00 | 1,821.20 | \$1,821.20 |
| xxx295376 | 9/12/17 | UNIVERSITY OF CALIFORNIA SANTA CRUZ | 57229 | DED Services/Training - Training | 574.00 | 0.00 | 574.00 | \$986.00 |
| | | | 57301 | DED Services/Training - Training | 412.00 | 0.00 | 412.00 | |
| xxx295377 | 9/12/17 | VWR INTERNATIONAL LLC | 8049618937 | General Supplies | 185.76 | 0.00 | 185.76 | \$1,536.29 |
| | | | 8049618939 | Chemicals | 20.69 | 0.00 | 20.69 | |
| | | | 8049625455 | General Supplies | 78.80 | 0.00 | 78.80 | |
| | | | 8049643926 | General Supplies | 464.39 | 0.00 | 464.39 | |
| | | | 8049643927 | General Supplies | 786.65 | 0.00 | 786.65 | |
| xxx295378 | 9/12/17 | VERIZON WIRELESS | 9791313490 | Communication Equipment | 17.28 | 0.00 | 17.28 | \$17.28 |
| xxx295379 | 9/12/17 | VINCENT ELECTRIC MOTOR CO | 0904598 | Misc Equip Maint & Repair - Labor | 5,185.00 | 0.00 | 5,185.00 | \$6,716.02 |
| | | | 0904598 | Misc Equip Maint & Repair - Materials | 1,531.02 | 0.00 | 1,531.02 | |
| xxx295380 | 9/12/17 | WHCI PLUMBING SUPPLY | S2237899.001 | Bldg Maint Matls & Supplies | 268.00 | 0.00 | 268.00 | \$268.00 |
| xxx295381 | 9/12/17 | WOWZY CREATION CORP | 88581 | Customized Products | 22.35 | 0.00 | 22.35 | \$22.35 |
| xxx295382 | 9/12/17 | WECO INDUSTRIES LLC | 0039449-IN | Computer Hardware | 4,274.21 | 0.00 | 4,274.21 | \$12,972.86 |
| | | | 0039449-IN | Computer Software | 6,528.62 | 0.00 | 6,528.62 | |
| | | | 0039449-IN | Consultants | 2,170.03 | 0.00 | 2,170.03 | |
| xxx295383 | 9/12/17 | WINSUPPLY OF SILICON VALLEY | 675912 01 | Hand Tools | 549.69 | 0.00 | 549.69 | \$549.69 |
| xxx295385 | 9/12/17 | PACIFIC GAS & ELECTRIC CO | 03955461530817 | Utilities - Electric | 1,880.60 | 0.00 | 1,880.60 | \$10,727.32 |
| | | | 03958470700817 | Utilities - Electric | 2,732.70 | 0.00 | 2,732.70 | |

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|-------------|--------------|-------------------------------------|----------------|--|----------------|----------------|-------------|--------------------|
| | | | 100023460917 | Utilities - Electric | 1,354.20 | 0.00 | 1,354.20 | |
| | | | 53350770050817 | Fuel, Oil & Lubricants | 42.04 | 0.00 | 42.04 | |
| | | | 91271084620817 | Utilities - Electric | 21.45 | 0.00 | 21.45 | |
| | | | 91290311060817 | Utilities - Electric | 61.80 | 0.00 | 61.80 | |
| | | | SVVT136202071 | Utilities - Electric | 4,634.53 | 0.00 | 4,634.53 | |
| | | | 7 | | | | | |
| xxx295386 | 9/12/17 | LIWU HAO | 690772 | Lib - Lost & Damaged Circulation | 12.99 | 0.00 | 12.99 | \$12.99 |
| xxx295387 | 9/12/17 | MARIA GROMIK | 360481 | Refund Recreation Fees | 350.00 | 0.00 | 350.00 | \$350.00 |
| xxx295388 | 9/12/17 | MARTIN GOMEZ | 360847 | Refund Recreation Fees | 350.00 | 0.00 | 350.00 | \$350.00 |
| xxx295389 | 9/12/17 | MICHAEL ORTEGA | 360473 | Refund Recreation Fees | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| xxx295390 | 9/12/17 | SAYAKA KISHINO | 361327 | Refund Recreation Fees | 50.00 | 0.00 | 50.00 | \$50.00 |
| xxx295391 | 9/12/17 | SHIRI PORAT | 360292 | Refund Recreation Fees | 56.67 | 0.00 | 56.67 | \$56.67 |
| xxx295392 | 9/12/17 | VALLEY HEATING COOLING & ELECTRICAL | 2017-3428 | Permit - Plumbing & Gas | 86.00 | 0.00 | 86.00 | \$86.00 |
| xxx295393 | 9/14/17 | ALLIES | ELL-03 | Contracts/Service Agreements | 17,850.00 | 0.00 | 17,850.00 | \$17,850.00 |
| xxx295394 | 9/14/17 | AARON'S INDUSTRIAL PUMPING | 8/21/2017 | Facilities Maintenance & Repair Labor | 395.00 | 0.00 | 395.00 | \$395.00 |
| xxx295395 | 9/14/17 | ACCLAMATION INSURANCE MANAGEMENT | 109070 | Workers' Compensation - Administration | 25,320.53 | 0.00 | 25,320.53 | \$25,320.53 |
| xxx295396 | 9/14/17 | ACTION SIGN SYSTEMS | 34139 | Supplies, Office 1 | 590.25 | 0.00 | 590.25 | \$590.25 |
| xxx295397 | 9/14/17 | ACUSHNET CO | 904625240 | Inventory Purchase | 885.37 | 60.69 | 824.68 | \$824.68 |
| xxx295398 | 9/14/17 | AEGIS ITS INC | 21202 | Construction Services | 4,207.84 | 0.00 | 4,207.84 | \$4,207.84 |
| xxx295399 | 9/14/17 | AMFASOFT CORP | ALCWALD-01 | DED Services/Training - Training | 3,937.50 | 0.00 | 3,937.50 | \$3,937.50 |
| xxx295400 | 9/14/17 | APEX LIFE SCIENCES LLC | LAB550353286 | Salaries - Contract Personnel | 1,117.50 | 0.00 | 1,117.50 | \$3,480.00 |
| | | | LAB550353287 | Salaries - Contract Personnel | 1,170.00 | 0.00 | 1,170.00 | |
| | | | LAB550353288 | Salaries - Contract Personnel | 1,192.50 | 0.00 | 1,192.50 | |
| xxx295401 | 9/14/17 | APPLEONE EMPLOYMENT SERVICES | 01-4574103 | Contracts/Service Agreements | 7,428.22 | 0.00 | 7,428.22 | \$35,982.66 |
| | | | 01-4581060 | Contracts/Service Agreements | 9,360.00 | 0.00 | 9,360.00 | |
| | | | 01-4588448 | Contracts/Service Agreements | 924.96 | 0.00 | 924.96 | |
| | | | 01-4588449 | Contracts/Service Agreements | 8,448.72 | 0.00 | 8,448.72 | |
| | | | 01-4599206 | Contracts/Service Agreements | 1,541.60 | 0.00 | 1,541.60 | |
| | | | 01-4599207 | Contracts/Service Agreements | 8,279.16 | 0.00 | 8,279.16 | |
| xxx295407 | 9/14/17 | BARTEL ASSOC LLC | 17-491 | Financial Services | 5,000.00 | 0.00 | 5,000.00 | \$5,000.00 |

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|--------------------|---------------------|---|--------------------|---|-----------------------|-----------------------|--------------------|----------------------|
| xxx295408 | 9/14/17 | BAY AREA NEWS GROUP DIGITAL FIRST MEDIA | 0005988340 | Advertising Services | 80.00 | 0.00 | 80.00 | \$80.00 |
| xxx295409 | 9/14/17 | CWEA SCVS | OCT/24/2017 | Training and Conferences | 70.00 | 0.00 | 70.00 | \$70.00 |
| xxx295410 | 9/14/17 | CALIFA GROUP | 9901-A | Utilities - Telephone | 3,360.16 | 0.00 | 3,360.16 | \$3,360.16 |
| xxx295411 | 9/14/17 | CALIFORNIA WATERS | CMSPOOLRNO VSPR | Construction Project Contract Retainage | 2,089.56 | 0.00 | 2,089.56 | \$2,089.56 |
| xxx295412 | 9/14/17 | CENTURY GRAPHICS | 47426 | Inventory Purchase | 1,679.47 | 0.00 | 1,679.47 | \$1,679.47 |
| xxx295413 | 9/14/17 | COMCAST | 09/07-10/6/17 | Miscellaneous Services | 171.50 | 0.00 | 171.50 | \$171.50 |
| xxx295414 | 9/14/17 | CONSOLIDATED PARTS INC | 5041407 | Hand Tools | 3,689.65 | 0.00 | 3,689.65 | \$4,245.49 |
| | | | 5041432 | Electrical Parts & Supplies | 106.18 | 0.00 | 106.18 | |
| | | | 5041498 | Electrical Parts & Supplies | 449.66 | 0.00 | 449.66 | |
| xxx295415 | 9/14/17 | CORIX WATER PRODUCTS (US) INC | 17713016539 | Inventory Purchase | 1,656.82 | 15.20 | 1,641.62 | \$2,372.03 |
| | | | 17713022145 | Inventory Purchase | 119.47 | 0.00 | 119.47 | |
| | | | 17713025898 | Materials - Land Improve | 53.88 | 0.00 | 53.88 | |
| | | | 17713026464 | Inventory Purchase | 562.22 | 5.16 | 557.06 | |
| xxx295416 | 9/14/17 | D W NICHOLSON CORP | 8480 | Misc Equip Maint & Repair - Labor | 1,280.20 | 0.00 | 1,280.20 | \$4,128.63 |
| | | | 8480 | Misc Equip Maint & Repair - Materials | 2,848.43 | 0.00 | 2,848.43 | |
| xxx295417 | 9/14/17 | DELL MARKETING LP | 10188754977 | Computer Hardware | 2,864.49 | 0.00 | 2,864.49 | \$2,864.49 |
| xxx295418 | 9/14/17 | ESPINOZA TREE SERVICE | 1810 | Professional Services | 700.00 | 0.00 | 700.00 | \$700.00 |
| xxx295419 | 9/14/17 | EVOLIBRI CONSULTING | 3788 | Contracts/Service Agreements | 2,220.00 | 0.00 | 2,220.00 | \$2,220.00 |
| xxx295420 | 9/14/17 | FARMLOAD DISTRIBUTORS INC | I170811948 | Materials - Land Improve | 986.16 | 0.00 | 986.16 | \$986.16 |
| xxx295421 | 9/14/17 | FEDEX | 5-894-61264 | Mailing & Delivery Services | 5.07 | 0.00 | 5.07 | \$10.44 |
| | | | 5-909-13165 | Mailing & Delivery Services | 5.37 | 0.00 | 5.37 | |
| xxx295422 | 9/14/17 | FISHER SCIENTIFIC CO LLC | 8589748 | General Supplies | 742.18 | 0.00 | 742.18 | \$1,286.74 |
| | | | 9564629 | General Supplies | 380.05 | 0.00 | 380.05 | |
| | | | 9564630 | General Supplies | 164.51 | 0.00 | 164.51 | |
| xxx295423 | 9/14/17 | FREMONT UNION HIGH SCHOOL DISTRICT | V072917 | DED Services/Training - Training | 234.00 | 0.00 | 234.00 | \$702.00 |
| | | | V073217 | DED Services/Training - Training | 234.00 | 0.00 | 234.00 | |
| | | | V73117 | DED Services/Training - Training | 234.00 | 0.00 | 234.00 | |
| xxx295424 | 9/14/17 | GINO GEMIGNANI | 272183540 | DED Services/Training - Books | 57.76 | 0.00 | 57.76 | \$57.76 |
| xxx295425 | 9/14/17 | GOLDEN GATE PETROLEUM | 706646 | Inventory Purchase | 4,975.62 | 0.00 | 4,975.62 | \$4,975.62 |

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|--------------------|---------------------|--|--------------------|----------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| xxx295426 | 9/14/17 | GOODYEAR COMMERCIAL TIRE & SERVICE CTR | 189-1096030 | Inventory Purchase | 461.30 | 0.00 | 461.30 | \$461.30 |
| xxx295427 | 9/14/17 | GRAINGER | 9549100643 | Inventory Purchase | -502.27 | 0.00 | -502.27 | \$0.72 |
| | | | 9549100650 | Inventory Purchase | -125.57 | 0.00 | -125.57 | |
| | | | 9550203419 | Inventory Purchase | 628.56 | 0.00 | 628.56 | |
| xxx295428 | 9/14/17 | ICE MACHINE RENTALS | 38851 | Equipment Rental/Lease | 216.41 | 0.00 | 216.41 | \$216.41 |
| xxx295429 | 9/14/17 | IMAGETREND INC | 107419 | Computer Software | 2,480.00 | 0.00 | 2,480.00 | \$2,480.00 |
| xxx295430 | 9/14/17 | INNOVYZE INC | 05522AM-2017 | Software Licensing & Support | 3,750.00 | 0.00 | 3,750.00 | \$3,750.00 |
| xxx295431 | 9/14/17 | JOBTRAIN | JULY2017 | DED Services/Training - Training | 16,000.00 | 0.00 | 16,000.00 | \$27,791.00 |
| | | | JULY2017 | Contracts/Service Agreements | 11,791.00 | 0.00 | 11,791.00 | |
| xxx295432 | 9/14/17 | KELLY PAPER CO | 8753500 | Printing & Related Services | 403.03 | 0.00 | 403.03 | \$403.03 |
| xxx295433 | 9/14/17 | KOHLWEISS AUTO PARTS INC | 01PK0352 | Inventory Purchase | -26.98 | 0.00 | -26.98 | \$802.98 |
| | | | DISCT | | | | | |
| | | | 01PK2890 | Inventory Purchase | 846.90 | 16.94 | 829.96 | |
| xxx295434 | 9/14/17 | KRYSTAL RUDDY | 112 | Professional Services | 60.00 | 0.00 | 60.00 | \$60.00 |
| xxx295435 | 9/14/17 | L N CURTIS & SONS INC | INV125395 | Inventory Purchase | 425.37 | 0.00 | 425.37 | \$425.37 |
| xxx295436 | 9/14/17 | MUFG UNION BANK NA | 060117-083117 | Financial Services | 15,070.72 | 0.00 | 15,070.72 | \$15,070.72 |
| xxx295437 | 9/14/17 | MALLORY SAFETY & SUPPLY LLC | 30147836-00 | Inventory Purchase | -29.62 | 0.00 | -29.62 | \$1,638.79 |
| | | | 30147847-01 | Inventory Purchase | 189.72 | 0.00 | 189.72 | |
| | | | 30148953-00 | Inventory Purchase | 395.59 | 0.00 | 395.59 | |
| | | | 30150276-00 | Inventory Purchase | 366.24 | 0.00 | 366.24 | |
| | | | 4318528 | Inventory Purchase | 5.32 | 0.00 | 5.32 | |
| | | | 4319229 | Inventory Purchase | 491.80 | 0.00 | 491.80 | |
| | | | 4320628 | Inventory Purchase | 219.74 | 0.00 | 219.74 | |
| xxx295438 | 9/14/17 | MICHAEL BERNICK | AUGUST2017 | Contracts/Service Agreements | 1,500.00 | 0.00 | 1,500.00 | \$1,500.00 |
| xxx295439 | 9/14/17 | MIDWEST TAPE | 95333807 | Library Acquis, Audio/Visual | 1,856.81 | 0.00 | 1,856.81 | \$2,237.77 |
| | | | 95337520 | Library Acquis, Audio/Visual | 40.85 | 0.00 | 40.85 | |
| | | | 95337521 | Library Acquis, Audio/Visual | 38.14 | 0.00 | 38.14 | |
| | | | 95337523 | Library Acquis, Audio/Visual | 209.17 | 0.00 | 209.17 | |
| | | | 95360885 | Library Materials Preprocessing | 92.80 | 0.00 | 92.80 | |
| xxx295440 | 9/14/17 | MINH NHAN | CK REQ 18-045 | DED Services/Training - Books | 35.67 | 0.00 | 35.67 | \$35.67 |
| xxx295441 | 9/14/17 | MISSION LINEN SERVICE | 505441592 | Laundry & Cleaning Services | 43.18 | 0.00 | 43.18 | \$1,769.47 |

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| | | | 505451395 | Laundry & Cleaning Services | 54.30 | 0.00 | 54.30 | |
| | | | 505451396 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505451399 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505451400 | Laundry & Cleaning Services | 60.96 | 0.00 | 60.96 | |
| | | | 505480543 | Laundry & Cleaning Services | 53.39 | 0.00 | 53.39 | |
| | | | 505496732 | Laundry & Cleaning Services | 43.18 | 0.00 | 43.18 | |
| | | | 505497059 | Laundry & Cleaning Services | 49.25 | 0.00 | 49.25 | |
| | | | 505497060 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505497063 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505497604 | Laundry & Cleaning Services | 60.96 | 0.00 | 60.96 | |
| | | | 505524041 | Laundry & Cleaning Services | 53.39 | 0.00 | 53.39 | |
| | | | 505532346 | Laundry & Cleaning Services | 43.18 | 0.00 | 43.18 | |
| | | | 505542487 | Laundry & Cleaning Services | 54.30 | 0.00 | 54.30 | |
| | | | 505542488 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505542491 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505542492 | Laundry & Cleaning Services | 60.96 | 0.00 | 60.96 | |
| | | | 505571120 | Laundry & Cleaning Services | 53.39 | 0.00 | 53.39 | |
| | | | 505579218 | Laundry & Cleaning Services | 43.18 | 0.00 | 43.18 | |
| | | | 505588321 | Laundry & Cleaning Services | 54.30 | 0.00 | 54.30 | |
| | | | 505588322 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505588325 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505588326 | Laundry & Cleaning Services | 60.96 | 0.00 | 60.96 | |
| | | | 505617723 | Laundry & Cleaning Services | 53.39 | 0.00 | 53.39 | |
| | | | 505624952 | Laundry & Cleaning Services | 43.18 | 0.00 | 43.18 | |
| | | | 505635253 | Laundry & Cleaning Services | 54.30 | 0.00 | 54.30 | |
| | | | 505635254 | Laundry & Cleaning Services | 76.54 | 0.00 | 76.54 | |
| | | | 505635257 | Laundry & Cleaning Services | 79.90 | 0.00 | 79.90 | |
| | | | 505635258 | Laundry & Cleaning Services | 60.96 | 0.00 | 60.96 | |
| xxx295444 | 9/14/17 | MOUNTAIN VIEW GARDEN CENTER | 90394 | Materials - Land Improve | 121.54 | 0.00 | 121.54 | \$450.51 |
| | | | 90427 | Materials - Land Improve | 95.81 | 0.00 | 95.81 | |
| | | | 90442 | Materials - Land Improve | 107.86 | 0.00 | 107.86 | |

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|--------------------|---------------------|---------------------------------------|--------------------|---|-----------------------|-----------------------|--------------------|----------------------|
| | | | 90591 | Materials - Land Improve | 17.44 | 0.00 | 17.44 | |
| | | | 90693 | Materials - Land Improve | 107.86 | 0.00 | 107.86 | |
| xxx295445 | 9/14/17 | NAMEETA LAL | CK REQ 18-038 | DED Services/Training - Books | 121.01 | 0.00 | 121.01 | \$121.01 |
| xxx295446 | 9/14/17 | NAOMI ARNOLD | 169167-0374623 | DED Services/Training - Books | 19.91 | 0.00 | 19.91 | \$78.82 |
| | | | 492738-1824234 | DED Services/Training - Books | 20.94 | 0.00 | 20.94 | |
| | | | 647191-0109032 | DED Services/Training - Books | 22.51 | 0.00 | 22.51 | |
| | | | 766496-0025822 | DED Services/Training - Books | 15.46 | 0.00 | 15.46 | |
| xxx295447 | 9/14/17 | NICHOLS CONSULTING ENGINEERS | 218185513 | Consultants | 6,000.00 | 0.00 | 6,000.00 | \$6,000.00 |
| xxx295448 | 9/14/17 | NORTH STATE ENVIRONMENTAL | 049285 | HazMat Disposal - Hazardous Waste Disposal | 1,881.56 | 0.00 | 1,881.56 | \$1,881.56 |
| xxx295449 | 9/14/17 | PAYFLEX SYSTEMS USA INC | 000379960 | Miscellaneous Payment | 995.10 | 0.00 | 995.10 | \$995.10 |
| xxx295450 | 9/14/17 | PAYFLEX SYSTEMS USA INC | 128934-1031450 | Insurances - Depend Care & Health Care Rmb Admin Fees | 802.72 | 0.00 | 802.72 | \$823.32 |
| | | | 128934-1031450 | Professional Services | 20.60 | 0.00 | 20.60 | |
| xxx295451 | 9/14/17 | PR DIAMOND PRODUCTS INC | 0046396-IN | Construction Services | 2,538.00 | 0.00 | 2,538.00 | \$2,538.00 |
| xxx295452 | 9/14/17 | PRN ERGONOMIC SERVICES | 17080176 | Occupational Health and Safety Services - Other | 205.00 | 0.00 | 205.00 | \$410.00 |
| | | | 17080258 | Occupational Health and Safety Services - Other | 205.00 | 0.00 | 205.00 | |
| xxx295453 | 9/14/17 | PACIFIC JANITORIAL SUPPLY CO | 30044113 | Inventory Purchase | 199.73 | 0.00 | 199.73 | \$1,296.49 |
| | | | 30044158 | Inventory Purchase | 735.75 | 0.00 | 735.75 | |
| | | | 30044206 | Inventory Purchase | 361.01 | 0.00 | 361.01 | |
| xxx295454 | 9/14/17 | PENINSULA BATTERY INC | 122446 | Inventory Purchase | 191.49 | 0.00 | 191.49 | \$191.49 |
| xxx295455 | 9/14/17 | PETERSON POWER SYSTEMS INC | SW240142479 | Equipment Maintenance & Repair Labor | 1,623.16 | 0.00 | 1,623.16 | \$2,608.73 |
| | | | SW240142481 | Equipment Maintenance & Repair Labor | 985.57 | 0.00 | 985.57 | |
| xxx295456 | 9/14/17 | PREFERRED BENEFIT INSURANCE ADMIN INC | EIA21892 | Insurances - Dental | 55,718.70 | 0.00 | 55,718.70 | \$66,891.50 |
| | | | EIA21892 | Insurances - Vision | 11,172.80 | 0.00 | 11,172.80 | |
| xxx295457 | 9/14/17 | QUESTICA INC | 209109-1 | Computer Software | 179,280.00 | 0.00 | 179,280.00 | \$218,870.00 |
| | | | 209109-2 | Computer Software | 39,590.00 | 0.00 | 39,590.00 | |
| xxx295458 | 9/14/17 | R E P NUT N BOLT GUY | 28353 | Inventory Purchase | 146.33 | 0.00 | 146.33 | \$346.03 |
| | | | 28354 | Inventory Purchase | 124.91 | 0.00 | 124.91 | |
| | | | 28365 | Inventory Purchase | 59.86 | 0.00 | 59.86 | |

List of All Claims and Bills Approved for Payment
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|--------------------|---------------------|--|--------------------|--|-----------------------|-----------------------|--------------------|----------------------|
| | | | 28366 | Inventory Purchase | 14.93 | 0.00 | 14.93 | |
| xxx295459 | 9/14/17 | RAFT RESOURCE AREA FOR TEACHERS | 2017-9-3325 | Membership Fees | 60.00 | 0.00 | 60.00 | \$60.00 |
| xxx295460 | 9/14/17 | RAYVERN LIGHTING SUPPLY CO INC | 52345-0 | Inventory Purchase | 391.75 | 0.00 | 391.75 | \$391.75 |
| xxx295461 | 9/14/17 | REED & GRAHAM INC | 897794 | Materials - Land Improve | 2,897.67 | 0.00 | 2,897.67 | \$13,016.14 |
| | | | 897986 | Materials - Land Improve | 3,938.14 | 0.00 | 3,938.14 | |
| | | | 898212 | Materials - Land Improve | 1,308.83 | 0.00 | 1,308.83 | |
| | | | 898343 | Materials - Land Improve | 930.90 | 0.00 | 930.90 | |
| | | | 898489 | Materials - Land Improve | 494.03 | 0.00 | 494.03 | |
| | | | 898659 | Materials - Land Improve | 3,446.57 | 0.00 | 3,446.57 | |
| xxx295462 | 9/14/17 | REFRIGERATION SUPPLIES DISTRIBUTOR | 38371944-00 | Bldg Maint Matls & Supplies | 50.56 | 0.00 | 50.56 | \$50.56 |
| xxx295463 | 9/14/17 | ROYAL BRASS INC | 840666-001 | Miscellaneous Equipment Parts & Supplies | 90.72 | 0.00 | 90.72 | \$90.72 |
| xxx295464 | 9/14/17 | SAFETY KLEEN SYSTEMS INC | 74386594 | Chemicals | 322.07 | 0.00 | 322.07 | \$322.07 |
| xxx295465 | 9/14/17 | SAFEWAY INC | 808246-090717 | Food Products | 14.99 | 0.00 | 14.99 | \$14.99 |
| xxx295466 | 9/14/17 | SAN JOSE CONSERVATION CORPS | 6789 | Recycling Services | 4,166.67 | 0.00 | 4,166.67 | \$4,166.67 |
| xxx295467 | 9/14/17 | SECURITY ALERT SYSTEMS OF CALIFORNIA INC | 070581 | Facilities Maintenance & Repair Labor | 162.00 | 0.00 | 162.00 | \$387.00 |
| | | | 070589 | Facilities Maintenance & Repair Labor | 225.00 | 0.00 | 225.00 | |
| xxx295468 | 9/14/17 | SIERRA PACIFIC TURF SUPPLY INC | 0510614-IN | Materials - Land Improve | 1,423.71 | 0.00 | 1,423.71 | \$1,423.71 |
| xxx295469 | 9/14/17 | SILICON VALLEY COMMUNITY NEWSPAPERS | 0005991856 | Advertising Services | 98.00 | 0.00 | 98.00 | \$98.00 |
| xxx295470 | 9/14/17 | SITEONE LANDSCAPE SUPPLY LLC | 82334918 | Inventory Purchase | 647.22 | 0.00 | 647.22 | \$1,868.68 |
| | | | 82437452 | Inventory Purchase | 1,221.46 | 0.00 | 1,221.46 | |
| xxx295471 | 9/14/17 | SMART & FINAL INC | 055534-083017 | Food Products | 62.55 | 0.00 | 62.55 | \$257.65 |
| | | | 055534-083017 | General Supplies | 86.98 | 0.00 | 86.98 | |
| | | | 055544-083017 | Food Products | 108.12 | 0.00 | 108.12 | |
| xxx295472 | 9/14/17 | SPARTAN TOOL LLC | 554653 | Inventory Purchase | 418.16 | 0.00 | 418.16 | \$418.16 |
| xxx295473 | 9/14/17 | SPORTS TURF MANAGEMENT | 86424 | Professional Services | 400.00 | 0.00 | 400.00 | \$400.00 |
| xxx295474 | 9/14/17 | STATE WATER RESOURCES CONTROL BOARD | SC-105518 | Environmental Services | 758.93 | 0.00 | 758.93 | \$758.93 |
| xxx295475 | 9/14/17 | STOP PROCESSING CENTER | 17235 | Financial Services | 27.08 | 0.00 | 27.08 | \$27.08 |
| xxx295476 | 9/14/17 | STRATEGIC ENERGY INNOVATIONS | 2634 | Professional Services | 19,150.00 | 0.00 | 19,150.00 | \$19,150.00 |
| xxx295477 | 9/14/17 | STUDIO EM GRAPHIC DESIGN | 16753 | Advertising Services | 98.10 | 0.00 | 98.10 | \$659.45 |
| | | | 16757 | Graphics Services | 397.85 | 0.00 | 397.85 | |

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|--------------------|---------------------|---------------------------------|--------------------|---------------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 16777 | Graphics Services | 163.50 | 0.00 | 163.50 | |
| xxx295478 | 9/14/17 | SUNBELT RENTALS INC | 71623970-0001 | Equipment Rental/Lease | 5,079.24 | 0.00 | 5,079.24 | \$5,144.79 |
| | | | 71990417-0001 | Equipment Rental/Lease | 65.55 | 0.00 | 65.55 | |
| xxx295479 | 9/14/17 | TJKM | 0046433 | Consultants | 3,280.38 | 0.00 | 3,280.38 | \$3,280.38 |
| xxx295480 | 9/14/17 | TALON ECOLOGICAL RESEARCH GROUP | SUNNYVALE0015 | Services Maintain Land Improv | 325.00 | 0.00 | 325.00 | \$325.00 |
| xxx295481 | 9/14/17 | THOMAS PLUMBING INC | 94674 | Facilities Maint & Repair - Labor | 649.00 | 0.00 | 649.00 | \$1,200.00 |
| | | | 94674 | Facilities Maint & Repair - Materials | 551.00 | 0.00 | 551.00 | |
| xxx295482 | 9/14/17 | TRI DIM FILTER CORP | 1928284-1 | Bldg Maint Matls & Supplies | 1,008.61 | 0.00 | 1,008.61 | \$1,008.61 |
| xxx295483 | 9/14/17 | UNIQUE MANAGEMENT SERVICES INC | 449651 | Financial Services | 250.60 | 0.00 | 250.60 | \$250.60 |
| xxx295484 | 9/14/17 | UNITED RENTALS | 137185550-019 | Equipment Rental/Lease | 2,857.41 | 0.00 | 2,857.41 | \$3,257.42 |
| | | | 139838537-015 | Equipment Rental/Lease | 400.01 | 0.00 | 400.01 | |
| xxx295485 | 9/14/17 | UNITED SITE SERVICES INC | 114-5686390 | Equipment Rental/Lease | 297.60 | 0.00 | 297.60 | \$649.86 |
| | | | 114-5695445 | Equipment Rental/Lease | 352.26 | 0.00 | 352.26 | |
| xxx295486 | 9/14/17 | UNITED STATES POSTAL SERVICE | BOX3307-091217 | Equipment Rental/Lease | 1,300.00 | 0.00 | 1,300.00 | \$1,300.00 |
| xxx295487 | 9/14/17 | UNITED STATES TREASURY | NOTICE CP220 | Alternative Fuel User Tax Credit | 126.90 | 0.00 | 126.90 | \$126.90 |
| xxx295488 | 9/14/17 | UNIVAR USA INC | SJ836607 | Chemicals | 3,489.14 | 0.00 | 3,489.14 | \$3,489.14 |
| xxx295489 | 9/14/17 | V & W CULTURE CO | S06192017FB | Library Acquisitions, Books | 1,295.44 | 0.00 | 1,295.44 | \$3,124.18 |
| | | | S06262017FB | Library Acquisitions, Books | 1,059.88 | 0.00 | 1,059.88 | |
| | | | S6222017BIL | Library Acquisitions, Books | 768.86 | 0.00 | 768.86 | |
| xxx295490 | 9/14/17 | VWR INTERNATIONAL LLC | 8049703027 | General Supplies | 85.22 | 0.00 | 85.22 | \$85.22 |
| xxx295491 | 9/14/17 | VIASYN | 26372 | Utilities - Electric | 2,825.00 | 0.00 | 2,825.00 | \$2,825.00 |
| xxx295492 | 9/14/17 | W A KRAUSS & CO INC | 201709 | Professional Services | 167.75 | 0.00 | 167.75 | \$167.75 |
| xxx295493 | 9/14/17 | WOWZY CREATION CORP | 88595 | Customized Products | 120.31 | 0.00 | 120.31 | \$239.22 |
| | | | 88737 | Customized Products | 118.91 | 0.00 | 118.91 | |
| xxx295494 | 9/14/17 | WATER ONE INDUSTRIES INC | 100237 | Facilities Maintenance & Repair Labor | 1,200.00 | 0.00 | 1,200.00 | \$1,462.86 |
| | | | 100693 | Bldg Maint Matls & Supplies | 262.86 | 0.00 | 262.86 | |
| xxx295495 | 9/14/17 | YUEH-MAN WANG | CK REQ 18-043 | DED Services/Training - Books | 34.27 | 0.00 | 34.27 | \$34.27 |
| xxx295496 | 9/14/17 | ZALCO LABORATORIES | 1708139 | Miscellaneous Services | 390.00 | 0.00 | 390.00 | \$2,015.00 |
| | | | 1708236 | Miscellaneous Services | 500.00 | 0.00 | 500.00 | |

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|--------------------|---------------------|----------------------|--------------------|---------------------------|-----------------------|-----------------------|--------------------|----------------------|
| | | | 1708237 | Miscellaneous Services | 750.00 | 0.00 | 750.00 | |
| | | | 1708240 | Miscellaneous Services | 375.00 | 0.00 | 375.00 | |
| xxx295497 | 9/14/17 | ZEP MANUFACTURING CO | 9002994440 | Chemicals | 5,623.94 | 0.00 | 5,623.94 | \$5,623.94 |
| xxx295498 | 9/14/17 | WAITER.COM INC | H0808400947 | Food Products | 161.13 | 0.00 | 161.13 | \$340.18 |
| | | | H0829445572 | Food Products | 179.05 | 0.00 | 179.05 | |
| xxx295499 | 9/14/17 | FIRST AMERICAN TITLE | FEES | Miscellaneous Services | 72.10 | 0.00 | 72.10 | \$72.10 |
| xxx295500 | 9/14/17 | GLORIA VARGAS | SMS 2016-17 | Rec Instructors/Officials | 1,000.00 | 0.00 | 1,000.00 | \$1,000.00 |
| xxx295501 | 9/14/17 | OFFICE DEPOT INC | 951570711002 | Supplies, Office 1 | 38.56 | 0.00 | 38.56 | \$10,045.64 |
| | | | 952818168001 | Supplies, Office 1 | -103.23 | 0.00 | -103.23 | |
| | | | 953979061001 | Supplies, Office 1 | 104.84 | 0.00 | 104.84 | |
| | | | 954106956001 | Supplies, Office 1 | 57.76 | 0.00 | 57.76 | |
| | | | 954110635001 | Supplies, Office 1 | 178.01 | 0.00 | 178.01 | |
| | | | 954258986001 | Supplies, Office 1 | 791.25 | 0.00 | 791.25 | |
| | | | 954285426001 | Supplies, Office 1 | 59.54 | 0.00 | 59.54 | |
| | | | 954287696001 | Supplies, Office 1 | 5.72 | 0.00 | 5.72 | |
| | | | 954302914001 | Supplies, Office 1 | 666.54 | 0.00 | 666.54 | |
| | | | 954322405001 | Supplies, Office 1 | 264.75 | 0.00 | 264.75 | |
| | | | 954324148001 | Supplies, Office 1 | 54.47 | 0.00 | 54.47 | |
| | | | 954324149001 | Supplies, Office 1 | 17.52 | 0.00 | 17.52 | |
| | | | 954329669001 | Supplies, Office 1 | 312.39 | 0.00 | 312.39 | |
| | | | 954349957001 | Supplies, Office 1 | 18.37 | 0.00 | 18.37 | |
| | | | 954350171001 | Supplies, Office 1 | 174.12 | 0.00 | 174.12 | |
| | | | 954350172001 | Supplies, Office 1 | 7.26 | 0.00 | 7.26 | |
| | | | 954493703001 | Supplies, Office 1 | 131.77 | 0.00 | 131.77 | |
| | | | 954525957001 | Supplies, Office 1 | 330.05 | 0.00 | 330.05 | |
| | | | 954536356001 | Supplies, Office 1 | 125.34 | 0.00 | 125.34 | |
| | | | 954536810001 | Supplies, Office 1 | 15.66 | 0.00 | 15.66 | |
| | | | 954588940001 | Supplies, Office 1 | 55.14 | 0.00 | 55.14 | |
| | | | 954589393001 | Supplies, Office 1 | 29.88 | 0.00 | 29.88 | |
| | | | 954939435001 | Supplies, Office 1 | 48.12 | 0.00 | 48.12 | |
| | | | 954939511001 | Supplies, Office 1 | 10.89 | 0.00 | 10.89 | |

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|----------------|-----------------|-------------|--------------|--------------------|----------------|----------------|-------------|---------------|
| | | | 955107731001 | Supplies, Office 1 | 90.03 | 0.00 | 90.03 | |
| | | | 955111383001 | Supplies, Office 1 | 8.93 | 0.00 | 8.93 | |
| | | | 955136616001 | Supplies, Office 1 | 32.63 | 0.00 | 32.63 | |
| | | | 955152026001 | Supplies, Office 1 | 40.55 | 0.00 | 40.55 | |
| | | | 955152137001 | Supplies, Office 1 | 10.56 | 0.00 | 10.56 | |
| | | | 956468497001 | Supplies, Office 1 | 1,412.44 | 0.00 | 1,412.44 | |
| | | | 956510200001 | Supplies, Office 1 | 363.02 | 0.00 | 363.02 | |
| | | | 956653420001 | Supplies, Office 1 | 10.87 | 0.00 | 10.87 | |
| | | | 956653888001 | Supplies, Office 1 | 23.40 | 0.00 | 23.40 | |
| | | | 956699051001 | Supplies, Office 1 | 39.61 | 0.00 | 39.61 | |
| | | | 956869444001 | Supplies, Office 1 | 596.56 | 0.00 | 596.56 | |
| | | | 956870291001 | Supplies, Office 1 | 151.59 | 0.00 | 151.59 | |
| | | | 956870294001 | Supplies, Office 1 | 13.98 | 0.00 | 13.98 | |
| | | | 956874666001 | Supplies, Office 1 | 33.32 | 0.00 | 33.32 | |
| | | | 957121363001 | Supplies, Office 1 | 589.95 | 0.00 | 589.95 | |
| | | | 957121363002 | Supplies, Office 1 | 72.37 | 0.00 | 72.37 | |
| | | | 957413310001 | Supplies, Office 1 | 65.24 | 0.00 | 65.24 | |
| | | | 957413606001 | Supplies, Office 1 | 38.13 | 0.00 | 38.13 | |
| | | | 957438622001 | Supplies, Office 1 | 22.38 | 0.00 | 22.38 | |
| | | | 957456259001 | Supplies, Office 1 | 72.69 | 0.00 | 72.69 | |
| | | | 957480391001 | Supplies, Office 1 | 256.02 | 0.00 | 256.02 | |
| | | | 957494699001 | Supplies, Office 1 | 83.24 | 0.00 | 83.24 | |
| | | | 957494880001 | Supplies, Office 1 | 15.87 | 0.00 | 15.87 | |
| | | | 958207163001 | Supplies, Office 1 | 112.03 | 0.00 | 112.03 | |
| | | | 958305304001 | Supplies, Office 1 | 54.49 | 0.00 | 54.49 | |
| | | | 958385836001 | Supplies, Office 1 | 309.61 | 0.00 | 309.61 | |
| | | | 958386029001 | Supplies, Office 1 | 66.47 | 0.00 | 66.47 | |
| | | | 958388364001 | Supplies, Office 1 | 101.36 | 0.00 | 101.36 | |
| | | | 958404309001 | Supplies, Office 1 | 200.79 | 0.00 | 200.79 | |
| | | | 958404479001 | Supplies, Office 1 | 9.11 | 0.00 | 9.11 | |
| | | | 958578121001 | Supplies, Office 1 | 50.31 | 0.00 | 50.31 | |

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| | | | 958660504001 | Supplies, Office 1 | 228.08 | 0.00 | 228.08 | |
| | | | 958809380001 | Supplies, Office 1 | 391.07 | 0.00 | 391.07 | |
| | | | 958809381001 | Supplies, Office 1 | 28.48 | 0.00 | 28.48 | |
| | | | 958951507001 | Supplies, Office 1 | 377.67 | 0.00 | 377.67 | |
| | | | 958995309001 | Supplies, Office 1 | 103.60 | 0.00 | 103.60 | |
| | | | 959027979001 | Supplies, Office 1 | 62.09 | 0.00 | 62.09 | |
| | | | 959147475001 | Supplies, Office 1 | 97.97 | 0.00 | 97.97 | |
| | | | 959158514001 | Supplies, Office 1 | 181.84 | 0.00 | 181.84 | |
| | | | 959170609001 | Supplies, Office 1 | 70.21 | 0.00 | 70.21 | |
| | | | 959174637001 | Supplies, Office 1 | 162.36 | 0.00 | 162.36 | |
| xxx295507 | 9/14/17 | PACIFIC GAS & ELECTRIC CO | 61266000050617 | Utilities - Gas | 723.67 | 0.00 | 723.67 | \$817.04 |
| | | | 61266000050717 | Utilities - Gas | 163.10 | 0.00 | 163.10 | |
| | | | 61266000050817 | Utilities - Gas | -579.00 | 0.00 | -579.00 | |
| | | | 89805160050817 | Utilities - Electric | 10.16 | 0.00 | 10.16 | |
| | | | 89846354520817 | Utilities - Electric | 0.76 | 0.00 | 0.76 | |
| | | | 97306197490817 | Utilities - Electric | 6.77 | 0.00 | 6.77 | |
| | | | 97322830180817 | Utilities - Electric | 304.91 | 0.00 | 304.91 | |
| | | | 97322834740817 | Utilities - Electric | 22.87 | 0.00 | 22.87 | |
| | | | 97386482120817 | Utilities - Electric | 163.80 | 0.00 | 163.80 | |
| xxx295508 | 9/14/17 | SANTA CLARA COUNTY CLERK-RECORDER | TR-17-04 | Permit Fees | 50.00 | 0.00 | 50.00 | \$50.00 |
| xxx295509 | 9/14/17 | SANTA CLARA COUNTY CLERK-RECORDER | 2017-7308 | Environmental Services | 50.00 | 0.00 | 50.00 | \$50.00 |
| xxx295510 | 9/14/17 | SANTA CLARA COUNTY CLERK-RECORDER | 2017-7638 | Environmental Services | 50.00 | 0.00 | 50.00 | \$50.00 |
| xxx295511 | 9/14/17 | STATE OF CALIFORNIA | 070116-063017 | Financial Services | 150.00 | 0.00 | 150.00 | \$150.00 |
| xxx295512 | 9/14/17 | EMBOLX INC | 182211-76712 | Refund Utility Account Credit | 104.73 | 0.00 | 104.73 | \$104.73 |
| xxx295513 | 9/14/17 | JOHN WANG | 17-5926 | Vehicle Release Fee | 125.00 | 0.00 | 125.00 | \$125.00 |
| xxx295514 | 9/14/17 | SCU BROS INC | 136355-43524 | Refund Utility Account Credit | 75.13 | 0.00 | 75.13 | \$75.13 |
| xxx100684 | 9/11/17 | BAY COUNTIES WASTE SERVICES | JULY2017 | Curbside Revenues - Sunnyvale Portion | -106,952.78 | 0.00 | -106,952.78 | \$1,000,527.47 |
| | | | JULY2017 | Host Fees - SMaRT Station - Public Haul Fees | -8,084.68 | 0.00 | -8,084.68 | |

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| | | | JULY2017 | MRF Revenues - SMaRT | 22,737.99 | 0.00 | 22,737.99 | |
| | | | JULY2017 | Kirby Canyon SMaRT Operator | -117,164.57 | 0.00 | -117,164.57 | |
| | | | JULY2017 | Yardwaste - Mountain View | 3,329.28 | 0.00 | 3,329.28 | |
| | | | JULY2017 | Yardwaste - Palo Alto | 994.71 | 0.00 | 994.71 | |
| | | | JULY2017 | Yardwaste - Sunnyvale | 15,469.50 | 0.00 | 15,469.50 | |
| | | | JULY2017 | Misc Equip Maint & Repair - Labor | 650.00 | 0.00 | 650.00 | |
| | | | JULY2017 | Facilities Equipment | 18,840.19 | 0.00 | 18,840.19 | |
| | | | JULY2017 | General Supplies | 2,971.87 | 0.00 | 2,971.87 | |
| | | | JULY2017 | HazMat Disposal - Hazardous Waste Disposal | 8,494.52 | 0.00 | 8,494.52 | |
| | | | JULY2017 | SMaRT Contractor Payment | 1,159,241.44 | 0.00 | 1,159,241.44 | |
| xxx906252 | 9/11/17 | ACCLAMATION INSURANCE MANAGEMENT | | Workers' Compensation - Claims | 49,185.97 | 0.00 | 49,185.97 | \$49,185.97 |
| Grand Total Payment Amount | | | | | | | | <u>\$2,059,444.17</u> |



City of Sunnyvale

Agenda Item

17-0830

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Award a Contract for Climate Action Plan 2.0 Technical Development and Community Engagement Services (F17-151)

REPORT IN BRIEF

Approval is requested to award a contract in the amount of \$235,480 to DNV GL Energy Services USA, Inc. (DNV GL) for professional services for Climate Action Plan (CAP) 2.0 technical development and community engagement and to approve a contract contingency in the amount of \$14,000.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, contracts for this type of professional services are awarded pursuant to a Request for Proposals (RFP) best value process unless otherwise exempt from competitive bidding. Further, City Council approval is required for contracts exceeding \$100,000.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

BACKGROUND AND DISCUSSION

Sunnyvale's current Climate Action Plan (CAP), adopted in 2014, is a Greenhouse Gas (GHG) emissions reduction plan to address the causes of climate change and reduce the impacts of climate change in the future. The adopted CAP is designed to meet the State's 2020 GHG reduction target and includes more than 130 distinct actions intended to reduce GHG emissions. Implementation of the adopted CAP puts the City on path to achieve and exceed the State's near-term target of returning to 1990 GHG emissions level by 2020. However, the adopted CAP falls short of reaching the recently adopted State targets set forth in SB 32 (reducing emissions to 40% below 1990 levels by 2030) and Executive Order S-3-05 (reducing emissions to 80% below 1990 levels by 2050). Additionally, technologies have continued to evolve and this is the optimal time to integrate innovative strategies into the City's approach.

The goal of this project is to create a revised long-term framework and plan to address climate change in Sunnyvale. This long-term plan, which is being called CAP 2.0, will serve as a roadmap for how the City can achieve bold climate goals by using leading-edge climate strategies. CAP 2.0 will provide an overall perspective on how the City can achieve or exceed state targets on a long-term horizon by establishing a broad strategic framework and focused implementation plans in key

emissions areas. CAP 2.0 will also include an adaptive management approach that will allow the City to evolve its climate strategies over time in response to emerging technologies and climate data. Reducing community-wide GHG emissions to 20% of 1990 levels by 2050 will need to be coupled with lifestyle, infrastructure, and technology transformations. The City is, therefore, proposing a collaborative and comprehensive process to define long-term community-wide goals and chart an innovative and achievable course of action. This process will engage the enthusiasm of our local community and the innovation of local technology companies. This project will also allow the City to do a deep-dive to evaluate the local applicability and feasibility of emerging GHG reduction strategies.

A competitive Request for Proposals (RFP) was posted to the City's public procurement network in May 2017. Eleven firms participated in the pre-proposal conference and six proposals were received on June 21, 2017, from AECOM, DNV GL, e360, Minerva Ventures, Optony, and Placeworks. The proposals were reviewed by an evaluation team consisting of staff from the Environmental Services, Public Works, and Community Development departments. The proposals were evaluated on proposer qualifications and experience, project overview and approach, and presentation quality and content. Following the written evaluation process, AECOM, DNV GL, and Placeworks were invited for scripted presentations and interviews. The evaluation team agreed that DNV GL offers the best value to the City, largely due to their understanding of, and experience with, similar projects, the team of expert partners assembled to support the project including Fehr & Peers, Acterra, and IDEO. Additionally, the proposal included a comprehensive and creative community engagement approach led by Acterra and IDEO, a global design firm focused on creating positive impact through design. IDEO will bring an innovative human-centered design approach to climate action planning that will engage a broad spectrum of community members in person and through its online openIDEO Challenge platform.

The initial fee proposal from DNV GL, including the openIDEO online platform, was approximately \$268,000. Through scope and fee discussions, and through external funding secured by DNV GL and IDEO from the 11th Hour Project (a program of The Schmidt Family Foundation) for the openIDEO portion of the scope, a base contract cost of \$235,480 was agreed upon.

FISCAL IMPACT

Budgeted funds are available in Project 831290, Climate Action Plan Implementation.

Funding Source

Funds are budgeted in 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 not to exceed \$235,480 to DNV GL for Climate Action Plan (CAP) 2.0 technical development and community engagement services, in substantially the same form as Attachment 1 to the report, and authorize the City Manager to execute the contract when all necessary conditions have been met; and 2) approve a contract contingency in the amount of \$14,000.

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Kent Steffens, Assistant City Manager

ATTACHMENTS

1. Draft Consultant Services Agreement

**CONSULTANT SERVICES AGREEMENT BETWEEN
THE CITY OF SUNNYVALE AND DNV GL ENERGY SERVICES USA INC. FOR
CLIMATE ACTION PLAN (CAP) 2.0 TECHNICAL DEVELOPMENT AND
COMMUNITY ENGAGEMENT SERVICES**

THIS AGREEMENT, dated _____, is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and DNV GL ENERGY SERVICES USA, INC. ("CONSULTANT").

WHEREAS, CITY is in need of services for Climate Action Plan (CAP) 2.0 Technical Development and Community Engagement; and

WHEREAS, CONSULTANT possesses the skill and expertise to provide the required services;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Services by CONSULTANT

CONSULTANT shall provide services in accordance with Exhibit "A" attached and incorporated by reference. CONSULTANT shall determine the method, details and means of performing the services.

2. Time for Performance

The term of this Agreement shall be from the execution date until December 31, 2018, unless otherwise terminated. CONSULTANT shall deliver the agreed upon services to CITY as specified in Exhibit "A". Extensions of time may be granted by the City Manager upon a showing of good cause.

3. Duties of CITY

CITY shall supply any documents or information available to City required by CONSULTANT for performance of its duties. Any materials provided shall be returned to CITY upon completion of the work.

4. Compensation

Total compensation shall not exceed Two Hundred Thirty-Five Thousand Four Hundred Eighty and No/100 Dollars (\$235,480). CONSULTANT shall submit invoices to CITY to be paid in accord with the procedures set forth in Exhibit "B" attached and incorporated by reference.

CONSULTANT shall submit invoices to CITY no more frequently than monthly for services provided to date. All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707.

Payment shall be made within thirty (30) days upon receipt of an accurate, itemized invoice by CITY's Accounts Payable Unit.

5. Ownership of Documents

CITY shall have full and complete access to CONSULTANT's working papers, drawings and other documents during progress of the work. All documents of any description prepared by CONSULTANT shall become the property of the CITY at the completion of the project and upon payment in full to the CONSULTANT. CONSULTANT may retain a copy of all materials produced pursuant to this Agreement.

Notwithstanding the above, CONSULTANT shall retain and may use the general knowledge acquired as a result of its creation of the work product or the performance of services hereunder, for its general reference, enhancement of its technical capabilities, and for other purposes. All information and material which is owned by CONSULTANT and used by CONSULTANT in the performance of the Agreement shall remain the exclusive property of CONSULTANT whether or not such information or material was incorporated in or used to produce any of the work products delivered under this Agreement.

6. Conflict of Interest

CONSULTANT shall avoid all conflicts of interest, or appearance of conflict, in performing the services and agrees to immediately notify CITY of any facts that may give rise to a conflict of interest. CONSULTANT is aware of the prohibition that no officer of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement CONSULTANT shall not accept employment or an obligation which is inconsistent or incompatible with CONSULTANT'S obligations under this Agreement.

7. Confidential Information

CONSULTANT shall maintain in confidence and at no time use, except to the extent required to perform its obligations hereunder, any and all proprietary or confidential information of CITY of which CONSULTANT may become aware in the performance of its services.

8. Compliance with Laws

- (a) CONSULTANT shall not discriminate against, or engage in the harassment of, any City employee or volunteer or any employee of CONSULTANT or applicant for employment because of an individual's race, religion, color, sex, gender identity, sexual orientation (including heterosexuality, homosexuality and bisexuality), ethnic or national origin, ancestry, citizenship status, uniformed service member status, marital status, family relationship, pregnancy, age, cancer or HIV/AIDS-related medical condition, genetic characteristics, and physical or mental disability (whether perceived or actual).

This prohibition shall apply to all of CONSULTANT's employment practices and to all of CONSULTANT's activities as a provider of services to the City.

- (b) CONSULTANT shall comply with all federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Agreement.

9. Independent Contractor

CONSULTANT is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant or employee of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT. CONSULTANT is responsible for paying all required state and federal taxes.

10. Indemnity

CONSULTANT shall indemnify and hold harmless CITY and its officers, officials, employees and volunteers against any and all suits, claims, damages, liabilities, costs and expenses, including attorney fees, arising out of the performance of the work described herein, caused by or related to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, subcontractors, or agents in the performance (or non-performance) of services under this Agreement.

IN NO EVENT, WHETHER BY WAY OF INDEMNITY, CONTRACT OR TORT (INCLUDING NEGLIGENCE) SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, LIQUIDATED, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY TYPE (INCLUDING BUT NOT LIMITED TO LOSS OF ANY OF THE FOLLOWING: REVENUE, PROFITS, ANTICIPATED PROFITS, USE, PRODUCTION, PRODUCT, PRODUCTIVITY, BUSINESS, CONTRACT, OR BUSINESS OPPORTUNITY) ARISING OUT OF OR AS A RESULT OF THIS AGREEMENT.

Notwithstanding any provision in the Agreement to the contrary, to the extent permitted by law, CONSULTANT's maximum cumulative liability to the CITY, including any indemnification, for all delays, losses, damages, liabilities and obligations whatsoever and howsoever arising (whether under the Agreement, in tort or other-wise), regardless of cause and regardless of CONSULTANT's negligence, which are suffered or incurred by the CITY and which are directly or indirectly connected with the Agreement shall be limited 10 times the fee or USD 300,000, whichever is the lesser.

11. CITY Representative

Elaine Marshall, Environmental Programs Manager, as the City Manager's authorized representative, shall represent CITY in all matters pertaining to the services to be rendered under this Agreement. All requirements of CITY pertaining to the services and

materials to be rendered under this Agreement shall be coordinated through the CITY representative.

12. CONSULTANT Representative

Betty Seto, Head of Department, shall represent CONSULTANT in all matters pertaining to the services and materials to be rendered under this Agreement; all requirements of CONSULTANT pertaining to the services or materials to be rendered under this Agreement shall be coordinated through the CONSULTANT representative.

13. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and sent by first class with postage prepaid, or sent by commercial courier, addressed as follows:

To CITY: Elaine Marshall, Environmental Programs Manager
Environmental Services Department
CITY OF SUNNYVALE
P. O. Box 3707
Sunnyvale, CA 94088-3707

To CONSULTANT: Betty Seto, Head of Department
DNV GL Energy Services USA, Inc.
155 Grand Avenue, Suite 500
Oakland, CA 94612

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by email or fax, to accomplish timely communication. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three business days after mailing.

14. Assignment

Neither party shall assign or sublet any portion of this Agreement without the prior written consent of the other party.

15. Termination

- A. If CONSULTANT defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of satisfactory services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.

- B. Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.
- C. If CITY fails to pay CONSULTANT, CONSULTANT at its option may terminate this Agreement if the failure is not remedied by CITY within (30) days after written notification of failure to pay.

16. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced in writing signed by all parties.

17. Governing Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions will be exclusively vested in a state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

18. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision.

IN WITNESS, WHEREOF, the parties have executed this Agreement.

ATTEST:

CITY OF SUNNYVALE ("CITY")

By _____
City Clerk

By _____
City Manager

APPROVED AS TO FORM:

DNV GL Energy Services USA, Inc.
("CONSULTANT")

By _____
City Attorney

By _____

Name and Title

Name and Title

EXHIBIT A SCOPE OF WORK

Task 0. Project Initiation

To begin this project, we anticipate a “soft project kick-off” with the core City project team by conference call to plan for a larger internal City stakeholder kick-off meeting. The larger internal in-person kick-off meeting with key city staff representatives would include leaders and thought-leaders from various departments (e.g., Community Development, Environmental Services, Public Works, Finance, etc). The purpose of this larger internal kick-off meeting will be to set the foundation for an ongoing, successful collaboration on the Climate Action Plan 2.0 project.

At the kick-off meeting, we will introduce all team members, discuss project goals, scope of work, project tasks, and schedule. We will review the plan for future internal meetings at key milestones, expectations and time needed from various departments, and ongoing communications. DNV GL will work with city staff to develop and finalize the meeting agenda, including a presentation. Following the meeting, DNV GL will submit an updated workplan, next steps and action items.

Measures of Effectiveness

- Set foundation for common understanding of project goals and scope
- Begin identification of opportunities within Sunnyvale and foster cross-departmental staff engagement

Anticipated Involvement of City Staff

- City will invite staff to attend meeting
- City will provide and book a meeting room

Deliverables

- Draft and final agenda for meeting
- Presentation
- Updated workplan and/or meeting summary notes

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the consulting team interactions with Sunnyvale, including coordination of agenda and materials, as well as the meeting summary
- **Acterra, IDEO and Fehr & Peers** to attend kick-off meeting
- **Fehr & Peers** to receive input from staff on the CAP 1.0 GHG strategies as well as additional potential strategies for reducing transportation GHG emissions, and discuss how the evolving emerging demographic, economic and technical trends will be incorporated into the 2050 GHG trend analysis.

EXHIBIT A SCOPE OF WORK

Task 1. Facilitate CAP 2.0 Advisory Committee

The DNV GL team will coordinate with the City to identify the structure and ideal roster of the CAP 2.0 Advisory Committee, including technical experts across each of the key climate action sectors. The goal of the Advisory Committee is to provide strategic guidance to develop a more aggressive, but implementable, and innovative Climate Action Plan and engagement process. The Committee will begin to build a constituency of support for the Plan and its ultimate implementation.

Once the key Advisory Committee members are identified and confirmed for participation, the DNV GL team will coordinate with the City to determine a meeting structure that is both able to meet Citywide climate goals and authentically reflect local needs and opportunities. Per the RFP, the DNV GL team would envision 6 in-person meetings with the following possible meeting objectives:

- *Meeting 1:* Project kick-off meeting to provide context and training for Advisory Committee members and review baseline GHG inventory
- *Meeting 2:* “Climate Action Charrette” including assessment of existing initiatives to brainstorm ideas for new and transformative programs (including identify what others are doing in the region). This meeting will serve to prototype the Community Ideation and Brainstorm Workshop
- *Meeting 3:* Review menu of specific actions and focus areas to be included in scenario development, including metrics that should be analyzed (e.g., costs and benefits, health, innovation and technology considerations, etc)
- *Meeting 4:* Review different pathways and scenarios for emissions reductions, including recommendations for CAP 2.0 GHG reduction targets for 2030 and 2050.
- *Meeting 5:* Review Strategic Framework and funding opportunities
- *Meeting 6:* Review Administrative Draft CAP

The meetings will cover all of the key issues and to create a level of trust among the members so that they are able to speak openly and work creatively. Meetings with key individual stakeholders or City agency representatives may also be needed to address specific concerns.

Measures of Effectiveness

- Diverse community stakeholders engaged in planning process
- Community leaders buy-in to roadmap that translates to ownership of implementation actions
- CAP 2.0 process activates the community for climate action and identification of locally appropriate funding and financing strategies

Anticipated Involvement of City Staff

- City will finalize set of Advisory Committee invitations+

EXHIBIT A

SCOPE OF WORK

- City will provide meeting venue for in-person meetings and support with logistics, including food when necessary
- City will work with Advisory Committee members and consulting team to schedule the meetings and track attendance, including RSVPs
- Additional meetings will be considered as change-orders

Deliverables:

- Final list of Advisory Committee members
- Proposed calendar of Advisory Committee meetings and topics
- 6 in-person Advisory Committee meetings, including draft and final agendas, facilitation and presentation materials
- Assistance with providing materials for City website, if appropriate

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the consulting team interactions with Sunnyvale, including coordination of agenda and materials, and development of technical content. DNV GL staff will attend all 6 Advisory Committee meetings.
- **Acterra** to attend 2-3 Advisory Committee meetings to inform efforts to engage regional stakeholders, assisting with meeting materials and content development
- **IDEO** to attend Meeting 1 and lead Meeting 2, prototyping the Community Ideation and Brainstorm including materials preparation (e.g., agendas, any handouts, etc.) for Meeting 2
- **Fehr & Peers** to attend three to four Advisory Committee meetings to focus on transportation. This may include reviewing the 2030 VMT and GHG reduction strategies from the CAP 1.0, considering additional potential strategies, and how multiple emerging demographic, social and technological trends can influence Sunnyvale's vehicle miles traveled possibly using the TrendLab+ tool to facilitate discussion.

Task 2. Community Brainstorm and Ideation Workshop

DNV GL team understands that a key factor of having an implementable CAP 2.0 is the development of a community based approach to generate new climate action ideas, as well as to vet the most technically, politically and financially feasible ideas, whose sum will total the achievement of the 40% by 2030 and the 80% by 2050 goals.

The process we will use to engage the community in the creation of the CAP 2.0 will both leverage existing infrastructure and methods for engaging and informing Sunnyvale residents and business owners about the plan and associated events; and introduce new and innovative ways to get engagement from more of the community not previously engaged in climate action.

EXHIBIT A

SCOPE OF WORK

The objective of this effort is to solicit insight and input into the development of proposed climate action scenarios, and to evaluate and prioritize the draft goals, strategies, and measures related to climate mitigation.

The community effort will be critical to identifying the most valuable physical and social assets in the community that can be used to educate and motivate stakeholders into action and foster behavior change that can ultimately result in measurable GHG reductions.

To accomplish the maximum idea generation and engagement we propose:

1. A minimum of **one community ideation workshop** to launch the CAP 2.0 project, lasting approximately 4-6 hours.

Our partners at IDEO will lead the facilitation of this workshop, which will use the design thinking innovation methodology. Design thinking is the problem solving technique pioneered by IDEO, taught at the Stanford and other top universities and used to drive innovation for communities around the world. Our partners at IDEO specialize in equipping diverse communities, often with no innovation experience, to use this process to quickly collaborate and develop innovative solutions. Participants will be guided through a process to help base their ideas in the actual needs of community members to solve real problems, in brainstorming and in discussing one another's ideas.

We will also partner with local community groups to train the leaders, and provide tools for them to hold successful ideation workshops to get public comments and input. In this way, the Sunnyvale community will be empowered to do dozens of workshops instead of just the one community ideation workshop. Utilizing this approach, IDEO catalyzed 30 events in a week in San Francisco on reimagining end of life (see: letsreimagine.org).

In this way, the DNV GL team will create a distributed network of innovation events. The trained organizers will stay engaged and connected through an online platform as they create and conduct their events, creating a database of ideas gathered through community brainstorm and ideation workshops.

Leveraging Acterra's existing outreach efforts across Sunnyvale's business groups, community groups, neighborhood association, faith-based organizations, environmental organizations, and other contacts, the DNV GL team will reach a diverse cross-section of the Sunnyvale community. Our project team will leverage the numerous complementary outreach efforts, including ground canvassing, mainstream media and social media marketing of the event to ensure that diverse voices are heard throughout the project.

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the consulting team interactions with Sunnyvale, including coordination of agenda and materials, and development of technical content.
- **Acterra** to lead outreach efforts to ensure a demographically representative turn-out, including developing a flyer, article and materials for announcing the workshop, and personal follow-up to ensure successful workshop. Acterra will also support IDEO in the identification and outreach to community leaders.

EXHIBIT A SCOPE OF WORK

- **IDEO** to develop the agenda, format and facilitation of the Ideation and Brainstorm Workshop, including any necessary workshop materials. IDEO to lead a follow-up “train the trainer” workshop, as well as necessary hand-holding of community leaders to conduct their own ideation and brainstorm workshops. In conjunction with the in person workshop the openIdeo online platform will be launched to capture ideas from all internal and external stakeholders.
- **Fehr & Peers’** to provide list of questions to ask during the workshop regarding the community’s opinion of the direction of emerging trends and additional potential transportation strategies.

2. A web portal to allow for ongoing ideation from the community.

Through our partnership with IDEO, we have identified philanthropy funding from the 11th Hour Project to use the OpenIDEO Challenge platform to surface ideas. The OpenIDEO platform is unique in enabling diverse participants to openly share ideas and form teams, moving ideas forward through collaboration and the design thinking innovation methodology. The platform is rich in interactive features, allowing participants to applaud each other’s contribution, search and sort contributions, upload supporting documents and message one another. Typical OpenIDEO challenges only last three months but source hundreds of ideas and thousands of comments.

Measures of Effectiveness:

- Ideation workshop participation rate
- Number of climate action ideas and *unique* individuals or organizations submitting ideas
- Identification of innovative climate action proposals unique to Sunnyvale community opportunities and identity

Anticipated Involvement of City Staff:

- City to provide consulting team information about other concurrent outreach efforts planned by city, including workshops and meetings, Ride and Drive events, Earth Day events, green building or other bike and pedestrian events
- City to be engaged in online portal design, and to use exiting city media channels to advertise community workshop, other related events and online ideation portal
- City assistance in identifying appropriate venue for Ideation Workshop, including snacks
- City assistance printing flyers and other materials to announce workshop
- Review of workshop agenda and materials, and provide guidance on proposed outreach activities

Deliverables

- Draft and final community brainstorm and ideation workplan

EXHIBIT A SCOPE OF WORK

- Community Ideation workshop lasting approximately 4-6 hours
- Web portal
- Report documenting community engagement methodology in a report, including workshop summary report and database of ideas gathered

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the consulting team interactions with Sunnyvale, including coordination of Workshop and Web Portal
- **Acterra** will lead the development of the workshop summary report, including initial database of ideas gathered
- **IDEO** to provide use of the OpenIDEO Challenge web platform
- **Fehr & Peers** to summarize the results in a table format of the workshop transportation survey.

Task 3. Determining key focus areas and estimated GHG reductions

The purpose of this task is to lay the foundation for a successful update to the CAP by conducting targeted, relevant research, and to ensure the baseline inventory and inventory updates are as accurate and useful as possible for developing new reduction goals and policies.

Task 3.1. Background research on key focus areas

The initial part of this task will be to conduct a general review of all relevant state, regional, and local plans and documents that relate to the CAP 2.0. The City of Sunnyvale has a series of plans and strategy documents that will be reviewed and assessed to inform the CAP 2.0 and provide the team with a baseline understanding of existing conditions and expectations. The documents we have identified and plan to review for high-level citywide goals and objectives include, but not limited to:

- Sunnyvale's existing Climate Protection Plan (2014) and associated progress reports
- City of Sunnyvale General Plan (2011) and Land Use and Transportation Element (2017)
- El Camino Real Corridor Specific Plan (2017 Draft), Peery Park Specific Plan (2016), Lawrence Station Area Plan (2016), and Moffett Park Specific Plan (2004)
- City of Sunnyvale Bicycle Plan (2006), VTA Countywide Bicycle Plan (Working Draft), and JVSV Silicon Valley Bike Vision Plan (2017)
- City of Sunnyvale Standard Details (2016) and Road Classification Map (2017)
- City of Sunnyvale Transportation Demand Management Ordinance (MuniCode §19.45)
- VTA FY18/19 Transit Service Plan and Pedestrian Access to Transit Plan (2017 Draft)
- AB 32 Climate Change Scoping Plan

EXHIBIT A

SCOPE OF WORK

- Locally relevant climate action plan projects conducted by the Santa Clara County Office of Sustainability and other local jurisdictions

In addition to the local resources, the DNV GL team will leverage its Carbon Neutrality Best Practices Database that was developed initially for City of Palo Alto and subsequently appended to with City of Santa Monica. The Carbon Neutrality Best Practices Database assesses the climate strategies across 30 leading cities across the globe, as well as guidance from BAAQMD, CAPCOA and MTC, C40 Climate Leadership Awards. The Database includes strategies organized by a number of key sector focus areas.

The DNV GL team will utilize the background research to work with City staff and Advisory Committee to identify key focus areas for future climate action and discuss feasibility of concentrating on specific focus areas. All relevant plans and documents and their relation to the development of a new CAP 2.0 will be summarized in a brief report and presentation prepared by DNV GL.

Measures of Effectiveness:

- Existing Sunnyvale efforts properly captured in background research
- Industry best practices and innovations considered for City of Sunnyvale

Anticipated Involvement of City Staff

- Provide input on planning and strategy documents that should be reviewed and provide weblinks or contact person for the DNV GL team to follow up with
- Provide initial input on appropriate key sector focus areas to present to internal and external stakeholders

Deliverables

- Brief report and presentation summarizing background documents reviewed (e.g., by category) and how the background information will be utilized to determine scenarios for further analysis, including any initial input from Advisory Committee or other stakeholders

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the development of the Background research, including mapping Sunnyvale's CAP 1.0 to potential set of new key focus areas, including identification of gaps related to industry best practices and stakeholder input (Ideation and Brainstorm Workshop, and Advisory Committee)
- **Fehr & Peers** to prepare the TrendLab+ tool for scenario testing and estimating VMT range to 2050. Participate in a meeting with City staff to test emerging trend scenarios using the TrendLab+ tool.

Task 3.2. Vet Proposed CAP 2.0 Focus Areas and Actions with City Departments and Internal Thought-leaders

EXHIBIT A

SCOPE OF WORK

Following the Ideation and Brainstorm Workshop, and the Background Research, the DNV GL team will propose a set of Key Focus Areas and Actions that will be explored further in terms of GHG and cost impacts, as part of the DNV GL Climate Scenario Analysis Tool.

The DNV GL team will engage internal City staff stakeholders to discuss and vet each Key Focus Area and Actions that will continue to be explored further in terms of feasibility, GHG impact, cost and other benefits and implementability.

Deliverables:

- One meeting for each Focus Area (ideally in-person, up to 6 hours total of meetings), with potentially over-lapping attendance from different City staff and the DNV GL project team

Task 3.3. GHG Emissions Reduction Estimates

DNV GL will consult with City staff to map each of the CAP measures in the City's CAP 1.0 to any new set of key focus areas. The DNV GL team will do this as part of the Task 3.1 background research to understand where gaps exist in the current CAP 1.0, relative to updated industry best practices and stakeholder input.

Any new GHG estimation quantification would primarily be related to updated emissions factors (e.g., electricity) and data related to population, jobs, vehicle fleet mix, solid waste diversion rates, etc. The DNV GL team anticipates that the CAP 2.0 project would review the Adopted CAP and identify which CAP measures were still relevant, update the estimation methodology with new data, and identify where new CAP measures are needed based on community outreach and input.

Working with our City project manager, DNV GL will collect the necessary data from city departments and regional agencies to estimate GHG reductions resulting from actions taken to date in the key focus areas identified under Task 3.1, in order to inform the GHG reduction forecast.

Measures of Effectiveness:

- Ensure that the City's past efforts are properly accounted for in the future scenario analysis and CAP 2.0
- Bridge the City's Adopted CAP to CAP 2.0 in a clear and methodical manner that is easy to explain

Anticipated Involvement of City Staff

- City staff to respond to data requests related to performance targets utilized in Adopted CAP, including any Excel files and contact information at necessary departments or potentially regional agencies

Deliverables:

- Proposed mapping of Adopted CAP measures to CAP 2.0 proposed key focus areas, and preliminary gaps identified
- Updated GHG reductions resulting from actions taken in key focus areas

EXHIBIT A SCOPE OF WORK

Consulting Team Roles and Responsibilities:

- **DNV GL** to set up the initial Climate Scenario Analysis Tool to incorporate possible new key focus areas and associated GHG assumptions.
- **Fehr & Peers** will adjust the 2035 VMT reductions from the CAP 1.0 and add relevant additional transportation strategies to estimate to 2030 VMT reductions. While the 2050 VMT estimates will be expressed as a range based on the TrendLab+ scenarios tested by City staff and the community. The most common scenario will be described in more detail as the transportation VMT reduction pathway to 2050 including a description of next steps.

Task 4. Determine scenarios to achieve or exceed state targets

When it comes to issues as complex and uncertain as climate change, scenario development is a valuable tool for stimulating debate, stretching the imagination, and inspiring action and innovation. The DNV GL team will develop two emissions reduction scenarios to help define the limits of what can be done locally (by the community and the local government), regionally (by the agencies and communities with which the City interacts), and in the wider spheres of policy, economy, and culture to achieve deep reductions in GHG emissions. Based on the RFP Addendum, we understand the two scenarios should be:

- 40% reduction by 2030
- 80% reduction by 2050

The scenarios will aggressively explore the limits of what Sunnyvale, as a progressive city and an engine of innovation, can do to achieve deep reductions in GHG emissions. What does success look like, and how can the City help create conditions for that success?

The scenario analyses provide the high level context around the requirements to meet different potential emissions reduction goals.

Task 4.1. Update GHG reduction forecast

The foundation of the scenario analysis is the GHG reduction forecast. The DNV GL team will review the assumptions utilized in the Adopted CAP and update with new growth estimates out to 2050.

Furthermore, the DNV GL team will work with the City to determine whether additional anticipated state policies and programs should be incorporated, including new electric vehicle penetration rates forecasted by California Air Resources Board as part of EMFAC, and updated Title 24 code related to zero net energy residential and commercial buildings.

The updated GHG reduction forecast will also incorporate the results of Task 3.2 related to implementation of the City's Adopted CAP.

EXHIBIT A

SCOPE OF WORK

Measures of Effectiveness:

- Ensure that business-as-usual accounts for updated state policy, and Sunnyvale progress on CAP implementation
- Community stakeholders understand the City's current projected emissions trajectory in the absence of new action

Anticipated Involvement of City Staff

- City staff will provide or review the updated assumptions and data sources to be utilized for the forecasts (e.g., population or household growth, job growth, VMT and associated transportation emissions factors, electricity mix and associated emissions factors)

Deliverables:

- List of assumptions and data sources to be used for the updated GHG reduction forecast

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the development of the updated GHG reduction forecast across all sectors, for both business-as-usual and incorporating forecasted state policy.
- **Fehr & Peers** will provide the 2030 VMT, based on results from the 2035 VMT estimate from CAP 1.0. Fehr & Peers will provide DNV GL with the GHG emissions factors from the EMFAC model for 2030. 2050 VMT forecasts will be based on projections from available 2035 VMT forecasts. No new Travel Demand Model runs will be conducted.

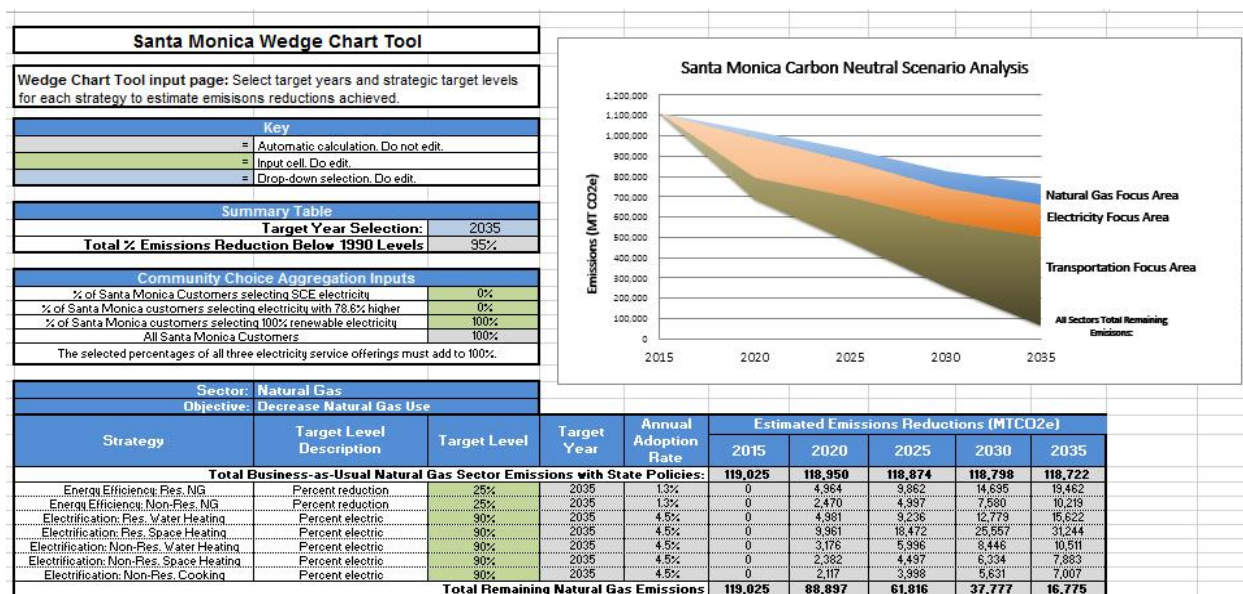
Task 4.2. Identify required reductions and key focus areas to achieve 40% reduction by 2030 or earlier

The DNV GL team will select key focus areas and associated specific actions to reach the 2030 and 2050 state targets. The DNV GL team proposes to tailor its Climate Scenario Analysis Tool to City of Sunnyvale to explore a menu of specific actions under each of the top-ranked focus areas, and allow the City and community stakeholders to play with different level of aggressiveness of implementation and timing.

As shown below in Figure 1, the DNV GL Climate Scenario Analysis Tool allows users to adjust key implementation assumptions in the green cells related to target levels of implementation. For instance, achieving 80% reduction by 2050 will likely require more mandatory actions, whereas 40% by 2030 may include more voluntary programs targeted at the same sector (e.g., commercial buildings, or bike mode share). Each scenario will have the same basic components but will be constrained to a greater or lesser degree by time and level of implementation at the action level.

Figure 1. DNV GL Climate Scenario Analysis Tool (City of Santa Monica)

EXHIBIT A SCOPE OF WORK



The DNV GL Climate Scenario Analysis Tool is Excel-based to facilitate ease-of-use by a range of stakeholders, and is built up on GHG reduction estimates at the action level, organized by focus area.

To build out the scenario analysis, the DNV GL team will facilitate staff and Advisory Committee meetings to finalize a set of key focus areas and proposed associated actions informed by community input and ideation. Following agreement on the set of focus areas and associated actions that should be analyzed, the DNV GL team will complete the customization of the tool and present a proposed “strawman” 40% scenario that identifies implementation targets for each key focus area and associated actions. At this point, the Climate Scenario Analysis Tool will allow users to adjust implementation levels, and selection of actions to explore different pathways to 40% by 2030 scenario.

Measures of Effectiveness:

- Scenario analysis supports robust stakeholder discussion of various costs and benefits of different pathways to achieving 40% by 2030 or sooner target
- Support exploration of what it would take to achieve the target earlier and key milestones

Anticipated Involvement of City Staff

- Provide guidance on selection of top-ranked focus areas, reconciling conflicting input from different stakeholder groups, if needed
- Provide input on “strawman” 40% by 2030 scenario, prior to release for stakeholder review
- Review outline and draft memo

Deliverables

- Draft and final set of focus areas and actions to be included in the scenario analysis

EXHIBIT A

SCOPE OF WORK

- Draft Excel-based Climate Scenario Analysis Tool to allow analysis of 2030 and 2050 targets or earlier
- Draft and final memo summarizing the 40% scenario

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the customization and tailoring of the Climate Scenario Analysis Tool, including the identification of priority/top-ranked key focus areas and specific actions to be modeled, reconciling feedback and input from the stakeholder engagement process.
- **Fehr & Peers** will estimate the additional VMT reduction needed to achieve a 40% x 2030 GHG reduction and identify associated implementation actions needed.

Task 4.3. Identify reductions and key focus areas to achieve 80% by 2050 or earlier

Utilizing the same tool, the DNV GL team will also allow users to toggle between 2030 and 2050 target years to explore what is needed to achieve the 40% by 2030 relative to the 80% by 2050. The DNV GL Climate Scenario Analysis Tool will allow for actions to “turn on” or “turn off” based on different scenarios.

The DNV GL team will facilitate staff and Advisory Committee meetings to help select the key focus areas and proposed associated actions informed by community input and ideation, that can constitute the 80% by 2050 scenario. For the most part, the DNV GL team expects that the 80% scenario will likely build upon the 40% scenario, potentially adding in additional key focus areas and proposed associated actions.

Similar to Task 4.2, the DNV GL team will develop a “strawman” 80% by 2050 scenario for review by stakeholders, allowing users to adjust implementation levels, and selection of actions to explore different pathways to 80% by 2030 scenario. We would propose to explore both the 40% and 80% scenarios at the same time with stakeholders to explore how actions and focus areas should be staged and prioritized for a roadmap that constitutes the final CAP 2.0.

Measures of Effectiveness:

- Scenario analysis supports robust stakeholder discussion of various costs and benefits of different pathways to achieving 80% by 2050 target
- Support exploration of a comprehensive roadmap that potentially stages key focus areas and actions for 2030 and then out to 2050.

Anticipated Involvement of City Staff

- Provide guidance on selection of key focus areas and actions for both 2030 and 2050, reconciling conflicting input from different stakeholder groups, if needed
- Provide input on “strawman” 80% by 2030 scenario, prior to release for stakeholder review
- Review outline and draft memo

EXHIBIT A

SCOPE OF WORK

Deliverables

- Draft and final set of focus areas and actions to be included in the scenario analysis for 2050
- Draft Excel-based Climate Scenario Analysis Tool to allow analysis of 2030 and 2050 targets or earlier
- Draft and final memo summarizing the 80% scenario (potentially combining the 40% scenario in the same memo)

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the customization and tailoring of the Climate Scenario Analysis Tool, including the identification of priority/top-ranked key focus areas and specific actions to be modeled, reconciling feedback and input from the stakeholder engagement process to develop the 80% scenario.
- **Fehr & Peers** will prepare an emerging trend scenario that could reduce VMT to achieve a 80% x 2050 scenario. This scenario will be compared to the common scenario developed based on community and staff input.

Task 4.4. Prioritization methodology

Based on Task 3, we anticipate numerous potential key focus areas and options for organizing CAP 2.0 actions. The DNV GL team will develop a user-friendly prioritization methodology and prioritization matrix for ranking focus areas.

Different prioritization methodologies include:

- Scoring methodology, which may be based on a composite score summarizing different categories of benefits, cost, co-benefits
- Ranking based on marginal abatement cost (\$/MTCO₂), GHG reduction potential, return on investment, payback or other financial metric.

The DNV GL team will work with the City and Advisory Committee to discuss appropriate approach for ranking of key focus areas for guiding the development of scenarios under Tasks 4.1. and 4.2.

Measures of Effectiveness:

- Utilize a transparent and stakeholder-driven methodology for prioritizing key focus areas to be incorporated in the scenario analysis

Anticipated Involvement of City Staff

- Provide guidance on how to frame different approaches and methodologies for ranking key focus areas
- Assistance with vetting the results of the matrix analysis of ranked focus areas

Deliverables

EXHIBIT A

SCOPE OF WORK

- Description of proposed prioritization methodology based on stakeholder and City input
- Draft and final matrix ranking of key focus areas

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the development of the prioritization framework, and provide a template for conducting the prioritization.
- **Fehr & Peers** will help inform the preferred prioritization framework approach, and will then lead the analysis of the transportation-related actions utilizing the agreed upon prioritization framework and template developed by DNV GL.

Task 5. Strategic Framework and Funding Opportunities

After the technical and stakeholder vetting of the 40% and 80% scenarios, the specific strategies and priority actions will be summarized into a Strategic Framework with initial near-term implementation steps identified. The strategic implementation framework is where cross-departmental collaboration is needed most to get buy-in and excitement around developing the specific near term actions that each department can commit to. In order to develop the Strategic framework for Implementation and Funding, DNV GL will ensure that a representative from each sector instrumental in implementing this area is present. We typically include, for example, building officials, engineers, utilities, investors, community organizations along with city staff, including budget manager or CFO. DNV GL will assist the city in facilitating meetings to get their input and incorporate it into the final Framework.

Building on the ideas and actions of the implementation teams, the DNV GL team will review and provide recommendations on funding sources available to implement CAP 2.0 and key emission reduction strategies. In addition to extensive experience with local, state and federal grant and rebate programs applicable to Sunnyvale residents and businesses, the DNV GL team has worked with cities (and nations) on developing new taxes, fees, innovation districts, divestment (from fossil fuels)/reinvestment (local community development funds), and bonds, including the first government-issued certified climate bond in the world.

Based on input from Sunnyvale City staff and stakeholders, we may explore the following types of finance strategies:

- Special purpose vehicles for energy efficiency investments, revolving loan funds for cities, carbon taxes and funds
- Exploration of new financing and business models, such as power-purchase agreements for microgrids, and solar + storage projects
- Green bond opportunities and other special municipal financing strategies

DNV GL proposes to bring together cross-departmental teams in the city, community, finance firms, as well as the broker dealers. We have direct relationships with family offices/wealth

EXHIBIT A

SCOPE OF WORK

advisors, foundations, fund managers, impact investors, banks (large investment banks like Goldman Sachs, Morgan Stanley, as well as green and community banks), and muni bond fund managers, philanthropists, corporate partners and pensions.

The DNV GL team will perform a comprehensive review of financing options and work with City to identify financing strategies that should be pursued as a next step for implementation of the CAP.

Measures of Effectiveness:

- Establish solid foundation for implementation and engage City staff on schedule for developing implementation plans
- Identify innovative funding and financing opportunities for CAP 2.0 implementation, leveraging best practices from leading cities nationwide

Anticipated Involvement of City Staff

- Assistance with engaging with different departments
- Provide input on possible funding and financing strategies that should be explored further

Deliverables

- Draft and Final Strategic Framework with near-term implementation steps and long-term schedule for developing full implementation plans
- Memo on funding opportunities with feasibility analysis and identification of specific opportunities for regional development

Consulting Team Roles and Responsibilities:

- **DNV GL** to lead the development of the Strategic Framework and Funding opportunities, including developing a draft framework, and tie actions to related funding strategies. DNV GL will facilitate the discussion with key stakeholders, including the city's CFO and other internal stakeholder to review the Strategic Framework and Funding opportunities.
- **Acterra** will review and provide input to the Strategic Framework and assist with identification of additional locally relevant funding opportunities, including conducting necessary research and writing funding summaries related to buildings, SVCE, water and solid waste.
- **Fehr & Peers** will also review and provide input to the Strategic Framework and assist with identification of additional locally relevant funding opportunities, based on Fehr & Peers regional experience and in support of developing implementable CAP strategies and actions.

Task 6. Stakeholder and Community Engagement

EXHIBIT A

SCOPE OF WORK

Drawing from our extensive experience in working with communities across the country on climate and sustainability planning, the DNV GL team will coordinate with the City of Sunnyvale to develop a mix of traditional and innovative approaches to maximize CAP 2.0 engagement, idea generation and strategy vetting. The stakeholder and community engagement process will focus particularly on adaptive management approaches for the CAP 2.0 planning process to assist the community to develop a plan in the face of uncertainty related to a range of factors, including emissions trajectories, climate impacts, technology development, market prices, etc.

Task 6.1. Stakeholder and Community Engagement Process

The DNV GL team will develop a Stakeholder and Community Engagement plan, the implementation of which begins as described in Task 2 around the community ideation workshop and ongoing online platform engagement.

Leveraging the Silicon Valley Clean Energy (SVCE) program launch, and the updated home energy outreach, Green@Home led by Acterra, the DNV GL team will coordinate a 1.5 year long outreach plan for the CAP 2.0 effort, bringing in schools, labor unions, faith-based groups, ethnic groups, political groups, and other key individuals serving on city government commissions. With nearly 1000 names of Sunnyvale resident, business and groups already on our "members and friends" database and energy audit lists, we have a solid base to launch from as we reach out into other community sectors. In our on-the-ground and traditional outreach communications we will include:

- City Government -Sponsored Informational Sessions
- Business District Outreach
- Non-Environmental Community-Based Organizations
- Faith-Based organizations
- Neighborhood associations
- Environmental organizations
- Acterra-Related Individuals
- Local Business Leaders
- Technology companies
- Emerging technology start-ups

We will build this grassroots network of connections into new business areas and community sectors through the CAP 2.0 outreach plan. Our engagement activities will discuss how the community can mitigate risks related to future climate action, related to costs and exposure and ability to act in the face of uncertainty.

Measures of Effectiveness:

- Establish solid foundation and plan to engage a broad representation of Sunnyvale community at critical points of the CAP 2.0 development
- Engage community on discussion of appropriate adaptive management practices related to climate planning and mitigation of risks

EXHIBIT A

SCOPE OF WORK

Anticipated Involvement of City Staff

- Review of proposed plan and identification of community groups and key stakeholders
- Provide additional ideas and input on proposed engagement activities

Deliverables

- Draft and Final Stakeholder and Community Engagement Plan

Consulting Team Roles and Responsibilities:

- **DNV GL** will lead and oversee the project team's entire Stakeholder and Engagement Process, including the online engagement platform
- **Acterra** will write the Stakeholder and Community Engagement Plan and lead the stakeholder mapping to ensure the Engagement Plan will effectively engage with a diverse cross-section of the Sunnyvale community. Acterra will identify month-by-month, their activities related to community engagement and outreach.
- **IDEO** will provide input on the Engagement Plan to ensure that the OpenIDEO/Brainstorm and Ideation Workshop and Train the Trainer approach is properly captured in the Stakeholder and Engagement Process. IDEO will also support the development of the online engagement platform and web presence.

Task 6.2. Conduct public meeting to seek public comments on the draft CAP 2.0 report

The DNV GL will conduct a public meeting to seek public comments on the draft CAP 2.0 report, following internal review of an administrative draft CAP 2.0. The meeting will help to further educate and motivate stakeholders into action and foster behavior change that can ultimately result in measurable GHG reductions.

Different facilitation techniques will be utilized to gather comments on the draft CAP 2.0, including world cafe, traditional break-out groups, post-it notes, conversation maps and more. The city may also wish to consider hosting this meeting earlier as a workshop to review the proposed 40% and 80% scenarios prior to finalizing the administrative and public draft CAP 2.0 reports.

Measures of Effectiveness:

- Ensure community input at each stage of the project, including prior to finalizing the CAP 2.0

Anticipated Involvement of City Staff

- Review of administrative draft CAP 2.0 in order to release a public review draft
- City assistance in identifying appropriate venue for public meeting, including snacks
- Review of meeting agenda and materials, and provide guidance on proposed outreach activities
- Assistance reviewing public input/feedback for incorporation into final CAP 2.0

EXHIBIT A

SCOPE OF WORK

Deliverables

- Public meeting lasting 2-3 hours
- Meeting agenda, facilitation materials, presentation
- Meeting summary notes on feedback received and edits needed

Consulting Team Roles and Responsibilities:

- **DNV GL** will lead a public meeting to capture public input on the draft CAP 2.0, including providing the meeting agenda, facilitation materials, presentation
- **Acterra** will lead the outreach efforts related to the public meeting and draft CAP 2.0 public comment process, including developing marketing flyers, outreach materials and also provide meeting summary notes
- **IDEO** will support the public meeting with innovative facilitation techniques and to connect with the “Train the Trainers” process to incorporate their public input meetings into the broader public meeting, activating the community from inception to CAP 2.0 to implementation

Task 6.3. Broad Public Comment Process

Project outreach led by Acterra will include planning for collateral educational opportunities and public comment with local community organizations, schools, and other active networks. Engaging these stakeholders will stimulate a dialogue with broad resonance invested in our shared future and ensure ownership in the resulting strategies.

The DNV GL team work with the City to explore other technology or opportunities to gather a broad range of community feedback, dovetailing with the Task 2 Community Brainstorm and Ideation online platform, which can be used for broad public comment on the draft CAP 2.0 in addition to the ideation phase.

DNV GL’s proposed project manager is a climate plan community engagement specialist with deep experience with engaging with communities broadly. The DNV GL team will explore a wide variety of community outreach campaign strategies including Community Based Social Marketing (CBSM), Human Centered Design (HCD), Tthe Cool Block program, Green Business Carrot Mobs, Sidewalk pop-up labs, Social Laboratories for Wicked (complex) issues, Online Comment platforms, social media, and various systemic facilitation techniques for in person workshops. The DNV GL team offers to Sunnyvale numerous options for online and on-the-ground outreach techniques, culturally appropriated for ethnically diverse communities, including MIT Co-Lab, Open City Hall, Metroquest, IDEO Challenge, and NextDoor.

The DNV GL team brings a unique blend of innovative and traditional approaches, technical and social skills to stakeholder and community engagement which we will tailor to fit Sunnyvale’s need to gather a broad range of community feedback to support the adoption of a bold, achievable, community based final CAP 2.0.

Measures of Effectiveness:

- Broad range of community feedback received

EXHIBIT A SCOPE OF WORK

Anticipated Involvement of City Staff

- Provide input on desired approaches for broad public comment within project budget and project timeline

Deliverables

- Collect comments on draft CAP 2.0 through additional online engagement, and leveraging other community events and social media

Consulting Team Roles and Responsibilities:

- **DNV GL** will work with the City to gather public input via the project online platform (likely IDEO platform)
- **Acterra** will support the broad public comment process by tapping into other local Silicon Valley outreach events, including the Green@Home and SVCE outreach channels, to gather additional public input and funnel community members into the online platform.
- **IDEO** will provide support to the “Train the Trainers” network to gather public input on the CAP 2.0 and provide to DNV GL and Fehr & Peers for synthesis.

Task 7. Draft and Finalize CAP 2.0

Task 7.1. Draft CAP 2.0

Based on the tasks outlined above, DNV GL will produce an administrative draft CAP for review by City staff and the Advisory Committee, based on the Strategic Framework developed in Task 5 and incorporating the implementation steps/plans and funding/financing opportunities. The CAP 2.0 will be designed according to adaptive management principles that allow the City to remain flexible and cope with unknowns related to technology development and other factors. The DNV GL team will also provide a summary of the CAP 2.0 Framework process, greenhouse gas projections/forecast and climate action goals and milestones to achieve selected climate target(s).

Following internal review of the administrative draft, the DNV GL team will develop the public review draft. The DNV GL team proposes to develop a visually-engaging public facing CAP 2.0, with most of the technical analysis and background research summarized in a technical appendix.

Measures of Effectiveness:

- Draft CAP 2.0 communicated and delivered on time, incorporating the creativity and input from broad community engagement, vetted by internal City stakeholders

Anticipated Involvement of City Staff;

- City to provide any branding or style guides for City of Sunnyvale materials

EXHIBIT A

SCOPE OF WORK

- City to provide high quality photos, where possible
- Minimal revisions expected at each stage, due to involvement of City and Advisory Committee in developing the plan contents, report outline, and review of administrative draft prior to release.

Deliverables:

- Provide a proposed outline of the CAP document to City staff and Advisory Committee for review
- Administrative draft CAP 2.0
- Public review draft CAP 2.0

Consulting Team Roles and Responsibilities:

- **DNV GL** will lead the development of the CAP 2.0 report, including developing the outline and structure for specific sections, and working with City staff to ensure satisfactory final work product.
- **Acterra** will provide review of the draft 2.0 publication to ensure that local and regional sustainability efforts and funding sources/initiatives are properly incorporated.
- **Fehr & Peers** will prepare a summary of the emerging trends and CAP 2.0 pathways to 2050 GHG reductions. The 2030 strategies will be based on the 2035 strategies from the CAP 1.0 and will integrate new priority actions identified through this process that can significantly impact transportation GHG emissions.

Task 7.2. Review community feedback and update/review document

Following the release of the public review draft and the stakeholder engagement activities completed as part of Task 6, the DNV GL team will review the community feedback and work with the City to identify responses/edits needed to finalize the Sunnyvale CAP 2.0.

The DNV GL team will incorporate comments based on Advisory Committee and staff direction. We assume at this point there would be no significant changes to the analysis or Strategic Framework, such as changes to the target dates or changes in key focus areas.

Measures of Effectiveness:

- Timely edits and revisions to the draft CAP 2.0

Anticipated Involvement of City Staff

- Guidance and assistance with determining what edits and revisions are needed
- Assistance with internal vetting with department and City staff, Councilmembers, Mayor, as needed

Deliverables

- Summary of proposed revisions/edits to the draft CAP 2.0 to be completed

EXHIBIT A

SCOPE OF WORK

Consulting Team Roles and Responsibilities:

- **DNV GL** will respond to one round of public review comments and work with City staff to identify how the draft CAP 2.0 should be best addressed.
- **Fehr & Peers** will respond to one round of editorial comments on the transportation section of the CAP 2.0.

Task 7.3. Final CAP 2.0

Following the public review period, the DNV GL team will prepare the final CAP 2.0, and support staff in preparing a report to Council and presenting the final CAP 2.0 to City Council for consideration.

Based on DNV GL's experience, it would be beneficial to have as much community support at the Council meeting as possible to ensure adoption of the CAP 2.0. Therefore, DNV GL would work with City staff to identify the best approach to demonstrating community support and having as much community representation as possible at the Council meeting for adoption.

Measures of Effectiveness:

- Final CAP delivered on time, incorporating robust community engagement process
- Adoption of CAP 2.0 by Council with substantial community support

Anticipated Involvement of City Staff

- Clear articulation of timelines and due dates for staff reports
- Assistance with turning out the community in support of the CAP 2.0 adoption

Milestones

- Final Climate Action Plan 2.0 to be presented to Council
- Attendance to one Council meeting
- Support for staff report and presentation to City Council. (DNV GL assumes the City will lead the development of the staff report, and DNV GL will review as needed.)

Consulting Team Roles and Responsibilities:

- **DNV GL** will lead the development of the final CAP 2.0 based on the public review comments, including 1 staff attendance to the one Council meeting

Exhibit B

| DNV GL Energy Services USA Inc. | | | | | | | | | | | | | | | | | |
|---------------------------------|--|------------------|-----------------|-----------------|-----------------|-------------------|--------------|-------------|-------------|-------------------|----------------|---------------|---------------|--------------|--------------------|----------------------------|-----------|
| Tasks | | DNV GL Labor | | | | | | | | | Subcontractors | | | | ODCs | ODC | Total |
| Task # | Task Description | Project Manager | Project Sponsor | GHG Analysis | Analyst Support | Buildings/ Energy | Water | Solid Waste | Total Hours | Total Labor Costs | Acterra | IDEO | Fehr & Peers | Fehr & Peers | Other Direct Costs | Subcontractor mark-up (5%) | Total Fee |
| | | Sarah Isabel Moe | Betty Seto | Ben Butterworth | TBD | Doug Kot | Stan Mueller | Jim Leahy | | | Debbie Mytels | Jason Rissman | Daniel Rubins | Matt Haynes | | | |
| | | \$175 | \$200 | \$150 | \$130 | \$200 | \$150 | \$185 | | | Lump Sum | Lump Sum | Lump Sum | Lump Sum | | | |
| 1 | Facilitate CAP 2.0 Advisory Committee (6 mtgs) | 80 | 20 | 10 | 12 | 5 | | | 127 | \$ 22,060 | \$1,500 | \$2,000 | \$1,200 | \$500 | \$ 400 | \$260 | \$27,920 |
| 2 | Community Brainstrom and Ideation Workshop | 24 | 6 | 5 | | | | | 35 | \$ 6,150 | \$8,000 | \$17,000 | \$2,500 | \$500 | \$ 500 | \$1,400 | \$36,050 |
| 3 | Determine Key Focus Areas and Estimated GHG Reductions | 30 | 22 | 35 | 40 | 12 | 4 | 4 | 147 | \$ 23,840 | | | \$4,000 | | | \$200 | \$28,040 |
| 4 | Determine Scenarios to Achieve or Exceed State Targets | 30 | 22 | 35 | 50 | 10 | 4 | 4 | 155 | \$ 24,740 | | | \$10,000 | \$1,000 | | \$550 | \$36,290 |
| 5 | Strategic Framework and Funding Opportunities | 30 | 8 | 16 | 15 | 8 | 2 | 2 | 81 | \$ 13,470 | | | \$4,000 | \$800 | | \$240 | \$18,510 |
| 6 | Stakeholder and Community Engagement | | | | | | | | | | | | | | | | |
| 6.1 | Stakeholder and community engagement process | 12 | 4 | | | | | | 16 | \$ 2,900 | \$2,500 | \$13,000 | | | | \$775 | \$19,175 |
| 6.2 | Conduct public meetings | 24 | 6 | 6 | | | | | 36 | \$ 6,300 | \$4,000 | \$1,000 | \$1,000 | | \$ 250 | \$300 | \$12,850 |
| 6.3 | Broad public comment process | 8 | 4 | 4 | | | | | 16 | \$ 2,800 | \$1,000 | \$3,000 | \$1,000 | | \$ 255 | \$250 | \$8,305 |
| 7 | Draft and Finalize CAP 2.0 | 70 | 30 | 50 | 62 | 12 | 8 | 8 | 240 | \$ 38,890 | \$1,000 | | \$7,000 | \$1,000 | | \$450 | \$48,340 |
| | Proposal Subtotal | 308 | 122 | 161 | 179 | 47 | 18 | 18 | 853 | \$141,150 | \$18,000 | \$36,000 | \$30,700 | \$3,800 | \$1,405 | \$4,425 | \$235,480 |
| | Private funding support for OpenIDEO | | | | | | | | | | | \$15,000 | | | | | |
| | Private funding Tech Company Prototyping for climate action | | | | | | | | | | | \$20,000 | | | | | |
| | Optional Services | | | | | | | | | | | | | | | | |
| B | Each additional public presentation/public hearings | 8 | 4 | - | | - | - | - | 12 | \$2,200 | - | - | - | - | - | | |
| | | | | | | | | | | | | | | | | | |
| 1 | Assumes time-and-materials, with not-to-exceed based on hourly rates enclosed | | | | | | | | | | | | | | | | |
| 2 | Other direct costs include mileage, based on IRS federal mileage reimbursement | | | | | | | | | | | | | | | | |
| 3 | Subcontractor mark-up of 5% | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |



City of Sunnyvale

Agenda Item

17-0836

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW17-34 for the Street Lights Conduit Replacement Project (ST-16-04) and finding of California Environmental Quality Act (CEQA) Categorical Exemption

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$120,320 to Columbia Electric, Inc. for Street Lights Conduit Replacement Project (ST-16-04) and approve a 10% contingency in the amount of \$12,032.

EXISTING POLICY

Section 1309 of the City Charter requires public works construction contracts to be awarded to the lowest responsive and responsible bidder and pursuant to Chapter 2.09 of the Sunnyvale Municipal Code, City Council approval is required for construction contracts exceeding \$100,000.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a categorical exception pursuant to CEQA Guidelines Section 15301 (Class 1, Existing Facilities) as it relates to existing public facilities (street lights) involving negligible or no expansion of use beyond that presently existing.

BACKGROUND AND DISCUSSION

The City's Capital Improvement Budget includes funding for the replacement of damaged street light conduits, wiring and related components. The damages are generally the result of heavy vehicles driving over the conduits in shallow driveways, parking strips or by water intrusion creating electrical shorts. The Street Lights Conduit Replacement Project (ST-16-04) will replace conduits along the west side of Wolfe Road, from north of Central Expressway to East Arques Avenue. There is a total of four street lights at this location; two of which are connected by an overhead power line. The scope of work includes removal of the overhead power line and installation of approximately 900 feet of new conduit and cable along the west side of the street. The new conduit will connect to an existing power source in an existing service cabinet, located at the southwest corner of Wolfe Road and East Arques Avenue.

The design and construction support services contract for the project was awarded to TJKM Transportation Consultants (TJKM) on March 23, 2017. Consultant services include, project management, design development, bidding support, and construction support services.

The construction project was advertised for competitive bidding on July 14, 2017. Four bids were received. The bid summary is contained in Attachment No. 1. The lowest responsive and responsible bid was submitted by Columbia Electric, Inc. in the amount of \$120,320. Columbia Electric listed no

subcontractors for the work, and holds the required licenses of A or C-10 and met all the other requirements specified in the Bid announcement.

FISCAL IMPACT

Project costs are as follows:

| | |
|--------------------------------|--------------------|
| Construction | \$120,320.00 |
| Construction Contingency (10%) | <u>\$12,032.00</u> |
| Total Cost | \$132,352.00 |

Funding Source

Budgeted funds are available in Capital Project 825340 (Street Lights Conduit Replacement). This project is funded in the Infrastructure Renovation and Replacement Fund through Gas Tax revenues.

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 California Environmental Quality Act (CEQA) Categorical Exemption pursuant to CEQA Guidelines Section 15301 as the project relates to existing public facilities (street lights) involving negligible or no expansion of use beyond that presently existing. 2) Award a contract, in substantially the same form as Attachment No. 2 to the report, and in the amount of \$120,320, to Columbia Electric, Inc. of San Leandro, California for the Street Light Conduit Replacement, and authorize the City Manager to execute the contract when all necessary conditions have been met; and 3) approve a 10% construction contingency in the amount of \$12,032.

Prepared by: Gregory Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Kent Steffens, Assistant City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract

Invitation for Bids No. PW17-34
Street Lights Conduit Replacement
Project No. ST-16-04

| | | | |
|---|--|--|--|
| <i>Columbia Electric, Inc.</i> <i>1980 Davis Street</i> <i>San Leandro, CA 94577</i> <i>JoAnne Scruggs</i> | <i>St. Francis Electric, LLC</i> <i>975 Carden Street</i> <i>San Leandro, CA 94577</i> <i>Andrew Amador</i> | <i>Itech Solutions</i> <i>2064 Flintcrest Dr</i> <i>San Jose, CA 95148</i> <i>Miguel Plascencia</i> | <i>Lewis and Tibbitts</i> <i>1470 Industrial Ave</i> <i>San Jose, CA 95112</i> <i>Buster Segura</i> |
|---|--|--|--|

| No. | Bid Item | QTY | UOM | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price | Unit Price | Extended Price |
|-----|--|-----|-----|-------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|
| 1 | Mobilization | 1 | LS | \$ 5,880.00 | \$ 5,880.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 |
| 2 | Traffic Control System | 1 | LS | \$ 5,000.00 | \$ 5,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 8,000.00 | \$ 8,000.00 | \$ 15,352.00 | \$ 15,352.00 |
| 3 | Construction Staking/Surveying | 1 | LS | \$ 2,500.00 | \$ 2,500.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 20,000.00 | \$ 20,000.00 | \$ 7,045.00 | \$ 7,045.00 |
| 4 | Clearing and Grubbing | 1 | LS | \$ 3,500.00 | \$ 3,500.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 |
| 5 | Storm Water Pollution Prevention Plan (SWPPP) | 1 | LS | \$ 7,500.00 | \$ 7,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 5,000.00 | \$ 5,000.00 | \$ 8,363.00 | \$ 8,363.00 |
| 6 | Remove/replace Concrete Sidewalk (Including Aggregate Base) | 100 | SF | \$ 200.00 | \$ 20,000.00 | \$ 50.00 | \$ 5,000.00 | \$ 320.00 | \$ 32,000.00 | \$ 75.00 | \$ 7,500.00 |
| 7 | Remove/Replace Existing Pull Box | 5 | EA | \$ 750.00 | \$ 3,750.00 | \$ 1,000.00 | \$ 5,000.00 | \$ 1,000.00 | \$ 5,000.00 | \$ 1,500.00 | \$ 7,500.00 |
| 8 | Adjust to Grade Utilities (REVOCABLE) (Vaults/Valves/Lids/Manholes) | 9 | LS | \$ 500.00 | \$ 4,500.00 | \$ 1,000.00 | \$ 9,000.00 | \$ 3,000.00 | \$ 27,000.00 | \$ 1,700.00 | \$ 15,300.00 |
| 9 | Potholing (REVOCABLE) | 6 | EA | \$ 350.00 | \$ 2,100.00 | \$ 500.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 18,000.00 | \$ 1,000.00 | \$ 6,000.00 |
| 10 | Service Cabinet Replacement | 1 | LS | \$ 9,500.00 | \$ 9,500.00 | \$ 7,500.00 | \$ 7,500.00 | \$ 8,000.00 | \$ 8,000.00 | \$ 21,652.00 | \$ 21,652.00 |
| 11 | Furnish and Install 2" Schedule 80 PVC Conduit, wiring and trenching | 710 | LF | \$ 79.00 | \$ 56,090.00 | \$ 192.00 | \$ 136,320.00 | \$ 220.00 | \$ 156,200.00 | \$ 272.00 | \$ 193,120.00 |
| | Total | | | | \$ 120,320.00 | | \$ 203,320.00 | | \$ 291,200.00 | | \$ 293,832.00 |

| | | | | |
|-----------------|---------|---------|------|-------------------------------------|
| Surety: | 10% | 10% | 10% | 10% |
| License: | A, C-10 | A, C-10 | C10 | A, C10, C36 and C42 |
| Subcontractors: | None | None | None | Radiant Electric, Inc. (\$9,500.00) |
| | | | | Anrak Corporation (\$3,000) |

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 COLUMBIA ELECTRIC, INC., 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, "Street Lights Conduit Replacement", Project No. ST-16-04, Invitation for Bids No. PW17-34, including {Number of 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 materials necessary to perform and complete the project in a good and workmanlike manner. The work consist(s) of installation of contractor furnished conduits, conductors, pull boxes, connectors, trench backfill, and all other incidental items necessary to provide new conduits to the street light and service pedestal system complete in place, operational 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 TJKM and adopted by the Owner. These Plans and Specifications are entitled respectively, "Street Lights Conduit Replacement, Project No. ST-16-04".

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 Twenty Thousand Three Hundred Twenty and No/100 Dollars (\$120,320) 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 no Additive Alternate(s).

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 seventy (70) 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. 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. Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by email or fax, to accomplish timely communication. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three business days after mailing. 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: Columbia Electric, Inc.
Attn: JoAnne Scruggs
1980 Davis 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. Indemnification and 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, twenty-five dollars (\$25.00) 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 one hundred dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, in accordance with Labor Code Section 1776(h).

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 two hundred dollars (\$200.00) 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 (\$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. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict of law or choice of law principles. Proper venue for legal actions will be exclusively vested in a state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

23. Severability Clause. In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.

24. Entire Agreement; Amendment. This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing signed by all parties.

25. Execution and Counterparts. This Agreement may be executed in multiple counterparts and/or with the signatures of the Parties set forth on different signature sheets and all such counterparts, when taken together, shall be deemed one original.

IN WITNESS WHEREOF, two identical counterparts of this contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties.

CITY OF SUNNYVALE
a Municipal Corporation, Owner

COLUMBIA ELECTRIC, INC.
Contractor

License No. 765902

By _____ / /
City Manager Date

Attest:
City Clerk

By _____ / /
City Clerk Date

(SEAL)

By _____

_____ / /
Title Date

By _____

_____ / /
Title Date

APPROVED AS TO FORM:

_____ / /
City Attorney Date

EXHIBIT A**COMPENSATION**

| No. | Description | QTY | Unit | Unit Cost | Total Cost |
|-----|---|-----|------|-----------|------------|
| 1 | Mobilization | 1 | LS | \$5,880 | \$5,880 |
| 2 | Traffic Control System | 1 | LS | \$5,000 | \$5,000 |
| 3 | Construction Staking/Surveying | 1 | LS | \$2,500 | \$2,500 |
| 4 | Clearing and Grubbing | 1 | LS | \$3,500 | \$3,500 |
| 5 | Storm Water Pollution Prevention Plan (SWPPP) | 1 | LS | \$7,500 | \$7,500 |
| 6 | Remove/replace Concrete Sidewalk (Including Aggregate Base) | 100 | SF | \$200 | \$20,000 |
| 7 | Remove/Replace Existing Pull Box | 5 | EA | \$750 | \$3,750 |
| 8 | Adjust to Grade Utilities (REVOCABLE) (Vaults/Valves/Lids/Manholes) | 9 | LS | \$500 | \$4,500 |
| 9 | Potholing (REVOCABLE) | 6 | EA | \$350 | \$2,100 |
| 10 | Service Cabinet Replacement | 1 | LS | \$9,500 | \$9,500 |
| 11 | Furnish and Install 2" Schedule 80 PVC Conduit, wiring and trenching | 710 | LF | \$79 | \$56,090 |



City of Sunnyvale

Agenda Item

17-0773

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Award of Contract for Traffic Signal Timing and Optimization (F17-106)

REPORT IN BRIEF

Approval is requested to award a contract in the amount of \$162,520 to DKS Associates of Oakland, CA for professional engineering services and for a 10% contingency in the amount of \$16,252.

EXISTING POLICY

Pursuant to 2.08 of the Sunnyvale Municipal Code, City Council approval is required for contracts exceeding \$100,000.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

The Engineering Services for Signal Coordination Timing and Coordination Optimization Project ("Project") will provide overall improvement and safety to pedestrian and bicyclists crossing of various intersections throughout the City. The optimized traffic signals would provide safer passage to non-motorized vehicles and pedestrians, and reduction in vehicle delays, fuel consumption, and CO2 emission during peak times.

The Project would enhance motorist, pedestrian and bicycle maneuvering and improve travel time at Fremont Avenue, Mary Avenue, Remington Drive and Hollenbeck Avenue. Fremont Avenue and Mary Avenue are classified as Class II Arterials; Remington Drive west of Sunnyvale Saratoga Road is classified as Residential Collector; Remington Drive east of Sunnyvale Saratoga Rd is classified as Class II Arterial; and Hollenbeck Avenue is classified as Residential Collector. These corridors experience significant traffic volume delays during peak hour, but also include school traffic, a wide variation of side street traffic volumes, and the traffic volumes from freeway on and off ramps. Fremont Avenue includes traffic signals on a Caltrans right-of-way located near State Route 85 and will be part of the traffic signal optimization and coordination timing included in this Project. Optimized traffic signal timing for pedestrian timing must conform to latest Institute of Transportation Engineers (ITE) Guidelines and City Standards.

A similar project along different corridors was procured in January of 2016 (RFP F16-74). Since the vendor community for these type of projects remains fairly stable, staff emailed Request for Proposals for this Project to the four vendors that proposed on the previous RFP. For the contract

recommended for award, two responsive proposals were received from DKS Associates and TJKM.

The qualifications of the proposers were evaluated by staff from the Public Works Department, and DKS Associates was selected as the top ranked team for the following reasons:

- Extensive experience with similar projects involving Caltrans, collision analysis, and MaxView traffic software;
- Familiarity, understanding, and anticipation of issues and opportunities at the corridors.

DKS Associates proposed base pricing in the amount of \$166,550 was subsequently negotiated to \$162,520 without a reduction in work scope.

FISCAL IMPACT

The total cost of the recommendation is \$178,772, which consists of the base bid in the amount of \$162,520 and a 10% contingency in the amount of \$16,252.

Funding Source

Funding for the Fremont Avenue (Project 832510), Mary Avenue (Project 832530), Remington Drive (Project 832540), and Hollenbeck Avenue (Project 832520) Traffic Signal Timing and Optimization Project will be through a Transportation Fund for Clean Air (TFCA) Grant.

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 Attachment 1 to the report and in the amount of \$162,520 to DKS Associates for professional engineering services for the Signal Coordination Timing and Coordination Optimization Project and authorize the City Manager to execute the contract when all necessary conditions have been met; and 2) approve a 10% contract contingency for the project.

Prepared by: Gregory Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Kent Steffens, Assistant City Manager for

Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Consultant Services Agreement

**DRAFT CONSULTANT SERVICES AGREEMENT BETWEEN
CITY OF SUNNYVALE AND DKS ASSOCIATES FOR
SIGNAL COORDINATION TIMING AND OPTIMIZATION PROJECT**

THIS AGREEMENT dated _____ is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and DKS ASSOCIATES, a California corporation ("CONSULTANT").

WHEREAS, CITY is in need of specialized services for implementing a Signal Coordination Timing and Optimization Assessment for the Fremont Avenue, Mary Avenue, Remington Drive, and Hollenbeck Avenue corridors; and

WHEREAS, CONSULTANT possesses the skill and expertise to provide the required services;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Services by CONSULTANT

CONSULTANT shall provide services in accordance with Exhibit "A" entitled "Scope of Work." All exhibits referenced in this Agreement are attached hereto and are incorporated herein by reference. To accomplish that end, CONSULTANT agrees to assign David Mahama to this project, to act in the capacity of Project Manager and personally direct the professional services to be provided by CONSULTANT.

Except as specified in this Agreement, CONSULTANT shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to satisfactorily complete the services required in this Agreement.

2. Notice to Proceed/Completion of Services

- (a) CONSULTANT shall commence services upon receipt of a Notice to Proceed from CITY. Notice shall be deemed to have occurred three (3) calendar days after deposit in the regular course of the United States mail.
- (b) When CITY determines that CONSULTANT has satisfactorily completed the services defined in Exhibit "A," CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has satisfactorily completed the Scope of Work (Exhibit "A"), and if so requested, CITY shall make this determination within fourteen (14) days of such request.

3. Project Schedule

The Project Schedule is set forth in the attached Exhibit "A-1".

4. Payment of Fees and Expenses

Payments shall be made to CONSULTANT on a monthly basis as set forth in the attached Exhibit "B" entitled "Compensation Schedule." All compensation will be based on monthly billings as provided in Exhibit "B." Compensation will not be due until said detailed billing is submitted to CITY within a reasonable time before payment is expected to allow for normal CITY processing. An estimate of the percent of total completion associated with the various categories of the services shall be furnished by CONSULTANT with said billing. When applicable, copies of pertinent financial records will be included with the submission of billing(s) for all direct reimbursables. Compensation shall not exceed the amounts set forth in Exhibit "B" for each phase, and shall include services as identified in Exhibit "A" in the amount of One Hundred Sixty Two Thousand Five Hundred Twenty and No/100 Dollars (\$162,520.00) for the duration of the contract unless upon written modification of this Agreement. All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707.

5. No Assignment of Agreement

CONSULTANT bind themselves, their partners, successors, assigns, executors, and administrators to all covenants of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for under this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of CITY. However, claims for money due to or to become due to CONSULTANT from CITY under this Agreement may be assigned to a bank, trust company or other financial institutions, or to a trustee in bankruptcy, provided that written notice of any such assignment or transfer shall be first furnished to CITY. In case of the death of one or more members of CONSULTANT's firm, the surviving member or members shall complete the services covered by this Agreement. Any such assignment shall not relieve CONSULTANT from any liability under the terms of this Agreement.

6. Consultant is an Independent Contractor

CONSULTANT is not an agent or employee of CITY but is an independent contractor with full rights to manage its employees subject to the requirements of the law. All persons employed by CONSULTANT in connection with this Agreement will be employees of CONSULTANT and not employees of CITY in any respect. CONSULTANT is responsible for obtaining statutory Workers' Compensation coverage for its employees.

7. Consultant's Services to be Approved by a Registered Professional

All reports, costs estimates, plans and other documents which may be submitted or furnished by CONSULTANT shall be approved and signed by a qualified registered professional in the State of California. The title sheet for calculations, specifications and reports, and each sheet of plans, shall bear the professional seal, certificate number, registration classification, expiration date of certificate and signature of the professional responsible for their preparation.

8. Standard of Workmanship

CONSULTANT represents and maintains that it is skilled in the professional calling necessary to perform the services and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT's representations regarding its skills and knowledge. CONSULTANT shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

The plans, designs, specifications, estimates, calculations reports and other documents furnished under the Scope of Work (Exhibit "A") shall be of a quality acceptable to CITY. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar projects.

9. Responsibility of CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy and the coordination of the services furnished by it under this Agreement. Neither CITY's review, acceptance nor payment for any of the services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT's negligent performance of any of the services furnished under this Agreement.

Any acceptance by CITY of plans, specifications, calculations, construction contract documents, reports, diagrams, maps and other material prepared by CONSULTANT shall not, in any respect, absolve CONSULTANT for the responsibility CONSULTANT has in accordance with customary standards of good engineering practice in compliance with applicable Federal, State, County and/or municipal laws, ordinances, regulations, rules and orders.

10. Right of CITY to Inspect Records of CONSULTANT

CITY, through its authorized employees, representatives, or agents, shall have the right, at any and all reasonable times, to audit the books and records including, but not limited to, invoices, vouchers, canceled checks, time cards of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years from the date of final payment to CONSULTANT or for any longer period required by law, sufficient books and records in accordance with generally accepted accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT. Any expenses not so recorded shall be disallowed by CITY.

11. Confidentiality of Material

All ideas, memoranda, specifications, plans, calculations, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written information submitted to CONSULTANT in

connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY be used for any purposes other than the performance of the Project services, nor be disclosed to an entity not connected with the performance of the Project services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry shall be deemed confidential. CONSULTANT shall not use CITY's name, insignia or distribute exploitative publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

12. No Pledging of CITY's Credit

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

13. Ownership of Material

All material, including information developed on computer(s), which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared or caused to be prepared, under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof.

CITY shall not be limited, in any way, in its use of said material, at any time, for work associated with Project. However, CONSULTANT shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to the release of this material to third parties for work other than on Project.

14. Hold Harmless/Indemnification

To the extent permitted by law (including, without limitation, California Civil Code section 2782.8), CONSULTANT agrees to indemnify, defend and hold harmless CITY, its officers and employees from any and all claims, demands, actions, causes of action, losses, damages, liabilities, known or unknown, and all costs and expenses, including reasonable attorneys' fees in connection with any injury or damage to persons or property to the extent arising out of any negligence, recklessness or willful misconduct of CONSULTANT, its officers, employees, agents, contractor, subcontractors or any officer, agent or employee thereof in relation to CONSULTANT's performance under this Agreement. Such defense and indemnification shall not apply in any instance of and to the extent caused by the sole negligence, recklessness or willful misconduct of CITY, its officers, employees, agents or representatives.

15. Insurance Requirements

CONSULTANT shall take out and maintain during the life of this Agreement policies of insurance as specified in Exhibit "C" attached and incorporated by reference, and shall provide all certificates and/or endorsements as specified in Exhibit "C."

16. No Third Party Beneficiary

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

17. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and shall be personally delivered, sent by first class with postage prepaid, or sent by commercial courier, address below.

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by email or fax, to accomplish timely communication. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three business days after mailing.

To CITY: Shahid Abbas, Traffic and Transportation Manager
Department of Public Works
CITY OF SUNNYVALE
P. O. Box 3707
Sunnyvale, CA 94088-3707

To CONSULTANT: DKS Associates
Attn: David Mahama
1970 Broadway, Suite 740
Oakland, CA 94612-2219

18. Waiver

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

19. Amendments

No alterations or changes to the terms of this Agreement shall be valid unless made in writing and signed by both parties.

20. Integrated Agreement

This Agreement embodies the agreement between CITY and CONSULTANT and its terms and conditions. No verbal agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon CITY.

21. Conflict of Interest

CONSULTANT shall avoid all conflicts of interest, or appearance of conflict, in performing the services and agrees to immediately notify CITY of any facts that may give rise to a conflict of interest. CONSULTANT is aware of the prohibition that no officer of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement CONSULTANT shall not accept employment or an obligation which is inconsistent or incompatible with CONSULTANT'S obligations under this Agreement.

22. Governing Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions will be exclusively vested in a state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

23. Records, Reports and Documentation

CONSULTANT shall maintain complete and accurate records of its operation, including any and all additional records required by CITY in writing. CONSULTANT shall submit to CITY any and all reports concerning its performance under this Agreement that may be requested by CITY in writing. CONSULTANT agrees to assist CITY in meeting CITY's reporting requirements to the state and other agencies with respect to CONSULTANT's work hereunder. All records, reports and documentation relating to the work performed under this Agreement shall be made available to City during the term of this Agreement.

24. Termination of Agreement

- A. If CONSULTANT defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of satisfactory services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.
- B. Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.
- C. If CITY fails to pay CONSULTANT, CONSULTANT at its option may terminate this Agreement if the failure is not remedied by CITY within (30) days after written notification of failure to pay.

25. Subcontracting

None of the services covered by this Agreement shall be subcontracted without the prior written consent of CITY. Such consent may be issued with notice to proceed if subcontract consultants are listed in the project work plan.

26. Fair Employment

CONSULTANT shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, condition of physical handicap, religion, ethnic background or marital status, in violation of state or federal law.

27. Changes

CITY or CONSULTANT may, from time to time, request changes in the terms and conditions of this Agreement. Such changes, which are mutually agreed upon by CITY and CONSULTANT, shall be incorporated in amendments to this Agreement.

28. Other Agreements

This Agreement shall not prevent either Party from entering into similar agreements with others.

29. Severability Clause

In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.

30. Captions

The captions of the various sections, paragraphs and subparagraphs, of the contract are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

31. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing signed by all parties.

32. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. This Agreement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ATTEST:

CITY OF SUNNYVALE ("CITY")

By _____
City Clerk

By _____
City Manager

APPROVED AS TO FORM:

DKS ASSOCIATES ("CONSULTANT")

City Attorney

By _____

Name/Title

By _____

Name/Title

EXHIBIT A SCOPE OF WORK FOR SIGNAL COORDINATION TIMING AND OPTIMIZATION

I. General

The City of Sunnyvale is seeking proposals from licensed engineering firms to provide professional services for traffic signal optimization and coordination timing plans on the following corridors: Fremont Avenue, Mary Avenue, Remington Drive, and Hollenbeck Avenue. The scope of work includes data collection, data validation, modeling software, measures of effectiveness (MOE), existing conditions, optimized conditions, deployment, before and after studies, coordination with Caltrans and final report, and schedules and meetings. Consultants are strongly recommended to familiarize themselves with all the corridors on this project before submitting proposals.

II. PROJECT DESCRIPTION

The project goals are to reduce delays, queues, fuel consumption, CO2 emissions experienced during the peak times. Improved travel time, traffic flow, and improved overall safety including pedestrians and bicyclists at all the locations are expected outcomes of the project.

The project area includes Fremont Avenue, Mary Avenue, Remington Drive, and Hollenbeck Avenue. Fremont Avenue and Mary Avenue are classified as Class II Arterials, Remington Drive west of Sunnyvale Saratoga Road is classified as Residential Collector and east of Sunnyvale Saratoga Rd as Class II Arterial, and Hollenbeck Avenue is classified as Residential Collector. These corridors experience fairly significant peak hour volumes, but also feature school traffic, a wide variation of side street volumes, and freeway on and off ramps. Fremont Avenue includes traffic signals on Caltrans right-of-way located near State Route 85 and will be part of the traffic signal optimization and coordination timing to be done under this project.

Optimized traffic signal timing including clearance and pedestrian timing must conform to latest ITE Guidelines and City Standards.

Consultants are strongly encouraged to familiarize themselves with all the corridors on this project before submitting a proposal.

III. Requested Services

The City of Sunnyvale is seeking proposals from qualified professional engineering firms to provide professional engineering services for traffic signal optimization and coordination timing plans along the following corridors:

Fremont Avenue Corridor:

1. Fremont Avenue at Belleville Way
2. Fremont Avenue at SR 85 SB
3. Fremont Avenue at SR 85 NB
4. Fremont Avenue at Bernardo Avenue
5. Fremont Avenue at Mary Avenue
6. Fremont Avenue at Hollenbeck Avenue

7. Fremont Avenue at Manet Drive/Bobwhite Avenue
8. Fremont Avenue at Fieldfair Drive/Rembrandt Drive

Mary Avenue Corridor

1. Mary Avenue at Homestead Road
2. Mary Avenue at The Dalles Avenue
3. Mary Avenue at Cascade Drive
4. Mary Avenue at Fremont Avenue
5. Mary Avenue at Ticonderoga Drive
6. Mary Avenue at Remington Drive
7. Mary Avenue at Knickerbocker Drive
8. Mary Avenue at Heatherstone Way
9. Mary Avenue at Iowa Avenue
10. Mary Avenue at Washington Avenue
11. Mary Avenue at Evelyn Avenue
12. Mary Avenue at California Avenue-Buena Vista
13. Mary Avenue at Corte Madera Avenue
14. Mary Avenue at Maude Avenue

Remington Drive Corridor:

1. Remington Drive and Bernardo Avenue
2. Remington Drive and Mary Avenue
3. Remington Drive and Hollenbeck Avenue
4. Remington Drive and Manet Drive

Hollenbeck Avenue Corridor

1. Hollenbeck Avenue and Homestead Road
2. Hollenbeck Avenue and Alberta Avenue
3. Hollenbeck Avenue and Cascade Drive
4. Hollenbeck Avenue and Fremont Avenue
5. Hollenbeck Avenue and Torrington Drive
6. Hollenbeck Avenue and Remington Drive
7. Hollenbeck Avenue and Danforth Drive

The consultant will be required to perform the following:

1. Data Collection
 - a. Minimum 72-hr consecutive period traffic volume and vehicular speed data for weekday starting on Tuesday and ending on Thursday at midblock location for the three corridors under this project. Exact locations must be approved by the City Project Manager before collecting the data. Consultant will make sure on the day data is collected there are no collisions and construction activities in the vicinity of the project area which affects traffic patterns and will also make sure school is in session. Dates for data collection must be prior approved by the City Project Manager.
 - b. Minimum 24-hr period traffic volume and vehicular speed data for weekend

Saturday at midblock location for the three corridors under this project. Exact locations must be approved by the City Project Manager before collecting the data. Consultant will make sure on the day data is collected there are no collisions and construction activities in the vicinity of the project area which affects traffic patterns and will also make sure school is in session. Dates for data collection must be prior approved by the City Project Manager.

- c. Speed data shall show average speed, 85th percentile and median speeds of the corridors under this project.
- d. Weekday turning movement counts between 7 and 10 AM and between 4 and 7 PM peak periods at all 33 locations to include, vehicular, pedestrian and bicyclist traffic.
- e. Weekday 1 hour turning movement count for mid-day peak period at all 33 locations to include vehicular, pedestrian and bicyclist.
- f. Weekend 1 hour turning movement count for each AM and PM peak period at all 33 locations to include vehicular, pedestrian and bicyclist.
- g. The Turning Movement counts will be done on the highest day volume selected from the 72-hr and 24-hr consecutive counts per Items “a” and “b” above. Peak hours will be selected from 72-hr and 24-hr consecutive counts per Items “a” and “b” above. AM, PM, and Mid-day peak hours and days for data collection will need prior approval by the City Project Manager before data is collected.

2. Data Validation

- a. All traffic data collected as outlined in Item Number 1 “Data Collection” above must be validated for accuracy purposes. City reserves the rights to check and collect traffic data at selected locations (minimum one intersection on each corridor for one peak period) to confirm validation, if the difference is greater than 10%, consultant will be required to collect data again for the whole corridor as described above at no additional cost to the City.
- b. Develop the various factors to be used in Synchro such as saturation flow rate, PHF, heavy vehicles, buses, etc. No default factors given in Synchro will be used without prior authorization from the City Project Manager. If consultant wishes to use Synchro default values, they must be validated through engineering calculations.
- c. Validation of existing and optimized traffic model for weekday AM-peak, Mid-Day and PM-peak and weekend Saturday AM and PM peak.
- d. Develop validated Synchro model of existing and optimized conditions. Submit validated model along with MOEs of existing/optimized conditions to City for approval.
- e. Consultant will calculate actual transit frequencies, parking maneuvers, etc., for modeling purposes.
- f. The validation will be done by measuring actual delay, travel time and queue length in the field.

3. Modeling Software

- a. City prefers use of Synchro version 9.0 or higher for this project.

4. Measures of Effectiveness (MOE)

- a. Develop MOEs for existing and optimized signal plans to include travel time, delays, fuel consumption, CO2 emissions, queue lengths, V/C ratio, Level of

Service (LOS,) etc.

5. Existing Conditions

- a. Consultant will be required to build an existing conditions *Synchro* model to analyze the signal timing. The consultant will ensure the network will be to scale. The existing signal timing plan data will be provided by City staff. A calibrated model will be prepared to ensure that the existing conditions analysis will be reflective of the current traffic conditions.
- b. The report shall contain MOEs developed as stated above on Item Number 4 to include levels of services, delay and network measures of effectiveness.
- c. Submit validated model along with MOEs of existing conditions to City for approval.

6. Optimized Conditions

- a. Preparation of traffic signal coordination and optimization timing plans for field implementation; AM-peak, Mid-Day and PM-peak for weekdays and Saturday AM and PM peak for all the signalized intersections in the project (21 total.)
- b. The report shall contain MOEs developed as stated above on Item Number 4 to include levels of services, delay and network measures of effectiveness output data.
- c. Develop validate *Synchro* model of optimized conditions. Submit validated model along with MOEs of optimized conditions to City for approval.
- d. The Consultant will fine tune optimized traffic signal timing and progression on field implementation of the approved traffic signal timing by the City.

7. Deployment

- a. The Consultant's optimized traffic signal timing shall be deployed by the City through a Centralized Database.

8. Before And After Studies and Final Report

- a. Perform travel time studies before and after signal timing implementation. The Consultant will provide a comparison of MOEs of before and after the project.
- b. Final report shall include all optimized and fined tuned timing sheets.
- c. Prior to implementation, timing analysis and recommendations shall be presented to City staff in draft report format, including appropriate graphics.
- d. Upon receipt of City staff comments, Consultant shall prepare the final report.
- e. Final report shall also include explanation and principle used to perform the traffic signal timing optimization.
- f. The Consultant shall provide to the City the electronic copies of *Synchro* models for this project.
- g. Consultant shall submit three (3) hard copies and one (1) electronic file of each deliverable item requiring City review.

IV. Schedules and Meetings

Engineering firms shall propose a project schedule in a Gantt Chart format, including two (2) weeks for each City review. After execution of the Consultant Services Agreement, and issuance

of the Notice to Proceed, the City would expect that the project would be implemented and completed in accordance with the agreed upon schedule.

Consultant's staff shall be available to attend up to four (4) meetings to review the results of the analysis.

All meetings will be held at City of Sunnyvale's facility and will include Caltrans staff.

PROJECT SCHEDULE

DKS shall provide the services in accordance with the project schedule shown below. We propose a project duration of 150 working days after notice to proceed assuming that traffic data and City review of deliverables will be conducted in a timely manner and in accordance with the project schedule. We expect a project completion date by the end of April 2018.

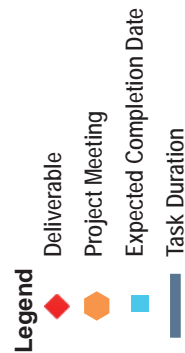


Exhibit B - Compensation Schedule

City of Sunnyvale
Cost Proposal For Signal Coordination Timing and
Optimization (all 33 study intersections)

Consultant's Name: DKS Associates

| Tasks | | Prime Consultant - DKS Associates | | | | | | | | ODCs | Total | |
|--------|--|-----------------------------------|-----------------|----------------------|--------------------|---------------------|--------------------------|-----------|-----------------------|-----------------------|--------------------------|-----------|
| Task # | Task Description (Change task titles as detailed in the scope of work) | Principal In-Charge | Project Manager | Sr. Project Engineer | Project Engineer I | Project Engineer II | Graphics/Word Processing | | Total DKS Labor Hours | Total DKS Labor Costs | Other Direct Costs (ODC) | Total Fee |
| | | | | | | | D. Mallori | S. Carney | | | | |
| | | | | | | | | | | | | |
| 1 | Project Management and Coordination | 16 | 40 | | | | | | 56 | \$12,840 | \$300 | \$13,140 |
| 2 | Data Collection and Field Review | | | | | | | | | | | |
| 2.1 | Traffic Counts and Field Review | | 16 | | 24 | 24 | | | 64 | \$9,360 | \$19,000 | \$28,360 |
| 2.2 | Travel Time and Delay Studies (Before Studies) | | 4 | | 17 | 4 | | | 25 | \$3,485 | \$4,000 | \$7,485 |
| 2.3 | Traffic Signal Databases | | 4 | | 16 | 16 | | | 36 | \$4,740 | \$430 | \$5,170 |
| 3 | Existing Conditions/Baseline | | | | | | | | | | | |
| 3.1 | Develop Existing Conditions Synchro Models | | 8 | 4 | 32 | 56 | | | 100 | \$12,880 | | \$12,880 |
| 3.2 | Determine Baseline Measure of Effectiveness (MOE) | | 2 | 4 | | 4 | | | 10 | \$1,550 | | \$1,550 |
| 3.3 | Draft Existing Conditions Report | | 4 | | 16 | 6 | 24 | | 50 | \$6,230 | | \$6,230 |
| 3.4 | Final Existing Conditions Report | | 4 | | | 4 | | | 8 | \$1,360 | | \$1,360 |
| 4 | Timing Plan Optimization | | | | | | | | | | | |
| 4.1 | Develop Draft Signal Timing Improvement Plans | 2 | 64 | 12 | | 50 | | | 128 | \$22,550 | | \$22,550 |
| 4.2 | Draft Recommendations Report | 2 | 20 | 4 | | 12 | 4 | | 42 | \$7,440 | \$100 | \$7,540 |
| 4.3 | Final Recommendations Report | | 16 | 12 | | | 4 | | 32 | \$5,960 | | \$5,960 |
| 5 | Prepare Signal Timing Sheets | | | | | | | | | | | |
| 5.1 | Draft Signal Timing Sheets | | 6 | 4 | 8 | 18 | | | 36 | \$5,060 | | \$5,060 |
| 5.2 | Final Signal Timing Sheets | | 2 | 4 | 4 | 6 | | | 16 | \$2,280 | | \$2,280 |
| 6 | Implementation of Signal Timing Plans | | | | | | | | | | | |
| 6.1 | Entering Signal Timing Parameters in TMC | | | | | | | | | \$0 | | \$0 |
| 6.2 | Deployment of Timing Plans and Fine-Tuning | | 52 | 48 | | 34 | | | 134 | \$23,290 | \$800 | \$24,090 |
| 6.3 | After Travel Time and Delay Studies | | 4 | | 17 | 4 | | | 25 | \$3,485 | \$4,000 | \$7,485 |
| 7 | Draft Project Report | 2 | 16 | 7 | 6 | 4 | 16 | | 51 | \$8,170 | \$100 | \$8,270 |
| 8 | Final Project Report | | 8 | 1 | 2 | 4 | 4 | | 19 | \$3,110 | | \$3,110 |
| | Proposal Total | 22 | 270 | 100 | 142 | 246 | 52 | | 832 | \$133,790 | \$28,730 | \$162,520 |
| | Optional Services (Fees subject to negotiation based on scope) | | | | | | | | | | | |
| A | Traffic Safety Analysis | - | - | - | - | - | - | - | 0 | \$0 | - | \$0 |
| B | On Going Periodic Traffic Monitoring | - | - | - | - | - | - | - | 0 | \$0 | - | \$0 |

EXHIBIT "C"
INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Consultant, his agents, representatives, or employees.

Minimum Scope and Limits of Insurance Consultant shall maintain limits no less than:

1. **Commercial General Liability**: \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. ISO Occurrence Form CG 0001 or equivalent is required.
2. **Automobile Liability**: \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
3. **Workers' Compensation** Statutory Limits and **Employer's Liability**: \$1,000,000 per accident for bodily injury or disease.
4. **Errors and Omissions** Liability Insurance appropriate to the Consultant's Profession: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared and approved by the City of Sunnyvale. The consultant shall guarantee payment of any losses and related investigations, claim administration and defense expenses within the deductible or self-insured retention.

Other Insurance Provisions

The **general liability** policy shall contain, or be endorsed to contain, the following provisions:

1. The City of Sunnyvale, its officials, employees, agents and volunteers are to be covered as additional insureds with respects to liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Sunnyvale, its officers, employees, agents or volunteers.
2. For any claims related to this project, the Consultant's insurance shall be primary. Any insurance or self-insurance maintained by the City of Sunnyvale, its officers, officials, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City of Sunnyvale, its officers, officials, employees, agents or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City of Sunnyvale.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of not less than A:VII, unless otherwise acceptable to the City of Sunnyvale.

Verification of Coverage

Consultant shall furnish the City of Sunnyvale with original a Certificate of Insurance effecting the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates are to be received and approved by the City of Sunnyvale prior to commencement of work.



City of Sunnyvale

Agenda Item

17-0775

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Adopt the City's Investment Policy for Fiscal Year 2017/18 and Receive the Annual Performance Report for Fiscal Year 2016/17

BACKGROUND

The City Council first adopted a policy governing the investment of City funds on July 30, 1985. This policy has been reviewed and adopted on an annual basis since that time.

EXISTING POLICY

Council Policy 7.1.2 Investment and Cash Management requires that the Investment Policy be reviewed and adopted annually within 120 days of the fiscal year to ensure consistency with the overall objectives of safety, liquidity, and yield and its relevance to current laws as well as financial and economic trends. A summary annual performance report on portfolio performance for the preceding fiscal year is also presented to the City Council as part of the annual investment policy review.

The key provisions of the existing Investment and Cash Management Policy are as follows:

1. **Safety** of principal is the foremost objective of the investment program. The City's portfolio is diversified by type of investment, issuer, and maturity date. Diversification is required to minimize exposure to any potential market and credit risk. The investment policy specifies the percentage of funds that can be invested in each investment type and issuer and the maximum maturity of each investment. The policy allows a maximum maturity of seven years for US Treasury, US Agency and Government Sponsored Enterprises (GSE) investments and shorter maturities for all other investments.

All investments in the portfolio are in accordance with the California Government Code requirements and authorized by the City's Investment Policy. The City is in compliance with the requirement that all investments be held in safekeeping by a third party bank trust department. The City currently has a contract with Union Bank to provide this service.

2. **Liquidity**- the portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. A schedule of major revenues and expenditures for at least 12 months is maintained in order to determine liquidity needs. Liquidity requirements have been met through utilizing the State's Local Agency Investment Fund (LAIF) and the City's interest bearing bank accounts. Approximately 14.5 percent of the portfolio was invested in LAIF at the end of FY 2016/17.

3. Yield- the portfolio will be maintained with the objectives of safety and liquidity first, and then the objective of obtaining a reasonable market rate of return based on economic cycles, taking into account the City's investment risk approach and cash flow needs.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

DISCUSSION

Staff invests funds not immediately needed for disbursement. Funds for the City's Deferred Compensation Plan, the City's Retirement Plan, Other Post-Employment Benefits (OPEB) Trust, and debt issuance proceeds are managed by a third party administrator and not invested by City staff and therefore are not covered by this investment policy. Funds needed for disbursement are maintained in a liquid checking account.

Annual Performance Report for FY 2016/17

In evaluating the portfolio performance for FY 2016/17 staff compares the City's performance compared to the investment policy objectives.

With yields continuing to be at historical lows, the City's investment strategy continues to be holding short-term investments in anticipation of rising interest rates. The strategy is to invest in higher yielding investments when rates rise. Low interest bearing investments are held to maturity to prevent selling those investments at a loss, so that funds can be reinvested at the higher rate. When interest rates increase, investments existing in the portfolio with longer maturities, that were purchased when rates were low, will experience a decrease in their market value because the interest rate on those investments is lower than the current market's interest rate.

In order to improve returns, provide a more proactive investment strategy in a rising interest rate environment, and analyze investments based on new complexity introduced through the proposed changes to the investment policy (social and environmentally responsible investing), staff is currently considering options for contracting the management of cash investments to a qualified investment firm. An analysis for the decision will be included as part of the RFP evaluation, anticipated at the end of 2017. The cost to hire an outside firm may outweigh the anticipated additional returns due to restrictions on investments, coupled with the low interest rate environment.

City's performance compared to the Investment Policy objectives:

For FY 2016/17, the portfolio yield averaged 1.03 percent while the average yield of our benchmark (Treasury securities with an average life similar to our portfolio) was 0.88 percent resulting in an average higher yield of 15 basis points than our benchmark. The average life of the portfolio during the last fiscal year was 379 days.

Interest earnings for FY 2016/17 for all City funds totaled \$3,727,858. Interest earnings are allocated pro rata to each fund throughout the City based on the periodic cash balance held in each fund.

It should be noted that the portfolio balance has increased by 17 percent from \$358 million in June

2016 to \$420 million in June 2017. This increase can be attributed to higher revenues (such as development related fees, property tax, utility service fees and the sale of a property) and the fact that City expenditures for FY 2016/17 were lower than the budget. Additional details on the City's Fiscal Year Ending performance will be provided with the Budgetary Year End Financial Report in December 2017.

Investment Policy

The City's Investment Policy has been reviewed and certified annually by the Association of Public Treasurers of the United States and Canada (APT US&C) since 1999. Minor changes have been made to the Investment Policy, including an update to the current practice for the process to select investment brokers (the investment broker pool is recommended to be refreshed every three years), and adding language regarding the Investment Committee that provides investment oversight (it is recommended that the Committee convene at least once a year as opposed to as needed). Once approved by Council, staff will submit the Investment Policy for FY 2017/18 to be re-certified by the APT US&C. The proposed FY 2017/18 Investment Policy will be presented within the Council Policy Manual as Policy 7.1.2.

On June 20, 2017, the City Council approved the Legislative Action Policy to support legislation to limit or eliminate direct or indirect investment of public funds to support the production or drilling of fossil fuels. Changes are recommended to the Investment Policy to be consistent with Council direction. The following section has been added to promote socially responsible investments:

Social and Environmental Responsibility

The City has a desire to encourage investments that support sound environmental, social and governance (ESG) investing. While the portfolio may not be classified as an ESG portfolio, investments in entities that support community well-being through safe and environmentally sound practices and fair labor practices and equality of rights regardless of sex, race, age, disability, or sexual orientation is encouraged. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons and are direct or indirect investments to support the production or drilling of fossil fuels.

FISCAL IMPACT

There is no fiscal impact associated with adoption of the Investment Policy as recommended.

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 the City's Investment Policy for FY 2017/18.

Prepared by: Kenn Lee, Assistant Director of Finance

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Proposed Investment Policy for FY 2017/18

COUNCIL POLICY MANUAL

Policy 7.1.2 Investment and Cash Management

POLICY PURPOSE:

The City establishes investment policies that meet its current investment goals. This policy is intended to establish objectives and criteria for the investment of the City's temporarily idle funds and for the City's Redevelopment Successor Agency and to provide guidelines for the City's cash management system.

This policy is set forth by the City of Sunnyvale (City) for the following purposes:

1. To establish a clear understanding for the City Council, City management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of the City's temporarily idle funds;
2. To offer guidance to investment staff on the investment of City funds; and
3. To establish a basis for evaluating investment results.

POLICY STATEMENT:**Objectives**

The City's cash management system shall be designed to accurately monitor and forecast expenditures and revenues, to enable the City to invest funds to the fullest extent possible.

Idle funds of the City shall be invested in accordance with principles of sound treasury management and in accordance with the provisions of California Government Code Section 53600 et seq., the City Charter, the City's Municipal Code and this policy.

The objectives of the City's investment program are, in order of priority:

1. Safety – Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
3. Return on Investment – The City's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, taking into

COUNCIL POLICY MANUAL

account the City's investment risk constraints and the cash flow characteristics of the portfolio.

Standard of Care – Prudent Investor

The governing body of the City and any staff members authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The Director of Finance or his/her designee is authorized to manage the investment portfolio and act within the intent and scope of the investment policy and other written procedures and exercise due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved with the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Director of Finance or his/her designee and other designated employees are required to file applicable financial disclosures, as required by the Fair Political Practices Commission.

OPERATIONAL AND PROCEDURAL MATTERS:

Scope

This Investment Policy applies to all funds and investment activities of the City with the following exceptions:

1. The City's Deferred Compensation Plan is excluded because it is managed by a third party administrator and invested by individual plan participants;
2. The City participates in the Public Employees Retirement System, and does not manage any retirement funds internally.

COUNCIL POLICY MANUAL

3. Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of the City as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.
4. Funds for the Other Post Employment Benefits (OPEB) Trust shall be invested in accordance with the general investment philosophy of the City as set forth in this policy; however, these funds are invested pursuant to California code and the Trust's separate long-term investment policy as approved by Council under the Trust Agreement.

Authorized Financial Dealers and Institutions

1. The Director of Finance or his/her designee shall maintain a list of institutions qualified and authorized to transact investment business with the City. Eligible institutions include:
 - A. Primary government dealers as designated by the Federal Reserve Bank;
 - B. Regional broker/dealers;
 - C. Nationally or state-chartered banks;
 - D. The Federal Reserve Bank; and
 - E. Direct issuers of securities eligible for purchase by the City.
2. Public deposits shall be made only in qualified public depositories within the State of California as established by State law, or as permitted by Section III.A (4-7). Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with state law.
3. A sufficient pool of qualified financial institutions and dealers will be maintained using criteria based on credit worthiness, experience, reference checks, and qualifications under the Securities and Exchange Commission. The City will issue a Request for Qualifications once every three years for these services. All broker/dealers who desire to become qualified must be registered with Financial Industry Regulatory Authority (FINRA) and supply the following as appropriate:
 - A. Audited financial statements
 - B. Completed broker/dealer questionnaire
 - C. Certification of having reviewed the City's Investment Policy.
4. It is the policy of the City to require competitive bidding for investment transactions. Whenever possible, at least three authorized financial dealers or institutions will be contacted to provide price quotations on security purchases and sales.

COUNCIL POLICY MANUAL

5. Selection of financial institutions and broker/dealers used by the City shall be at the sole discretion of the City.

Delivery vs. Payment

All investment transactions of the City shall be conducted using standard delivery vs. payment procedures.

Safekeeping of Securities

To protect against potential losses by collapse of individual securities dealers, and to enhance access to securities, interest payments, and maturity proceeds, all securities owned by the City shall be held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement executed by the bank and by the City.

PERMITTED INVESTMENTS AND GUIDELINES TO ACHIEVE POLICY OBJECTIVES:

Authorized Investments

All investments shall be made in accordance with Sections 53600 *et seq.* of the Government Code of California and as described within this Investment Policy. Permitted investments under this policy shall include:

1. **Securities issued by the US Treasury**, provided that:
 - A. There shall be no maximum allowable investment in US Treasury securities; and
 - B. As required by Section 53601 of the California Government Code, the City Council hereby grants express authority to the Director of Finance or his/her designee to invest in U.S. Treasury securities with final stated maturities up to seven years.
2. **Securities Issued and fully guaranteed as to payment by a federal agency or issued by a United States Government Sponsored Enterprise**, provided that:
 - A. No more than 30% of the total portfolio may be invested in federal agencies or government sponsored enterprises of any single issuer; and
 - B. As required by Section 53601 of the California Government Code, the City Council hereby grants express authority to the Director of Finance or his/her designee to invest in U. S. Agency securities with final stated maturities up to seven years.
3. **Banker's acceptances**, provided that:

COUNCIL POLICY MANUAL

- A. No more than 30% of the total portfolio may be invested in banker's acceptances;
 - B. No more than 5% of the total portfolio may be invested per issuer;
 - C. Their maturity does not exceed 180 days; and
 - D. They are issued by institutions with short term debt obligations rated a minimum of P-1 by Moody's or A-1 by Standard and Poors, or the equivalent by a nationally recognized statistical-rating organization (NRSRO).
- 4. **Federally Insured Bank Deposits** (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions in the state of California, provided that:
 - A. No more than 20% of the total portfolio may be invested in a combination of federally insured and collateralized time deposits;
 - B. The amount per institution is limited to the maximum covered under federal insurance; and
 - C. Their maturity does not exceed five years.
- 5. **Collateralized Bank Deposits** (Non-negotiable certificates of deposit) in California banks in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:
 - A. No more than 20% of the portfolio shall be invested in a combination of federally insured and collateralized time deposits;
 - B. No more than 5% may be invested per issuer; and
 - C. The maturity of such deposits does not exceed 365 days.
- 6. **Negotiable Certificates of Deposit** (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), or by a federally or state-licensed branch of a foreign bank, provided that:
 - A. No more than 30% of the total portfolio may be invested in investments made in accordance with this section plus deposits made under section III (7) of this policy;
 - B. No more than 5% of the total portfolio may be invested per issuer;
 - C. The maturity does not exceed 5 years; and
 - D. They are issued by institutions which have long-term obligations which are rated "A" or higher by a nationally recognized statistical rating organization; and/or have short-term debt obligations rated "A" or higher, or the equivalent by a nationally recognized statistical rating organization.
- 7. **Certificates of Deposit Placement Service** (e.g CDARS or like services) using private sector entity to assist in the placement of deposits above federal insurance amounts in increments less than federal insurance at participating banks, savings

COUNCIL POLICY MANUAL

and loans, or credit unions nationally through a “selected depository institution” in California, provided that:

- A. No more than 30% of the City’s total portfolio may be invested in such deposits plus negotiable certificates of deposit purchased pursuant to Section III (6) of this policy;
- B. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate shall at all times be insured by the FDIC or the NCUA;
- C. The selected depository institution shall be a nationally or state-chartered bank, savings and loan, or credit union in California and shall serve as the custodian for each certificate of deposit issued by the placement service for the City’s account;
- D. At the same time the City’s funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations or credit unions that, in total, are equal to or greater than the full amount of the principal that the City initially deposited with the selected depository institution;
- E. No credit union may act as a selected depository institution unless:
 - I) The credit union offers federal depository insurance through the NCUA; and
 - II) The credit union is authorized by the NCUA in the deposit placement services, and affirms that moneys held by those credit unions while participating in a deposit placement service will at all times be insured by a federal government entity.

8. **Repurchase agreements** collateralized with securities authorized under Sections III (A1-2) of this policy maintained at a level of at least 102% of the market value of the repurchase agreements, provided that:

- A. No more than 10% of the portfolio shall be invested in repurchase agreements;
- B. The maximum maturity of repurchase agreements shall be 15 days;
- C. Securities used as collateral for repurchase agreements shall be delivered to the City’s custodian bank, except that securities used as collateral for the one to seven day repurchase agreements with the City’s depository bank may be held in safekeeping by an independent third party bank trustee in the name of the City, as evidenced by appropriate receipts of trust; and
- D. The repurchase agreements are the subject of a master repurchase agreement between the City and the provider of the repurchase agreement. The master repurchase agreement shall be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).

9. **Commercial paper**, provided that:

- A. No more than 15% of the total portfolio may be invested in commercial paper;
- B. No more than 5% of the total portfolio may be invested per issuer.
- C. The maturity does not exceed 270 days from the date of purchase;
- D. The paper is of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
 - I) Is organized and operating in the United States as a general corporation. Has total assets in excess of five hundred million dollars (\$500,000,000). Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).
 - II) Is organized within the United States as a special purpose corporation, trust, or limited liability company. Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond. Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

10. **State of California Local Agency Investment Fund (LAIF)**, provided that:

- A. No more than 20% of the total portfolio may be invested in LAIF;
- B. It is recognized that LAIF has authority to invest in some instruments that are not permitted for Cities under the California Government Code; and
- C. A thorough investigation of the pool/fund is required prior to investing and on a continual basis. City staff will annually perform due diligence analysis of LAIF based on a standardized questionnaire developed to address investment policy and practices.

11. **Corporate medium-term notes**, provided that:

- A. No more than 30% of the total portfolio may be invested in medium-term notes;
- B. No more than 5% of the total portfolio may be invested per issuer;
- C. Such notes have a maximum maturity of 5 years;
- D. Such notes are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States; and

COUNCIL POLICY MANUAL

- E. Such notes are rated "A" or higher by a nationally recognized statistical rating organization.
12. **Mortgage pass-through securities and asset-backed securities**, provided that:
- A. No more than 20% of the total portfolio may be invested in Mortgage pass-through securities and asset-backed securities;
 - B. Such securities shall have a maximum stated final maturity of 5 years;
 - C. Issued by an issuer having an "A" or higher credit rating for the issuer's debt as provided by a nationally recognized statistical rating organization; and
 - D. Such securities are rated in the category of "AAA" by a nationally recognized statistical rating organization.
13. **Money market mutual funds**, provided that:
- A. No more than 10% of the total portfolio may be invested in Money market mutual funds;
 - B. Such funds are registered with the Securities and Exchange Commission and are rated AAA by S&P or Aaa by Moody's;
 - C. Such funds have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 (a through j) and with assets under management in excess of \$500 million;
 - D. Such funds include in their prospectus the statement that one of the investment fund's investment objectives is to seek to maintain a net asset value of \$1; and
 - E. Such funds invest only in US Treasury and federal agency securities, and in repurchase agreements backed by US Treasury and federal agency securities.
14. **Municipal Securities**. These include obligations of the state of California, any other state, and any local Agency within the state of California including the City of Sunnyvale to the extent permitted by federal law, provided that:
- A. The maturity does not exceed 5 years from the date of purchase;
 - B. The rating by a nationally recognized statistical rating organization is in the "A" category or better; and
 - C. For Municipal Obligations in the form of variable rate demand obligations, the obligations shall be supported by a third-party liquidity facility from a financial institution with short-term ratings of at least A-1 by S&P or P-1 by Moody's. The right of the bondholder to tender the obligation converts these obligations to a short term investment.
15. **Joint Powers Authority (JPA) Pools**, provided that:

COUNCIL POLICY MANUAL

- A. The JPA is organized pursuant to CGC Section 6509.7;
 - B. The Pool invests only in securities and obligations authorized in CGC Section 53601;
 - C. The Pool is managed by an investment adviser registered with the SEC or exempt from registration; and
 - D. Such adviser has not less than five years of experience investing in securities and obligations authorized in CGC Section 53601, and has assets under management in excess of five hundred million dollars (\$500,000,000).
16. **Supranational Securities.** CGC 53601 defines allowable Supranational Securities as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by: the International Bank for Reconstruction and Development, the International Finance Corporation, or Inter-American Development Bank, provided that:
- A. No more than 30% of the total portfolio may be invested in Supranational securities;
 - B. The maturity does not exceed 5 years from the date of purchase;
 - C. The instruments are eligible for purchase and resale within the United States; and
 - D. The rating by a nationally recognized statistical rating organization is in the "AA" category or better.

Prohibited Investment Vehicles and Practices

- 1. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds as described in Section III A(12), unregulated and/or unrated investment pools or trusts, collateralized mortgage obligations and futures and options.
- 2. In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- 3. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
- 4. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- 5. Purchasing or selling securities on margin is prohibited.

~~6. No direct investments are to be made to support the production or drilling of fossil fuels.~~

~~6. -~~

~~7. No securities subject to rule 144A restrictions that are not required to be registered with the Securities and Exchange Commission (SEC).~~

~~7. Prohibited investments held in the portfolio at the time of adoption of this policy may be held until maturity at the discretion of the Director of Finance.~~

Social and Environmental Responsibility

The City has a desire to encourage investments that support sound environmental, social and governance (ESG) investing. While the portfolio may not be classified as an ESG portfolio, investments in entities that support community well-being through safe and environmentally sound practices and fair labor practices and equality of rights regardless of sex, race, age, disability, or sexual orientation is encouraged. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons and are direct or indirect investments to support the production or drilling of fossil fuels.

Risk/Safety

The City recognizes that it is subject to the risks of investing in fixed income securities, especially “market risk” and “call risk” which are risks that the value of the portfolio will fluctuate with changes in the general level of interest rates, and “credit risk,” which is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

1. Mitigating market risk in the portfolio

The City recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer term investments with funds which are not needed for current cashflow purposes. The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options (callable securities), will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- A. The City shall maintain a percentage of the portfolio in short term securities to provide for cash flows.
- B. The average maturity of the portfolio shall be no greater than 2.5 years.

2. Mitigating credit risk in the portfolio

COUNCIL POLICY MANUAL

- A. The diversification requirements included in the Authorized Investments section are designed to mitigate credit risk in the portfolio.
- B. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities (limited to 30% per issuer), and LAIF to 20%. This section does not preclude the investment of up to 10% of the portfolio in short-term repurchase agreements, as defined in Section III(A8) above, money market mutual funds as defined in Section III(A13), or JPA Pools as defined in Section III(A15).
- C. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the City's risk preferences; and
- D. If a security owned by the City is downgraded by either Moody's or S&P to a level below the minimum quality required by this Investment Policy, it shall be the City's policy to sell that security as soon as practicable.

Liquidity

- 1. A schedule of major revenues and expenditures for a rolling 12-month period shall be maintained and coordinated with investments to the extent feasible.
- 2. Investment maturities may be timed to provide funds for scheduled expenditures not met by anticipated major revenue receipts.
- 3. To the extent possible, the Twenty Year Resource Allocation Plan shall be used for the cash flow projection purposes, and shall be taken into account in determining long term investment strategy.

Return Objectives

- 1. **Overall objective.** The investment portfolio shall be designed with the overall objective, in order of priority, of safety, liquidity, and return on investment.
- 2. **Specific objective.** The investment performance objective for the portfolio shall be to earn a market average yield for the reporting period comparable to the yield of a Treasury Security with a similar average life.

RESPONSIBILITY AND REPORTING:

Delegation of Authority

The City Manager is responsible for directing and supervising the Director of Finance and is also responsible to keep the City Council fully advised as to the financial condition of the City.

COUNCIL POLICY MANUAL

The Director of Finance is responsible, by Council delegation, for the custody and investment of City funds and the development of procedures to implement this Investment Policy. This delegation requires that the Director of Finance submit a monthly transaction report to the Council accounting for the investment of funds. The Director of Finance is further responsible for the duties and powers imposed on City Treasurers by the laws of the State of California.

The Director of Finance or his/her designee is responsible for monitoring investment market information, recommending investment strategy for portfolio diversity and timing of maturities, as well as ensuring compliance with the City's Investment Policy. The Investment staff shall maintain current knowledge of technical and legal requirements regarding municipal investments through continued education and maintain active membership in the California Municipal Treasurers Association (CMTA).

The City may employ an investment adviser to invest all or a portion of the City's cash. Such Adviser shall be granted discretion to invest and reinvest the portfolio in accordance with this Investment Policy and must be registered under the Investment Advisers Act of 1940. Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the investment adviser.

Reporting, Disclosure and Program Evaluation

The Director of Finance, as Chief Financial Officer and City Treasurer, shall file a quarterly investment report with the City Council and the City Manager within 30 days following the end of the quarter covered by the report. The report shall include the following information:

1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate;
2. The Director of Finance shall provide a monthly transaction report to the City Council;
3. A statement of compliance with the Investment Policy; and
4. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Annual Reports

1. The investment policy shall be reviewed and adopted at least annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.
2. A report of portfolio performance for the immediately preceding fiscal year shall be presented as part of the annual investment policy review. This report shall

COUNCIL POLICY MANUAL

include comparisons of the City's performance compared to the return objectives, and shall include a section on compliance with the investment policy.

INTERNAL CONTROL:

The Director of Finance has established a system of internal controls to ensure compliance with the Investment Policies of the City and the California Government Code. The internal control procedures include segregation of duties in the different phases of an investment transaction, monthly reconciliation of the investment report to the general ledger, and annual policy compliance review by the City's outside auditor. An independent audit is conducted by the City's outside auditors which includes a compliance review of the City's investment activities to the City's Investment Policy, the California Government Code, and Government Accounting Standards Board (GASB) requirements regarding investment disclosures.

The Finance staff has established written investment procedures. These procedures include the process for projecting future cash flows, obtaining and documenting quotes, the review process for purchasing a new investment, how to select a broker when multiple brokers offer the same investment at the same price and other procedures relating to investments. These procedures are reviewed annually.

OVERSIGHT

The Investment Committee consisting of the City Manager, the Assistant City Manager, and the Director of Finance with staff support, will meet at least annually to evaluate the portfolio performance and establish current investment strategies and allocations in accordance with the adopted Policy and its objectives.

(Adopted: RTC 85-388 (7/30/1985); Amended: RTC 86-387 (7/22/1986), 87-421 (8/11/1987), 88-379 (07-26/88), [No RTC] (7/18/1989), 90-342 (7/17/1990), 91-303 (7/23/1991), 92-370 (7/28/1992), 93-363 (7/27/1993), 94-410 (8/9/1994), 95-301 (7/25/1995), 96-300 (7/23/1996), 97-338 (7/29/1997), 98-273 (8/4/1998), 99-383 (8/17/1999), 00-320 (9/12/2000), 01-272 (7/31/2001), 02-296 (7/23/2002), 03-277 (8/12/2003), 04-290 (8/17/2004), 05-242 (8/16/05), (Clerical/clarity update, Policy Update Project 11/2005), 06-262 (8/22/06), 07-286 (8/21/2007), 08-256 (8/26/2008), 08-307 (10/14/2008) 09-213 (8/11/2009), 10-225 (8/31/2010), 11-176 (8/23/2011), 12-211 (9/11/2012), 13-252 (10/22/2013), 14-0804 (10/28/2014), 15-0864 (10/13/2015), 16-0693 (10/25/2016))

Lead Department: Department of Finance

GLOSSARY OF INVESTMENT TERMS

Agencies. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Average Life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker’s Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Cost Yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as **discount securities**. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Haircut. The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (Tbills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as “Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiarity with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement (RP, Repo). Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller’s point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer’s name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranational Debt. Supranational debt is the term for debt (unsecured unsubordinated obligations issued or unconditionally guaranteed) of an international or multi-lateral financial agency. Supranationals are well capitalized and in most cases have strong credit support from contingent capital calls from their member countries. CGC 53601 was amended effective January 1, 2015 to allow local agencies to invest in the senior debt obligations of three supranational issuers which are eligible for purchase and resale within the United States, specifically the International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

Total Rate of Return. A measure of a portfolio’s performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month Tbills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

COUNCIL POLICY MANUAL

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



City of Sunnyvale

Agenda Item

17-0777

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Review and File the City of Sunnyvale Other Post-Employment (OPEB) Trust Account Investment Summary and Approve the Investment Policy Statement as Amended and Presented

BACKGROUND

The City of Sunnyvale provides healthcare benefits to eligible retirees and their dependents through the California Public Employee's Retirement System (CalPERS) healthcare program (PEMHCA). Benefits including Other Post-Employment Benefits are established through agreements and memoranda of understanding between the City and bargaining units or salary resolution for unrepresented employees as approved by the City Council.

To implement a funding plan to address the unfunded liability associated with retiree medical benefits, the City created an Other Post-Employment Benefits (OPEB) Trust. By contributing to a retiree medical trust fund, the City will derive many benefits, including the reduction of future employer OPEB costs, as the earnings generated from trust fund investments will eventually be utilized to offset ongoing costs for the retiree medical insurance.

On July 20, 2010, Council approved the City entering into an Investment Advisory Agreement with PFM Asset Management, LLC (PFM) as investment manager for the City's OPEB Trust (RTC No. 10-187). On December 7, 2010, Council approved the City entering into a Trust Agreement with PFM as Trust Administrator and U.S. National Bank Association as Trustee for the OPEB Trust (RTC No. 10-326). The Investment Policy Statement for the OPEB Trust was also approved at that time.

On February 25, 2014, Council amended the Investment Policy Statement for the OPEB Trust (RTC No. 14-0048) based on PFM recommendations to 1) clarify language applicable to each asset class with the objective to take advantage of market opportunity while maintaining a broadly diversified portfolio and 2) make the Investment Policy Statement consistent with current investment language.

On June 20, 2017, Council amended the 2017 Priority Advocacy Issues to support legislation to limit or eliminate direct or indirect investment of public funds to support the production or drilling of fossil fuels.

EXISTING POLICY

Council Policy 7.1.1 Fiscal - Long Range Goals and Financial Policies

Policy E.2.6: An Actuarial Retiree Medical Reserve will be maintained at a level that is deemed adequate to meet the projected liabilities as determined by an actuarial evaluation. This reserve should meet the GASB reporting requirements for these future costs.

ENVIRONMENTAL REVIEW

The action being considered does not require environmental review under the California Environmental Quality Act (CEQA) because it is a fiscal activity that will not result in any direct or indirect physical changes to the environment. (CEQA Guidelines Section 15378(b)(4)).

DISCUSSION

PFM has managed the investments for the OPEB Trust since January 2011. Since then, the City has deposited a total of \$59,522,882. The market value of the trust as of June 30, 2017 was \$83,044,059, which includes earnings (net of fees) of \$13,323,402.

The performance of the trust is measured against a benchmark that is comprised of a blend of the individual benchmarks used throughout the fund. Both the individual benchmarks and the blended benchmark help staff and PFM monitor the performance of the fund against the market.

The fund consists of five different asset classes, Domestic Equities, International Equities, Alternative investments, Fixed Income investments, and Cash Equivalent investments. Each of the categories is governed by an asset allocation range. For example, the range for Domestic Equities is 25%-45% of the fund. Each category also carries a Target Allocation, which are shifted to be more conservative as the fund matures.

The attached performance summary shows the allocation of assets, growth, and the performance of the fund. The trust has historically out-performed the benchmark. As of June 30, 2017, the fund earned 7.3% since inception compared to the benchmark of 6.58%.

The Investment Policy for the trust guides how PFM manages the fund, and how City staff measures PFM's performance as the fund manager. PFM is recommending changes to the investment policy for the fund to 1) clarify the role of PFM, 2) amend the investment guidelines to include definitions for asset classes, 3) revise target asset range and targets, 4) amend the criteria for selection of investment managers, 5) clarify the use of specific asset allocations, and 6) revise the benchmarks used for the review of investment performance.

Specifically, PFM is clarifying that they will adjust asset allocations for the Trust subject to the guidelines and limitations set forth in the Investment Policy Statement, select investment managers and strategies consistent with its role as a fiduciary, monitor and review managers and measure their performance against peers, and execute other tasks deemed appropriate as the advisor for the Trust.

Additional language has been included clarify various investment instrument concepts. These concepts are growth assets, income assets, and real return assets. Specifics in each asset category are provided to bring clarity to the risk and return characteristics of each asset class.

Target asset ranges for domestic equities are proposed to increase from 25%-45% to 29%-49% with a target weighting of 39%. Target asset ranges for international equities are proposed to expand from 9%-29% to 1%-41% with a target weighting of 21%. Asset classes formerly defined as Alternatives have been recategorized into Other Growth Assets and Other Income Assets with a target range of 0%-20% and a target weighting of 0%. Fixed income ranges are revised from a range of 26%-66% to 20%-60% with a target weighting of 40% of the portfolio. These changes are consistent with the current asset allocation of the portfolio and the City's intention to target 60% growth assets and 40% fixed income assets.

The investment manager criteria have been amended to include a minimum of three years of

experience for investment professionals making investment decisions. A minimum years of experience requirement was not included in the prior Investment Policy Statement.

Asset classes previously defined as Alternatives included real estate and inflation hedges. This asset category has been redefined as Other Assets and can include both growth and fixed income assets. These include non-traditional investments such as real estate, private equity, and commodities. Prior to addition of any of these investments, except publicly traded mutual fund vehicles, PFM shall receive approval from the City'.

Lastly, the clarification of the benchmarks used to review the investment performance of the Trust is included in the Investment Policy Statement.

In addition, based on the June 20, 2017 Council direction regarding fossil fuel divestments, language similar to that adopted by the City and County of San Francisco has been included. This amendment includes language the goal to limit or eliminate direct or indirect investment of public funds related to the production or drilling of fossil fuels as well as other social and environmental goals.

These changes update the OPEB Investment Policy Statement to bring it current. Staff is recommending that the City Council review and file the Investment Policy Statement. Staff will continue to provide annual updates on the performance of the trust, as well as update Council during the Fiscal Outlook presentation at the Study/Budget Issues workshop and again at the Recommended Budget Workshop each year.

FISCAL IMPACT

With the OPEB Trust, the City has made significant progress in funding retiree medical costs for the long term. At the end of FY 2015/16, (the date of the City's last actuarial valuation) the retiree medical plan is 55% funded and projected to be 95% funded by FY 2035/36.

With the proposed changes in the Investment Policy Statement to reflect socially and environmentally responsible investments, changes to the fund performance may occur dependent on how these types of investments perform in the market versus more a more traditional investment approach.

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

Find that the action does not require environmental review pursuant to California Environmental Quality Act Guidelines Section 15378(b)(4), and review and file the City of Sunnyvale Other Post-Employment (OPEB) Trust Account Investment Summary and approve the Investment Policy Statement as amended and presented in Attachment 2 to the report.

Prepared by: Kenn Lee, Assistant Director of Finance
Reviewed by: Timothy J. Kirby, Director, Finance Department
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. City of Sunnyvale OPEB Trust 2017 2Q Summary
2. Investment Policy Statement for City of Sunnyvale OPEB Trust



City of Sunnyvale OPEB Trust

For the Quarter Ended June 30, 2017
Multi-Asset Class Management

Economic Overview

Markets continued to hit record highs as optimism continued about proposed Trump administration policies and strong corporate earnings. Markets rose steadily during the quarter amid historically low volatility levels. Current market sentiment indicated that the consensus is still roughly split on the probability of another rate hike in 2017. The Multi-Asset Class Investment Committee modestly increased allocation to international equity by reducing the overweight to domestic equity. The portfolio is now positioned to be underweight fixed income and slightly overweight both domestic and international equity.

Domestic Equity: Building on the 2017 rally, the broad market measured by the Russell 3000 Index was up 3.0% for the quarter, led again by large cap growth stocks. Similar to the first quarter, Energy and telecom remained the only two sectors posting negative returns for the quarter.

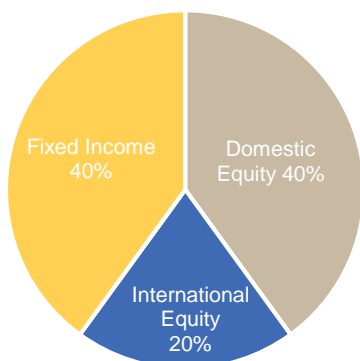
International Equity: The MSCI All Country World (ACWI)ex U.S. Index increased 5.8% with a year to date return of 14.1%. Following a robust 2016, emerging markets continue to outperform other regions, returning 18.4% YTD (MSCI EM (net)).

Fixed Income: The Bloomberg Barclays U.S. Aggregate Index rose 1.5% on the quarter. Investment grade credit and high yield bonds continued a strong first quarter with gains of 2.4% and 2.2% respectively.

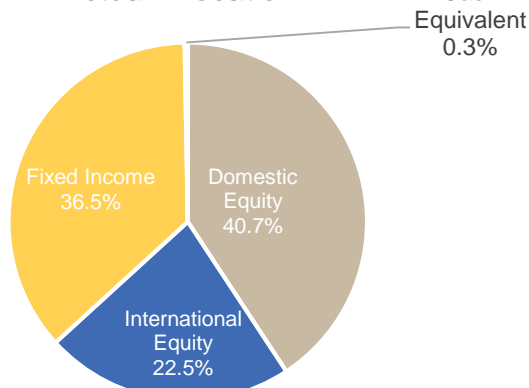
| City of Sunnyvale Portfolio Growth 2017 2Q Account Reconciliation | |
|--|--------------|
| Beginning Market Value | \$79,543,343 |
| Contributions | \$1,060,750 |
| Fees | -\$53,956 |
| Earnings | \$2,493,922 |
| Total Value as of 6/30/2017 | \$83,044,059 |

| Portfolio Performance (Period Ending 6/30/2017) | | | | | | |
|---|-------------------------|--------------|--------|--------|--------|------------------------------|
| | 2 nd Quarter | Year to Date | 1 Year | 3 Year | 5 Year | Since Inception ¹ |
| Portfolio | 3.13% | 7.61% | 10.52% | 5.18% | 8.28% | 7.30% |
| Benchmark ² | 2.94% | 7.24% | 11.07% | 4.91% | 7.32% | 6.58% |

Target Allocation



Actual Allocation³



¹Inception date of February 1, 2011

²Blended Benchmark - February 2011: 28% Russell 3000 Index + 17% MSCI AC World ex USA (Net) + 2.5% FTSE NAREIT Equity + 2.5% Bloomberg Commodity Index + 50% Barclays Aggregate; July 2012: 29% Russell 3000 Index + 18% MSCI AC World ex USA (Net) + 2.5% FTSE NAREIT Equity + 2.5% Bloomberg Commodity Index + 48% Barclays Aggregate; July 2013: 30% Russell 3000 Index + 19% MSCI AC World ex USA (Net) + 2.5% FTSE NAREIT Equity + 2.5% Bloomberg Commodity Index + 46% Barclays Aggregate; March 2014: 35% Russell 3000 Index + 19% MSCI AC World ex USA (Net) + 46% Barclays Aggregate; July 2014: 36.5% Russell 3000 Index + 19.5% MSCI AC World ex USA (Net) + 44% Barclays Aggregate; July 2015: 38% Russell 3000 Index + 20% MSCI AC World ex USA (Net) + 42% Barclays Aggregate

³The asset allocation ranges are: Domestic Equity: 25%-45%; International Equity: 9%-29%; Fixed Income 26%-66%.

INVESTMENT POLICY STATEMENT

FOR

CITY OF SUNNYVALE

OTHER POST-EMPLOYMENT BENEFITS TRUST

TABLE OF CONTENTS

| <u>SECTION</u> | <u>PAGE</u> |
|---|--------------------|
| Purpose | <u>13</u> |
| Investment Authority | <u>13</u> |
| Statement of Investment Objectives | <u>24</u> |
| Investment Guidelines | <u>24</u> |
| Time Horizon | |
| Liquidity and Diversification | |
| Asset Allocation | |
| Rebalancing Philosophy | |
| Risk Tolerance | |
| Performance Expectations | |
| Selection of Investment Managers..... | <u>56</u> |
| Guidelines for Portfolio Holdings | <u>57</u> |
| Direct Investments by Advisor | |
| Limitations on Managers' Portfolios | |
| • Equities | |
| • Fixed Income | |
| • Alternatives | |
| • Cash Equivalents | |
| Portfolio Risk Hedging | |
| Prohibited Portfolio Investments | |
| Safekeeping | |
| Control Procedures | <u>89</u> |
| Review of Investment Objectives | |
| Review of Investment Performance | |
| Voting of Proxies | |
| Adoption of Investment Policy Statement | <u>940</u> |

The City of Sunnyvale, California (the “City”) has established the City of Sunnyvale Other Post-Employment Benefits Trust (the “Trust”). The Trust is intended to provide for funding of non-pension post-employment benefits (“OPEB”) for employees who meet the age and service requirements outlined in the City’s plan documents. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the City’s current and long-term OPEB obligations.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.
5. Comply with all fiduciary, prudence, due diligence and legal requirements for Trust assets.

Investment Authority

The City oversees certain policies and procedures related to the operation and administration of the Trust. The City will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the City believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the City in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the City in establishing investment policy, objectives, and guidelines; selecting investment managers (“Managers”) or mutual funds and other common investment vehicles as specifically approved by the City from time to time (“Investments”); reviewing Managers and Investments over time; measuring and evaluating performance; and other tasks as deemed appropriate. The Advisor may also select Investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Trust’s investment objectives. Neither the Advisor nor any Manager shall ever take possession of any securities, cash or other assets of the Trust, all of which shall be held by the

custodian. The Advisor will: a) adjust asset allocation for the Fund subject to the guidelines and limitations set forth in this Policy Statement; b) select investment managers (“Managers”) and strategies consistent with its role as a fiduciary; c) monitor and review Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and d) execute other tasks as deemed appropriate in its role as Advisor for Fund assets. Neither the Advisor nor any Manager shall ever take possession of any securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales, among other duties. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the City shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. ~~Additional-S~~specialists such as attorneys, auditors, actuaries, and retirement plan consultants, and others to assist the City in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals ~~when required or deemed necessary on~~ a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To ~~conserve and~~ enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. To minimize principal fluctuations subject to performance expectations over the Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled “Performance Expectations”.

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

“Growth Assets” - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds and certain real estate investments.

“Income Assets” - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed-income securities, guaranteed investment contracts and certain real estate investments.

“Real Return Assets” - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities and certain real estate investments.

Time Horizon

The Trust’s investment objectives are based on a 20-year-long-term investment horizon (“Time Horizon”) of rolling five years or longer. Interim fluctuations should be viewed with appropriate perspective. The City has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust ~~will generally will may~~ hold ~~some no more than six months of~~ cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the “Trust Distributions”). The City initially expects that it will continue to pay benefits from its ~~general-current~~ funds, but reserves the right to change that procedure at any time with reasonable notice to the Advisor. All remaining assets will be invested in longer-term ~~investmentssecurities~~ and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The City believes that to achieve the greatest likelihood of meeting the Trust’s investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in

accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate as described in the section titled "Performance Expectations".

| <u>Asset Classes</u> | <u>Asset Weightings</u> | |
|---|-------------------------------------|-------------------|
| | <u>Range</u> | <u>Target</u> |
| Growth <u>Assets</u> | | |
| Domestic Equity | 29 5% - 49 5% | 39 5% |
| International Equity | 19 % - 41 29% | 21 19% |
| Other <u>Alternatives</u> | 0 % - 20 15% | 0 % |
| Income <u>Assets</u> | | |
| Fixed Income | 20 6% - 60 6% | 40 6% |
| Other <u>Cash Equivalent</u> | 0 % - 20% | 0 % |
| <u>Real Return Assets</u> | <u>0% - 20%</u> | <u>0%</u> |
| <u>Cash Equivalents</u> | <u>0% - 20%</u> | <u>0%</u> |

~~It is the City's intention to systematically migrate the asset allocation of the Trust's portfolio toward a targeted global asset allocation of 60 percent equities and 40 percent fixed income over a five year period ending June 30, 2016, with appropriate targets and ranges for the various sub-classes shown above to be adjusted periodically upon the advice of the Advisor and approved by the City.~~

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When ~~these divergences occur~~allocations breach the specified ranges, the Advisor will rebalance, and cause the Managers to rebalance; the assets within the specified ranges. The Advisor may also rebalance assets based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, ~~the~~The Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon ~~and that is consistent with the Trust's investment objectives.~~

Performance Expectations

Over the long-term, ~~a rolling five years or longer period~~, the performance objective for ~~the~~ Trust will be to achieve ~~a an average total annual rate of return net of fees that is~~ equal to or greater than the Trust's actuarial discount rate, which is expected to ~~be~~ approximately ~~-6.57%~~ hereafter. Additionally, it is expected that the annual rate of return on Trust assets ~~and the future associated actuarial assumptions~~ will be commensurate with the then-prevailing investment environment ~~and asset allocation~~. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust ~~i~~Investments and blended benchmark comparisons for the Trust in its entirety.

Social and Environmental Responsibility

~~The City has a desire to encourage investments that support sound environmental, social and governance (ESG) investing. While the portfolio may not be classified as an ESG portfolio, iInvestments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices and. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability, or sexual orientation is encouraged. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons and. Investments are discouraged in entities that are direct or indirect investments to support the production or drilling of fossil fuels.~~

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- ~~— The Manager must be a bank, insurance company, or investment adviser as defined by the Investment Advisers Act of 1940.~~
- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS®), Securities & Exchange Commission (“SEC”), ~~and~~ Financial Industry Regulatory Agency (“FINRA”) rules, or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most favored nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- ~~– The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.~~
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies with at their current firm or at a previous firm.
- ~~– Where other than common funds such as mutual funds or commingled trusts are utilized, T~~ the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select ~~i~~Investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in ~~the~~ following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the ~~i~~Investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these ~~i~~Investments.

Limitations on Managers’ Portfolios

EQUITIES

No more than ~~the greater of 5%- or the weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues)~~ of the ~~Manager’s~~ total equity portfolio valued at market may be invested in the ~~common~~ equity of any one corporation, ownership of the shares of one company shall not exceed ~~52%~~ of those outstanding, and not more than ~~4025%~~ of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities:- Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities:- The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of ~~thea~~ total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets ~~as calculated by the Advisor~~ shall be investment grade, based on the rating of one of the ~~SEC’s~~ Nationally Recognized Statistical Rating Organizations (“NRSROs”).

OTHER ASSETS/ALTERNATIVES

Alternatives may consist of non-traditional asset classes such as real estate, private equity, and commodities, when deemed appropriate. The total allocation to this category may not exceed 20% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly-traded mutual fund vehicles, the Advisor shall receive approval from the City.

~~-and assets thought to hedge inflation, as described below, when deemed appropriate.~~

Hedge Funds: Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using a combination of hedge fund strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Hedge funds may also invest across asset classes. The use of direct hedge funds and fund-of-hedge funds are allowed. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy hedge funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

Private Equity: Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Growth Assets category.

Real Estate: Real estate assets will be held only in diversified investments, primarily holding Real Estate Investment Trusts (REITs) ~~and servicing companies, securities and/or non-publicly traded private real estate~~ and shall be diversified across a broad array of property types and geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation. For private real estate, the illiquid, long-term nature should be considered. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category. Depending on the investment characteristics of a private real estate fund, the fund will be categorized as “Other” under either the Income Assets category, for example, a core real estate fund, or under the Growth Assets category, for example, an opportunistic real estate fund where capital gains are expected to make up a significant portion of the total return.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts ~~certain real estate or real property~~ and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the ~~investments are not used for the sole purpose of leveraging Trust assets. Investments do not create direct portfolio leverage.~~ One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized ~~i~~ investments, securities having the following characteristics, are not authorized and shall not be purchased: letter stock and other unregistered securities, commodities or commodity contracts ~~where the Trust is a counterparty, short sales, margin transactions, or private placements (with the exception of Rule 144A securities), or venture capital funds, private equity, or hedge funds.~~ Further, derivatives, options, ~~or~~ futures, ~~or any other investment~~ for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the City and in consultation with the Advisor for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the City the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the City ~~to review~~ the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the City advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include [the Russell 3000 Index for the broad U.S. equity strategies](#); the S&P 500 Index for large cap [U.S.](#) equities, Russell 2000 Index for small cap [U.S.](#) equities, MSCI [ACWI ex U.S. for broad-based non-U.S. equity strategies](#); MSCI Europe, Australasia, and Far East (EAFE) Index for [developed](#) international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. [The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed-income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.](#)

Voting of Proxies

~~The Advisor will vote the shares of the Investments, and Managers will vote securities in the respective portfolio managed by such Managers, consistently with its proxy policy and in the best interest of the Trust. The City recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.~~

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the City. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the City of Sunnyvale:

Represented by:

Director of Finance~~Chair~~

Date



City of Sunnyvale

Agenda Item

17-0958

Agenda Date: 10/3/2017

SUBJECT

Adopt Ordinance No. 3125-17 to Amend Chapter 9.86 of Title 9 (Public Peace, Safety or Welfare) and various sections of Title 19 (Zoning) of the Sunnyvale Municipal Code to Update the Existing Prohibition Against Commercial Marijuana Activity in the City to include Non-Medical Marijuana, to Reasonably Regulate Indoor Personal Cultivation of Marijuana Consistent with State Law, and to Prohibit Outdoor Personal Cultivation of Marijuana

RECOMMENDATION

Adopt Ordinance No. 3125-17.

ATTACHMENT

1. Ordinance No. 3125-17

ORDINANCE NO. 3125-17

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE TO AMEND CHAPTER 9.86 OF TITLE 9 (PUBLIC PEACE, SAFETY OR WELFARE) AND VARIOUS SECTIONS OF TITLE 19 (ZONING) OF THE SUNNYVALE MUNICIPAL CODE TO UPDATE THE EXISTING PROHIBITION AGAINST COMMERCIAL MARIJUANA ACTIVITY IN THE CITY TO INCLUDE NON-MEDICAL MARIJUANA, TO REASONABLY REGULATE INDOOR PERSONAL CULTIVATION OF MARIJUANA CONSISTENT WITH STATE LAW, AND TO PROHIBIT OUTDOOR PERSONAL CULTIVATION OF MARIJUANA

WHEREAS, the Control, Regulate and Tax Adult Use of Marijuana Act ("the AUMA") was approved by California voters on November 8, 2016; and

WHEREAS, the AUMA legalizes the possession, use, and cultivation of non-medical marijuana for those who are 21 years of age or older and authorizes a comprehensive State system to regulate commercial marijuana activity; and

WHEREAS, under the AUMA, cities may adopt and enforce local ordinances, including zoning and land use requirements, to regulate marijuana businesses or to completely prohibit the establishment or operation of such businesses within the City's jurisdiction, and the state will not approve a state license for a business that violates local ordinances; and

WHEREAS, effective January 1, 2016, 3 bills (AB 266, AB 243, and SB 643), collectively known as the Medical Cannabis Regulation and Safety Act ("MCRSA"), govern cultivation, processing, transporting, testing, and distribution of medical marijuana to qualified patients; and

WHEREAS, on April 19, 2016, the Sunnyvale City Council adopted Ordinance Number 3077-16, clarifying the City of Sunnyvale's longstanding prohibition on cultivation, distribution, sale, and delivery of medical marijuana in the City of Sunnyvale to ensure that the City maintained local control of these issues after passage of the MCRSA; and

WHEREAS, under the Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., the use, possession, and cultivation of marijuana for both medical and recreational uses are currently unlawful and subject to federal prosecution; and

WHEREAS, while marijuana cultivation and all commercial medical marijuana uses are prohibited under the City's current zoning regulations, the Sunnyvale Municipal Code does not currently expressly regulate the cultivation and delivery of non-medical marijuana within its jurisdiction; and

WHEREAS, contrary to the AUMA, current City regulations prohibit cultivation for personal use of marijuana in the City of Sunnyvale; and

WHEREAS, commercial marijuana activities, whether related to medical or recreational marijuana, can adversely affect the health, safety, and well-being of City residents. According to the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use, marijuana cultivation or other concentration of marijuana in any location without adequate security increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity, including but not limited to loitering or crime; and

WHEREAS, several California cities and cities in states that have legalized recreational marijuana have reported negative impacts of marijuana cultivation, processing and distribution activities, including offensive odors, illegal sales and distribution of marijuana, trespassing, theft, violent robberies and robbery attempts, fire hazards, and problems associated with mold, fungus, and pests; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors. This condition also creates an attractive nuisance, alerting persons to the location of the valuable plants, and creating a risk of burglary, robbery or armed robbery; and

WHEREAS, when marijuana is grown and/or processed indoors, growing and processing equipment can have the potential to cause harm to persons or property by creating fire hazards. Many cities in the state have reported or responded to fires resulting from marijuana activity. Indoor cultivation operations are frequently unattended and utilize high wattage grow lamps, generators, or other equipment, or may be illegally wired to allow such equipment to function. This excessive energy use can overload electrical systems and cause fires. Notable recent fires associated with marijuana related activities include a December 2015 explosion at a home in Petaluma associated with production of marijuana oil, an October 2015 fire at a home with an indoor grow in Rialto started by an electrical panel that burst, a May 2015 fire at a commercial building in Sun Valley with an indoor marijuana grow house, and an explosion/fire in April 2015 at a Silver Lake home caused by an indoor marijuana operation; and

WHEREAS, criminal activity is also associated with mobile marijuana dispensaries and deliveries, which are targets for armed robbery; and

WHEREAS, based on the experiences of other cities, these negative effects on the public health, safety, and welfare are likely to occur, and continue to occur, in the City if marijuana cultivation, processing, distribution, and other commercial activities—whether associated with recreational or medical marijuana - are permitted to operate or if permits, licenses, or similar entitlements were issued for such operation, and that such operation poses a current threat to the public health, safety, and welfare in the City due to the negative impacts of such activities as described above; and

WHEREAS, marijuana laws do not confer a land use right or the right to create or

maintain a public nuisance, and the MCRSA requires the city to prohibit cultivation uses, either expressly or otherwise under the principles of permissive zoning, or the State will become the licensing authority. The MCRSA also requires delivery services to be expressly prohibited by local ordinance, if the City desires to prohibit delivery. Similarly, the AUMA gives cities explicit authority to adopt and enforce local ordinances, including zoning and land use requirements, to regulate marijuana businesses or to completely prohibit the establishment or operation of such businesses within the city's jurisdiction. No State license will be approved for a business that violates local ordinances; and

WHEREAS, the City Council desires to update the marijuana regulations in the Sunnyvale Municipal Code to maintain the City's existing prohibition on commercial marijuana activities, and expressly make clear, in light of passage of the AUMA, that all such uses (whether medical or recreational) continue to be prohibited in all zones throughout the City, preserve local control over such uses, and protect the public from the health and safety risks described above; and

WHEREAS, the Planning Commission held a duly noticed public hearing on August 28, 2017, at which time it considered all evidence presented, both written and oral and at the end of the hearing recommended that the Council adopt the recommended changes to the City's zoning code; and

WHEREAS, the City Council held a duly noticed public hearing on this ordinance on September 26, 2017, at which time it considered all evidence presented, both written and oral.

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

SECTION 1. CHAPTER 9.86 AMENDED. Chapter 9.86 (Medical Marijuana) of Title 9 (Public Peace, Safety or Welfare) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Chapter 9.86. MARIJUANA

- 9.86.010. Purpose**
- 9.86.020. Definitions.**
- 9.86.030. Prohibited activities.**
- 9.86.040. Personal marijuana cultivation regulations.**
- 9.86.050. Violation – Penalty.**
- 9.86.060. Public Nuisance.**
- 9.86.070. Severability.**

9.86.010. Purpose.

The purpose of this chapter is to reflect the intent of the City of Sunnyvale to (1) expressly prohibit outdoor personal and commercial cultivation, delivery, distribution and other commercial activity related to medical and recreational marijuana; (2) reasonably regulate personal indoor cultivation of marijuana

consistent with State law; (3) not administer a conditional permit program for marijuana cultivation under the Medical Marijuana Regulation and Safety Act (Health & Safety Code §11362.777) or the Adult Use of Marijuana Act (“AUMA”); (3) exercise its local authority to regulate and enforce activities related to medical and recreational marijuana, including but not limited to prohibitions on commercial cultivation, processing, distribution and delivery; and (4) exercise its police power to enact and enforce regulations to benefit the health, safety and welfare of the Sunnyvale community.

9.86.020. Definitions.

(a) “AUMA” refers to the Control, Regulate and Tax Adult Use of Marijuana Act approved by California voters on November 8, 2016.

(b) “Commercial cannabis activity” or “commercial marijuana activity” includes both “commercial cannabis activity” and “commercial marijuana activity” as set forth in California Business & Professions Code §19300.5 and 26001(d) as may be amended, and means and includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of marijuana or marijuana products. “Commercial marijuana activity” also includes the activities of any business or nonprofit licensees by the state or other government entity under chapter 3.5. of Division 8 or Division 10 of the Business and Professions Code.

(c) “Concentrated cannabis” has the same meaning as defined in Business and Professions Code section 19300.5(g), and includes manufactured cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency.

(d) “Cooperative” means two or more persons collectively or cooperatively cultivating, using, transporting, possessing, administering, delivering or making available medical marijuana, with or without compensation.

(e) “Cultivation” has the same meaning as defined in Business and Professions Code section 26001(e), and includes any activity involving the planting, growing, harvesting, drying, curing, grading, trimming or processing of marijuana.

(f) “Delivery” has the same meaning as provided in California Business & Professions Code 26001(h) as may be amended and includes the commercial transfer of marijuana to a customer. Delivery also includes the use by a retailer of any technology platform, whether owned or controlled by the retailer or independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

(g) “Distribution” means the procurement, sale and transport of medical marijuana or medical marijuana products between entities licensed pursuant to the Medical Cannabis Regulation and Safety Act or AUMA.

(h) “Fully enclosed and secure structure” means a space within a building, greenhouse, or other structure that has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors.

- (i) “Indoors” means within a fully enclosed and secure structure.
- (j) “Marijuana” or “Cannabis” shall have the same definition as set forth in California Health & Safety Code section 11018 and shall include all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Marijuana” shall also include, but is not limited to “Cannabis” as defined in Business & Professions Code § 19300.5(f), as may be amended from time to time. Marijuana does not include industrial hemp, as defined in Food and Agriculture Code section 81000 or Health and Safety Code section 11018.5, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.
- (k) “Marijuana product” means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.
- (l) “MCRSA” means the Medical Cannabis Regulation and Safety Act (formerly known as the “MMRSA” or “Medical Marijuana Regulation and Safety Act”) as contained, codified, enacted and signed into law on October 9, 2015 as Assembly Bills 243, 266, and Senate Bill 643, and as amended by Assembly Bill 21(2016).
- (m) “Medical marijuana dispensary” shall have the same definition as set forth in Business & Professions Code § 19300.5(n), as may be amended from time to time. For purposes of this Chapter, “dispensary” shall also include a cooperative. “Dispensary” shall not include the following uses, so long as such uses comply with this Code, Health and Safety Code Section 11362.5 et seq., and other applicable law:
 - (1) - (5) [Text unchanged]
- (n) “Outdoors” means any location that is not within a fully enclosed and secure structure.
- (o) “Person” includes any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.
- (p) “Private residence” means a house, apartment unit, mobile home, or other similar dwelling.
- (q) “Processing” means any method used to prepare marijuana or its byproducts for commercial retail and/or wholesale including but not limited to drying, cleaning, curing, packaging, or extracting active ingredients to create marijuana related products or concentrates, including but not limited to edible or topical products.

9.86.030. Prohibited activities.

- (a) Commercial marijuana activity. Commercial cannabis activities of all types are expressly prohibited in all zones and all specific plan areas in the City of Sunnyvale. No person shall establish, operate, conduct or allow a commercial cannabis activity anywhere within the City. This subsection is meant

to prohibit all activities for which a state license is required pursuant to the AUMA or MCRSA, and the City will not issue any permit, license, or other entitlement for any activity for which a state license is required under the AUMA or MCRSA.

(1) Control of real property. A property owner may not allow any person or business to establish, operate, maintain, conduct or engage in commercial marijuana activity prohibited by this Chapter on any real property owned or controlled by that property owner that is located in the City.

(b) Deliveries. To the extent not already covered by subsection (a) above, all deliveries of marijuana or marijuana products are expressly prohibited within the City of Sunnyvale. No person shall conduct or perform any delivery or marijuana or marijuana products that either originates from or terminates within the City of Sunnyvale.

(c) Outdoor cultivation. To the extent not already prohibited by subsection (a), outdoor marijuana cultivation is expressly prohibited in all zones and all specific plan areas of the City. No person, including a qualified patient or primary caregiver, shall cultivate any amount of cannabis out of doors in the City, for any purpose.

9.86.040. Personal marijuana cultivation regulations.

Indoor cultivation of six (6) or fewer live marijuana plants is permitted within a single private residence, or upon the grounds of that residence or inside an accessory structure located on the grounds of a private residence, to the extent such cultivation is authorized by state law and is in strict compliance with the following requirements:

(a) Marijuana cultivation is permitted only within fully enclosed and secure structures inaccessible to minors. Cultivation areas must be secured by lock and key or other security device which prevents unauthorized entry, and shall not be visible from the exterior of a residence or a public right of way.

(b) Marijuana cultivation is limited to six (6) plants total, whether mature or immature, regardless of how many qualified residents reside on the grounds of a private residence.

(c) Marijuana cultivation, including but not limited to any lighting, plumbing, building, or electrical components used for cultivation, must comply with current requirements in Title 16 of this Code.

(d) Lighting used for marijuana cultivation may not exceed 1000 watts per light, unless certified by a licensed electrical contractor. High intensity discharge (HID) lighting, including but not limited to mercury-vapor lamps, high-pressure sodium (HPS) lamps, metal-halide (MH) lamps, ceramic MH lamps, sodium-vapor lamps, high-pressure sodium vapor lamps, and xenon short-arc lamps are prohibited in cultivation areas. Use of light-emitting diodes (LEDs), compact fluorescent lamps (CFLs) or fluorescent lighting is encouraged.

(e) The use of gas products including but not limited to CO₂ and butane, CO₂ and ozone generators, or other flammable solvents for marijuana cultivation or processing is prohibited.

(f) Area(s) where marijuana is cultivated must contain adequate ventilation and filtration systems to ensure that odors from cultivation activities are not detectable by a person with a typical sense of smell from any adjoining lot, parcel, tract, public right of way, building unit or residential unit, and designed to prevent mold and moisture and otherwise protect the health and safety of persons residing in the residence.

(g) Marijuana cultivation may not be conducted in a manner that constitutes a public nuisance. A public nuisance may exist if the cultivation produces light, glare, heat, noise, vibration, odors, smells, or other olfactory stimulus that is or whose effect is either detrimental to public health, safety, or welfare or interferes with the reasonable enjoyment of property.

(h) The residential structure shall remain at all times a residence, with legal and functioning cooking, sleeping, and sanitation facilities with proper ingress and egress. These rooms may not be used for marijuana cultivation where cultivation will prevent their primary use for cooking meals, sleeping, and bathing. Chemicals used for marijuana cultivation shall not be stored inside habitable areas of the residence or within public view from neighboring properties or public rights of way.

(i) Cultivation of marijuana shall not displace required off-street parking or violate any other provisions of the Sunnyvale Municipal Code. For example, in the single-family residential (R-1) zone district, the requirement is to maintain covered parking for two vehicles.

9.86.050. Violation—Penalty.

[Renumbered; text unchanged]

9.86.060. Public nuisance.

[Renumbered; text unchanged]

9.86.070. Severability.

[Renumbered; text unchanged]

SECTION 2. TABLE 19.18.030 AMENDED. TABLE 19.18.030 of Chapter 19.18 (Residential Zoning Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.18.030
Permitted, Conditionally Permitted and Prohibited Uses in Residential
Zoning Districts

In the table, the letters and symbols are defined as follows:

P = Permitted use

MPP = Miscellaneous Plan Permit required

UP = Use Permit required

SDP = Special Development Permit required

N = Not permitted, prohibited

| RESIDENTIAL ZONING DISTRICTS | R-0/R-1 | R-1.5 | R-1.7/PD | R-2 | R-3 | R-4 | R-5 | R-MH |
|--|---------|-------|----------|-----|-----|-----|-----|------|
| 1. – 6. <i>[Text unchanged.]</i> | | | | | | | | |
| 7. <i>Other uses.</i> | | | | | | | | |
| A. – M. <i>[Text unchanged.]</i> | | | | | | | | |
| N. <i>[Renumbered, Text unchanged]</i> | | | | | | | | |

^{1 – 6} [Text unchanged.]

SECTION 3. TABLE 19.20.030 AMENDED. Table 19.20.030 of Chapter 19.20 (Commercial Zoning Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.20.030
Permitted, Conditionally Permitted and Prohibited Uses in Commercial Zoning Districts

In the table, the letters and symbols are defined as follows:

P = Permitted use
UP = Use permit required
MPP = Miscellaneous plan permit
N = Not permitted, prohibited

| COMMERCIAL ZONING DISTRICTS | C-1 | C-2 | C-3 | C-4 |
|---|-----|-----|-----|-----|
| 1. – 9. <i>[Text unchanged.]</i> | | | | |
| 10. <i>Other</i> | | | | |
| A. – J. <i>[Text unchanged.]</i> | | | | |
| K. <i>[Renumbered, Text unchanged.]</i> | | | | |

^{1 – 9} [Text unchanged.]

SECTION 4. TABLE 19.22.030 AMENDED. TABLE 19.22.030 of Chapter 19.22 (Industrial Zoning Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.22.030
Permitted, Conditionally Permitted and Prohibited Uses in Industrial Districts

In the table, the letters and symbols are defined as follows:

P = Permitted use
MPP = Miscellaneous plan permit required
UP = Use permit required
N = Not permitted, prohibited
FAR = Floor area ratio restrictions
> = Greater than
N/A = FAR does not apply

| Use Regulations by Zoning District USE | M-S Zoning Districts FAR ³ | M-S Zoning Districts | M-S/POA Zoning Districts | M-3 Zoning Districts FAR ³ | M-3 Zoning Districts |
|---|---|-------------------------|--------------------------------|---|-------------------------|
| <i>1. – 5. [Text unchanged.]</i> | | | | | |
| 6. Other | | | | | |
| <i>A. – Q. [Text unchanged.]</i> | | | | | |
| <i>R. [Text unchanged; renumbered.]</i> | | | | | |

1 – 4 [Text unchanged.]

SECTION 5. TABLE 19.24.030 AMENDED. TABLE 19.24.030 of Chapter 19.24 (Office and Public Facilities Zoning Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.24.030

Permitted, conditionally permitted and prohibited uses in office, public facilities and civic center zones.

In the table, the letters and symbols are defined as follows:

P = Permitted use

UP = Use permitted required

MPP = Miscellaneous plan permit required

N = Not permitted, prohibited

| OFFICE AND PUBLIC FACILITIES ZONING DISTRICTS | O | P-F |
|---|---|-----|
| <i>1. – 5. [Text unchanged.]</i> | | |
| 6. Other | | |
| <i>A. – L. [Text unchanged.]</i> | | |
| <i>M. [Renumbered, Text unchanged.]</i> | | |

1 – 2 [Text unchanged.]

SECTION 6. TABLE 19.28.070 AMENDED. TABLE 19.28.070 of Chapter 19.28 (Downtown Specific Plan Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.28.070

Permitted, Conditionally Permitted and Prohibited Uses in Mixed Use, Commercial and Office DSP Blocks

In the table, the letters and symbols are defined as follows:

P = Permitted use

SDP = Special development permit required

MPP = Miscellaneous plan permit required

UP = Use permit required

N = Not permitted, prohibited

| DSP MIXED USE, COMMERCIAL AND OFFICE BLOCKS | 1 | 1a | 2 | 3 | 7 | 13 | 18 | 20 | 21 | 22 |
|--|---|----|---|---|---|----|----|----|----|----|
|--|---|----|---|---|---|----|----|----|----|----|

| DSP MIXED USE, COMMERCIAL AND OFFICE BLOCKS | 1 | 1a | 2 | 3 | 7 | 13 | 18 | 20 | 21 | 22 |
|--|----------|-----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| <i>1. – 5. [Text unchanged.]</i> | | | | | | | | | | |
| <i>6. Other Uses</i> | | | | | | | | | | |
| <i>A. – N. [Text unchanged.]</i> | | | | | | | | | | |
| <i>O. [Renumbered, Text unchanged.]</i> | | | | | | | | | | |

1 – 3 [Text unchanged.]

SECTION 7. TABLE 19.28.080 AMENDED. TABLE 19.28.080 of Chapter 19.28 (Downtown Specific Plan Districts) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.28.080
Permitted, Conditionally Permitted and Prohibited Uses in Residential DSP Blocks

In the table, the letters and symbols are defined as follows:

P = Permitted use
SDP = Special development permit required
MPP = Miscellaneous plan permit required
UP = Use permit required
N = Not permitted, prohibited

| DSP RESIDENTIAL BLOCKS | 4, 5, 14, 15, 16, 23 | 6, 10a | 8, 9, 10, 11, 12, 17 | 8a | 8b, 9a |
|----------------------------------|-----------------------------|---------------|-----------------------------|-----------|---------------|
| <i>1. – 5. [Text unchanged.]</i> | | | | | |
| <i>6. Other Uses</i> | | | | | |
| <i>A. – K. [Text unchanged.]</i> | N | N | N | N | N |

1 – 3 [Text unchanged.]

SECTION 8. TABLE 19.29.050 AMENDED. TABLE 19.29.050 of Chapter 19.29 (Moffett Park Specific Plan District) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Table 19.29.050
Permitted, Conditionally Permitted and Prohibited Uses in MPSP Subdistricts

In the table, the letters and symbols are defined as follows:

P = Permitted use. A Moffett Park Design Review Permit is required pursuant to Section 19.29.050(c). Development exceeding the standard FAR limit must be reviewed through a major permit.
SDP = Special development permit. A Moffett Park Special Development Permit is required.
MPP = Miscellaneous Plan Permit. A Miscellaneous Plan Permit is required.
N = Not permitted. Prohibited.

| Use | | | Specific Plan Subdistrict | | |
|---------|---------|--------------------------------------|---------------------------|------|------|
| | | | MP-TOD | MP-I | MP-C |
| 1. – 7. | | <i>[Text unchanged.]</i> | | | |
| 8. | | <i>Other</i> | | | |
| | A. – S. | <i>[Text unchanged.]</i> | | | |
| | T. | <i>[Renumbered, Text unchanged.]</i> | | | |

SECTION 9. CHAPTER 19.62 AMENDED. Chapter 19.62 (Medical Marijuana) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

Chapter 19.62. MARIJUANA

19.62.010. Marijuana.

All commercial marijuana activities and outdoor cultivation, as defined in Chapter 9.86 and described in Section 9.86.030, are prohibited uses in all zoning districts in the city of Sunnyvale.

SECTION 10. CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, section 15305 (minor alterations in land use limitations in areas with an average slope of less than 20% that do not result in any changes in land use or density) and section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The City has a longstanding history of regulation prohibiting all marijuana uses and permissive zoning provisions that already prohibit all uses that are being expressly prohibited by this ordinance. Therefore, this ordinance has no impact on the physical environment as it will not result in any changes.

SECTION 11. CONSTITUTIONALITY; 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 12. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

SECTION 13. 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 September 26, 2017, 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



City of Sunnyvale

Agenda Item

16-0618

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Consider Below Market Rate Alternative Compliance Plans for Residential Developments at 803 W. El Camino Real (Pastoria Corners) and 871 E. Fremont Avenue (Butcher's Corner). Applicant: De Anza Properties; Planning Files 2016-7568 and 2016-7569

BACKGROUND

In 2016, the City Council approved two new residential developments, both proposed by De Anza Properties (Applicant):

- **Pastoria Corners**, a mixed-use project of 49 dwelling units with vesting tentative map and commercial/hotel uses (File 2015-7756) was approved by the Planning Commission on April 25, 2016 and upheld on appeal by Council on June 21, 2016 (RTC No. 16-0557); and
- **Butcher's Corner**, a residential project of 138 dwelling units with a vesting tentative map (File 2014-7373), was approved by Council on December 13, 2016 (RTC No. 16-1132).

Both developments are required to comply the Below Market Rate Housing requirements (BMR Program), codified in Sunnyvale Municipal Code (SMC) Chapter 19.67 (Chapter 19.67). Chapter 19.67 requires that residential projects of 8 or more new ownership units provide 12.5% of the units in the project as BMR homes, affordable to moderate- or lower-income home buyers. Both projects are mapped to allow all of the units to be offered for-sale; a portion of both projects include units that will be for-sale at the inception of the development and a portion that will be rental at inception. The Applicant may apply for Council approval of an alternative compliance option, as defined in SMC Section 19.67.090, to satisfy the BMR requirements. After these projects were approved in 2016, the Applicant filed applications for each project (File 2016-7568 for Pastoria Corners and File 2016-7569 for Butcher's Corner) requesting Council approval to pay BMR in-lieu fees (ILF) rather than providing BMR homes within the project. This ILF option is set forth in SMC Section 19.67.090(b), while SMC Section 19.67.090 (a) allows Council discretion to approve or deny the Applicant's proposal to pay ILF to satisfy the BMR requirements for each project.

EXISTING POLICY

Sunnyvale General Plan, 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.3: Utilize the BMR Housing requirements as a tool to integrate affordable units within market rate developments, and increase the availability of affordable housing throughout the community.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

DISCUSSION

The Zoning Code defines “ownership housing” as a residential development where each dwelling unit is developed to be sold separately to a home buyer, primarily intended for owner-occupancy. BMR requirements apply to ownership housing projects of eight or more new ownership units (e.g., single-family homes, town homes, or condominiums). The standard requirement is for 12.5% of the ownership units in such projects to be provided as BMR homes. This equals 6.125 units for Pastoria Corners and 17.25 units for Butcher’s Corner. Fractional units may be rounded up or a pro-rated ILF may be paid. Chapter 19.67 allows developers to seek Council approval of one of several alternative compliance options, such as an ILF payment. Each of the Applicant’s developments includes two distinct components: a for-sale component of town homes, duets or single-family homes (TH/SFD) intended for sale immediately; and a larger multi-family component, referred to as flats, apartments, or rental units in the project descriptions. The number of units in each component of each project is shown in the table below.

The Applicant intends to retain ownership of the flats in each project and operate them as rental apartments. However, a vesting tentative map was filed and approved for each project, which allows a Condominium Plan to be filed with the California Bureau of Real Estate to create air space condominiums; the future condominium units are also subject to the BMR requirements. Those requirements take full effect if the Applicant ever files a condominium plan and obtains State approval to sell the flats individually. Staff handles projects with “condo-mapped” rental units by including provisions in the BMR developer agreement that defers compliance with the BMR requirements on such units until the property owner begins to sell them. The BMR unit requirement attributable to each component of each project is shown below:

| ILF Requirement per Project | | | | | | |
|------------------------------------|--------|-------|-------------|-------------------------------------|-----------|-----------|
| | TH/SFD | Flats | Total Units | BMR Un Req'd (12.5%) | TH/SFD Sh | Flats Sha |
| Pastoria | 9 | 40 | 49 | 6.125 | 1.125 | 5.00 |
| Butcher's | 39 | 99 | 138 | 17.250 | 4.875 | 12.37 |

As noted above, SMC Section 19.67.090 (a) allows developers to seek Council approval of an ILF payment as an alternative to providing BMR units within the project. The ILF rate is set at 7% of the contract sales price of each market-rate home in the project. Payment of this fee for each home in each project component fully satisfies the BMR requirement for that component. The Applicant is requesting Council approval now of the alternative to pay ILF for all units in each project, although the fee payment for the flats would be deferred until those units are offered for sale.

Estimated Fee Amount

Staff estimated the potential ILF revenues from each project based on a market study of potential home prices in each project, provided by the Applicant. These studies only provide estimated home prices for the initial for-sale component of each project. A summary of the price ranges and estimated

ILF generated is provided in Attachment 1. At Pastoria Corners, the estimated prices for the duet homes range from \$1.8 to \$2.4 million, and the sole single-family home ranges from \$2.9 to \$3.3 million. At Butcher's Corner, the estimated sales prices for the 39 townhomes range from approximately \$1.6 to \$2.8 million, with minor variations in estimated values by plan type of the units.

In total, staff estimates the 9 homes at Pastoria Corners would generate an ILF in the range of \$1.2 to \$1.6 million, or close to \$1.4 million at the mid-point. The 39 townhomes at Butcher's Corner are estimated to generate an ILF of \$4.9 to \$5.3 million, or approximately \$5.1 million at the mid-point, as shown on Attachment 1. The actual ILF paid could be significantly higher or lower than these estimates if local home values increase or decrease significantly by the time these homes are sold.

It is difficult to estimate the future ILF that might be generated by the flats in each project, as it is unknown how many years may pass before the units are offered for sale, what the condition the units might be in, and what condominium prices might be at that time. In any case, no compliance can be required, beyond recordation of the BMR agreement, until those units are offered for sale. Council could approve or deny the Applicant's request to use the ILF option for these units now, or defer the decision until the sales process is initiated for those units. Because the property owner would need to file a condominium plan before selling the flats, staff would have time to set up the process for collecting the ILF or handling the sale of the required BMR units.

Rental Impact Fees

Neither of these projects are subject to the City's Rental Impact Fee (RIF), adopted in late 2015, because their Planning applications were deemed complete before it was adopted. As a "pipeline project" these projects are exempt from the RIF.

Process for Collecting the ILF

The requirement to pay the ILF is enforced by recording the BMR developer agreement against each property, creating a lien against title until the BMR requirements are satisfied in full. With the ILF option, staff also places a payment demand into escrow for the sale of each home to collect the ILF. Before closing each escrow, the escrow officer will send a check to the City for the ILF due from the sales proceeds of the home. Staff then provides a partial lien release for the escrow officer to record, releasing that home from requirements of the BMR agreement. This process repeats until all the homes in that phase of the project are sold.

With the De Anza projects, the BMR agreement would be left in place after the initial sales phase concludes, with the sold homes released and only the flats remaining subject to the lien. When the flats are offered for sale, staff would submit ILF payment demands into escrow for those as well. Staff would release the entire BMR agreement from each property after the ILF has been paid for all units. Alternatively, the property owner can always opt to sell some of the flats as BMR units rather than pay the applicable ILF, provided they pass City inspection and meet BMR standards. The Director of Community Development is authorized to approve that option.

Policy Considerations Related to Use of ILF

Most ownership projects in Sunnyvale provide on-site BMR units, even in single-family developments, and pay ILF only for fractional units. This Applicant is the first to apply for Council approval of any alternative compliance option since those options were created through amendments to the SMC adopted in 2012. One of those options is payment of an ILF. Other options include providing BMR homes at another location nearby and/or a providing different type or size BMR units

than the market-rate units in the project. The rationale behind most of these alternatives is largely the same: to provide a greater number of affordable housing units to more households than could be achieved through the standard compliance option. Often these alternatives also result in deeper income-targeting of the units, serving very low income households for example.

These alternatives are most preferable when a project consists of luxury, very large, and/or very expensive homes. Often such projects are smaller projects that would not provide many BMR homes anyway. In such cases, more units of affordable housing could be provided to assist more households through one of the alternatives, compared to the standard compliance option. The ILF can fund affordable projects where economies of scale, modest unit sizes, and higher density reduces the per-unit cost compared to that of market-rate units, allowing more BMR units to be created. Also, most affordable projects leverage local funds with federal tax credits or other sources that far exceed the local funding amount, often by a 6:1 ratio, so the impact of the ILF can be much greater.

The level of unmet demand for rental housing affordable to lower-income households, particularly very low-income households, far exceeds the unmet demand for moderate-income, BMR for-sale housing. This is because a larger segment of the population is in the lower-income ranges, and very few market-rate homes or rentals are affordable to lower-income households.

The standard BMR compliance option in higher-priced, luxury projects can also create difficulties for staff in handling the sale of very few, highly desirable BMR homes, given how many eligible buyers would like to buy them. Such units attract the attention of prospective buyers from far beyond the City limits, generating many inquiries. Staff usually arranges a lottery, which is much more time- and staff-intensive than the usual BMR sales process. Lotteries can also create stress and anxiety for the applicants, particularly those who are not able to buy one of the homes, after their families have gotten so excited about the process. In addition, the provision of expensive luxury homes at BMR prices, which can sometimes be less than 25% of the market-rate price, sometimes creates resentment of the BMR program among neighbors or other City residents, due to perceptions of unfairness.

For the above reasons, some housing policy advocates assert that, particularly in cases of projects of larger, higher-priced homes, greater public benefit results from using ILF payments to assist many more households, and often with greater need for assistance, than could benefit from a few BMR homes provided within the project.

FISCAL IMPACT

If Council approves the Applicant's request to pay ILF for both projects, staff estimates that it would result in total revenues of approximately \$6.5 million for the BMR sub-fund of the Housing Special Revenue Fund (70-200) upon completion of the first phase of each project. The estimated fees for the future phase of each project is more speculative due to the uncertainty of when those units might be first offered for sale, however staff has provided a rough estimate below showing what the revenues would be if those units were sold at today's estimated sales prices.

| Project | Initial For-Sale Units (TH/SFDs) | Future For-Sale Units¹ (Flats) | Total |
|------------------|---|--|---------------------|
| Pastoria Corners | \$1,400,000 | \$2,800,000 | \$4,200,000 |
| Butcher's Corner | \$5,100,000 | \$9,000,000 | \$14,100,000 |
| Total | \$6,500,000 | \$11,800,000 | \$18,300,000 |

1. These fee revenues were calculated using estimated condominium prices based on September 2017 market conditions (\$1 million per flat at Pastoria Corners and \$1.3 per flat at Butcher's Corner).

This Fund can be used to assist various affordable housing projects approved by Council, with an emphasis on creating new affordable units for rent or sale. The funds can also be used to fund rehabilitation projects, such as the loan approved recently for the Stoney Pine Villa project. BMR ILF funds are also used to provide First Time Home Buyer loans, and a portion of the funding required for BMR Program administration. Staff periodically solicits proposals for new affordable housing capital projects to be funded using BMR and/or other available Housing funds. BMR in-lieu fees may not be used for non-Housing purposes or deposited into other City funds, such as 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. Pastoria Corners: Approve the Applicant's BMR Alternative Compliance Plan project located at 803 W. El Camino Real, as shown in Attachment 2.
2. Pastoria Corners: Approve the Applicant's BMR Alternative Compliance Plan for project located at 803 W. El Camino Real, with modifications.
3. Butcher's Corner: Approve the Applicant's BMR Alternative Compliance Plan for project located at 871 E. Fremont Avenue, as shown in Attachment 3.
4. Butcher's Corner: Approve the Applicant's BMR Alternative Compliance Plan for project located at 871 E. Fremont Avenue, with modifications.
5. Do not approve the BMR Alternative Compliance Plan for either or both project(s) and require the Applicant to comply with the BMR conditions of approval by providing BMR units within the project, or other alternative specified by Council.

STAFF RECOMMENDATION

Alternatives 1 and 3: 1) Approve the Applicant's Below Market Rate Alternative Compliance Plan for Pastoria Corners, located at 803 W. El Camino Real, as shown in Attachment 2 to the report; and 3) Approve the Applicant's Below Market Rate Alternative Compliance Plan for Butcher's Corner, located at 871 E. Fremont Avenue, as shown in Attachment 3 to the report.

Staff recommends approving the ILF option for these projects, allowing the City to use the fees to finance one or more larger affordable housing projects with a much higher number of affordable units, most likely at a deeper level of affordability, than would be provided within these projects. Such units are in very high demand and can make the difference between homelessness and stable housing for many lower-income families. From a public policy perspective, this approach can be preferable to

providing very few, most likely moderate-income households, with very expensive luxury homes at price discounts of \$1 million or more.

If the City Council prefers, the ILF option for the for-sale component could be approved but not the rental component, or vice-versa, for either project. Staff considers the ILF option more appropriate for the for-sale component than for the rental component, since the flats are more modest units, and there would be more BMR homes within that component of each project. Such a proposal could fit within Alternative 2 or 4, depending on which project it pertains to, with appropriate detail in a motion.

Prepared by: Ernie Defrenchi, Affordable Housing Manager

Reviewed by: Suzanne Isé, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development

Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Estimated In-Lieu Fees
2. Pastoria Corners Alternative Compliance Plan
3. Butcher's Corner Alternative Compliance Plan

| Pastoria Corners | | Estimated Range of Sales Prices | | | ILF at 7% of Midpoint | Total # of Plan Type | Total ILF per Plan Type |
|-----------------------------------|------------|---------------------------------|--------------|--------------|-----------------------|----------------------|-------------------------|
| Plan Type | Unit #'s | Low | High | Midpoint | | | |
| Duet A | 2, 4, 5, 7 | \$ 1,841,840 | \$ 2,488,000 | \$ 2,164,920 | \$ 151,544 | 4 | \$ 606,178 |
| Duet B | 1, 3, 6, 8 | \$ 1,826,840 | \$ 2,362,000 | \$ 2,094,420 | \$ 146,609 | 4 | \$ 586,438 |
| SFH | 9 | \$ 2,870,000 | \$ 3,270,000 | \$ 3,070,000 | \$ 214,900 | 1 | \$ 214,900 |
| Total ILF for Project (Estimated) | | | | | \$ | 1,407,515 | |

| | | |
|--------------|------|--------------|
| Range of ILF | Low | \$ 1,228,130 |
| | High | \$ 1,586,900 |

| Butcher's Corner | | Estimated Range of Sales Prices | | | ILF at 7% of MidPoint | Total # of Plan Type | Total ILF per Plan Type |
|-----------------------------------|-----------------------|---------------------------------|--------------|--------------|-----------------------|----------------------|-------------------------|
| Plan Type | Unit #'s | Low | High | Midpoint | | | |
| 1A | 3, 4, 27, 28, 37, 38 | \$ 1,617,000 | \$ 1,750,000 | \$ 1,683,500 | \$ 117,845 | 6 | \$ 707,070 |
| 1B | 5, 26, 33, 34, 39 | \$ 1,650,000 | \$ 1,750,000 | \$ 1,700,000 | \$ 119,000 | 5 | \$ 595,000 |
| 2A | 2, 29, 36 | \$ 1,550,000 | \$ 1,784,000 | \$ 1,667,000 | \$ 116,690 | 3 | \$ 350,070 |
| 2B | 6, 25, 32, 35, 40 | \$ 1,559,000 | \$ 1,784,000 | \$ 1,671,500 | \$ 117,005 | 5 | \$ 585,025 |
| 3 | 7, 9, 11, 13, 15, 17 | \$ 1,770,000 | \$ 1,990,000 | \$ 1,880,000 | \$ 131,600 | 6 | \$ 789,600 |
| 4 | 8, 10, 12, 14, 16, 18 | \$ 1,650,000 | \$ 1,870,000 | \$ 1,760,000 | \$ 123,200 | 6 | \$ 739,200 |
| 5 | 19, 21, 23 | \$ 2,240,000 | \$ 2,340,000 | \$ 2,290,000 | \$ 160,300 | 3 | \$ 480,900 |
| 6 | 20, 22, 24 | \$ 2,200,000 | \$ 2,300,000 | \$ 2,250,000 | \$ 157,500 | 3 | \$ 472,500 |
| 7 | 30 | \$ 2,560,000 | \$ 2,770,000 | \$ 2,665,000 | \$ 186,550 | 1 | \$ 186,550 |
| 8 | 31 | \$ 2,520,000 | \$ 2,730,000 | \$ 2,625,000 | \$ 183,750 | 1 | \$ 183,750 |
| Total ILF for Project (Estimated) | | | | | \$ | 5,089,665 | |

| | | |
|--------------|------|--------------|
| Range of ILF | Low | \$ 4,852,190 |
| | High | \$ 5,327,140 |

[Exhibit to Below Market Rate Developer Agreement for Home Ownership Project]

ALTERNATIVE COMPLIANCE PLAN

On [insert Council meeting date] Developer received Council approval to comply with the requirements of Sunnyvale Municipal Code (“SMC”) Chapter 19.67 through the alternative method indicated below:

Payment of In-Lieu Fees pursuant to SMC Section 19.67.090 (b) and Exhibit C to this Agreement.

This Project consists of two components: 8 duet homes and 1 single-family home (the “Homes”) as well as 40 rental/condominium units (the “Flats”). Developer has notified City of his intention to sell the 9 Homes upon completion, but retain and operate the 40 Flats as rental apartments for the foreseeable future. Developer has filed a Vesting Tentative Map with City [Tract Map # 11396] identifying the 40 Flats as airspace condominium units which may be sold separately, as well as identifying the 9 homes as separate parcels which may be sold separately.

1. Payment of in-lieu fees for the 1.125 BMR units owed among the 9 Homes shall be satisfied shortly after Project completion, concurrently with the initial sales of the Homes in the Project.
2. Payment of In-Lieu Fees for the remaining 5 BMR unit obligation owed among the 40 Flats shall be deferred until Developer (or Developer’s successor(s)-in-interest to the Property) begins the sales process for the 40 Flats in the Project.
 - a) “Beginning the sales process” means filing a Condominium Plan and/or “Notice of Intention”, or comparable form as then may be required, with the California Bureau of Real Estate (BRE), for the 40 Flats;
 - b) Developer shall provide City and Tenants of the Flats with a written Notice of Condominium Conversion delivered by Certified Mail at least 12 months prior to beginning the sales process, and shall provide all other tenant notices and protections required under State and local law, including but not limited to, California Government Code Section 66427.1, and Sunnyvale Municipal Code provisions relating to condominium conversions.
 - c) Concurrently with filing of the Condominium Plan to BRE, Developer shall provide City Housing staff with the name and contact information of the escrow officer who will handle the escrows for the sales of the Flats; and
 - d) Developer shall sign joint escrow instructions prepared by the City that outline the process for payment of Developer’s in-lieu fee per each Flat (7% of contract sales price) to the City, as explained further in Exhibit C to this Agreement.

Developer has reviewed and agreed to the provisions herein:

DEVELOPER: _____ Date: _____

Print Name & Title: _____

Top portion will be completed by City.

☐ ~~Fractional Unit Fee only: N/A BMR Units~~
~~Estimated Fractional Fee Amount Due = \$ N/A~~

Verified by Housing Officer: _____
Signature Date

In-Lieu Fees for Entire BMR Obligation

1. Developer shall provide City Housing Division with name, title and contact information for the primary escrow officer handling project sales prior to issuance of the first building permit for the Project, or if not available at that time, within six months of the first building permit issuance.
2. A copy of this Exhibit C will be included in the joint escrow instructions prepared by City for the Project's unit sales.
3. City staff shall place a payment demand in escrow for each of the Market-Rate Units for a BMR in-lieu fee, due from seller's proceeds, equal to seven percent (7.0%) of the **contract sales price of each unit** and payable to the City of Sunnyvale BMR In-Lieu Fee Fund.
4. After payment is received for each unit, City shall provide Developer or Developer's designee (escrow officer or home buyer) with a recordable Release of Restrictions signed by the City releasing the unit from the lien created by the BMR Housing Developer Agreement recorded against the Property.

DEVELOPER: _____ Date: _____

Print Name & Title: _____

[Exhibit to Below Market Rate Developer Agreement for Home Ownership Project]

ALTERNATIVE COMPLIANCE PLAN

On insert Council meeting date Developer received Council approval to comply with the requirements of Sunnyvale Municipal Code (“SMC”) Chapter 19.67 through the alternative method indicated below:

Payment of In-Lieu Fees pursuant to SMC Section 19.67.090 (b) and Exhibit C to this Agreement.

This Project consists of two components: **39** Townhomes (the “Townhomes”) and **99** rental/condominium units (the “Flats”). Developer has notified City of his intention to sell the 39 Townhomes upon completion, but retain and operate the 99 Flats as rental apartments for the foreseeable future. Developer has filed a Vesting Tentative Map with City [Tract Map #TBD] identifying the Flats as airspace condominium units, which may be sold separately, as well as identifying the Townhomes as separate parcels within a common interest development.

1. Payment of in-lieu fees for the 4.875 BMR units owed among the Townhomes shall be satisfied shortly after Project completion, concurrently with the initial sales of the Townhomes in the Project.
2. Payment of In-Lieu Fees for the remaining 12.375 BMR unit obligation owed among the Flats shall be deferred until Developer (or Developer’s successor(s)-in-interest to the Property) begins the sales process for the Flats in the Project.
 - a) “Beginning the sales process” means filing a Condominium Plan and/or “Notice of Intention”, or comparable form as then may be required, with the California Bureau of Real Estate (BRE), for the 99 Flats;
 - b) Developer shall provide City and Tenants of the Flats with a written Notice of Condominium Conversion delivered by Certified Mail at least 12 months prior to beginning the sales process, and shall provide all other tenant notices and protections required under State and local law, including but not limited to, California Government Code Section 66427.1, and Sunnyvale Municipal Code provisions relating to condominium conversions.
 - c) Concurrently with filing of the Condominium Plan to BRE, Developer shall provide City Housing staff with the name and contact information of the escrow officer who will handle the escrows for the sales of the Flats; and
 - d) Developer shall sign joint escrow instructions prepared by the City that outline the process for payment of Developer’s in-lieu fee per each Flat (7% of contract sales price) to the City, as explained further in Exhibit C to this Agreement.

Developer has reviewed and agreed to the provisions herein:

DEVELOPER: _____ Date: _____

Print Name & Title: _____

EXHIBIT C

PAYMENT PROCEDURES AND AMOUNT OF IN-LIEU FEE

Top portion will be completed by City.

In-Lieu Fee Amount Due:

- ☐ Fractional Unit Fee only: N/A BMR Units
Estimated Fractional Fee Amount Due = \$ N/A
- ☒ In-Lieu Fees for Entire BMR Obligation: 17.25 BMR Units
(Dollar amount to be determined at close of escrow for each unit.)

Verified by Housing Officer: _____
Signature Date

Payment Procedures

In-Lieu Fees for Entire BMR Obligation

1. Developer shall provide City's Housing Division with the name, title and contact information for the primary escrow officer handling project sales prior to issuance of the first building permit for the Project, or if not available at that time, within six months of the first building permit issuance.
2. A copy of this Exhibit C will be included in the joint escrow instructions prepared by City for the Project's home sales.
3. City staff shall place a payment demand in escrow for each of the Market-Rate Units for a BMR in-lieu fee, due from seller's proceeds, equal to seven percent (7.0%) of the **contract sales price of each home** and payable to the City of Sunnyvale BMR In-Lieu Fee Fund.
4. After payment is received for each unit, City shall provide Developer or Developer's designee (escrow officer or buyer) with a recordable Release of Restrictions signed by the City releasing the unit from the lien created by the BMR Housing Developer Agreement recorded against the Property.

Developer has reviewed and agreed to the provisions herein:

DEVELOPER

Signature: _____ Date: _____

Print Name & Title: _____



City of Sunnyvale

Agenda Item

17-0681

Agenda Date: 10/3/2017

Tentative Council Meeting Agenda Calendar



City of Sunnyvale

Tentative Council Meeting Agenda Calendar

Tuesday, October 17, 2017 - City Council

Closed Session

- 17-0695** 5 P.M. SPECIAL COUNCIL MEETING (Closed Session)
Closed Session held pursuant to California Government Code Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Teri Silva, Director of Human Resources; Interim City Manager
Employee organization: Communication Officers Association (COA)

Study Session

- 17-0578** 5:30 P.M. SPECIAL COUNCIL MEETING (Joint Study Session with Bicycle and Pedestrian Advisory Commission)
Caltrain Grade Separation Feasibility Study
Location: Council Chambers

Special Order of the Day

- 17-0815** SPECIAL ORDER OF THE DAY - Freedom from Workplace Bullying Week

Public Hearings/General Business

- 17-0892** Proposed Project: Introduction of Ordinance to REZONE 24 contiguous single family home lots from R-0 (Low Density Residential) to R-0/S (Low Density Residential/Single-Story) and one single family home lot (with 2 assessor parcels) from R-0/PD (Low Density Residential/Planned Development) to R-0/S/PD (Low Density Residential/Single-Story/Planned Development) (25 lots total)
File #: 2017-7565
Location: 1666-1698 Swallow Drive (Assessor Parcel Number 313-41-010 thru 012, 313-41-027 and 028), 1104-1121 Lorne Way (APNs 313-41-013 thru 026), 1103-1111 Homestead Road (APNs 313-41-005 thru 009) and 18771 East Homestead Road (APNs 313-41-070 and 071).
Zoning: R-0 and R-0/PD for 18771 Homestead Road
Applicant / Owner: Craig Milito (plus multiple owners)
Environmental Review: The Ordinance being considered is categorically exempt from review pursuant to CEQA Guidelines Section 15305 (minor alteration in land use) and Section 15061(b)(3) (a general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the

activity is not subject to CEQA).

- 17-0897** Proposed Project: Introduction of Ordinance to REZONE 35 contiguous single family home lots from R-1 (Low Density Residential) to R-1/S (Low Density Residential/Single-Story)
File #: 2017-7556
Location: 801-819 Allison Way (APNs: 323-03-023 through 323-03-026 and APNs: 323-04-034 through 323-04-036), 1315-1381 Lennox Way (APNs: 323-03-027 through 323-03-038), 804-816 Lennox Court (APNs: 323-03-039 through 323-03-042), 801-814 Blanchard Way (APNs: 323-03-043 through 323-03-045 and APNs: 323-04-025 through 323-04-027), and 801-814 Beaverton Court (APNs: 323-04-028 through 323-04-033).
Zoning: R-1
Applicant / Owner: Tom Verbure (plus multiple owners)
Environmental Review: The Ordinance being considered is categorically exempt from review pursuant to CEQA Guidelines Section 15305 (minor alteration in land use) and Section 15061(b)(3) (a general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the activity is not subject to CEQA).
- 17-0934** Study of Accessory Dwelling Unit Development Standards: Introduce an Ordinance Amending Sunnyvale Municipal Code Section 19.68.040 (Accessory Dwelling Units), Adopt a Resolution Amending the Master Fee Schedule to Impose Transportation Impact Fees for Accessory Dwelling Units, and Find that these Actions are Exempt from CEQA.
- 17-0762** Creation of 2017-2018 Charter Review Committee

Tuesday, November 7, 2017 - City Council

Study Session

- 17-0239** 6 P.M. SPECIAL COUNCIL MEETING (Study Session)
Board and Commission Interviews

Public Hearings/General Business

- 17-0835** Selection of a Preferred Alternative for the Civic Center Master Plan
- 17-0702** Introduce an Ordinance to Amend Chapter 19.92 (General Plan and Zoning Amendments) and Section 19.38.040 (Individual Lockable Storage Space for Multiple-Family Residential) of the Sunnyvale Municipal Code
- 17-0122** File #: 2017-7743
Locations: Moffett Park Specific Plan Area
Proposed Project: General Plan Amendment Initiation: to consider

amendments to the Moffett Park Specific Plan.
Applicant / Owner: Google, Inc. (applicant) / various owners
Environmental Review: The project is exempt from the California
Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section
15378 (a).

Tuesday, November 28, 2017 - City Council

Study Session

17-0784 6 P.M. SPECIAL COUNCIL MEETING (Study Session)
Presentation on the Status and Next Steps on the High-Speed Rail Project

Public Hearings/General Business

17-0829 Review and Approve Recommended Changes to the Community Event and
Neighborhood Grant Program Eligibility Guidelines

17-0240 Appoint Applicants to Boards and Commissions

Tuesday, December 12, 2017 - City Council

Closed Session

17-0780 5 P.M. SPECIAL COUNCIL MEETING (Closed Session)
Closed Session held pursuant to California Government Code Section
54957:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Attorney

Study Session

17-0959 6 P.M. SPECIAL COUNCIL MEETING (Study Session)
Discussion of 2018 Council Intergovernmental Assignments

17-0108 6:45 P.M. SPECIAL COUNCIL MEETING (Study Session)
Discussion of Upcoming Selection of Vice Mayor for 2018

Special Order of the Day

17-0484 SPECIAL ORDER OF THE DAY - Ceremonial Oath of Office for Board and
Commission Members

Public Hearings/General Business

17-0089 Agenda items pending- to be scheduled

Tuesday, December 19, 2017 - City Council

Closed Session

17-0238 6 P.M. SPECIAL COUNCIL MEETING (Closed Session)
Closed Session held pursuant to California Government Code Section
54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Attorney

Public Hearings/General Business

17-0159 Receive and File the FY 2016/17 Budgetary Year-End Financial Report,
Comprehensive Annual Financial Report (CAFR) and Approve Budget
Modification No. XX and Sunnyvale Financing Authority Financial Report

Tuesday, January 9, 2018 - City Council

Public Hearings/General Business

18-0001 Selection of Vice Mayor for a One-Year Term Effective January 9, 2018

18-0003 Determine the 2018 Seating Arrangements for City Council

Tuesday, January 23, 2018 - City Council

Public Hearings/General Business

17-0092 Agenda items pending- to be scheduled

Friday, January 26, 2018 - City Council

Study Session

17-0099 8:30 A.M. SPECIAL COUNCIL MEETING
Strategic Session-Prioritization & Policy Priorities Update

Tuesday, February 6, 2018 - City Council

Public Hearings/General Business

17-0123 2017 4th Quarterly Consideration of General Plan Amendment Initiation
Requests

Friday, February 16, 2018 - City Council

Public Hearings/General Business

17-0101 8:30 A.M. SPECIAL COUNCIL MEETING
Study/Budget Issues Workshop

Tuesday, February 27, 2018 - City Council

Public Hearings/General Business

17-0102 Agenda items pending- to be scheduled

Date to be Determined - City Council

Public Hearings/General Business

17-0471 Eco-district Feasibility and Incentives (Study Issue)



City of Sunnyvale

Agenda Item

17-0851

Agenda Date: 10/3/2017

Information/Action Items

**2017 INFORMATION/ACTION ITEMS
COUNCIL DIRECTIONS TO STAFF**

| No. | Date Assigned | Directive/Action Required | Dept | Due Date | Date Completed |
|-----|---------------|--|--------|----------|----------------|
| 1. | 12/13/16 | Provide information about how workers compensation insurance costs have changed over the last several years | HR/FIN | Oct 2017 | |
| 2. | 4/11/17 | Prepare an Information Only Report to Council informing Council of potential ways the City could work to reduce the jobs/housing ratio in the future | CDD | Oct 2017 | |
| 3. | 6/6/17 | Provide an Information Only Report to Council prior to any TIF funds potentially being credited to Irvine Company for the Mary Avenue Overpass parcel | CDD | | |
| 4. | 6/20/17 | Work with the Community Event and Neighborhood Grant Distribution Council Subcommittee to consider amending the guidelines for grant distribution | LCS | 10/17/17 | |
| 5. | 6/20/17 | How much would the City have to deposit on day one into the forthcoming Irrevocable Pension Trust that would cause a one-decade acceleration in the Bartel model on each of the two plans where assets equal liabilities | FIN | 12/17/17 | |
| 6. | 7/11/17 | Agendize Minimum Wage Update for Council discussion (study session) | OCM | 2/27/18 | |

**NEW STUDY/BUDGET ISSUES
SPONSORED BY COUNCIL IN 2017**

| No. | Date Requested | Study Issue Title | Requested By | Dept | Issue Paper Approved by City Manager |
|------------|-----------------------|--|------------------------|-------------|---|
| 1. | 6/20/17 | Evaluate the possibility of subsidizing water rates for low-income seniors from the General Fund | Smith/ Goldman | FIN | |
| 2. | 6/20/17 | Explore policies to preserve light industrial land uses | Griffith/ Hendricks | CDD | |



City of Sunnyvale

Agenda Item

17-0943

Agenda Date: 10/3/2017

REPORT TO COUNCIL

SUBJECT

Appointed Members to the Climate Action Plan (CAP 2.0) Advisory Committee (Information Only)

BACKGROUND

As a part of the Council Priority, *Accelerating Climate Action*, the City is embarking on the CAP 2.0 Initiative - a planning and community engagement effort to update the City's Climate Action Plan (CAP) to address bolder, longer-term goals.

In June 2017, City Council approved the creation of a CAP 2.0 Advisory Committee (RTC 17-0592), a community advisory committee that represents the broad interests of the Sunnyvale community to guide the development of CAP 2.0. The CAC will facilitate more in-depth education, dialogue, and deliberations on relevant policy issues and will ultimately provide a more open and transparent public review process. The CAC will have 11 primary members (including 4 representatives from Commissions) and 3 alternate members.

In June, the Mayor appointed a Council Ad Hoc Subcommittee (Vice Mayor Larsson, and Councilmembers Klein and Smith) to review applications and select members to serve on the CAC. Staff met with the Subcommittee in July to review and discuss the CAC recruitment process, including the draft application form, anticipated schedule, and outreach strategy for recruitment.

Staff began the CAC recruitment process in mid-July. The recruitment was advertised widely across the City to ensure that the applicant pool was demographically and geographically broad and had representatives of key organizations and interest groups (e.g., residents, businesses, volunteer/non-profit groups). Advertising included announcements on the City website, in the *Sunnyvale Sun*, through the City's social media outlets, and via fliers on City bulletin boards and at local businesses. Email announcements were also sent to: neighborhood associations, registered users of Open City Hall, the City's business and real estate contact lists, Chamber of Commerce, Downtown Association, Silicon Valley Association of Realtors, and volunteer and non-profit groups (e.g., Sunnyvale Cool, Livable Sunnyvale, Acterra). Applicants could apply online via Open City Hall, via email, or using a hard copy application (available at the Library, City Hall, or Community Center).

EXISTING POLICY

COUNCIL POLICY MANUAL

Policy 7.2.1: Community Engagement-Goals and Policies

Policy 7.4.13: Council Subcommittees and Council or Mayor-Created Advisory Task Forces

DISCUSSION

Fifty (50) applications were received for this recruitment. The Subcommittee held a meeting in August to discuss the criteria and selection process. On September 18, 2017, the Subcommittee held a meeting to deliberate the applicants and appoint members to the CAC. The Subcommittee discussed the top ranked candidates and strived to assemble a Committee that represented diverse perspectives, academic and professional backgrounds, and categories (e.g., small and large businesses), recognizing that some candidates satisfied more than one category. The Subcommittee expressed appreciation for the high caliber of applicants.

The Subcommittee appointed the following primary members to the CAC. This list also includes representatives from three Commissions (Sustainability, Planning, and Bicycle and Pedestrian) who were nominated at their August meetings and confirmed by the Subcommittee in September.

| Type | Organization/Interest Group | Appointees |
|------------------------|--|--|
| Residents | Residents | Marie Curtis Padmavathy Mahadevan |
| | Volunteer Community Group | Sue Serrone James Tuleya |
| Businesses | Large business | Drew Wenzel |
| | Small business | Anne Ashini Fernando |
| | Real estate development or brokerage firm | Mandy Abend |
| Boards/ Commissions | Sustainability Commission | Stephen Joesten Kristel Wickham |
| | Planning Commission | Sue Harrison |
| | Bicycle and Pedestrian Advisory Commission | John Cordes |

In addition, the Subcommittee selected and ranked three alternates to fill a position in any of the non-Commission categories, should a member resign from the CAC, in the following order:

1. Andrew Ma
2. Jasneet Sharma
3. Douglas Kunz

Staff have notified and confirmed the participation of primary and alternate members as of September 22, 2017.

The first CAC meeting will be held September 28, 2017 and will focus on the City's participation in the 2017 Bloomberg Mayors Challenge, which is complementary to CAP 2.0. (The Bloomberg Mayors Challenge is a \$5 million grant funding opportunity by Bloomberg Philanthropies to help cities address their most pressing problems. Applications are due October 20, 2017). CAC meetings are open to the public and the agenda packet for the first meeting was posted on the City's website on Monday, September 25, 2017.

Regular CAC meetings will begin in October after the CAP 2.0 consultant is on board.

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.

Prepared by: Nupur Hiremath, Sustainability Coordinator

Reviewed by: Melody Tovar, Interim Director, Environmental Services

Approved by: Kent Steffens, Interim City Manager



City of Sunnyvale

Agenda Item

17-0886

Agenda Date: 10/3/2017

Joint City Council and Arts Commission Study Session Summary of August 15, 2017 - Master Plan for Public Art

Call to Order:

Vice Mayor Larsson called the meeting to order at 6:01 p.m.

City Councilmembers Present:

Mayor Glenn Hendricks
Vice Mayor Gustav Larsson
Councilmember Larry Klein
Councilmember Nancy Smith
Councilmember Russ Melton
Councilmember Michael S. Goldman
Councilmember Jim Griffith

City Councilmembers Absent:

None.

Arts Commissioners Present:

Chair David Koppel
Vice Chair Susannah Vaughan
Commissioner Roberta Kiphuth
Commissioner Dawna Eskridge
Commissioner Darien Laird

Study Session Summary:

Cultural Planning Group consultant, Jerry Allen, provided a presentation and asked the City Council and Art Commissioners to share their ideas on what makes art a success, and the areas in Sunnyvale where Councilmembers and Commissioners would like to see activated with public art.

Councilmembers and Commissioners commented that art needs to be diverse, engaging, interactive and accessible. Also, additional outreach and marketing to the community such as media coverage, a coffee table book, and a centralized map of the public art that allows people to easily locate the art.

Councilmembers and Commissioners suggested Plaza del Sol, the Civic Center, parks and downtown as locations for public art.

Public Comment:

Bob Lawson commented that success is when people are aware of the artwork, where it is located and want to share it with others as a way of showing off their community.

Adjournment:

Vice Mayor Larsson adjourned the meeting at 6:50 p.m.