



AGENDA

REGULAR MEETING CYPRESS CITY COUNCIL

April 28, 2026

5:30 P.M. - Closed Session

6:00 P.M. - General Session

www.cypressca.org

**5275 Orange Avenue
Cypress, California**

Individuals interested in speaking at a City Council meeting may find participation instructions on the last page of the agenda.

CALL TO ORDER

5:30 P.M.

Executive Board Room

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Leo Medrano

Mayor Pro Tem Kyle Chang

Council Member Bonnie Peat

Council Member David Burke

Council Member Rachel Strong Carnahan

ORAL COMMUNICATIONS ON CLOSED SESSION

This portion of the meeting is set aside for public comments regarding matters listed under closed session. The City Council cannot discuss or take action on matters not on the agenda during this time however Council members may provide brief responses. Please complete a speaker's card to address the City Council in-person. Please follow the instructions at the end of the agenda and wait for the Mayor or City Clerk to call on you to address the City Council virtually. Speakers providing in-person comments will be called first. Time allotted for public comment is three minutes.

CLOSED SESSION

LABOR NEGOTIATIONS

A closed session will be held, pursuant to Government Code § 54957.6, with Shannon DeLong, City Manager and William Wynder, City Attorney, its negotiators(s), regarding labor negotiations with Cypress Employees Association (CEA), Maintenance Employees Association, Police Officers Association, Police Management Association and unrepresented.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

A closed session will be held, pursuant to Government Code §54956.9 (b)(1) & (3)(A) because there is a significant exposure to litigation in 1 case.

RECONVENE

6:00 P.M.

Council Chambers

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Leo Medrano

Mayor Pro Tem Kyle Chang

Council Member Bonnie Peat

Council Member David Burke

Council Member Rachel Strong Carnahan

INVOCATION

Pastor Nader Hanna, King of The Nations Church

PLEDGE OF ALLEGIANCE

The pledge of allegiance will be led by a member of the City Council.

REPORT OF CLOSED SESSION

The City Attorney will announce reportable actions(s).

PRESENTATIONS:

Recognition of the 50th Anniversary of the Church of Jesus Christ of Latter-day Saints

Professional Municipal Clerks Week May 3-9, 2026

National Police Week May 11-17, 2026

Veterans Recognition presented to John Harris

ORAL COMMUNICATIONS

This portion of the meeting is set aside for public comments regarding any matter within the jurisdiction of the City Council. Comments on non-agenda items will be heard at this time. Comments related to a specific agenda item will be heard following the staff report for that item and prior to the City Council action, unless the speaker prefers to make the comment during the general public comment period. The City Council cannot discuss or take action on matters not on the agenda for this meeting, but Council members may provide brief responses. Please complete a Speaker's Card to address the City Council in-person. Please follow the instructions at the end of the agenda and wait for the Mayor or City Clerk to call on you to address the City Council virtually. Speakers providing in-person comments will be called first. Time allotted for public comment (subject to change by the presiding officer).

General Public Comment (not on agenda): 3 minutes
 Consent Calendar (any or all items): 3 minutes
 Agenda Items (not on consent calendar): 3 minutes per item

CONSENT CALENDAR ITEMS 1-14

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item. Council Members voting no or abstaining on a Consent Calendar item may do so without removing the item from the Consent Calendar.

1. Approve the Minutes of the March 10, 2026, Regular Meeting

Prepared by: Lisa Berglund, City Clerk

Recommendation: Approve as submitted.

2. Second Reading of an Ordinance of the City Council of the City of Cypress, California, Amending Cypress Municipal Code Chapter 12, Section 12-11 (unlawful dumping) and adding Subsection 12-11(a) "vehicle impoundment" to Establish a Vehicle Impound Procedure for Unlawful Dumping in the City of Cypress

Prepared by: Lisa Berglund, City Clerk

Recommendation: Approve the Second Reading and Adopt an Ordinance by title only and waive further reading, amending the Cypress Municipal Code Chapter 12, Section 12-11 and adding SubSection 12-11(A) Related to the Establishment of a Vehicle Impoundment Procedure for Unlawful Dumping.

3. Adopt a Resolution Approving the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Six Regional Opioid Distributors

Prepared by: Shannon DeLong, City Manager

Recommendation:

1. Adopt a Resolution authorizing the City to enter into Settlement Agreements with six regional distributors/dispenser defendants to resolve lawsuits accusing opioid manufacturers and distributors of mishandling opioid pain drugs, agree to the terms of the related State-Subdivision Agreement, and authorize entry into the related State-Subdivision Agreement with the Attorney General.

2. Authorize the City Manager to approve and execute all documents related to this settlement and all future opioid-related settlements.

4. Receive an Update on the Strategic Plan Objectives

Prepared by: Jason Machado, Senior Management Analyst

Recommendation: Receive an update on the Strategic Plan objectives.

5. Approve a Contract Extension for Business License Administration Retroactive to April 26, 2026

Prepared by: Stephanie Sikkema, Director of Finance and Administrative Services

Recommendation:

1. Approve a contract extension with Hinderliter De Llamas and Associates (HdL), retroactive to April 26, 2026, to provide business license registration, renewal, and compliance services for an amount not exceed six-hundred and fifty thousand dollars (\$650,000), excluding fees for performing “compliance services” which shall be compensated based on a contingency fee.

2. Authorize HdL to initiate discovery, collection, and audit services as provided in the contract under Compliance Services.

6. Receive and File Register of Warrants, Transfers, and Wires Issued for the Period of March 7, 2026 through April 10, 2026

Prepared by: Gina Claerhout, Account Clerk II

Recommendation:

Receive and File the Attached Payment Register Summarized Below for the Period of March 7, 2026 through April 10, 2026:

- Electronic Funds Transfers 19078 through 19287
- Warrants 70036 through 70368
- Payroll Transfers W179 through W1580

7. Receive and File the Investment Report for the Month Ended March 31, 2026

Prepared by: Stephanie Sikkema, Director of Finance and Administrative Services

Recommendation: Receive and file the attached investment report.

8. Receive and File the 2025 General Plan Annual Progress Report on the Implementation of the Housing Element

Prepared by: Alicia Velasco, Planning Director

Recommendation: Receive and file the 2025 General Plan Annual Progress Report on the implementation of the Housing Element.

9. Award Contracts for Replacement of Interior and Exterior Light Fixtures to LED Fixtures, Project 434

Prepared by: Nick Mangkalakiri, Director of Public Works

Recommendation:

1. Award a contract to ABM Electrical & Lighting Solutions Inc. for \$617,300.49, authorize a contingency of \$78,300, and authorize the City Manager to execute the contract agreement; and

2. Approve a Task Order for Construction Inspection Services to FCG Consultants, Inc. for \$34,885.40 and authorize a contingency of \$3,500.

10. Approve Change Order for Purchase and Upfitting of Seven Replacement Police Vehicles

Prepared by: Nick Mangkalakiri, Director of Public Works

Recommendation:

1. Approve Change Order No. 1 for the purchase and upfitting of seven replacement police vehicles, in the amount of \$11,858, and authorize the City Manager to execute the change order;

2. Authorize the City Manager to negotiate and execute any change orders up to 5% of the total original amount (\$648,847); and

2. Authorize an appropriation increase in the amount of \$32,500 in the City's Capital Replacement Fund for Change Order No. 1 and future contingency.

11. Accept the HVAC and Roof Replacement for the City-Owned Building at 10161 Moody Street (Cedar Glen Park), Project 378

Prepared by: Nick Mangkalakiri, Director of Public Works

Recommendation:

1. Accept the HVAC and Roof Replacement for the City-Owned Building at 10161 Moody Street (Cedar Glen Park), Project 378, in the amount of \$650,354.85 and approve the final payment of \$32,517.74 to MDJ Management, LLC.; and

2. Authorize the City Clerk to file a Notice of Completion with the County Recorder.

12. Approve Plans and Specifications and Award Contract for City Hall Executive Boardroom Improvements, Project 392

Prepared by: Nick Mangkalakiri, Director of Public Works

Recommendation:

1. Approve Plans and Specifications for Executive Boardroom Improvements, Project 392;

2. Award a contract to Ankor Associates Inc. for \$338,700, authorize a contingency of \$85,000, and authorize the City Manager to execute the contract agreement; and

3. Award a contract for Construction Inspection Services to FCG Consultants, Inc., for \$70,966.40, and authorize a contingency of \$11,000.

13. Approve an Agreement for Senior Transportation Programs

Prepared by: Jeff Draper, Director of Recreation and Community Services

Recommendation: Approve a three-year agreement, with the option for two one-year extensions, with OCY Management, LLC for Senior Transportation Services in an amount not to exceed \$500,000.

14. Approve an Agreement for Animal Care Services

Prepared by: Jeff Draper, Director of Recreation and Community Services

Recommendation:

1. Approve a five-year Animal Care Services Agreement with the County of Orange for animal control services, animal care shelter services, and field services; and

2. Authorize the City Manager to execute the annual Notice of Intent during the five-year term of the Animal Care Services Agreement.

NEW BUSINESS

15. Review of Draft Fiscal Policies

Prepared by: Stephanie Sikkema, Director of Finance and Administrative Services

Recommendation: Direction and feedback on the draft fiscal policies is respectfully requested to inform next steps.

16. Approve Agreement with the County of Orange for Municipal Solid Waste Disposal Services and Receive the Annual Solid Waste Franchise Consumer Price Index Rate Adjustment

Prepared by: Nick Mangkalakiri, Director of Public Works

Recommendation:

1. Approve the proposed Waste Infrastructure System Enterprise (WISE) Agreement with the County of Orange for municipal solid waste disposal rates and services; and
2. Authorize the City Manager to execute the agreement and make minor modifications, as necessary; and
3. Receive the annual solid waste franchise Consumer Price Index rate adjustment.

ITEMS REMOVED FROM CONSENT CALENDAR

CONTINUED ITEMS

ITEMS FROM CITY COUNCIL MEMBERS

COUNCIL MEMBER REPORTS FROM CITY-AFFILIATED BOARDS AND COMMITTEES AND REMARKS

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

CITY MANAGER REMARKS

ADJOURNMENT

The next meeting will be an adjourned Regular Meeting, to be held on Tuesday, May 12, 2026, beginning at 5:30 p.m. in the Executive Board Room.

Council Members and the public should promptly exit the meeting room following adjournment.

I, Lisa Berglund, City Clerk, certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted on the City Hall bulletin board and City website not less than 72 hours prior to the meeting. Dated April 22, 2026.

PUBLIC PARTICIPATION

Members of the public can participate in the City Council meeting in the following ways:

1. Attend In-Person. First-come, first-served seating is available. All attendees must be free of any symptoms associated with contagious illnesses.

2. Attend Virtually via Webinar. Follow this link:

<https://attendee.gotowebinar.com/register/5026501424142968664>. Advanced registration is recommended. Kindly mute television or streaming devices you may have on in the background so you can hear when you are queued to speak in real time. This helps avoid delays caused by the meeting's 10-second broadcast delay.

The public may address the City Council virtually during Oral Communications on Agenda Items and Public Hearings. Virtual participants must click the 'hand raise' button prior to the end of the first in-person speaker to indicate they wish to address the City Council. Upon clicking the 'hand raise' button, please unmute your microphone and wait for the Mayor/City Clerk to call on you.



= Hand Raise



= Unmute

3. Submit Public Comments Prior to the Meeting. The public may submit comments via email to cityclerk@cypressca.org. Comments submitted by 3:00 p.m. on the day of the meeting will be added to the meeting record.

4. Watch the Meeting. The City Council meeting can be viewed on Spectrum Cable Channel 36 or on the City's website at www.cypressca.org/watchlive.

5. Listen to the Meeting. Listen-only teleconferencing is available by calling +1 (562) 247-8422 and entering Access Code 308-582-994. No registration or audio pin is necessary.

INVOCATION POLICY

The City Council does not endorse the content of the invocation and does not endorse the invitational speaker's particular faith, belief and/or religious denomination. The City Council has an established neutral policy for selecting and scheduling invitational speakers. The City Council's policy on invocations is available from the City Clerk.

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the City Clerk at (714) 229-6685 at least 72 hours prior to the meeting to enable the City to make reasonable arrangements to assure accessibility to this meeting.



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

1.

FROM: Lisa Berglund, City Clerk

DATE: 04/28/2026

SUBJECT: Approve the Minutes of the March 10, 2026, Regular Meeting

RECOMMENDATION

Approve as submitted.

BUDGET IMPACT

LEGAL REVIEW

Prepared by: Lisa Berglund, City Clerk

Recommendation: Approve as submitted.

APPROVED BY: Lisa Berglund, City Clerk

Attachments

Minutes 3.10.2026

REGULAR MEETING
CYPRESS CITY COUNCIL
MARCH 10, 2026
6:00 P.M. - General Session

A regular meeting of the Cypress City Council was called to order at 5:30 p.m. by Mayor Medrano in the Council Chambers, 5275 Orange Avenue, Cypress, California.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District

Mayor Leo Medrano
Mayor Pro Tem Kyle Chang
Council Member Bonnie Peat
Council Member David Burke
Council Member Rachel Strong Carnahan

STAFF PRESENT

Interim City Manager Sean Joyce
City Attorney William Wynder
City Clerk Lisa Berglund
Deputy City Clerk Ruthie Marroquin
Director of Finance and Administrative Stephanie Sikkema
Director of Recreation and Community Services Jeff Draper
Director of Public Works Nick Mangkalakiri
Chief of Police Mark Lauderback
Planning Director Alicia Velasco
Senior Management Analyst Jason Machado
Business Development Manager Christopher Wong

INVOCATION Pastor Mike McKay, Cypress Neighborhood Church, led the Invocation.

PLEDGE OF ALLEGIANCE Mayor Medrano led the Pledge of Allegiance.

PRESENTATIONS

The City Council presented a proclamation recognizing the GFWC Woman's Club of Cypress for 60 years of dedicated volunteer service to the community.

ORAL COMMUNICATIONS

Anne Mallari, Cypress, spoke regarding the Orange County Commission on the Status of Women and Girls and provided a report to the Council.

Colleen Janssen, Cypress, spoke in support of Agenda Item No. 11.

Brooke Nafarrette, Cypress, spoke regarding the scheduling of City Council meetings on Tuesday evenings and expressed opposition to the change from Monday meetings.

CONSENT CALENDAR ITEMS 1 - 7

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item. Council Members voting no or abstaining on a Consent Calendar item may do so without removing the item from the Consent Calendar.

Council asked questions to Recreation Director Draper regarding Agenda Item No. 6.

Recreation Director Draper addressed questions asked by Council Member Burke.

Council Member Pete spoke in support of Agenda Item No. 1 and commented on Agenda Item No. 5.

Michele Pourtemour, Cypress, spoke in support of Agenda Item No. 1.

Beth Culver, Cypress, addressed the City Council regarding Agenda Item No. 3 and asked questions regarding the proposed solid waste consulting services.

Jennifer Dagarag, spoke on behalf of the St. Irenaeus Bridge of Light Human Trafficking to Human Triumph Ministry in support of Agenda Item No. 11.

Glenn Button, Cypress, spoke regarding Agenda Item No. 6.

A motion was made by Council Member Burke, and seconded by Council Member Strong Carnahan, to approve Consent Calendar items No. 1 through 7.

The motion was unanimously carried by the following electronic vote:

AYES: 5 COUNCIL MEMBERS: Chang, Peat, Burke, Medrano, Strong Carnahan
NOES: 0 COUNCIL MEMBERS: None

Item No 1: Approval to Submit Application for Recognition by Caltrans as a "Clean California Community"

Recommendation: Approve the appointment of Stephanie Sikkema, Director of Finance

and Administrative Services, as Treasurer of the City of Cypress effective March 17, 2026.

Item No. 2: Appointment of City Treasurer

Recommendation: Approve the appointment of Stephanie Sikkema, Director of Finance and Administrative Services, as Treasurer of the City of Cypress effective March 17, 2026.

Item 3: Approve an Agreement for On-Call Solid Waste Consulting Services

Recommendation:

1. Approve an agreement with CityGreen Consulting, LLC, for on-call solid waste consulting services; and
2. Authorize the City Manager to approve annual task orders under this Agreement, in an amount not to exceed the adopted annual budget for solid waste consulting services.

Item No. 4: Approve an Agreement for On-Call Stormwater/Water Quality and Fats, Oils, and Grease (FOG) Program Management, Plan Review and Inspection Services

Recommendation:

1. Approve an agreement with Charles Abbott Associates, Inc. for on-call Stormwater/Water Quality and Fats, Oils, and Grease (FOG) program management, plan review and inspection services; and
2. Authorize the City Manager to approve annual task orders under this agreement, in an amount not to exceed the adopted annual budget for stormwater/water quality and FOG services.

Item No. 5: Accept the Arnold Cypress Park Rehabilitation, Project 308

Recommendation:

1. Accept the Arnold Cypress Park Rehabilitation, Project 308, in the amount of \$29,739,898.14 and approve the final payment of \$350,000 to Los Angeles Engineering, Inc.; and
2. Authorize the City Clerk to file a Notice of Completion with County Recorder.

Item No. 6: Approve Updates to the Contribution Policy for Non-Profit Organizations

Recommendation: Approve Updates to the Contribution Policy for Non-Profit Organizations.

Item No. 7: Approve Short-Term Amended and Restated Agreements with Cypress School District for Community Park Sites at Damron and Vessels School Properties

Recommendation:

1. Approve an amended and restated joint use agreement with Cypress School District for a community park site at 5400 Myra Avenue, Cypress known as the former Damron School Site; and
2. Approve an amended and restated joint use agreement with Cypress School District for a community park site at 5900 Cathy Avenue, Cypress located next to Frank Vessels Elementary School.

NEW BUSINESS

Item No. 8: Adopt the Strategic Plan and 2026 Objectives

The Interim City Manager introduced Senior Management Analyst Machado, who provided a report on the item.

Mayor Medrano thanked staff for the report opened the floor to questions and comments from the City Council.

Council Member Burke thanked staff and spoke in support of the item.

A motion was made by Council Member Burke, and seconded by Mayor Pro Tem Chang, to adopt the strategic plan and 2026 objectives.

The motion was unanimously carried by the following electronic vote:

AYES: 5 COUNCIL MEMBERS: Chang, Peat, Burke, Medrano, Strong Carnahan
NOES: 0 COUNCIL MEMBERS: None

ITEMS REMOVED FROM CONSENT CALENDAR

There were no items removed from the consent calendar.

CONTINUED ITEMS 9 - 10

Item No. 9: Adopt the 2026 Federal and State Legislative Platform

The Interim City Manager referred to Senior Management Analyst Machado to provide a report on the item.

Mayor Medrano opened the floor for City Council discussion.

Mayor Pro Tem Chang suggested revisions to the item, including proposed removals and modifications related to environmental quality, housing, and governance.

The City Attorney recommended postponing action on the item and returning with a revised policy.

The Interim City Manager suggested that the City Council consider reviewing proposed revisions to determine consensus.

City Council discussion ensued.

Mayor Medrano expressed a preference to proceed with the item as presented.

Mayor Medrano opened public comment.

Brooke Nafarrete, Cypress, addressed the City Council regarding the item and provided comments related to business impacts.

Mayor Medrano closed public comment.

A motion was made by Council Member Peat, and seconded by Council Member Strong Carnahan, to approve the 2026 Federal and State Legislative Platform as proposed.

The motion was carried by the following electronic vote:

AYES: 4 COUNCIL MEMBERS: Peat, Burke, Medrano, Strong Carnahan
NOES: 1 COUNCIL MEMBERS: Chang

Item No. 10: Adoption of Media Relations Policy

The Interim City Manager provided a report on this item.

Mayor Medrano opened the floor for City Council discussion.

Council Member Burke discussed his proposed revisions. Mayor Pro Tem Chang expressed support for said changes.

City Council discussion ensued.

The Interim City Manager provided clarification and suggested revisions to the policy.

Council Member Peat asked questions of the Interim City Manager and supported the policy as presented by staff.

City Council discussion ensued.

A motion was made by Council Member Burke, and seconded by Mayor Medrano, to approve the Media Relations Policy with amendments to delete the second sentence in Item Six and the last sentence under "City Council Spokesperson Concerning City Council Policy," and to add language allowing the Mayor to speak on pressing City issues, with such statements attributed to the Mayor.

City Council discussion ensued.

A substitute motion was made by Council Member Peat to approve the policy with removal of duplicate language only.

The motion failed for lack of a second.

The original motion was carried by the following electronic vote:

AYES: 4 COUNCIL MEMBERS: Chang, Burke, Medrano, Strong Carnahan
NOES: 1 COUNCIL MEMBERS: Peat

ITEMS FROM CITY COUNCIL MEMBERS ITEMS 11 - 12

Item No. 11: Discussion of Mayor Pro Tem Chang's Proposal to Consider Adopting a Resolution Announcing Its Commitment to End Child Marriage

The Interim City Manager provided procedural clarification regarding the motion and Council action.

City Council spoke in support of the item.

Mayor Medrano closed discussion.

A motion was made by Mayor Pro Tem Chang, and seconded by Council Member Peat, to direct staff to prepare a resolution announcing its commitment to end child marriage for the next City Council meeting on March 24.

The motion was unanimously carried by the following electronic vote:

AYES: 5 COUNCIL MEMBERS: Chang, Peat, Burke, Medrano, Strong Carnahan
NOES: 0 COUNCIL MEMBERS: None

Item No. 12: Discussion of Mental Health Resources Available to Cypress Residents Proposed by Council Member Strong Carnahan

The Interim City Manager provided procedural clarification regarding the motion and Council action.

Council Member Strong Carnahan presented the item.

Mayor Medrano opened the item for City Council discussion.

City Council discussion ensued.

Mayor Medrano opened the item for public comment.

Katie Shapiro, Cypress, provided comments on the item.

Jennifer Dagarag, Cypress, spoke in support of the item.

Mayor Medrano closed public comment.

Council Member Strong Carnahan provided additional comments.

The Interim City Manager confirmed that, if approved, staff would proceed with implementation as directed.

A motion was made by Council Member Strong Carnahan, seconded by Council Member Burke, to direct staff to develop mental health resources for Cypress residents as proposed.

The motion was unanimously carried by the following electronic vote:

AYES:	5	COUNCIL MEMBERS:	Chang, Peat, Burke, Medrano, Strong Carnahan
NOES:	0	COUNCIL MEMBERS:	None

COUNCIL MEMBER REPORTS FROM CITY-AFFILIATED BOARDS AND COMMITTEES AND REMARKS

Council Member Rachel Strong Carnahan:

Reported that she met with Mia Mejia's family to discuss mental health support and resources. She announced availability for office hours to meet with residents and discuss community concerns. She also highlighted her attendance at the Every Student Succeeding Breakfast and participation in a scholarship panel supporting youth in the arts.

Council Member Peat:

Reported attending Cypress High School's Social Justice Day on February 24th and thanked participating students. She provided an update from the Orange County Sanitation District Board meeting she attended. She attended the Landell PTA Casino Night fundraiser. She participated as a guest speaker at a Court of Honor for three Eagle Scouts of Cypress Troop 670 on February 28th. She noted her two-day involvement in Boys and Girls Club scholarship interview sessions. She reported attending the Every Student Succeeding Breakfast on March 3rd. She also attended an economic development visit to Murray Company's new headquarters in Cypress and commended Planning Director Velasco and Business Development Manager Wong. She shared that she met with the Cypress Chamber of Commerce on March 9th regarding upcoming community celebrations. She also provided brief comments regarding the legislative platform in relation to Mayor Pro Tem Chang's perspective.

Council Member Burke:

Reported meeting with a couple of representatives regarding the Cypress Community Festival as part of the Ad Hoc Subcommittee and noted that a festival date will be announced soon. He highlighted his attendance at Cypress High School's Social Justice Day, where he served on a panel with Mayor Pro Tem Chang. He also shared that he visited Morris Elementary School to read to students and expressed appreciation for the experience. He noted attending the Every Student Succeeding event and recognized student achievements. As the City's representative to the Orange County Fire Authority, he announced the appointment of Interim Fire Chief TJ McGovern and commended the agency for improved response times and continued high level of service.

Mayor Pro Tem Chang

Reported attending Cypress High School's Social Justice Day as a panel speaker and several Lunar New Year celebrations, including events at Cypress College and in Cerritos, as well as the Landell PTA Casino Night and a Water Lantern Festival at Heritage Park. He also met with the incoming City Manager and reported completing California Special Districts Association SB 827 fiscal and financial training as part of his role with the Orange County Mosquito and Vector Control District.

Mayor Medrano:

Reported meeting with the Building Industry Association of Southern California on February 23. He attended the Japanese Consulate Emperor's Birthday event in Los Angeles on February 27 and met with staff from Senator Janet Nguyen's office. He reported attending the Every Student Succeeding event and an Awareness Club meeting on March 3. On March 6, he attended an Assembly workshop in Cerritos hosted by Assemblymember Sharon Quirk-Silva regarding state appointments. On March 9, he attended a visit to Murray Company and noted being impressed with its operations. He reported attending a Chamber of Commerce meeting and extended well wishes for the upcoming St. Patrick's Day.

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

Council Member Burke requested agendaing a discussion to consider creating an Ad Hoc Subcommittee to work with the Recreation and Community Services Commissioners to solicit input on strategic plan objectives and prior recommendations. Mayor Pro Tem Chang expressed support on the item.

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

CITY MANAGER REMARKS

The Interim City Manager had no further comments.

ADJOURNMENT

Mayor Medrano recognized military service members currently deployed overseas. He encouraged residents to keep service members and their families in their thoughts and prayers. Mayor Medrano adjourned the meeting at 8:30 p.m.

MAYOR OF THE CITY OF CYPRESS

ATTEST:

CITY CLERK OF THE CITY OF CYPRESS



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

2.

DATE: 04/28/2026

SUBJECT: Second Reading of an Ordinance of the City Council of the City of Cypress, California, Amending Cypress Municipal Code Chapter 12, Section 12-11 (unlawful dumping) and adding Subsection 12-11(a) “vehicle impoundment” to Establish a Vehicle Impound Procedure for Unlawful Dumping in the City of Cypress

RECOMMENDATION

Approve the Second Reading and Adopt an Ordinance by title only and waive further reading, amending the Cypress Municipal Code Chapter 12, Section 12-11 and adding SubSection 12-11(A) Related to the Establishment of a Vehicle Impoundment Procedure for Unlawful Dumping.

SUMMARY

On March 24, 2026, the City Council approved (5-0) the first reading of an Ordinance amending Cypress Municipal Code related to the establishment of a vehicle impoundment procedure for unlawful dumping.

The Ordinance adds subsection 12-11(A) under Chapter 12, Section 12-11 (unauthorized dumping). The purpose of the new section is to deter and abate illegal dumping within the city by authorizing the impoundment of motor vehicles used in illegal dumping activity. Once in effect, Chapter 12, Section 12-11 will allow police officers to impound vehicles when they have probable cause that the vehicle was used in violation of the unlawful dumping. If approved, Chapter 12, Section 12-11 will become effective May 28, 2026.

DISCUSSION

BUDGET IMPACT

None at this time.

LEGAL REVIEW

The City Attorney has reviewed and approved the attached ordinance.

APPROVED BY:

Attachments

Ordinance - Impound Vehicle Ordinance

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CYPRESS, CALIFORNIA, AMENDING CYPRESS MUNICIPAL CODE CHAPTER 12, SECTION 12-11 (UNLAWFUL DUMPING) AND ADDING SUBSECTION 12-11(A) “VEHICLE IMPOUNDMENT” TO ESTABLISH A VEHICLE IMPOUND PROCEDURE FOR UNLAWFUL DUMPING IN THE CITY OF CYPRESS

WHEREAS, the City of Cypress (“City) regulates the collection and disposal of waste within City limits pursuant to Chapter 12 Solid Waste Management of the City of Cypress Municipal Code (“Municipal Code”); and

WHEREAS, Chapter 12 of the Municipal Code prohibits the unauthorized dumping, depositing, or discarding of solid waste, recyclable materials, green waste, and other refuse on public and private property within the City; and

WHEREAS, illegal dumping creates public health and safety hazards, attracts vectors, degrades neighborhoods and commercial corridors, and imposes significant cleanup and enforcement costs on the City and property owners; and

WHEREAS, vehicles are frequently used to transport and illegally dump solid waste and other materials within the City, and existing monetary penalties alone may not provide a sufficient deterrent to such profitable illegal dumping activities; and

WHEREAS, the City Council finds that authorizing the impoundment of vehicles used in illegal dumping is a necessary and effective additional enforcement tool to deter and abate illegal dumping, protect public health, safety, and welfare, and support the City’s solid waste management and waste-diversion objectives; and

WHEREAS, the City Council desires to amend Section 12-11, Article III, of Chapter 12 of the Municipal Code to authorize vehicle impoundment for illegal dumping and to establish related procedures consistent with applicable provisions of state law, including the California Vehicle Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CYPRESS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals Incorporated. The recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. Amendment. Subsection (a), “Vehicle Impoundment,” is hereby added to Section 12-11 “Unauthorized dumping,” Article III, “Prohibited Acts,” Chapter 12, “Solid Waste Management,” of the Cypress Municipal Code to read as follows:

“(a) **Vehicle Impoundment.**

(1) *Purpose.* The purpose of this section is to deter and abate illegal dumping within the city by authorizing the impoundment of motor vehicles used in the commission of violations of Article III of Chapter 12 of this Code.

(2) *Definitions.* For purposes of this subsection:

(i) Illegal dumping means any act that constitutes a violation of Article III of this Chapter 12.

(ii) Vehicle has the same meaning as in the California Vehicle Code.

(iii) Impound or impoundment means the removal and storage of a vehicle by or at the direction of a peace officer or other authorized enforcement officer.

(3) *Authority to Impound.*

(i) Any vehicle used in the commission of illegal dumping within the city may be impounded when a peace officer or other authorized enforcement officer has probable cause to believe that the vehicle was used in violation of this Chapter 12.

(ii) Impoundments under this section shall be carried out in accordance with applicable provisions of the California Vehicle Code, including, without limitation, those governing removal, storage, notice, and post-storage hearings including but not limited to Vehicle Code sections 22651, 22655.5, 22850 through 22852, and 23112.7, as they may be amended from time to time.

(4) *Duration of Impound.*

(i) A vehicle impounded pursuant to this section may be stored for up to thirty (30) days, or for such other period as may be permitted or required by the California Vehicle Code, unless released earlier under subsection (7).

(5) *Notice of impoundment.*

(i) The city, or its towing and storage contractor, shall provide notice of the impoundment to the registered and legal owners of the vehicle in the manner and within the time required by the California Vehicle Code.

(ii) The notice shall include the grounds for the impoundment, the location of the vehicle, the procedures for reclaiming the vehicle, and the right to request a post-storage hearing.

(6) Post-storage hearing.

(i) The registered and legal owners of an impounded vehicle shall be entitled to a post-storage hearing to determine the validity of the impoundment, consistent with the California Vehicle Code.

(ii) The city manager, or designee, shall designate a hearing officer and adopt administrative procedures to implement this subsection, including procedures for requesting and scheduling hearings, conducting hearings, and issuing decisions.

(7) Early release; invalid impoundment.

(i) A vehicle shall be released prior to the end of the impound period if it is determined at or before the post-storage hearing that there was no reasonable cause to believe the vehicle was used in illegal dumping, or if release is otherwise required by the California Vehicle Code or other applicable law.

(ii) If the impoundment is determined to have been invalid, the city shall not collect administrative fees under this section, and towing and storage charges shall be handled in accordance with the California Vehicle Code.

(8) Innocent owner protections.

(i) An impounded vehicle shall be released to a registered or legal owner before the end of the impound period if that owner establishes, to the satisfaction of the hearing officer or court, that:

(A) The vehicle was used in illegal dumping without the owner's knowledge or consent; or

(B) At the time of the illegal dumping, the vehicle had been reported stolen.

(ii) Nothing in this subsection limits the city's ability to seek administrative penalties, fines, or cost recovery from any person who committed or caused the illegal dumping.

(9) Fees and costs.

(i) To the extent permitted by law, the registered and/or legal owners of a vehicle impounded pursuant to this section shall be responsible for all towing, storage, and related costs.

(10) *Additional remedies.*

(i) The remedies provided in this section are cumulative and in addition to any other civil, criminal, or administrative remedies available to the city under this Code, state law, or equity.

(ii) Impoundment of a vehicle under this section does not preclude the issuance of citations, imposition of administrative penalties, recovery of cleanup and abatement costs, or prosecution for illegal dumping.”

Section 3. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Cypress hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

Section 4. This Ordinance shall be in full force and effect thirty (30) days after its passage.

Section 5. The City clerk shall certify to the passage and adoption of this Ordinance by the City council of the City of Cypress and shall cause a summary of this ordinance to be published in accordance with Government Code § 36933.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cypress at a regular meeting held on this ____ day of _____, 2026.

Leo Medrano, Mayor

ATTEST:

Lisa Berglund, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I, LISA BERGLUND, City Clerk of the City of Cypress, DO HEREBY CERTIFY THAT THE FOREGOING Ordinance was duly adopted by said City Council at a regular meeting held on the ____ day of _____, 2026, by the following roll call vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS
ABSENT:	COUNCIL MEMBERS

Lisa Berglund, City Clerk



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

3.

FROM: Jason Machado, Senior Management Analyst

DATE: 04/28/2026

SUBJECT: **Adopt a Resolution Approving the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds with Six Regional Opioid Distributors**

RECOMMENDATION

1. Adopt a Resolution authorizing the City to enter into Settlement Agreements with six regional distributors/dispenser defendants to resolve lawsuits accusing opioid manufacturers and distributors of mishandling opioid pain drugs, agree to the terms of the related State-Subdivision Agreement, and authorize entry into the related State-Subdivision Agreement with the Attorney General.
2. Authorize the City Manager to approve and execute all documents related to this settlement and all future opioid-related settlements.

DISCUSSION

In 2021, the City Council first approved participation in national opioid settlements with drug-makers and distributors (attached). As part of these settlements, the City agreed to a very broad release of opioid-related claims against the settling defendants, which included both known and unknown claims. At the same time, the City Council approved a Distributor Allocation Agreement with the State of California which governs the allocation, distribution and use of settlement fund payments made to California. Amounts allocated to Cypress from these settlement agreements and the proceeds may only be used for opioid remediation activities. Proceeds will be passed on to the County of Orange, who will coordinate remediation activities.

A new nationwide settlement has been reached with six regional distributors/dispenser defendants (Associated Pharmacies, Inc. and American Associated Pharmacies; J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics)). This nationwide settlement is part of another round of settlements with opioid manufacturing companies and distributors and follows previous settlements with pharmacies, drug-makers and distributors. Previous

settlements have included Teva, Allergan, CVS, Walgreens, and Walmart in 2023, Kroger in 2024, Purdue in 2025, and an additional eight opioid manufacturers in 2025.

Approval of the attached Resolution would authorize the City Manager to carry out all necessary acts to allow the City to participate in this settlement agreement, including the execution and transmittal of all required documents. If the City Council chooses not to participate, Cypress' allocation will be redistributed to other agencies participating in the settlement rather than being passed on to the County of Orange. A second recommendation is included that would allow the City Manager to approve and execute all documents related to any additional opioid settlements in the future. This is the sixth round of opioid-related settlements to be considered by City Council, with the previous five approved unanimously. Each settlement has been similar in nature and included the same framework to pass on proceeds to the County of Orange. Authorizing the City Manager to approve future settlements would expedite this approval process. If terms were to differ in future settlements from those previously approved, staff would return to City Council for consideration.

BUDGET IMPACT

The actual amount the City will receive (and pass through to the County) from the settlement depends on a variety of factors, including the number of California municipalities participating.

LEGAL REVIEW

The City Attorney has reviewed and approved the attached Resolution.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Resolution
Settlement Document Package
December 2021 Agenda Item

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CYPRESS
AUTHORIZING THE CITY'S PARTICIPATION IN THE PROPOSED
SETTLEMENT OF OPIOID-RELATED CLAIMS AGAINST SIX REGIONAL
DISTRIBUTORS/DISPENSER DEFENDANTS, AGREE TO THE TERMS
OF THE RELATED STATE-SUBDIVISION AGREEMENT, AND
AUTHORIZE ENTRY INTO THE RELATED STATE-SUBDIVISION
AGREEMENT AND OTHER NECESSARY DOCUMENTS

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death, forcing the State of California and California counties and cities to spend billions of dollars each year to address the direct consequences of this crisis; and

WHEREAS, pending in the U.S. District Court for the Northern District of Ohio is a multidistrict litigation ("MDL") being pursued by numerous public entity plaintiffs against the manufacturers and distributors of various opioids based on the allegation that the defendants' unlawful conduct caused the opioid epidemic; and

WHEREAS a proposed nationwide tentative settlement was reached with six regional distributors/dispenser defendants: Associated Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics) (each individually, a "Remnant Defendant," and, collectively, the "Six Remnant Defendants"); and

WHEREAS, The Six Remnant Defendants shall be referred in this Resolution as "Settling Defendants"; and

WHEREAS, as part of the settlement with the Settling Defendants, local subdivisions, including certain cities, that are not plaintiffs in the MDL may participate in the settlement in exchange for a release of the Settling Defendants; and

WHEREAS, copies of the proposed terms of those proposed nationwide settlement have been set forth in the Settlement Agreement with the Settling Defendants; and

WHEREAS, copies of the Settlement Agreement have been provided to the City Council with this Resolution; and

WHEREAS, the Settlement Agreement provides, among other things, for the payment of a certain sum to settling government entities in California including to the

State of California and Participating Subdivisions upon occurrence of certain events as defined in the Settlement Agreement ("California Opioid Funds"); and

WHEREAS, California local governments in the MDL have engaged in extensive discussions with the State Attorney General's Office ("AGO") as to how the California Opioid Funds will be allocated, which has resulted in the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds ("Allocation Agreements") from the settlements with the Settling Defendant; and

WHEREAS, copies of the Allocation Agreement for all of the settlement with the Settling Defendant have been provided with this Resolution; and

WHEREAS, under the Settlement Agreement, certain local subdivisions that did not file a lawsuit against the Settling Defendants may qualify to participate in the settlements and obtain funds from the Abatement Account Fund; and

WHEREAS, the City is eligible to participate in the Settlement and become a CA Participating Subdivision; and

WHEREAS, a CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, unless the city elects to take a direct election of the settlement funds, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date; and

WHEREAS, it the intent of this Resolution is to authorize the City to enter into the Settlement Agreement with the Settling Defendants by executing the Participation Agreement and to enter into the Allocation Agreement by executing the signature pages to those agreements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cypress hereby approves and authorizes the City Manager to execute all documents required to settle and release the City's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreement, Allocation Agreement and all exhibits thereto to be paid through the County of Orange.

BE IT FURTHER RESOLVED that all actions heretofore taken by the City Council of the City of Cypress and other appropriate public officers and agents of the City with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

PASSED AND ADOPTED by the City Council of the City of Cypress at a regular meeting held on the ____ day of March, 2026.

MAYOR OF THE CITY OF CYPRESS

ATTEST:

CITY CLERK OF THE CITY OF CYPRESS

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS

I, LISA BERGLUND, City Clerk of the City of Cypress, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the said City Council held on the ___ day of ___, 2026, by the following roll call vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

CITY CLERK OF THE CITY OF CYPRESS



New National Opioids Settlement: Six Remnant Defendants
Notice and Claims Administrator
opioidsparticipation@rubris.com

To: Cypress city, CA
Reference Number: CL-2014184

**THIS PACKAGE CONTAINS DOCUMENTATION TO PARTICIPATE IN THE NEW
NATIONAL OPIOIDS SIX REMNANT DEFENDANTS SETTLEMENT. YOU MUST TAKE
ACTION IN ORDER TO PARTICIPATE.**

Deadline: Monday, May 4, 2026

A new proposed national opioids settlement ("*Six Remnant Defendants Settlement*") has been reached with six regional distributors/dispenser defendants: Associated Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics) (each individually, a "*Remnant Defendant*," and, collectively, the "*Six Remnant Defendants*"). This package is a follow-up communication to the *Notice of National Opioids Settlement* recently sent electronically.

You are receiving this package, which includes a *Combined Subdivision Participation and Release Form*, because your entity is eligible to participate.

This electronic envelope contains:

- A *Combined Subdivision Participation and Release Form* for the *Six Remnant Defendants Settlement* that your entity is eligible to join, including a release of any claims.

The *Combined Subdivision Participation and Release Form* must be executed, without alteration, and submitted on or before Monday, May 4, 2026, for your entity to be included in the initial participation calculations and payment eligibility under the *Six Remnant Defendants Settlement*.

The MDL Plaintiffs' Executive Committee recommends that subdivisions agree to the settlement. If a subdivision elects to participate in the *Six Remnant Defendants Settlement* by executing the *Combined Subdivision Participation and Release Form*, the subdivision elects to participate in the settlement as to all *Six Remnant Defendants*. A subdivision cannot elect to participate in the settlement as to fewer than all *Six Remnant Defendants*. Based upon *Combined Subdivision Participation and Release Forms* received on or before Monday, May 4, 2026, the participation rate will be used by each *Remnant Defendant* to



individually determine whether participation is sufficient to move forward. If the settlement moves forward, your release will become effective as to all *Remnant Defendants* that determine to move forward. If a *Remnant Defendant* determines not to move forward, your release as to that *Remnant Defendant* will not become effective.

You are encouraged to discuss the terms and benefits of the *Six Remnant Defendants Settlement* with your counsel. Information and documents regarding the *Six Remnant Defendants Settlement*, can be found on the national settlement website at <https://nationalopioidsettlement.com/>. This website will be supplemented if additional documents are created.

How to return signed forms:

There are three methods for returning the executed *Combined Subdivision Participation and Release Form* to the Notice and Claims Administrator:

- (1) *Electronic Signature via DocuSign*: Executing the *Combined Subdivision Participation and Release Form* electronically through DocuSign will return the signed form to the Notice and Claims Administrator and associate your form with your entity's records. Electronic signature is the most efficient method for returning the *Combined Subdivision Participation and Release Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via Rubris Platform Portal*: If your entity is unable to return an executed *Combined Subdivision Participation and Release Form* using DocuSign, the signed *Combined Subdivision Participation and Release Form* may be submitted via the Rubris Platform Portal. Please utilize the link within the New National Opioid Settlement Notice email in order to upload your entity's *Combined Subdivision Participation and Release Form* directly to the Rubris Platform Portal.
- (3) *Manual Signature returned via electronic mail*: If your entity is unable to return an executed *Combined Subdivision Participation and Release Form* using DocuSign, the signed *Combined Subdivision Participation and Release Form* may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and reference ID of your entity in the body of the email and use the subject line *Combined Subdivision Participation and Release Form – [Entity Name, Entity State] – [Reference ID]*.

Detailed instructions on how to sign and return the *Combined Subdivision Participation and Release Form*, including changing the authorized signer, can be found at National Opioid Settlement Website. You may also contact opioidsparticipation@rubris.com.



The sign-on period ends on Monday, May 4, 2026.

If you have any questions about executing the *Combined Subdivision Participation and Release Form*, please contact your counsel or the Notice and Claims Administrator at opioidsparticipation@rubris.com.

Thank you,
Notice and Claims Administrator

The Notice and Claims Administrator is retained to provide the settlement notice required by the settlement agreement referenced above and to manage the collection of settlement participation forms from the settlement.

EXHIBIT G

Six (6) Remnant Defendants'
Combined Subdivision Participation and Release Form
("Combined Participation Form")

Governmental Entity: Cypress city	State: CA
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the six (6) Remnant Defendants' Settlement Agreement ("RDSA"), dated February 3, 2026, and described further in Paragraph 1, and acting through the undersigned authorized official, hereby elects to participate in the RDSA, release all Released Claims against all Released Entities, and agrees as follows:

1. The Governmental Entity hereby elects to participate in the RDSA as a Participating Subdivision with each of the following six (6) Remnant Defendants that are parties to the RDSA: (1) Associated Pharmacies, Inc. (and American Associated Pharmacies), (2) J M Smith Corporation, (3) Morris and Dickson Co., L.L.C., (4) Louisiana Wholesale Drug Company, Inc., (5) North Carolina Mutual Wholesale Drug Company, Inc., and (6) United Natural Foods, Inc. (and SuperValu).
2. The Governmental Entity is aware of and has reviewed the RDSA, understands that all capitalized terms not defined in this Combined Participation Form have the meanings defined in the RDSA, and agrees that by executing this Combined Participation Form, the Governmental Entity elects to participate in the RDSA and become a Participating Subdivision as provided in the RDSAs.
3. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed against any Released Entity in the RDSA. With respect to any Released Claims pending in *In Re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice for each of six (6) Remnant Defendants listed in Paragraph 1 above substantially in the form found at <https://nationalopioidsettlement.com/additional-settlements/>.
4. The Governmental Entity agrees to the terms of each of the RDSA pertaining to Participating



Subdivisions as defined therein.

5. By agreeing to the terms of the RDSA settlements and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through the RDSA solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the MDL Court and agrees to follow the process for resolving any disputes described in the RDSA.
8. The Governmental Entity has the right to enforce the RDSA as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes of the RDSA, including without limitation all provisions related to release of any claims, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in the RDSA in any forum whatsoever. The release provided for in the RDSA is intended by the Parties to be broad and shall be interpreted so as to give the Released Entities in the RDSA the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The RDSA shall be a complete bar to any Released Claim against the Released Entities.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the RDSA.
11. In connection with the releases provided in the RDSA, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.



A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims in the RDSA, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the RDSA.

12. The Governmental Entity understands and acknowledges that nothing herein is intended to modify in any way the terms of any of the RDSA, to which Governmental Entity hereby agrees. To the extent this Combined Participation Form is interpreted differently from the RDSA in any respect, the RDSA controls.

I have all necessary power and authorization to execute this Combined Participation Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____





CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

Item # 7.

FROM: Fred Galante, City Attorney

DATE: 12/13/2021

SUBJECT: **Approve Participation in the National Opioid Settlements**

RECOMMENDATION

That the City Council consider and take the following actions:

1. Approve Settlement Participation Form for the City's participation in the National Opioid Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation; and
2. Approve Settlement Participation Form for the City's participation in the National Opioid Settlement with Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.; and
3. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement; and
4. Approve the California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement; and
5. Adopt a Resolution approving and authorizing the City Manager to execute the documents identified in Recommendation Nos. 1 through 4; and
6. Authorize the City Manager to carry out all necessary acts such that the City can participate in the National Opioid Settlements, including, but not limited to, the transmittal of the executed documents in Recommendation Nos. 1 through 4.

SUMMARY

Various states, counties, and cities have been in litigation with the McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation. (collectively, the "Distributors") and Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, the "Manufacturer") (for purposes of this report, the Distributors and Manufacturer are collectively referred to as the "Settling Defendants"). The litigation concerns the distribution and manufacture of opioids that have contributed to the opioid addiction epidemic in the United States. Two tentative settlements have been reached with the Distributors and Manufacturer, respectively ("National Opioids Settlements"). A "critical mass" of participation by

states, cities and counties must be achieved in order to proceed. This critical mass is determined by the Settling Defendants in their sole discretion. If a critical mass is not achieved, then the National Opioids Settlements do not proceed and the litigation continues. There are two parts to achieving critical mass: first, a critical mass of states must be achieved and, second, a critical mass of cities and counties must be achieved. At this stage, a critical mass of state participation has already occurred.

DISCUSSION

Assuming there is a critical mass to proceed, the payout amounts under the settlements with the Settling Defendants is contingent upon various factors, including the number of states, cities, and counties participating, with a maximum payout of \$21 billion over the course of 18 years by the Distributors and \$5 billion over no more than nine years by the Manufacturer to all participating entities. A fraction of that amount will be received by California, its counties, and cities. The actual amount for the City is dependent on a number of variables, including, but not limited to, the number of California cities and counties participating, whether or not cities later sue the Settling Defendants, and certain actions that may be taken by the State of California. Further, the City's share of the potential amount is determined using three factors: (1) Opioid use disorder; (2) Opioid deaths; and (3) Opioid dosage. If the City participates, the funds will automatically be allocated to the County unless the City opts to receive the funds directly; however, there are certain reporting and tracking requirements if the City receives the funds directly (see below).

By participating in the National Opioid Settlements, the City would be agreeing to a very broad release of claims relating in any way to opioids against the Settling Defendants, which includes both known and unknown claims. However, not participating and litigating on its own means that the City is required to comply with very strict deadlines with respect to litigation.

The National Opioids Settlements will allow for a range of approved abatement uses, which includes a range of intervention, treatment, education, and recovery services. However, the use of funds are restricted to the abatement uses, including 50% per calendar year on high impact abatement uses, identified in the settlements (see, e.g., Attachments 3 and 4, and Exhibit E of Attachments 6 and 7). There are also significant public reporting and tracking requirements on the expenditures for such funds, which may make County receipt and expenditure of such funds more desirable. For example, the settlement with the Manufacturer would require the following reporting and tracking:

1. Preparation of annual written reports regarding the use of the funds. This report must include a certification that all funds received have been used in compliance with the Manufacturer settlement agreements. This report must be in a form that is approved by the California Department of Health Care Services ("DHCS").
2. The City would be required to track all deposits and expenditures.
3. Funds not used for a permitted purpose must be identified and included in the annual report (including any attorneys' fees, investigation costs, or litigation costs). This information must also be reported to the Manufacturer and the settlement fund administrator.

In terms of enforcement, if DHCS believes that the use of settlement funds is inconsistent with the requirements, it must meet and confer with subdivision (i.e., the City), and if not resolved, DHCS may perform an audit. If the issue is not resolved, DHCS can bring a motion or action in court to resolve the concern or to enforce the terms of the settlement agreement/state-allocation agreement. There are also time limits on expenditure where money not expended or encumbered within 5 years of receipt must be transferred to the State. However, these requirements only apply to the City if it elects to receive direct distribution and does not apply if the funds go to the County.

The National Opioids Settlements also provide for injunctive relief that requires changes to the Distributors' and Manufacturer's conduct. This includes the creation of a clearinghouse through which the Distributors will be required to account for their own shipments and the shipments of the

other distributors, in order to detect, stop, and report suspicious opioids orders. In addition, the Manufacturer (which ceased marketing opioids in 2015 and ceased selling opioids in 2020) will not market or sell any opioid products in the next ten years and has agreed to cease lobbying concerning prescription opioids for ten years.

Approval of Recommendation Nos. 1 and 2 would authorize the City to participate in the National Opioid Settlements with the Settling Defendants on the terms and conditions of those settlement agreements. (Attachments 1 and 2)

Approval of Recommendation Nos. 3 and 4 would approve agreements with the State of California on the distribution and use of settlement funds, consistent with the National Settlement Agreements. (Attachments 3 and 4)

Approval of Recommendation No. 5 would approve and authorize the City Manager to execute all documentation necessary to participate in the National Opioid Settlements. (Attachment 5)

Approval of Recommendation No. 6 would authorize the City Manager to carry out all necessary acts to allow the City to participate in the National Opioid Settlements, including the transmittal of the above-mentioned executed documents.

City Council approval and authorization to execute, submit, and receipt of all required documents must be completed before January 2, 2022.

BUDGET IMPACT

Use of funds are restricted to the abatement of impacts of the opioid epidemic, including 50% per calendar year on high impact abatement uses, identified in the settlements. The actual amounts the City will receive depends on various factors, such as the number of California jurisdictions that participate in the settlement.

LEGAL REVIEW

The City Attorney prepared the report.

APPROVED Peter Grant, City Manager
BY:

Attachments

Attachment 1 - Nat'l Opioid Settlement Form

Attachment 2 - Janssen Opioid Settlement Form

Attachment 3 - Final State Agreement Distributors Settlement

Attachment 4 - Final State Janssen Agreement Settlement

Attachment 5 - Resolution Authorizing CM to Sign Settlement

Attachment 6 - Final Distributor Settlement Agreement

Attachment 7 - Janssen Agreement



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

4.

FROM: Jason Machado, Senior Management Analyst
DATE: 04/28/2026
SUBJECT: Receive an Update on the Strategic Plan Objectives

RECOMMENDATION

Receive an update on the Strategic Plan objectives.

DISCUSSION

The Strategic Plan establishes major goals and objectives for the City. It provides the principal guidance for the preparation of the budget and a plan for implementation and accountability. The Strategic Plan is among the City Council's most effective tools to improve services and preserve Cypress' high quality of life.

The City Council updated the Strategic Plan in March, including a review of the existing plan and the development of new 2026 objectives. The attached matrices report the progress on 2026 objectives as of April 28, 2026.

A special City Council meeting to review the Strategic Plan and Objectives will be held in August.

BUDGET IMPACT

None.

LEGAL REVIEW

The City Attorney has reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Strategic Plan Update

CITY OF CYPRESS

Strategic Roadmap

Three Year Goals: 2023-2026



Mission

The City of Cypress, guided by our core values, will utilize our resources in concert with community partners to provide an exceptional city to live, work, and play.

Vision

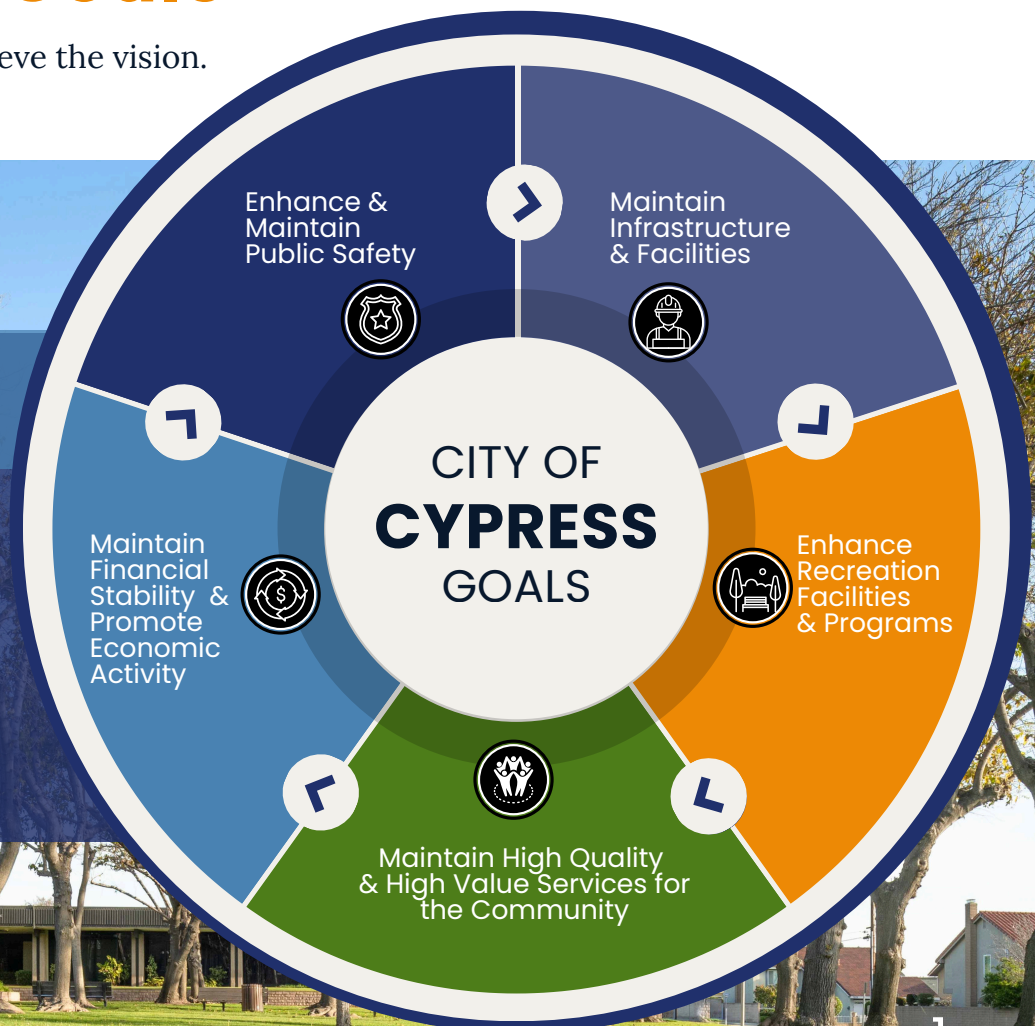
Cypress is a safe and welcoming community delivering excellent services for our residents, neighborhoods, and businesses.

Three-Year Goals

The critical focus areas to achieve the vision.

Our Core Values/ Guiding Principles

- Integrity
- Accountability
- Transparency
- Fiscal Prudence
- Teamwork
- Responsiveness to the community





MAINTAIN INFRASTRUCTURE & FACILITIES

 WHEN	 WHAT	 WHO	 PROGRESS	 STATUS	 COMMENTS
By: April 30, 2026	Present the Waste Infrastructure System Enhancement (WISE) Agreement to replace the Waste Disposal Agreement (OC Waste & Recycling landfill tipping fees)	Public Works Director	 90%	In Progress	Presented at the April 28 City Council meeting.
By: June 30, 2026	Present the findings of the third-party review of the solid waste franchise	Public Works Director	 50%	In Progress	Scheduled for June 23 City Council meeting.
By: June 30, 2026	Procure five vehicles as part of the City's Civilian Fleet Sustainability/ Electrification Pilot Program	Public Works Director	 30%	In Progress	Scheduled for June 23 City Council meeting.
By: July 31, 2026	Recommend an agreement for playground design services for Veterans and Maple Grove North Parks	Public Works Director	 0%	Future	
By: September 30, 2026	Provide workshop presentation on Active Transportation Plan	Public Works Director	 0%	Future	
By: December 31, 2026	Present an update to the Parkway Tree Policy and introduce new Park Tree Policy	Public Works Director	 0%	Future	
By: December 31, 2026	Implement alternative deterrent and enforcement methods to address illegal dumping sites citywide	Public Works Director	 30%	In Progress	Illegal dumping towing ordinance first reading March 24. Received delivery of mobile camera trailer and will mobilize at various locations.



MAINTAIN FINANCIAL STABILITY & PROMOTE ECONOMIC ACTIVITY

 WHEN	 WHAT	 WHO	 PROGRESS	 STATUS	 COMMENTS
By: June 1, 2026	Conduct a City Council workshop(s) on City and Recreation District budget, reserves, and fund balance policies	Finance and Administrative Services Director	 100%	Complete	Presented at March 24 City Council study session.
By: September 15, 2026	Facilitate a development agreement, Environmental Impact Report, and Tentative Tract Map for the Los Alamitos Race Course property for the future development of the track consistent with the Cypress Town Center and Commons Specific Plan	Planning Director	 50%	In Progress	Draft EIR has been published and currently in 45-day public comment period.
By: September 30, 2026	Recommend a consultant to update the City's purchasing policies and procedures	Finance and Administrative Services Director	 15%	In Progress	City Council workshop to be scheduled to discuss overarching philosophies, thresholds and methodology.
By: September 30, 2026	Initiate an RFP to assist the City with implementing an electronic timecard solution	Finance and Administrative Services Director	 15%	In Progress	Funding requested for FY 26-27 budget. Current solutions being explored to operate within the city's current financial software, New World ERP
By: December 15, 2026	Prepare amendments to the Safety and Conservation Elements of the General Plan, consistent with State law	Planning Director	 10%	In Progress	Consultant has been retained and project underway.
By: December 15, 2026	Prepare an economic development plan incorporating advanced location analytics and commercial real estate information platforms	Planning Director	 20%	In Progress	Advanced location analytics and commercial real-estate platforms have been acquired.



ENHANCE & MAINTAIN PUBLIC SAFETY

 WHEN	 WHAT	 WHO	 PROGRESS	 STATUS	 COMMENTS
By: February 23, 2026	Recommend an agreement for City-issued cellular phones for Police Department patrol personnel	Police Chief	 50%	In Progress	Phone purchase in progress.
By: May 1, 2026	Provide a presentation regarding a stand-alone Police Department drone program to the City Council	Police Chief	 50%	In Progress	Drone Demo March 18 provided to individual Council members.
By: June 30, 2026	Research the feasibility of a regional Drone as First Responder (DFR) program and report findings to the City Manager	Police Chief	 25%	Future	Research in progress.
By: December 31, 2026	Provide Emergency Operations Center training to City staff	Police Chief	 0%	Future	

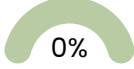


ENHANCE RECREATION FACILITIES & PROGRAMS

 WHEN	 WHAT	 WHO	 PROGRESS	 STATUS	 COMMENTS
By: April 1, 2026	Present options to celebrate the City's 70 th anniversary of incorporation	RCS Director and RCS Commission	 100%	Complete	City Council was sent a list of options including a social media campaign, enhanced community events, and a historical scavenger hunt that will take place over the next year.
By: May 15, 2026	Recommend an agreement for public engagement and to develop conceptual design options for the expansion of Baraldi Sycamore Park	RCS Director	 50%	In Progress	Interviews with firms held on April 14. Scheduled for May 12 City Council meeting.
By: September 1, 2026	Develop and recommend playground design standards	RCS Director and RCS Commission	 20%	In Progress	The Ad Hoc Committee met on April 20 to discuss options.
By: September 15, 2026	Prepare a nexus study and recommend an ordinance updating the City's park impact fees as required by State law	Planning Director	 10%	In Progress	Consultant has been retained and project underway.
By: November 1, 2026	Research options for one-day City sponsored cultural festival to be held in Spring 2027	RCS Director and RCS Commission	 0%	Future	



MAINTAIN HIGH QUALITY & HIGH VALUE SERVICES FOR THE COMMUNITY

WHEN	WHAT	WHO	PROGRESS	STATUS	COMMENTS
By: February 23, 2026	Develop a media relations policy and present to City Council for review and adoption	City Manager	 100%	Complete	Policy adopted by City Council on March 10.
By: March 31, 2026	Conduct a Citizen's Academy for residents and business owners	City Manager	 100%	Complete	Graduates to be recognized at May 12 City Council meeting.
By: May 29, 2026	Recommend an agreement to provide animal care services	RCS Director	 50%	In Progress	Scheduled for April 28 City Council meeting.
By: June 1, 2026	Explore feasibility of offering passport services at City Hall	City Clerk	 0%	Future	
By: June 30, 2026	Evaluate new alternatives and provide recommendations for the future of Council meeting broadcasts	Finance and Administrative Services Director	 0%	Future	
By: June 30, 2026	Review options for a secure electronic signature (e-signature) platform	Finance and Administrative Services Director	 15%	In Progress	Staff evaluation of platform is underway.
By: August 30, 2026	Conduct demos of software programs designed especially for public records requests and obtain cost estimates	City Clerk	 100%	Complete	Demos completed.
By: December 31, 2026	Prepare scope of services and RFB/RFP to be utilized for updating the City's records retention schedule.	City Clerk	 0%	Future	



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

5.

FROM: Stephanie Sikkema, Director of Finance and Administrative Services

DATE: 04/28/2026

SUBJECT: **Approve a Contract Extension for Business License Administration
Retroactive to April 26, 2026**

RECOMMENDATION

1. Approve a contract extension with Hinderliter De Llamas and Associates (HdL), retroactive to April 26, 2026, to provide business license registration, renewal, and compliance services for an amount not exceed six-hundred and fifty thousand dollars (\$650,000), excluding fees for performing “compliance services” which shall be compensated based on a contingency fee.

2. Authorize HdL to initiate discovery, collection, and audit services as provided in the contract under Compliance Services.

SUMMARY

The Municipal Code requires all commercial and residential businesses operating in the City to obtain and maintain a business license. Businesses are required to renew their license annually and the City issues approximately 3,800 licenses each year, collecting approximately \$1.3 million in tax revenue. Business licensing is a complicated, highly-specialized function overseen by the Finance department.

DISCUSSION

In 2021, the City Council approved a five-year contract with a five-year extension option with HdL. The contract allows for HdL to provide the city with full-service business tax services, which includes administration, discovery and audit services. The staff report prepared in 2021 did not clearly state that there was a five-year option that can be exercised administratively.

In order to maintain full transparency, a new five-year extension contract has been prepared for City Council consideration to be retroactively extended from April 26, 2026. The total not to exceed amount for the five-year extension is \$650,000. Not included in this amount is any additional fees that would be paid out of the Compliance Services portion of

the contract. This portion would only be paid out as a result of additional revenue the City receives.

While HdL has provided exceptional service when it comes to the administration portion of the contract, the city has not traditionally utilized the "Compliance Services" portion of the contract. Compliance Services includes discovery of existing business operating without a current business license, collection of past due fees, and auditing services. The Compliance Services would allow HdL to receive 35% of discovery services, 25% for collection services and 35% for audit services, of the revenues received as a result of such services.

HdL has been providing business licensing solutions to local governments for more than 20 years. With a team of experts staffing its Business Support Center, HdL offers specialized customer service, revenue collection, customized communications, and detailed reporting. HdL provides full business license administration for more than 80 agencies, including the cities of Brea, Fountain Valley, Los Alamitos, Stanton, and Westminster.

BUDGET IMPACT

The cost for HdL to provide full-service administration of the business license program is currently \$19.09 per license and increases with CPI each January. This fee includes web-based software, customer service, printing and mailing, and all State required reporting and remittance. There are currently sufficient funds budgeted in the fiscal year 2025-26 General Fund budget.

The total not-to-exceed amount excludes fees that would be paid for compliance services. Since the city has not utilized compliance services in the past, there is not an estimate on what additional revenues may be derived from this service, if any. However, cost will only be expended if there is an associated revenue.

LEGAL REVIEW

The City Attorney has reviewed this staff report and approved the contract as to form.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Agreement

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF CYPRESS

and

HINDERLITER DE LLAMAS AND ASSOCIATES, (“HdL”)

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF CYPRESS AND
HINDERLITER DE LLAMAS AND ASSOCIATES**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this 27 day of April 2026, by and between the City of Cypress, a California municipal corporation (“City”) and Hinderliter De Llamas and Associates, a California corporation (HDL), (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor was selected by the City to perform those services pursuant to Cypress Municipal Code § 21A-17.

C. Pursuant to the City of Cypress’s Charter and Municipal Code, Chapter 21A City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor's Proposal.

The Scope of Service shall include the Contractor's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$50,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed **Six-Hundred and Fifty Thousand (\$650,000)** (the "Contract Sum"), excluding therefrom fees for performing "compliance services" (as set forth in Exhibit "C") which compliance services shall be compensated based on a contingency fee payment of 35% for discovery services, 25% for collection services and 35% for audit services, of the revenues received as a result of such compliance services..

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission. Review and payment by City for any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect through the close of business on April 26, 2031.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Joshua Davis, VP of TFA

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the

services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the Finance & Administrative Services Director or such person as may be designated by the City Manager. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive

years following the completion of Contractor's services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) **Subcontractors.** Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) **Additional Insurance.** Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

Contractor Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or any automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor'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.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnitors"), or arising from Contractor's or indemnitors' reckless or willful misconduct, or arising from Contractor's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor

hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times

during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor's business, custody of the books and records may be given to City, and access shall be provided by Contractor's successor in interest. Notwithstanding the above, the Contractor shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials"), including any electronic documents and materials, prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City's choice upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the

public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Contractor’s conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Disputes; Default.

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the

alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Contractor. In addition, the Contractor may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Cypress, 5275 Orange Avenue, Cypress, California 90630 and in the case of the Contractor, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Contractor's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Cypress, a municipal corporation

Leo Medrano, Mayor

ATTEST:

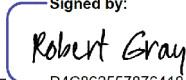
Lisa Berglund, City Clerk

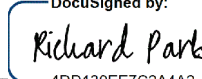
APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

William Wynder, City Attorney

CONSULTANT:

Hinderliter de Llamas & Associates

By:  Signed by:
D4C862557876418...
Name: Robert Gray
Title: Vice President

By:  DocuSigned by:
4DD130EE7C2A4A2...
Name: Richard Park
Title: CFO

Address: _____

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 2020 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
☐ INDIVIDUAL		_____
☐ CORPORATE OFFICER		TITLE OR TYPE OF DOCUMENT
_____	TITLE(S)	
☐ PARTNER(S)	☐ LIMITED	_____
	☐ GENERAL	NUMBER OF PAGES
☐ ATTORNEY-IN-FACT		_____
☐ TRUSTEE(S)		DATE OF DOCUMENT
☐ GUARDIAN/CONSERVATOR		
☐ OTHER _____		
SIGNER IS REPRESENTING:		
(NAME OF PERSON(S) OR ENTITY(IES))		SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 2020 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

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☐ PARTNER(S)	☐ LIMITED	_____
	☐ GENERAL	NUMBER OF PAGES
☐ ATTORNEY-IN-FACT		
☐ TRUSTEE(S)		
☐ GUARDIAN/CONSERVATOR		_____
☐ OTHER _____		DATE OF DOCUMENT

SIGNER IS REPRESENTING:	
(NAME OF PERSON(S) OR ENTITY(IES))	SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT “A”
SCOPE OF SERVICES

Consultant will provide the following Services relative to Client’s business license tax administration.

1. Operations Management Services

- 1.1. Establish and maintain database of Client businesses.
- 1.2. Receive and process applications, renewals and payments in a timely fashion.
- 1.3. Send renewal notices to active businesses within 30 days of the renewal period end date or at another interval specified by Client.
- 1.4. Provide businesses multiple options for submitting applications, renewals, payments, or support requests (including via website, email, mail, phone, and fax. Consultant license specialists will be available for live interactions Monday through Friday, 8:00am to 5:00pm Pacific).
- 1.5. Remit revenue to Client no less than monthly.
- 1.6. Provide Client staff access to website portal offering business registry inquiry, reporting, and electronic department approval capabilities.

2. Compliance Services: 1) Identify and register businesses which are subject to licensure or taxation, 2) collect known debt as pertains to business license or tax, and 3) identify under-reported tax liability.

2.1. Discovery Services

- 2.1.1. Develop a list of businesses subject to Client licensure or taxation.
- 2.1.2. Notify non-compliant businesses of their options to comply or dispute their non-compliant status. Notification and support to businesses will be facilitated through the website, mail, email, phone and fax.
- 2.1.3. Review information and forms submitted by the business for completion and accuracy, inclusive of any additional required documentation (i.e. home occupation permit). All submissions are filed and stored electronically and made available to Client upon request.
- 2.1.4. Provide businesses with detailed invoicing and options to pay via website, mail, and phone.
- 2.1.5. Remit revenue to Client no less than monthly, along with all business applications and any additional documentation.

2.2. Collection Services

- 2.2.1. Identify businesses subject to Client licensure or taxation which have known debt to Client and have failed to pay within an appropriate time frame.
- 2.2.2. Notify businesses of their options to comply or dispute their non-compliant status.
- 2.2.3. Provide businesses with detailed invoicing and options to pay via website, mail and phone.
- 2.2.4. Remit revenue to Client no less than monthly.

2.3. Audit Services

- 2.3.1. Identify potential under-reporting and/or misclassified businesses.
- 2.3.2. Audit businesses mutually agreed to by Client and Consultant that are identified as potential under-reporting businesses.
- 2.3.3. Submit audit summaries to Client and discuss further actions.
- 2.3.4. Educate businesses on proper reporting practices.
- 2.3.5. Invoice and collect identified deficiencies.

3. Online Payment Processing – Consultant’s services include PCI compliant payment processing services which supports both credit card and eCheck transactions.

3.1. Client Responsibilities

- 3.1.1. As a condition to its receipt of the Service, Client shall execute and deliver any and all applications, agreements, certifications or other documents required by Consultant’s payment processor, Networks or other third parties whose consent or approval is necessary for the processing of Transactions by Consultant’s payment processor. “Network” is an entity or association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.
- 3.1.2. Client hereby grants Consultant the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. Client represents and warrants that it has the full right and authority to grant these rights.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

B 1. Section 6. 5 is hereby added to read, in its entirety, as follows:

“6.5 Proprietary Information of Consultant. As used in this Section, the term proprietary information" means any information that relates to Consultant's computer or data processing programs; data processing applications, routines, subroutines, techniques or systems; or business processes. City shall hold in confidence and shall not disclose to any other party any of Consultant's proprietary information in connection with this Agreement, or otherwise learned or obtained by City in connection with this Agreement, unless disclosure is required under federal or state law, including without limitation the Freedom of Information Act or the Public Records Request Act. Consultant shall retain ownership and rights to all proprietary information. The obligations imposed by this Section shall survive any expiration or termination of this Agreement.”

B 2. Section is hereby added to read, in its entirety, 9.8 as follows:

“9.8 Procurement. City acknowledges and agrees that any other public agency within the State (e.g., city, county, district, public authority, public agency, municipality or other political subdivision) may procure services that are substantially similar to any of the Services set forth in this Agreement, provided that such public agency executes a separate agreement with Consultant wherein the fees payable for the services rendered to.”

B3. Section 5.3 (c) is hereby added to read in its entirety, as follows

(a) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney’s fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The

indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

Notwithstanding anything to the contrary, in no event will Contractor be (a) liable for claims, liabilities or damages (i) that could not reasonably have been foreseen upon entry into this Agreement; (ii) arising from any action or inaction by Contractor in response to specific direction from City; (iii) in connection with any City monies not collected by Contractor; nor (iv) in connection with the issuance, non-issuance or revocation of any registration, license, permit, or exemption; nor (b) required to provide a defense in connection with any indemnification or hold harmless provisions under this Agreement.

EXHIBIT “C”
SCHEDULE OF COMPENSATION

1. Operations Management Services

- 1.1. Fees for performing operations management Services shall be \$19.09 for each processed account, which is any account for which an application or renewal/return was processed, or active account which was sent a renewal notice.
 - 1.1.1. Fees will be increased as of January 1st of each calendar year with reference to the 12-month percent change in the most recently published annual Consumer Price Index for All Urban Consumers (CPI-U), West Region, as reported by the U.S. Bureau of Labor Statistics (the “CPI Change”). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.
- 1.2. Fees related to travel and lodging expenses are billed at cost and apply to all meetings (including implementation, training, operations and support). All such expenses only apply to out of scope travel and must therefore be pre-approved by Client.
- 1.3. Fees will be invoiced monthly to Client for Services performed during the prior month. Fees will be netted out of Client’s monthly revenue disbursement. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.

2. Compliance Services

- 2.1. Fees for performing compliance Services apply to all monies received for the current tax/license period and any other prior period collected (including monies received for taxes, penalties, interest, and fees).
 - 2.1.1. Fees for performing discovery Services shall be a contingency Fee of 35% of the revenues received as a result of the Services.
 - 2.1.2. In the event that Client discovers a non-compliant business and reports the business to Consultant (including a calculation of all taxes/fees due), Consultant will categorize the business as a collection service effort and thus apply the lower collection Services contingency Fee rate.
 - 2.1.3. Fees for performing collection Services shall be a contingency Fee of 25% of the revenues received as a result of the Services.
 - 2.1.4. Fees for performing audit Services shall be a contingency Fee of 35% of the revenues received as a result of the Services.
- 2.2. Consultant recognizes Client’s authority to waive or reduce the tax/fee debt of a business. Should Client decide to do so for a business whose deficiency was identified by Consultant, Consultant shall be entitled to compensation in the amount of one half (1/2) of the Fees Consultant would have otherwise earned. Deficiencies which are uncollectable due to insolvency or dissolution of the business, or for deficiencies which are otherwise incapable of collection (i.e. statute of limitation or other legal defense) shall not be

considered a Client voluntary election to waive, and thus, Consultant would not be entitled to compensation related thereto under this provision.

- 2.3. The fee shall be paid notwithstanding any related Client assistance, work in parallel, and/or incurrence of attorneys' fees or other costs or expenses in connection, with the relevant Services.
- 2.4. Fees related to travel and lodging expenses are billed at cost and applied to all meetings (including implementation, training, operations, and support). Travel expenses only apply to out of scope travel and must therefore be pre-approved by Client.
- 2.5. Fees will be invoiced monthly to Client for Services performed during the prior month. Fees will be netted out of Client's monthly revenue disbursement. Client will submit payment for any balance due to Consultant within 30 days of receiving the invoice.
- 3. Payment Processing** – Consultant will configure payment processing services to utilize either a taxpayer funded model (convenience fee) or Client funded model, as directed by Client. Client may switch between these models upon written request to Consultant. Fees for each of these payment processing models are detailed here.
 - 3.1. Taxpayer funded model – Client authorizes Consultant to collect each convenience fee from the taxpayer at time of payment.
 - 3.1.1. Credit and debit card processing – 2.9% of transaction amount, minimum of \$2.00
 - 3.1.2. ACH/eCheck processing - \$2.50 per transaction
 - 3.2. Client funded
 - 3.2.1. Credit and debit card processing – 2.9% of transaction amount
 - 3.2.2. ACH/eCheck processing - \$0.75 per transaction
 - 3.3. Returned payments/NSF fee – Each occurrence of a card chargeback, returned payment or insufficient funds will incur a fee of \$25.00, to be applied to the taxpayers account.
 - 3.4. Consultant reserves the right to review and adjust pricing related to payment processing services on an annual basis. Consultant will communicate any such adjustment to Client in writing, with 60 days advance notice. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, card type utilization, and costs of service.
- 4. Other Services**
 - 4.1. Council meeting – Fee for Consultant to attend a council meeting is \$2,500.00.
 - 4.2. Hourly rates – Consultant's current hourly rates are as follows:
 - 4.2.1. Principal - \$325/hr
 - 4.2.2. Programmer - \$295/hr
 - 4.2.3. Senior Analyst - \$245/hr
 - 4.2.4. Analyst - \$195/hr



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

6.

FROM: Stephanie Sikkema, Director of Finance and Administrative Services

DATE: 04/28/2026

SUBJECT: Receive and File Register of Warrants, Transfers, and Wires Issued for the Period of March 7, 2026 through April 10, 2026

RECOMMENDATION

Receive and File the Attached Payment Register Summarized Below for the Period of March 7, 2026 through April 10, 2026:

- Electronic Funds Transfers 19078 through 19287
- Warrants 70036 through 70368
- Payroll Transfers W179 through W1580

DISCUSSION

Payments to vendors for goods and services received and/or rendered are initiated and approved by the requesting department in accordance with proper purchasing guidelines. Processing of these payments occurs centrally in the City's Finance Department with payments issued bi-weekly. A register listing of these payments is typically presented each month at the second regularly scheduled meeting of the City Council. This register also includes any Electronic Funds Transfers (EFT), outgoing payroll transfers or wires issued since the previous register was presented to the City Council. Voided payments (if any) are also identified.

All payments are processed on the City's financial management software system. This system generates a payment batch register, sorted by warrant number (or EFT/Wire number), and presents the invoice amount and a description of the payment issued.

BUDGET IMPACT

Total warrants, transfers, and wires issued (net of any voided payments) during the period of March 7, 2026 through April 10, 2026 are \$5,388,161.19.

LEGAL REVIEW

None required.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Payment Register for the Period 03-07-26 through 04-10-26

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19078	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 1,125.56	Workers Comp Claims/Professional Svcs/#29046-29084	Reimb 3/13/26	\$ 1,125.56
19079	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 5,580.66	Workers Comp Claims/Medical/#29046-29084	Reimb(A) 3/13/26	\$ 5,580.66
19080	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 4,613.04	Workers Comp Claims/Permanent Disability/#29046-29084	Reimb(B) 3/13/26	\$ 4,613.04
19081	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 2,138.46	Workers Comp Claims/Temporary Disability/#29046-29084	Reimb(C) 3/13/26	\$ 2,138.46
19082	1608 - ALARM PROGRAM SYSTEMS, LLC	\$ 493.87	PD Alarm Permit & False Alarm Collections 2/26	2/26	\$ 493.87
19083	1480 - ARCO BUSINESS SOLUTIONS	\$ 29.92	Fuel/Finance 2/3-3/2	NP70134562	\$ 29.92
19084	1480 - ARCO BUSINESS SOLUTIONS	\$ 59.07	Fuel/Community Development 2/3-3/2	NP70134562(A)	\$ 59.07
19085	1480 - ARCO BUSINESS SOLUTIONS	\$ 35.23	Fuel/Engineering 2/3-3/2	NP70134562(B)	\$ 35.23
19086	1480 - ARCO BUSINESS SOLUTIONS	\$ 2,103.88	Fuel/Maint 2/3-3/2	NP70134562(C)	\$ 2,103.88
19087	1480 - ARCO BUSINESS SOLUTIONS	\$ 14,795.53	Fuel/Police 2/3-3/2	NP70134562(E)	\$ 14,795.53
19088	120801 - MISSION SQUARE	\$ 16,185.00	Monthly Retiree Health Savings 3/26	3/26	\$ 16,185.00
19089	120801 - MISSION SQUARE	\$ 1,000.00	Deferred Comp/Exec Mgmt 3/26	401a-3/26	\$ 1,000.00
19090	120801 - MISSION SQUARE	\$ 750.00	W/C RHS 3/26	3/26(A)	\$ 750.00
19091	130114 - USPS-POC c/o Citibank	\$ 5,000.00	Postage 3/26	39991 3/16/26	\$ 5,000.00
19092	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 2,853.07	Workers Comp Claims/Professional Svcs/#29085-29117	Reimb 3/27/26	\$ 2,853.07
19093	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 4,310.72	Workers Comp Claims/Medical/#29085-29117	Reimb(A) 3/27/26	\$ 4,310.72
19094	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 4,613.04	Workers Comp Claims/Permanent Disability/#29085-29117	Reimb(B) 3/27/26	\$ 4,613.04
19095	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 3,326.01	Workers Comp Claims/Temporary Disability/#29085-29117	Reimb(C) 3/27/26	\$ 3,326.01
19096	1247 - HdL HINDERLITER, DE LLAMAS AND ASSOCIATES	\$ 1,794.46	Svc/Business License Tax Admin 2/26	FEB26	\$ 1,794.46
19097	2779 - VAZQUEZ, DAVID	\$ 1,207.30	Refund/Plan Check Fees/BS-26-264/5921 Lime Ave	Rfd 3/27/26	\$ 1,207.30
19098	145 - AUSTIN, CHERYL	\$ 56.52	W/C Retiree Health Care Benefits 4/26	4/26	\$ 56.52
19099	128744 - AYRES, RICHARD	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19100	102038 - BALDWIN, DARRELL	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19101	102087 - BISH, EDWARD	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19102	100101 - BRUCE, THOMAS M	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19103	122419 - CLEMONS, MARK	\$ 350.00	Retiree Health Care Benefits 4/26	4/26	\$ 350.00
19104	129695 - COTE, ROBERT	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19105	128938 - COX, RODNEY	\$ 123.85	Retiree Health Care Benefits 4/26	4/26	\$ 123.85
19106	104003 - ESSEX, CLARE	\$ 706.40	Retiree Health Care Benefits 4/26	4/26	\$ 706.40
19107	129816 - FOSTER, SCOTT	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19108	112187 - HEALY, BRIAN	\$ 50.07	Retiree Health Care Benefits 4/26	4/26	\$ 50.07
19109	100667 - LASSALLE, ISMAEL	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19110	129700 - MCSHANE, CHRIS	\$ 232.96	Retiree Health Care Benefits 4/26	4/26	\$ 232.96
19111	122 - MORROW, RICHARD L	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19112	391 - NASSER, JOY	\$ 150.00	W/C Retiree Health Care Benefits 4/26	4/26	\$ 150.00
19113	129608 - OLSON, JAMES	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19114	128784 - RAMSEY, KENNETH	\$ 125.00	Retiree Health Care Benefits 4/26	4/26	\$ 125.00
19115	119027 - RAMSEY, STEVE	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19116	130138 - TIMNEY, MATTHEW	\$ 350.00	Retiree Health Care Benefits 4/26	4/26	\$ 350.00
19117	1024 - VALLEY VISTA SERVICES, INC	\$ 250,101.72	Waste Disposal Fee 2/26	2/26	\$ 250,101.72
19118	40 - WARLAND INVESTMENTS COMPANY	\$ 37,500.00	Development Assistance 4/26	4/26	\$ 37,500.00
19119	122756 - WINTERSOLE, MICHAEL	\$ 300.00	Retiree Health Care Benefits 4/26	4/26	\$ 300.00
19120	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 3,586.05	Workers Comp Claims/Professional Svcs/#29118-29148	Reimb 4/10/26	\$ 3,586.05
19121	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 12,506.10	Workers Comp Claims/Medical/#29118-29148	Reimb(A) 4/10/26	\$ 12,506.10
19122	100505 - CITY OF CYPRESS-WORKERS COMP	\$ 4,516.12	Workers Comp Claims/Permanent Disability/#29118-29148	Reimb(B) 4/10/26	\$ 4,516.12
19123	116005 - PERS - PUBLIC EMPLOYEES RETIREMENT SYS	\$ 214,446.98	Med Insurance/City & Dist 4/26	18245240	\$ 214,446.98
19124	116005 - PERS - PUBLIC EMPLOYEES RETIREMENT SYS	\$ 19,768.62	Med Insurance/West Comm 4/26	18244173	\$ 19,768.62
19125	2170 - US BANK	\$ 2,250.00	PD Reg/First Line Leadership/HM & CR & JH 2/9-2/11	0076 3/10/26	\$ 2,250.00
19126	2170 - US BANK	\$ (572.27)	PD Credit/Reg/CA Sexual Assault Invest Assoc Conf/SC 3/10-3/13	0076(A) 3/10/26	\$ (572.27)
19127	2170 - US BANK	\$ (545.00)	PD Credit/Hotel/CA Sexual Assault Invest Assoc Conf/SC 3/9-3/13	0076(B) 3/10/26	\$ (545.00)
19128	2170 - US BANK	\$ 300.00	PD Reg/Drivers Training/RM & SG & JC & JK 4/1	0076(C) 3/10/26	\$ 300.00
19129	2170 - US BANK	\$ 649.15	PD Hotel/OC Tri-County Police Chiefs Workshop/ML 4/14-4/17	0076(D) 3/10/26	\$ 649.15
19130	2170 - US BANK	\$ 500.00	Deposit/Habit Food Truck/Employee Service Awards 3/17	0205 3/10/26	\$ 500.00
19131	2170 - US BANK	\$ 53.54	Supplies/Employee Service Awards 2/25	0205(A) 3/10/26	\$ 53.54

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19132	2170 - US BANK	\$ 749.69	PD Mini Medic Kit(1)/Watch Command Vehicle 2/17	0423 3/10/26	\$ 749.69
19133	2170 - US BANK	\$ 743.48	PD Mattresses (6)/Jail 3/12	0423(A) 3/10/26	\$ 743.48
19134	2170 - US BANK	\$ 234.95	W/C Website Hosting/West-Comm.org 2/14/26-2/13/31	0781 3/10/26	\$ 234.95
19135	2170 - US BANK	\$ 99.95	W/C Svc/Domain Privacy Protection/West-Comm.org 2/14/26-2/13/31	0781(A) 3/10/26	\$ 99.95
19136	2170 - US BANK	\$ 98.25	W/C Keyboards(5) 2/18	0781(B) 3/10/26	\$ 98.25
19137	2170 - US BANK	\$ 17.40	W/C Sub/Business Analytics/Reporting Software 2/7-3/6	0781(C) 3/10/26	\$ 17.40
19138	2170 - US BANK	\$ 149.99	W/C Svc/Satellite TV 2/25-3/24	0781(D) 3/10/26	\$ 149.99
19139	2170 - US BANK	\$ 27.62	W/C Data Storage/Amazon Cloud 2/26	0781(E) 3/10/26	\$ 27.62
19140	2170 - US BANK	\$ 45.00	Reg/CSMFO OC Chapter Meeting/SS 3/18	1237 3/10/26	\$ 45.00
19141	2170 - US BANK	\$ 436.98	PD Television(1)/SIU 2/24	1378 3/10/26	\$ 436.98
19142	2170 - US BANK	\$ 130.38	2025 Employee Service Award(1) 2/12	2873 3/10/26	\$ 130.38
19143	2170 - US BANK	\$ 299.00	Dues/Society for Human Resources Mgmt/RN 3/12/26-3/11/27	2873(A) 3/10/26	\$ 299.00
19144	2170 - US BANK	\$ 140.06	2025 Employee Service Award(1) 3/4	2873(B) 3/10/26	\$ 140.06
19145	2170 - US BANK	\$ 70.03	2025 Employee Service Award(1) 3/5	2873(C) 3/10/26	\$ 70.03
19146	2170 - US BANK	\$ 66.03	Plaque(1)/Business Visitation Program/CW 3/5	3630 3/10/26	\$ 66.03
19147	2170 - US BANK	\$ 450.00	Sub/Real Estate Data Platform/Economic Development/CW 3/26	3630(A) 3/10/26	\$ 450.00
19148	2170 - US BANK	\$ 158.00	Sub/OC Business Journal/CW 3/9/26-3/8/28	3630(B) 3/10/26	\$ 158.00
19149	2170 - US BANK	\$ 42.22	PD Microphone Cable(1)/RACES Radio Room 2/12	4142 3/10/26	\$ 42.22
19150	2170 - US BANK	\$ 412.81	PD Tourniquets(4)/Cases(4)/Academy Trainees 2/23	4142(A) 3/10/26	\$ 412.81
19151	2170 - US BANK	\$ 162.96	PD Handcuffs(3)/Academy Trainees 2/23	4142(B) 3/10/26	\$ 162.96
19152	2170 - US BANK	\$ 107.47	PD Electronic Shot Timer(1)/Range 2/26	4142(C) 3/10/26	\$ 107.47
19153	2170 - US BANK	\$ 126.45	PD Shooting Training Targets (200)/Range 2/27	4142(D) 3/10/26	\$ 126.45
19154	2170 - US BANK	\$ 74.02	PD Motor Wing Patches(30) 3/9	4142(E) 3/10/26	\$ 74.02
19155	2170 - US BANK	\$ 93.35	PD Dog Food(1 Bag)/Bono 2/26	4289 3/10/26	\$ 93.35
19156	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/WS 3/21	5178 3/10/26	\$ 69.00
19157	2170 - US BANK	\$ 49.30	Supplies/Senior Center Dance 2/17	5178(A) 3/10/26	\$ 49.30
19158	2170 - US BANK	\$ 36.61	Supplies/Senior Center Dance 2/20	5178(B) 3/10/26	\$ 36.61

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19159	2170 - US BANK	\$ 22.59	Supplies/Senior Center Dance 2/20	5178(C) 3/10/26	\$ 22.59
19160	2170 - US BANK	\$ 32.83	Supplies/Senior Center Dance 2/20	5178(D) 3/10/26	\$ 32.83
19161	2170 - US BANK	\$ 53.85	Decor/Supplies/Senior Center Dance 2/20	5178(E) 3/10/26	\$ 53.85
19162	2170 - US BANK	\$ 32.28	Decor/Senior Center Dance 2/25	5178(F) 3/10/26	\$ 32.28
19163	2170 - US BANK	\$ 15.06	Supplies/Senior Center Dance 2/25	5178(G) 3/10/26	\$ 15.06
19164	2170 - US BANK	\$ 53.10	Food/Supplies/Senior Center Dance 2/25	5178(H) 3/10/26	\$ 53.10
19165	2170 - US BANK	\$ 8.61	Decor/Senior Center Dance 2/26	5178(I) 3/10/26	\$ 8.61
19166	2170 - US BANK	\$ 64.40	Supplies/Senior Center Dance 2/26	5178(J) 3/10/26	\$ 64.40
19167	2170 - US BANK	\$ (21.52)	Credit/Supplies/Senior Center Dance 3/4	5178(K) 3/10/26	\$ (21.52)
19168	2170 - US BANK	\$ 21.55	Supplies/Spring Egg Hunt 3/5	5178(L) 3/10/26	\$ 21.55
19169	2170 - US BANK	\$ 10.78	Supplies/Spring Egg Hunt 3/5	5178(M) 3/10/26	\$ 10.78
19170	2170 - US BANK	\$ 21.55	Supplies/Spring Egg Hunt 3/5	5178(N) 3/10/26	\$ 21.55
19171	2170 - US BANK	\$ 43.10	Supplies/Spring Egg Hunt 3/5	5178(O) 3/10/26	\$ 43.10
19172	2170 - US BANK	\$ 247.79	Games/Spring Egg Hunt 3/5	5178(P) 3/10/26	\$ 247.79
19173	2170 - US BANK	\$ 10.78	Supplies/Spring Egg Hunt 3/6	5178(Q) 3/10/26	\$ 10.78
19174	2170 - US BANK	\$ 90.47	Laptop Webcam(1)/Privacy Screen(1)/SS 2/17	5350 3/10/26	\$ 90.47
19175	2170 - US BANK	\$ 200.00	Dues/Int'l City Mgmt Assoc/AS 2/18/26-2/17/27	5350(A) 3/10/26	\$ 200.00
19176	2170 - US BANK	\$ 649.00	Reg/Int'l City Mgmt Assoc Conference/AS 4/8-4/10	5350(B) 3/10/26	\$ 649.00
19177	2170 - US BANK	\$ 571.80	Flight/Int'l City Mgmt Assoc Conference/AS 4/7-4/10	5350(C) 3/10/26	\$ 571.80
19178	2170 - US BANK	\$ 24.26	USB Cables(4)/Patrol Vehicles 2/23	5350(D) 3/10/26	\$ 24.26
19179	2170 - US BANK	\$ 60.02	Fiber Transceivers(4)/IT 2/23	5350(E) 3/10/26	\$ 60.02
19180	2170 - US BANK	\$ 46.38	Reg/Domain Name(1)/PD 2/20/26-2/19/27	5350(F) 3/10/26	\$ 46.38
19181	2170 - US BANK	\$ 138.00	Sub/IT Network Device Backup 2/22/26-2/21/27	5350(G) 3/10/26	\$ 138.00
19182	2170 - US BANK	\$ 736.45	PD Flares (180) 3/4	5380 3/10/26	\$ 736.45
19183	2170 - US BANK	\$ 10.76	Supplies/Teen Program 2/13	5497 3/10/26	\$ 10.76
19184	2170 - US BANK	\$ 10.76	Supplies/Teen Program 2/13	5497(A) 3/10/26	\$ 10.76
19185	2170 - US BANK	\$ 7.53	Supplies/Playground/Kids Night Out 2/17	5497(B) 3/10/26	\$ 7.53

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19186	2170 - US BANK	\$ 32.16	Food/Playground/Kids Night Out 2/20	5497(C) 3/10/26	\$ 32.16
19187	2170 - US BANK	\$ 517.35	Excursion/Deposit/Day Camp 6/10	5497(D) 3/10/26	\$ 517.35
19188	2170 - US BANK	\$ 3.93	Food/Teen Program 3/4	5497(E) 3/10/26	\$ 3.93
19189	2170 - US BANK	\$ 10.66	Supplies/Teen Program 3/4	5497(F) 3/10/26	\$ 10.66
19190	2170 - US BANK	\$ 109.53	Supplies/Kids Night Out 3/4	5497(G) 3/10/26	\$ 109.53
19191	2170 - US BANK	\$ 19.57	Supplies/Day Camp 3/4	5497(H) 3/10/26	\$ 19.57
19192	2170 - US BANK	\$ 19.64	Supplies/Playground/Kids Night Out 3/5	5497(I) 3/10/26	\$ 19.64
19193	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/BD 4/4	5497(J) 3/10/26	\$ 69.00
19194	2170 - US BANK	\$ 85.00	Reg/Leadership Online Seminar/RM 3/18	1099 3/10/26	\$ 85.00
19195	2170 - US BANK	\$ 543.20	Dues/American Planning Assoc/AV 4/01/26-3/31/27	6323 3/10/26	\$ 543.20
19196	2170 - US BANK	\$ 20.00	Gift Cards(2)/Starbucks/Senior Planner Interview Panel 3/4	6323(A) 3/10/26	\$ 20.00
19197	2170 - US BANK	\$ 51.67	PD Hand Sanitizer(24 Btls) 2/18	6557 3/10/26	\$ 51.67
19198	2170 - US BANK	\$ 27.54	PD Disinfecting Wipes(6 Cans) 2/13	6557(A) 3/10/26	\$ 27.54
19199	2170 - US BANK	\$ 86.19	PD Animal Catch Pole(1)/Patrol 2/17	6557(B) 3/10/26	\$ 86.19
19200	2170 - US BANK	\$ 8.61	PD Push Pins (300) 2/25	6557(C) 3/10/26	\$ 8.61
19201	2170 - US BANK	\$ 9.68	PD Kitchen Sponges(24) 3/9	6557(D) 3/10/26	\$ 9.68
19202	2170 - US BANK	\$ 29.61	PD Sign Holder(3)/Magnetic Clips(12) 2/17	6696 3/10/26	\$ 29.61
19203	2170 - US BANK	\$ 19.38	Supplies/Senior Center Dining Room 2/26	7072 3/10/26	\$ 19.38
19204	2170 - US BANK	\$ 36.15	Food/Senior Center Dance 2/27	7072(A) 3/10/26	\$ 36.15
19205	2170 - US BANK	\$ 69.93	Food/Senior Center Dance 2/27	7072(B) 3/10/26	\$ 69.93
19206	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/SD 4/10	7072(C) 3/10/26	\$ 69.00
19207	2170 - US BANK	\$ 25.85	Supplies/Senior Center 3/4	7072(D) 3/10/26	\$ 25.85
19208	2170 - US BANK	\$ 34.46	Supplies/Senior Center 3/6	7072(E) 3/10/26	\$ 34.46
19209	2170 - US BANK	\$ 9.16	Supplies/Senior Center Dining Room 3/26	7072(F) 3/10/26	\$ 9.16
19210	2170 - US BANK	\$ 39.10	Food/Senior Center Dining Room 3/6	7072(G) 3/10/26	\$ 39.10
19211	2170 - US BANK	\$ 15.07	Supplies/Senior Center Dining Room 3/9	7072(H) 3/10/26	\$ 15.07
19212	2170 - US BANK	\$ 21.52	Decor/Senior Center Dining Room 3/9	7072(I) 3/10/26	\$ 21.52

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19213	2170 - US BANK	\$ 34.95	Supplies/Senior Center Dining Room 3/8	7072(J) 3/10/26	\$ 34.95
19214	2170 - US BANK	\$ 55.47	Food/Senior Center Dining Room 3/8	7072(K) 3/10/26	\$ 55.47
19215	2170 - US BANK	\$ 1,782.73	PD Wrap Safety Restraint 3/12	7727 3/10/26	\$ 1,782.73
19216	2170 - US BANK	\$ 680.82	Food/Spring Egg Hunt 2/25	8550 3/10/26	\$ 680.82
19217	2170 - US BANK	\$ 86.07	Supplies/Summer Day Camp 2/26	8550(A) 3/10/26	\$ 86.07
19218	2170 - US BANK	\$ 26.79	Wristbands(1.1 K)/Spring Egg Hunt 2/27	8550(B) 3/10/26	\$ 26.79
19219	2170 - US BANK	\$ 421.77	Supplies/Spring Egg Hunt 3/2	8550(C) 3/10/26	\$ 421.77
19220	2170 - US BANK	\$ 55.33	Pickleball Tournament/Arnold Cypress Park 3/4	8550(D) 3/10/26	\$ 55.33
19221	2170 - US BANK	\$ 551.96	Supplies/Spring Egg Hunt 3/6	8550(E) 3/10/26	\$ 551.96
19222	2170 - US BANK	\$ 36.62	Bouncy Animal(1)/Spring Egg Hunt 3/5	8550(F) 3/10/26	\$ 36.62
19223	2170 - US BANK	\$ 73.24	Bouncy Animals(2)/Spring Egg Hunt 3/5	8550(G) 3/10/26	\$ 73.24
19224	2170 - US BANK	\$ 129.30	PD Evidence Rulers(50)/Traffic 2/13	8578 3/10/26	\$ 129.30
19225	2170 - US BANK	\$ 1,260.00	Svc/Quickbase/Bldg/Public Works 2/5-3/4	8756 3/10/26	\$ 1,260.00
19226	2170 - US BANK	\$ 1,480.00	PD Throwback Patches(500) 2/24	8922 3/10/26	\$ 1,480.00
19227	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/ER 4/13	9103 3/10/26	\$ 69.00
19228	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/JD 4/13	9103(A) 3/10/26	\$ 69.00
19229	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/CP 4/13	9103(B) 3/10/26	\$ 69.00
19230	2170 - US BANK	\$ 35.00	Reg/American Public Works Assoc Meeting/NM 2/26	9131 3/10/26	\$ 35.00
19231	2170 - US BANK	\$ 646.49	Scanner(1)/Maintenance 2/27	9131(A) 3/10/26	\$ 646.49
19232	2170 - US BANK	\$ 10.00	Svc/Box/Staff Document Review/Engineering 2/28-3/28	9131(B) 3/10/26	\$ 10.00
19233	2170 - US BANK	\$ 42.00	Poster(1)/National Public Works Week 2026	9131(C) 3/10/26	\$ 42.00
19234	2170 - US BANK	\$ 64.64	Webcam(1) 3/9	9131(D) 3/10/26	\$ 64.64
19235	2170 - US BANK	\$ 315.00	Dues/American Public Works Assoc/NM 5/01/26-4/30/27	9131(E) 3/10/26	\$ 315.00
19236	2170 - US BANK	\$ 118.00	Reg/City Engineers Assoc of OC Meeting/NM & DC 4/6	9131(F) 3/10/26	\$ 118.00
19237	2170 - US BANK	\$ 76.76	Cable Management Trays(2)/Cable Ties(80)/Senior Center 2/26	9213 3/10/26	\$ 76.76
19238	2170 - US BANK	\$ 60.30	Bulletin Board(1)/Vertical File Organizers(2)/Senior Center 2/26	9213(A) 3/10/26	\$ 60.30
19239	2170 - US BANK	\$ 51.69	Binders(6)/Hanging File Folders(50)/Senior Center 2/26	9213(B) 3/10/26	\$ 51.69

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
19240	2170 - US BANK	\$ 49.55	File Folder Dividers(12)/Senior Center 2/27	9213(C) 3/10/26	\$ 49.55
19241	2170 - US BANK	\$ 71.86	Giveaways/Senior Center Dance 2/27	9213(D) 3/10/26	\$ 71.86
19242	2170 - US BANK	\$ 43.09	Decor/Senior Center 3/9	9213(E) 3/10/26	\$ 43.09
19243	2170 - US BANK	\$ 32.30	PD Disposable Rain Ponchos(30)/HLO 3/5	9656 3/10/26	\$ 32.30
19244	2170 - US BANK	\$ 34.02	PD Portable Charger Power Bank(1)/HLO 3/5	9656(A) 3/10/26	\$ 34.02
19245	2170 - US BANK	\$ 64.64	PD Personal Hygiene Kits(50)/HLO 3/5	9656(B) 3/10/26	\$ 64.64
19246	2170 - US BANK	\$ 95.03	PD Car Jump Starter(1)/HLO 3/5	9656(C) 3/10/26	\$ 95.03
19247	2170 - US BANK	\$ 57.31	PD Emergency Thermal Blankets(100)/HLO 3/5	9656(D) 3/10/26	\$ 57.31
19248	2170 - US BANK	\$ 155.00	Dues/CA Society of Municipal Finance Officers/NR 2/24-12/31/26	9692 3/10/26	\$ 155.00
19249	2170 - US BANK	\$ 558.10	Bill Counter(1)/Cash Handling Printer(1)/Finance 2/27	9692(A) 3/10/26	\$ 558.10
19250	2170 - US BANK	\$ 275.00	Reg/Government Finance Officers Assoc/Budget 101/NR 3/9-3/11	9692(B) 3/10/26	\$ 275.00
19251	2170 - US BANK	\$ 45.00	Reg/CA Society of Municipal Finance Officers Meeting/NR 3/18	9692(C) 3/10/26	\$ 45.00
19252	2170 - US BANK	\$ (26.08)	Credit/Shipping Charges 2/23	9693 3/10/26	\$ (26.08)
19253	2170 - US BANK	\$ 51.16	Ball Pit Balls(400)/Spring Egg Hunt 2/27	9693(A) 3/10/26	\$ 51.16
19254	2170 - US BANK	\$ 158.37	Storage Bags(3)/Spring Egg Hunt 2/26	9693(B) 3/10/26	\$ 158.37
19255	2170 - US BANK	\$ 105.58	Storage Bags(2)/Spring Egg Hunt 2/26	9693(C) 3/10/26	\$ 105.58
19256	2170 - US BANK	\$ 107.72	Climbing Blocks(10)/Spring Egg Hunt 2/26	9693(D) 3/10/26	\$ 107.72
19257	2170 - US BANK	\$ 269.30	Storage Bags(5)/Ball Pit(1)/Spring Egg Hunt 2/26	9693(E) 3/10/26	\$ 269.30
19258	2170 - US BANK	\$ 150.00	Svc/Dry Clean/Bunny Suit/Spring Egg Hunt 2/24	9693(F) 3/10/26	\$ 150.00
19259	2170 - US BANK	\$ 69.00	Reg/First Aid/CPR/GK 4/10	9693(G) 3/10/26	\$ 69.00
19260	2170 - US BANK	\$ 51.16	Ball Pit Balls(400)/Spring Egg Hunt 3/9	9693(H) 3/10/26	\$ 51.16
19261	2170 - US BANK	\$ 16.98	Food/Council Meeting 2/9	5530 3/10/26	\$ 16.98
19262	2170 - US BANK	\$ 747.25	Imprinted Bags(75)/City Event Giveaways 3/2	5530(A) 3/10/26	\$ 747.25
19263	2170 - US BANK	\$ 395.22	Food/Council Meeting 2/12	5530(B) 3/10/26	\$ 395.22
19264	2170 - US BANK	\$ 0.01	Hotel/City Managers Conference/SJ 2/11-2/13	5530(C) 3/10/26	\$ 0.01
19265	2170 - US BANK	\$ 62.50	Fee/Logo Set Up/Lands End/Promotional Items	5530(D) 3/10/26	\$ 62.50
19266	2170 - US BANK	\$ 208.88	Breakfast/Paris Baguette/Strategic Planning 2/17	5530(E) 3/10/26	\$ 208.88

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19267	2170 - US BANK	\$ 112.42	Supplies/Citizens Academy 2/17	5530(F) 3/10/26	\$ 112.42
19268	2170 - US BANK	\$ 907.80	Imprinted Notebooks(50)/City Events Giveaways 3/5	5530(G) 3/10/26	\$ 907.80
19269	2170 - US BANK	\$ 288.64	Meals(18)/Red Robin/Strategic Planning 2/17	5530(H) 3/10/26	\$ 288.64
19270	2170 - US BANK	\$ 60.00	Facebook Ads(2)/City Events 2/22	5530(I) 3/10/26	\$ 60.00
19271	2170 - US BANK	\$ 378.16	Meals/Dinner/Kebab Shop/Council Dinner 2/23	5530(J) 3/10/26	\$ 378.16
19272	2170 - US BANK	\$ 8.99	Facebook Ads(2)/City Events 2/23	5530(K) 3/10/26	\$ 8.99
19273	2170 - US BANK	\$ 230.00	Sub/Mailchimp/Email Distribution 2/26	5530(L) 3/10/26	\$ 230.00
19274	2170 - US BANK	\$ 25.75	Gift Card(1)/Pasty Kitchen/Americana Awards Basket 2/27	5530(M) 3/10/26	\$ 25.75
19275	2170 - US BANK	\$ 100.00	Gift Card(1)/Trader Joes/Americana Awards Basket 2/27	5530(N) 3/10/26	\$ 100.00
19276	2170 - US BANK	\$ 100.00	Gift Card(1)/El Zarape/Americana Awards Basket 2/27	5530(O) 3/10/26	\$ 100.00
19277	2170 - US BANK	\$ 60.00	Facebook Ads(2)/City Events 1/28	5530(P) 3/10/26	\$ 60.00
19278	2170 - US BANK	\$ 3,257.28	City T-Shirts(140)/Rebranded Logo 3/16	5530(Q) 3/10/26	\$ 3,257.28
19279	2170 - US BANK	\$ 183.95	City Imprinted Sweatshirts(3)/Americana Awards	5530(R) 3/10/26	\$ 183.95
19280	2170 - US BANK	\$ 25.00	Reg/Cypress Chamber Networking Breakfast/LM 3/10	5530(S) 3/10/26	\$ 25.00
19281	2170 - US BANK	\$ 235.82	Imprinted Pens(150)/City Event Giveaways 3/10	5530(T) 3/10/26	\$ 235.82
19282	2170 - US BANK	\$ 914.15	Imprinted Water Bottles(50)/City Event Giveaways 3/6	5530(U) 3/10/26	\$ 914.15
19283	2170 - US BANK	\$ 995.19	Imprinted Pens(250)/City Event Giveaways 3/17	5530(V) 3/10/26	\$ 995.19
19284	2170 - US BANK	\$ 60.00	Facebook Ads(3)/City Events 3/8	5530(W) 3/10/26	\$ 60.00
19285	2170 - US BANK	\$ 30.00	Reg/League of CA Cities Meeting/DB 3/12	5530(X) 3/10/26	\$ 30.00
19286	2170 - US BANK	\$ 13.29	PD 9 Volt Batteries(8)/Range 3/4	4142(F) 3/10/26	\$ 13.29
19287	2170 - US BANK	\$ 158.95	PD High Visibility Targets(200)/Range 3/5	4142(G) 3/10/26	\$ 158.95
70036	100085 - AARDVARK	\$ 4,784.10	PD Bulletproof Vest/BLeMmon 2/11 PD Bulletproof Vest/HMercado 2/11	INV2600169 INV2600169(A)	\$ 2,392.05 \$ 2,392.05
70037	270 - AITHAL, DARSHINI	\$ 508.30	Instruct/Chair Yoga 2/3-2/24 Instruct/Flow Yoga 2/2-2/23	2/24/26 2/23/26	\$ 391.30 \$ 117.00
70038	130335 - AKM CONSULTING ENGINEERS	\$ 114,605.50	Design/Myra Pump Station #1 2/26	0013860	\$ 114,605.50

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70039	100723 - ALESHIRE & WYNDER, LLP	\$ 55,222.51	Legal Svc/CA Aware 1/26	102983	\$ 94.40
			Legal Svc/Code Enforcement 1/26	102980	\$ 885.90
			Legal Svc/Engineering 1/26	102977	\$ 307.00
			Legal Svc/Finance 1/26	102978	\$ 137.50
			Legal Svc/General Admin 1/26	102973	\$ 6,499.50
			Legal Svc/Housing 1/26	102981	\$ 1,431.90
			Legal Svc/HR 1/26	102975	\$ 3,776.10
			Legal Svc/HR 12/25	102051	\$ 521.90
			Legal Svc/Marquez 1/26	102985	\$ 987.40
			Legal Svc/Planning 1/26	102976	\$ 958.00
			Legal Svc/Police 1/26	102979	\$ 385.00
			Legal Svc/Refuse 1/26	102982	\$ 30.70
			Litigation Svc/Esquivel 1/26	102987	\$ 335.50
			Litigation Svc/General Admin 1/26	102974	\$ 420.70
			Litigation Svc/Ihrig 7/25	97507	\$ 30.70
			Litigation Svc/Kyler 1/26	102986	\$ 16,425.86
			Litigation Svc/Kyler 12/25	102062	\$ 3,116.90
			Litigation Svc/Stewart 1/26	102988	\$ 9,586.35
			Litigation Svc/Stewart 12/25	102064	\$ 9,260.50
			Litigation Svc/Youngsma 1/26	102984	\$ 30.70
70040	105442 - ALL CITY MANAGEMENT SERVICES INC	\$ 15,736.41	Crossing Guard Svc(27 Hrs)/Orange & Grindlay 2/1-2/14	PS-INV103883(A)	\$ 694.98
			Crossing Guard Svc(584.36 Hrs) 2/1-2/14	PS-INV103883	\$ 15,041.43
70041	1836 - ALLIED NETWORK SOLUTIONS INC	\$ 95.30	PD Software License/Adobe Acrobat Pro/SC 2/15/26-2/14/27	0239115IN	\$ 95.30
70042	1200 - ANNEALTA GROUP	\$ 2,722.50	Svc/City Planner 2/26	497-3755	\$ 2,722.50
70043	110860 - AT&T	\$ 1.86	East Wing Fax Line 2/26	2/26(I)	\$ 1.86
70044	110860 - AT&T	\$ 3,451.69	Cell Svc/Maint 2/26	2/26(F)	\$ 53.45
			Cell Svc/PD 2/26	2/26(A)	\$ 1,123.14
			PD CIB Callyo Body Wire 2/26	2/26(D)	\$ 62.67
			PD Svc/Mobile Data 2/26	2/26(C)	\$ 2,019.78
			Svc/Engineering Mobile Hotspots 2/26	2/26(B)	\$ 81.48
			Svc/Planning iPads 2/26	2/26(G)	\$ 67.44
			Wireless Svc/Sewer Truck & Myra Pump Station #2 2/26	2/26(E)	\$ 43.73
70045	110860 - AT&T	\$ 4.46	2481347232-Admin Phone Svc 3/26	3/26	\$ 4.46
70046	110860 - AT&T	\$ 1,328.96	W/C Svc/Priority Radio Line 2/26	000024873470	\$ 1,328.96
70047	110860 - AT&T	\$ 1,044.40	Svc/Internet 2/26	000024872312	\$ 1,044.40
70048	110860 - AT&T	\$ 31.83	9391033696-PD Phone Svc 2/26	2/26(H)	\$ 31.83
70049	109327 - BEE REMOVERS - HONEYCOTT, INC	\$ 285.00	Svc/Bee Removal/City Hall 2/21	603982	\$ 285.00
70050	1822 - BENEFIT COORDINATORS CORPORATION BCC	\$ 12,349.81	Insurance/Dental & Vision/City & Dist 3/26	B0M8KK	\$ 9,313.50
			Insurance/Dental & Vision/West Comm 3/26	B0M9W5	\$ 1,060.65
			Insurance/Vision Claims/City & Dist 2/26	B0MB3Q	\$ 1,975.66
70051	1355 - BIG BELLY SOLAR, INC	\$ 2,537.38	Lease/Smart Waste and Recycling Systems(12) 7/25/25-7/25/26	58413	\$ 2,537.38

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70052	2623 - BLUE TRITON BRANDS INC PRIMO BRANDS CORP	\$ 127.73	Maint Bottled Water 1/26 Sr Center Bottled Water 1/26 W/C Bottled Water 2/26	06B8710321219 06B8710321117 06C8710320455	\$ 109.09 \$ 14.28 \$ 4.36
70053	705 - BOA ARCHITECTURE BLACK ODOWD AND ASSOC INC	\$ 3,347.50	Final/Design/Exterior Door Replacements/Sr Center 7/25-2/26	25-3152-4	\$ 3,347.50
70054	2205 - BP FORD OF LONG BEACH	\$ 943.71	Repair/Exhaust Pipe/Unit #618	FOCB740251	\$ 943.71
70055	1600 - BRIGHTVIEW LANDSCAPE SERVICES, INC	\$ 84,702.72	Svc/Landscape/Berm 2/26 Svc/Landscape/Citywide 1/26 Svc/Landscape/Citywide 2/26 Svc/Landscape/Lexington Park 2/26 Svc/Seasonal Fertilization/Lexington Park 2/26	9648671 9638386 9648664 9673070 9673070(A)	\$ 3,080.00 \$ 37,245.99 \$ 37,245.99 \$ 6,831.76 \$ 298.98
70056	866 - C3 OFFICE SOLUTIONS	\$ 35.16	W/C Copier Svc/Supplies 3/3-4/2	INV215424	\$ 35.16
70057	103141 - CA FORENSIC PHLEBOTOMY, INC	\$ 150.27	PD Blood/Alcohol Test(1) 2/21	3166	\$ 150.27
70058	1076 - CAMELOT GOLFLAND	\$ 1,552.05	Excursion(60)/Day Camp 6/10	6/10/26	\$ 1,552.05
70059	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 1,306.84	W/C CAD/RMS Ethernet Connection 3/5-4/4	187630201030126	\$ 1,306.84
70060	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 563.75	W/C Svc/Internet 2/26	218496501030126	\$ 563.75
70061	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 1,289.50	W/C CAD/RMS Connection 2/26	218496501030126A	\$ 1,289.50
70062	2381 - CITYGREEN CONSULTING, LLC	\$ 7,553.75	Consult/Solid Waste Program 1/26	1383-25-26-9	\$ 7,553.75
70063	1617 - CONTROL AIR ENTERPRISES LLC	\$ 13,767.85	Repair/Roof Top Heater/Comm Center 12/17 Repair/Server Room HVAC Unit/City Hall 11/18 Replace/AC Thermostat/Maint Yard 2/10 Svc/HVAC Preventative Maint/Civic Center 2/4 Svc/HVAC Preventative Maint/Comm Center 2/5 Svc/HVAC Preventative Maint/Library 1/30 Svc/HVAC Preventative Maint/Maint Yard 2/4 Svc/HVAC Preventative Maint/PD 2/9 Svc/HVAC Preventative Maint/PD Shooting Range 2/9 Svc/HVAC Preventative Maint/Sr Center 2/5	3103088 3102435 3104132 3104079 3104078 3103966 3104131 3104076 3104080 3104077	\$ 585.16 \$ 666.06 \$ 225.63 \$ 2,407.00 \$ 1,831.00 \$ 288.00 \$ 1,113.00 \$ 1,434.00 \$ 4,346.00 \$ 872.00
70064	115003 - COUNTY OF ORANGE	\$ 1,104.51	PD Svc/OC Automated Telecommunications System 1/26	SH73641	\$ 1,104.51
70065	115003 - COUNTY OF ORANGE	\$ 92.50	W/C Repair/Radio Power Supply 10/25	STTM003815	\$ 92.50
70066	102123 - DELL MARKETING LP-DELL USA LP	\$ 48,947.60	Sub/Office 365(175 Licenses) 2/1/26-1/31/27	10864266929	\$ 48,947.60
70067	100707 - DEPT OF JUSTICE ACCT OFFICE CASHIER UNIT	\$ 32.00	W/C Svc/Fingerprinting(1) 2/26	030400	\$ 32.00
70068	101879 - DOOLEY ENTERPRISES	\$ 4,744.23	PD Ammo(17K Rnds) 3/2	71417	\$ 4,744.23
70069	107921 - DRAPER, JEFF	\$ 99.00	2025 Executive Mgmt Wellness Program	Reimb 3/13/26	\$ 99.00
70070	1488 - ENTERPRISE HOLDINGS INC	\$ 871.15	PD Rental Car(1) 1/2-2/1	41264908	\$ 871.15

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70071	2508 - EWING IRRIGATION PRODUCTS INC	\$ 143.54	Electric Valve(1)/Elbow Fittings(25)/Couplings(25) 10/17	28033758	\$ 143.54
70072	104530 - EXPERIAN	\$ 100.00	PD Credit Reports 2/26	6000234461	\$ 100.00
70073	2235 - FACILITY SOLUTIONS GROUP, INC	\$ 765.73	LED Light Bulbs(25)/PD Range 2/12	5615089-00	\$ 765.73
70074	2461 - FCG CONSULTANTS INC	\$ 17,804.52	Svc/Project Mgmt/PW Engineering 1/26	1135-1019V	\$ 17,804.52
70075	2132 - FERGUSON ENTERPRISES LLC	\$ 121.24	Credit/Flush Valve(1) 9/19	CM805620	\$ (207.34)
			Faucet(1)/Connectors(4) 2/17	6142572	\$ 125.02
			Flush Valve(1) 10/20	5839064	\$ 203.56
70076	1115 - FRONTIER	\$ 413.88	7148996947 - Phone Svc/Sewers 3/26	3/26	\$ 91.24
			W/C Phone Svc/5627955413 2/26	Final 2/18/26	\$ 322.64
70077	2276 - GENESIS BUILDERS, INC K2 PAINTING	\$ 16,575.60	Final/Replace/Exterior Doors/Sr Center 1/26-2/26	604	\$ 16,575.60
70078	119018 - GOLDEN STATE WATER COMPANY	\$ 3,967.58	Svc/Parkway Maint 2/26	2/26(B)	\$ 3,967.58
70079	1133 - GRANICUS SWAGIT PRODUCTIONS, LLC	\$ 795.71	Svc/Video Stream/Council Meeting 3/26	225378	\$ 795.71
70080	2428 - INDUSTRIAL TECHNICAL SERVICES I.T.S. GROUP INC	\$ 750.00	Svc/Reset Drive/PS #3 2/19	1116356	\$ 750.00
70081	120000 - INSIGHT PUBLIC SECTOR	\$ 24,000.00	PD Sub/Automated License Plate Readers(8) 2/14/26-2/13/27	1101362774	\$ 24,000.00
70082	2483 - JL GROUP, LLC JEFFRY L JOHNSON	\$ 2,700.00	PD Svc/Background Checks(2) 2/25	BG26003	\$ 2,700.00
70083	2039 - KELLY SPICERS INC KELLY SPICER STORES	\$ 608.12	Specialty Paper(10 Rms) 2/23	12158162	\$ 608.12
70084	2211 - KNIGHT LEADERSHIP SOLUTIONS LLC MARIE KNIGHT	\$ 5,500.00	Svc/Strategic Planning Facilitation 2/17	412	\$ 5,500.00
70085	1588 - L.N. CURTIS AND SONS-CURTIS BLUE LINE	\$ 1,914.68	PD Safety Gear/CRervere	INV1044243	\$ 181.91
			PD Uniform & Safety Gear/ERudisill	INV1042427	\$ 600.36
			PD Uniforms/CRervere	INV1040669	\$ 822.78
			PD Uniforms/ERudisill	INV1043064	\$ 309.63
70086	1779 - LINSKOTT LAW & GREENSPAN ENGINEERS LG2WB	\$ 15,618.00	Svc/Traffic Impact Fee Nexus Study 1/26	14704-00109	\$ 14,230.00
			Svc/Traffic Study/LART Development 1/26	14394-00173	\$ 1,388.00
70087	112017 - LOS ALTOS TROPHY CAL-LINE INVESTMENTS	\$ 52.37	Name Badge(1)/DCo 2/23	100198(B)	\$ 13.09
			Name Badge(1)/DRoseman 2/23	100198(C)	\$ 13.09
			Name Badge(1)/RMarroquin 2/23	100198	\$ 13.10
			Name Badge(1)/SSikkema 2/23	100198(A)	\$ 13.09
70088	2772 - MARROQUIN, RUTHIE	\$ 27.70	Mileage/SB 707 Training 2/4	Reimb 3/13/26	\$ 27.70
70089	2761 - MARS CARS LLC NICHOLAS DE AVILA	\$ 20,225.33	Utility Cart(1)/Arnold Cypress Park	1309	\$ 20,225.33
70090	80 - MORRIS, LETICIA	\$ 327.60	Instruct/Zumba 2/7-2/28	2/28/26	\$ 327.60
70091	129801 - MUTUAL LIQUID GAS & EQUIP	\$ 30.00	Rent/Propane Tank 3/1/26-5/31/26	73512	\$ 30.00
70092	129724 - NAPA AUTO PARTS - SO CAL AUTO & TRUCK PARTS INC	\$ 472.17	Brake Rotors(4)/Wiper Blades(10)/Misc 2/2	497188	\$ 472.17

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70093	125848 - NATIONAL SAFETY COMPLIANCE INC	\$ 368.28	Drug Tests(3)/Alcohol Test(1) 2/12	104051	\$ 368.28
70094	672 - O'REILLY AUTO PARTS	\$ 922.34	Batteries(2)/Oil Filters(4)/Fuel Filter(1) 2/24 Brake Rotors(2)/Brake Pads(1 Set) 2/2 Compression Tester(1) 2/10 Lug Nuts(12)/Wheel Studs(5) 2/4 Sweeper Air Filters(2)/Oil Filter(1) 2/10	3078-224427 3078-219376 3078-221003(A) 3078-219600 3078-221003	\$ 534.35 \$ 145.45 \$ 39.86 \$ 64.75 \$ 137.93
70095	413 - OC AUTO THEFT ADVISORY COMMITTEE	\$ 80.00	PD Reg/Auto Theft Advisory Commission Awards/CR & MC 4/8	PD Reg 4/8/26	\$ 80.00
70096	2563 - OC UNIFORMS & TAILORING INC	\$ 244.32	PD Uniform/Volunteers Opstad & Perikli PD Uniforms/PSO ERudisill PD Uniforms/PSO ERudisill	2255 2254 2256	\$ 32.52 \$ 32.52 \$ 179.28
70097	108944 - ODP BUSINESS SOLUTIONS OFFICE DEPOT	\$ 495.09	Supplies/Citywide 2/26	3/13/26	\$ 495.09
70098	129575 - PARKHOUSE TIRE INC	\$ 930.10	Vehicle Tires(7) 2/26	1020303131	\$ 930.10
70099	842 - PARKINK	\$ 1,979.19	Themed Shirts(325)/Day Camp 3/6	30706	\$ 1,979.19
70100	1970 - PERFORMANCE PICKLEBALL, LLC	\$ 819.00	Instruct/Pickleball 2/11-3/4	3/4/26	\$ 819.00
70101	100870 - POSTMASTER -CYPRESS POST OFFICE	\$ 4,550.00	Postage/City & Recreation Newsletter 4/26	4/26	\$ 4,550.00
70102	2218 - READWRITE EDUCATIONAL SOLUTIONS INC	\$ 282.75	Instruct/Reading & Math Development 2/2-2/25	2/25/26	\$ 282.75
70103	101148 - RED WING SHOE STORE	\$ 247.51	Safety Shoes/JHood 2/15	20260219025347	\$ 247.51
70104	129917 - RUTAN & TUCKER	\$ 100.00	Legal Svc/Housing 1/26	1055958	\$ 100.00
70105	106893 - SAFESHRED	\$ 40.00	W/C Svc/Shredding 2/10	369634	\$ 40.00
70106	1181 - SITE ONE LANDSCAPE SUPPLY, LLC	\$ 557.73	Compost(11 CY) 2/23	162728430-001	\$ 557.73
70107	939 - SKYHAWKS SPORTS ACADEMY, INC	\$ 3,543.67	Instruct/Basketball/Soccer/Multi-Sport 1/21-2/28	2/28/26	\$ 3,543.67
70108	119051 - SMART & FINAL (REC & PARKS)	\$ 78.42	Food/Playground/Kids Night Out 2/17 Food/Sr Center 2/26	20233501 2/17/26 21160302 2/26/26	\$ 26.46 \$ 51.96
70109	108459 - SMART & FINAL-POLICE ACCT	\$ 186.47	PD Supplies/Breakroom 2/26 PD Supplies/Breakroom 2/5	025401 2/26/26 066501 2/5/26	\$ 31.18 \$ 155.29
70110	119016 - SO CAL EDISON	\$ 96,907.29	700134894611 - Svc/Traffic Signal 2/26 Svc/Citywide 1/13-2/12	2/26(A) 1/13/25-2/12/26	\$ 34.94 \$ 96,872.35
70111	119017 - SO CAL GAS CO	\$ 3,318.34	00840909006 Svc/Comm Center 2/26 12600890003 Svc/Maint Yard 2/26 13230923008 Svc/Storm Drain 2/26 18690942000 Svc/Sr Center 2/26 19530910009 Svc/City Hall 2/26	2/26(C) 2/26(D) 2/26(E) 2/26(F) 2/26(G)	\$ 1,240.02 \$ 165.34 \$ 18.12 \$ 434.08 \$ 1,460.78
70112	1790 - SOUTHERN CALIFORNIA RADAR-LASER CERTIFICATION LAB	\$ 1,125.00	PD Svc/Radar/Lidar Test & Certifications(9) 1/13	0126107	\$ 1,125.00

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70113	116238 - STAPLES BUSINESS ADVANTAGE	\$ 572.10	Supplies/Citywide 2/26	3/13/26	\$ 572.10
70114	119024 - STATE COMP INSURANCE FUND	\$ 1,595.25	W/C Workers Comp Insurance 2/28-3/30	1002984920	\$ 1,595.25
70115	110567 - T-MOBILE USA	\$ 150.00	PD Svc/Search Warrant/DR #26-00031 1/5	L2602060195	\$ 150.00
70116	588 - THE COUNSELING TEAM INTERNATIONAL	\$ 1,300.00	PD Svc/Employee Counseling 3/26 PD Svc/Psych Eval(1) 2/17	INV108837 INV108694	\$ 1,000.00 \$ 300.00
70117	1170 - TOM'S PLUMBING SERVICE INC	\$ 3,250.00	Repair/Slab Leak/Oak Knoll Park Restrooms 2/20 Svc/Hydro Jet Sewer Line/Oak Knoll Park Restroom 2/20	71462 71466	\$ 2,500.00 \$ 750.00
70118	1139 - UNIFIRST CORP	\$ 914.35	Uniforms/Mats/Towels 2/26	2/26	\$ 914.35
70119	100308 - UNITED MAINTENANCE SYSTEMS	\$ 24,075.00	Svc/Custodial/Arnold Cypress Park Restroom 2/26 Svc/Custodial/City Facilities 2/26 Svc/Custodial/Lexington Park Restroom 2/26 Svc/Custodial/Park Facilities 2/26 Svc/Custodial/Park Restrooms(5) 2/26	16182(A) 16181 16182(B) 16183 16182	\$ 1,250.00 \$ 6,925.00 \$ 1,250.00 \$ 8,650.00 \$ 6,000.00
70120	1997 - VACCARO, FRANK WEST COAST OFFICIALS	\$ 1,518.00	Officials(23 Games)/Youth Basketball 3/21-4/13	1670	\$ 1,518.00
70121	109312 - VAZQUEZ, GONZALO SONIC SOUNDS	\$ 400.00	Svc/DJ/Sr Center Luncheon 3/13	2026-002	\$ 400.00
70122	122831 - VERA, SIMON	\$ 210.31	Reimb/Medicare Tax 2025	Reimb 3/13/26	\$ 210.31
70123	2142 - VRC COMPANIES, LLC VITAL RECORDS HOLDINGS, LLC	\$ 473.62	Off-Site Records Storage 3/26	6124927	\$ 473.62
70124	2491 - WELLS FARGO FINANCIAL LEASING, INC	\$ 188.43	W/C Rental/Copier 3/6-4/5	5037782723	\$ 188.43
70125	2193 - WEST GROVE VOLLEYBALL, LLC	\$ 414.05	Instruct/Volleyball 2/1-2/22	2/22/26	\$ 414.05
70126	1974 - YUNEX LLC	\$ 4,799.95	Retention/Install/LED Street Light Fixtures	90005644R	\$ 4,799.95
70127	0 - AGAPE DISCIPLE CHURCH	\$ 300.00	Refund/Facility Deposit/Contract #11630	Rfd 3/13/26	\$ 300.00
70128	0 - ANDERSON, ANNA	\$ 300.00	Refund/Facility Deposit/Contract #11675	Rfd 3/13/26	\$ 300.00
70129	0 - BAYYE, PRIYANKA	\$ 98.00	Refund/Evolution Basketball 2/26-3/19	Rfd 3/13/26	\$ 98.00
70130	0 - BAYYE, PRIYANKA	\$ 24.50	Refund/Evolution Basketball 2/19	Rfd 3/13/26	\$ 24.50
70131	0 - BEIRO, THERESA	\$ 300.00	Refund/Facility Deposit/Contract #11656	Rfd 3/13/26	\$ 300.00
70132	0 - BLOCH, CURTIS	\$ 100.00	Refund/Facility Deposit/Contract #11663	Rfd 3/13/26	\$ 100.00
70133	0 - BUENROSTRO, PRISCILLA	\$ 100.00	Refund/Facility Deposit/Contract #11575	Rfd 3/13/26	\$ 100.00
70134	0 - CHOI, SUN E	\$ 100.00	Refund/Facility Deposit/Contract #11571	Rfd 3/13/26	\$ 100.00
70135	0 - DIN, CHRISTINA	\$ 300.00	Refund/Facility Deposit/Contract #11485	Rfd 3/13/26	\$ 300.00
70136	0 - GARAC, NATALIE	\$ 300.00	Refund/Facility Deposit/Contract #11546	Rfd 3/13/26	\$ 300.00

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70137	0 - GARCIA, GISELLE	\$ 43.50	Refund/Citation #CP494827	Rfd 3/13/26	\$ 43.50
70138	0 - HUXFORD, LINDSEY	\$ 100.00	Refund/Facility Deposit/Contract #11606	Rfd 3/13/26	\$ 100.00
70139	0 - JEE, KENNY	\$ 150.00	Refund/Facility Deposit/Contract #11461	Rfd 3/13/26	\$ 150.00
70140	0 - KOREAN AMERICAN SPECIAL EDUCATION CENTER	\$ 300.00	Refund/Facility Deposit/Contract #11489	Rfd 3/13/26	\$ 300.00
70141	0 - LEE, STEVE	\$ 50.00	Refund/Citation #CP494179	Rfd 3/13/26	\$ 50.00
70142	0 - LIU, JEANNE	\$ 300.00	Refund/Facility Deposit/Contract #11524	Rfd 3/13/26	\$ 300.00
70143	0 - SOCIAL VOCATIONAL SERVICES	\$ 300.00	Refund/Facility Deposit/Contract #11559	Rfd 3/13/26	\$ 300.00
70144	0 - THALATI, CHAITANYA	\$ 300.00	Refund/Facility Deposit/Contract #11590	Rfd 3/13/26	\$ 300.00
70145	119018 - GOLDEN STATE WATER COMPANY	\$ 1,471.65	Svc/Parkway Maint 1/26-2/26	1/26-2/26	\$ 1,112.55
			Svc/Parkway Maint 1/26-2/26	1/26-2/26(A)	\$ 359.10
70146	0 - CYPRESS TRACK 2021, LLC	\$ 50,000.00	Reissue Ck #671404	Reissue 3/17/26	\$ 50,000.00
70147	2727 - ILAGAN, ELEANOR ELENZ DANCE	\$ 152.10	Instruct/Elenz Dance Night 2/12	2/12/26	\$ 152.10
70148	0 - METOYER, SHAHIDAH	\$ 300.00	Refund/Facility Deposit/Contract #10894	Rfd 1/30/26	\$ 300.00
70149	106914 - ADMINISURE	\$ 3,689.00	Workers Comp Claims Admin 4/26	18679	\$ 3,689.00
70150	109380 - AFFORDABLE GENERATOR SERVICES, INC	\$ 1,078.98	Repair/Generator/Civic Center 3/6	29004	\$ 1,078.98
70151	2711 - AIREMASTERS AIR CONDITIONING	\$ 224,440.93	Replace/HVAC/City Hall East Wing 2/26	1906A-04	\$ 224,440.93
70152	130335 - AKM CONSULTING ENGINEERS	\$ 104,452.00	Consult/Hydrology & Sewer Study/LART Development 2/26	0013868	\$ 638.00
			Svc/Update Sanitary Sewer Master Plan 1/26	0013821	\$ 73,419.00
			Svc/Update Sanitary Sewer Master Plan 2/26	0013874	\$ 30,395.00
70153	122455 - ALL AMERICAN SIGN CO, INC	\$ 581.32	Update Banners(4)/Camp Cypress & Summer PARKS 3/10	58554	\$ 290.66
			Update Banners(4)/Spring Egg Hunt 3/17	58447	\$ 290.66
70154	105442 - ALL CITY MANAGEMENT SERVICES INC	\$ 15,191.75	Crossing Guard Svcs(27 Hrs)/Orange & Grindlay 2/15-2/28	PS-INV104233(A)	\$ 694.98
			Crossing Guard Svcs(563.20 Hrs) 2/15-2/28	PS-INV104233	\$ 14,496.77
70155	1403 - ALL STAR ELITE SPORTS	\$ 1,292.86	Jerseys/Players(133)/Coaches(22)/Youth Basketball 3/13	5813	\$ 1,292.86
70156	2768 - AMERICAN MULTI-CINEMA INC	\$ 908.09	Excursion(71)/Day Camp 7/8	7/8/26	\$ 908.09
70157	1223 - AON RISK INSURANCE SERVICES WEST, INC	\$ 9,926.65	Insurance/Auto Liability/MCP 2/12/26-2/12/27	8200000394764	\$ 5,447.00
			Insurance/Excess Auto Liability/MCP 2/12/26-2/12/27	8200000394776	\$ 4,179.65
			License/Crime Bond/City Clerk 11/7/25-11/7/26	8200000396242	\$ 100.00
			License/Crime Bond/City Treasurer 1/26/26-1/26/27	8200000396243	\$ 100.00
			License/Crime Bond/Finance & Admin Svcs Director 1/26/26-1/26/27	8200000396244	\$ 100.00
70158	2332 - ARCHAMBAULT INVESTIGATIONS & POLYGRAPH	\$ 780.00	PD Svc/Polygraphs(3) 2/3-2/19	Feb-26	\$ 780.00

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70159	110860 - AT&T	\$ 3,238.11	9391033694-PW Phone Svc 2/26 9391033695-Civic Center Phone Svc 2/26 9391033698-PW Phone Svc 2/26 Phone Svc/Multi-Line 2/13-3/12	2/26(K) 2/26(J) 2/26(L) 2/13/26-3/12/26	\$ 156.45 \$ 63.82 \$ 31.91 \$ 2,985.93
70160	1822 - BENEFIT COORDINATORS CORPORATION BCC	\$ 9,950.88	Insurance/Life/LTD/STD/Optional 4/26	18529	\$ 9,950.88
70161	2623 - BLUE TRITON BRANDS INC PRIMO BRANDS CORP	\$ 408.60	Comm Center Bottled Water 2/26 Maint Bottled Water 2/26 PD Bottled Water 2/26 Sr Center Bottled Water 2/26	06C8710321118 06C8710321219 06C8710163639 06C8710321117	\$ 39.92 \$ 181.13 \$ 168.28 \$ 19.27
70162	705 - BOA ARCHITECTURE BLACK ODOWD AND ASSOC INC	\$ 39,564.80	Design/Executive Board Room Remodel 7/25-1/26 Design/HVAC Replacement/City Hall 12/25-2/26	25-3142-2RV 24-3099-3Rev	\$ 24,970.00 \$ 14,594.80
70163	1600 - BRIGHTVIEW LANDSCAPE SERVICES, INC	\$ 3,080.00	Svc/Landscape/Berm 3/26	9686606	\$ 3,080.00
70164	1325 - CENTURY PAVING, INC	\$ 164,252.38	Final/Parking Lot Sealant/Sr Center & Oak Knoll Park 11/25	19487	\$ 164,252.38
70165	1008 - CERTIFIX LIVE SCAN	\$ 20.00	W/C Svc/Fingerprints(1) 2/18	116147	\$ 20.00
70166	123012 - CHARLES ABBOTT ASSOCIATES	\$ 7,792.50	Svc/Engineering Plan Checks 2/26 Svc/Fats, Oil & Grease/NPDES Inspections 2/26 Svc/Water Quality Mgmt Program/Plan Checks 2/26	70036 70039 70037	\$ 2,887.50 \$ 2,430.00 \$ 2,475.00
70167	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 1,717.88	Svc/Cable TV 3/10-4/9 Svc/Internet Access 3/16-4/15	188680601030726 187625401031426	\$ 148.89 \$ 1,568.99
70168	2699 - COB CHANGE OF BEHAVIOR LLC	\$ 4,000.00	Svc/SWAT Training Sessions(8 Staff) 9/18/25-3/19/26	B-S-25	\$ 4,000.00
70169	2035 - COMMUNICATIONS LAB BARRIOS & ASSOCIATES, LLC	\$ 21,556.00	Svc/City Strategic Communications Support 1/26 Svc/City Strategic Communications Support 2/26	26-1401 26-1425	\$ 10,778.00 \$ 10,778.00
70170	2717 - CONTINENTAL BATTERY COMPANY	\$ 892.65	Batteries(2)/Pump Station #3 2/3 Vehicle Batteries(2) 3/11	9054538 9362996	\$ 617.83 \$ 274.82
70171	1617 - CONTROL AIR ENTERPRISES LLC	\$ 1,928.32	Repair/Air Conditioner/Community Center 10/13 Svc/Freezer Coolant Leak/Sr Center 8/12	3103477 3103479	\$ 963.66 \$ 964.66
70172	1439 - CORODATA MEDIA STORAGE, INC	\$ 154.76	Offsite Data Storage 2/26	DS1313934	\$ 154.76
70173	115003 - COUNTY OF ORANGE	\$ 1,479.00	PD Svc/Automated Fingerprint Identification System 2/26	SH73719	\$ 1,479.00
70174	115003 - COUNTY OF ORANGE	\$ 1,104.51	PD Svc/OC Automated Telecommunications System 2/26	SH73757	\$ 1,104.51
70175	115003 - COUNTY OF ORANGE	\$ 5,423.50	Parking Violations 2/26	2/26	\$ 5,423.50
70176	710 - COUNTY OF ORANGE SHERIFF'S DEPARTMENT OCSD	\$ 156.70	PD Repair/MDC Dock Wiring/Unit #670	STTM003796(B)	\$ 156.70
70177	710 - COUNTY OF ORANGE SHERIFF'S DEPARTMENT OCSD	\$ 210.64	PD Repair/MDC Dock Antenna/Unit #622 PD Repair/MDC Dock Connector/Unit #625	STTM003796 STTM003796(A)	\$ 69.50 \$ 141.14
70178	116854 - DATA TICKET INC-MSB	\$ 1,793.02	Parking Citation Processing 2/26	190826	\$ 1,793.02

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70179	2771 - DAVE & BUSTERS INC	\$ 1,346.35	Excursion(71)/Dave & Busters	7/8/26	\$ 1,346.35
70180	100707 - DEPT OF JUSTICE ACCT OFFICE CASHIER UNIT	\$ 224.00	Svc/Fingerprints(2)/City 2/26	030111	\$ 64.00
			Svc/Fingerprints(2)/Recreation Contractor 2/26	030111(B)	\$ 64.00
			Svc/Fingerprints(3)/PD 2/26	030111(A)	\$ 96.00
70181	107921 - DRAPER, JEFF	\$ 216.25	2026 Executive Mgmt Wellness Program	Reimb 3/27/26	\$ 216.25
70182	1296 - EDCO CNG	\$ 2,119.99	Natural Gas(263.6 Gls)/Sweepers(2) 2/1-2/15	0217026-6-A	\$ 901.51
			Natural Gas(356.28 Gls)/Sweepers(2) 2/16-2/28	0302026-6-A	\$ 1,218.48
70183	2644 - ELITE MAINTENANCE & TREE SERVICE EMTS, INC	\$ 26,180.00	Credit/Landscape Mulch(225 Tons)/Right-of-Way 1/26	13-CM74	\$ (3,150.00)
			Svc/Landscape/Right-of-Way 2/26	133164	\$ 29,330.00
70184	2231 - ELYSIAN ARTS & EVENTS SO CA ARTS	\$ 4,541.19	Instruct/Dance 1/13-3/17	3/17/26	\$ 4,541.19
70185	2185 - ENVIRO SAFETY PRODUCTS GUARDIAN SAFETY & SUPPLY	\$ 460.57	PD Exam Gloves(4K) 3/2	INV688319	\$ 460.57
70186	2508 - EWING IRRIGATION PRODUCTS INC	\$ 764.75	Couplings(2)/Rubber Repair Kit(1)/PVC Pipe(20 Pcs) 9/2	27489222	\$ 409.76
			Tree Stakes(50)/Tree Ties(50) 3/4	29294902	\$ 354.99
70187	2461 - FCG CONSULTANTS INC	\$ 20,615.76	Inspect/HVAC Replacement/City Hall East Wing 2/26	1135-1020W	\$ 7,496.64
			Svc/Project Mgmt/PW Engineering 2/26	1135-1020V	\$ 13,119.12
70188	1596 - GARON WYATT INVESTIGATIVE SERVICES LLC	\$ 8,762.77	Svc/HR Investigation 11/20-1/16	25-92	\$ 5,433.98
			Svc/HR Investigation 2/18-2/27	26-13	\$ 3,328.79
70189	2504 - GENERAL CODE LLC ICC CODIFICATION INC	\$ 1,619.00	Svc/Codification Updates 2/24	PG000045473	\$ 1,619.00
70190	1936 - GOGOV, INC	\$ 9,648.00	Software Maint/Code Enforcement Mgmt 5/1/26-4/30/27	26-147	\$ 9,648.00
70191	119018 - GOLDEN STATE WATER COMPANY	\$ 90,436.76	Svc/Arnold Cypress Park 2/26	2/26(C)	\$ 657.96
			Svc/Athletic Fields 2/26	2/26(E)	\$ 4,417.90
			Svc/Civic Center 12/25-2/26	12/25-2/26(A)	\$ 10,115.77
			Svc/Civic Center 2/26	2/26(G)	\$ 620.11
			Svc/Community Center 2/26	2/26(H)	\$ 54.75
			Svc/Lexington Park 2/26	2/26(D)	\$ 2,747.39
			Svc/Maint Yard Landscaping 2/26	2/26(F)	\$ 708.41
			Svc/Parks Landscaping 12/25-2/26	12/25-2/26(C)	\$ 238.66
			Svc/Parks Landscaping 2/26	2/26(K)	\$ 19,390.54
			Svc/Parkway Maint 1/26-2/26	1/26-2/26(B)	\$ 377.99
			Svc/Parkway Maint 12/25-2/26	12/25-2/26(D)	\$ 20,505.47
			Svc/Parkway Maint 2/26	2/26(L)	\$ 21,839.16
			Svc/Sr Center 2/26	2/26(J)	\$ 1,236.96
			Svc/Stanton Channel Berm 12/25-2/26	12/25-2/26(B)	\$ 5,583.61
			Svc/Stanton Channel Berm 2/26	2/26(I)	\$ 1,010.90
			Svc/Storm Drain 12/25-2/26	12/25-2/26	\$ 931.18
70192	1018 - GREEN HALO SYSTEMS INC-WASTETRACKING.COM	\$ 688.00	Svc/Waste Tracking System 2/26	6294	\$ 344.00
			Svc/Waste Tracking System 3/26	6359	\$ 344.00
70193	1464 - HANLEY CHESS ACADEMY	\$ 884.00	Instruct/Chess 2/17-3/17	3/17/26	\$ 884.00

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70194	2646 - HINDERLITER DE LLAMAS & ASSOC HdL	\$ 6,958.90	Svc/Sales Tax Reporting 1/1/26-3/31/26 Svc/Tax Audit QE 3/31/26	SIN060366 SIN060366(A)	\$ 2,550.00 \$ 4,408.90
70195	117233 - HOME DEPOT CREDIT SVC-REC #0720	\$ 433.69	Interlocking Foam Flooring(44 Pcs)/Spring Egg Hunt 2/28 Supplies/Facility Operations/Comm Center 2/18 Waterproof Tarp(1)/Spring Egg Hunt 2/27	7482212 7541251 8662658	\$ 278.78 \$ 104.83 \$ 50.08
70196	2727 - ILAGAN, ELEANOR ELENZ DANCE	\$ 117.00	Instruct/Elenz Dance Night 3/12	3/12/26	\$ 117.00
70197	120000 - INSIGHT PUBLIC SECTOR	\$ 187.02	PD Sub/Racial & Identity Profiling Act Reporting 2/26	1101369835	\$ 187.02
70198	102993 - ITERIS, INC	\$ 1,608.00	Svc/Traffic Signal Timing Project 2/26	188502	\$ 1,608.00
70199	2039 - KELLY SPICERS INC KELLY SPICER STORES	\$ 325.70	Specialty Paper(7 Rms) 3/11	12172881	\$ 325.70
70200	2417 - KIDZ TALENT ACADEMY LLC ANIYAH WILLIAMS	\$ 717.60	Instruct/Gymnastics & Tumbling 3/2-3/19	3/19/26	\$ 717.60
70201	122753 - KIMLEY-HORN AND ASSOC INC	\$ 9,987.50	Svc/Update Safety Element/Open Space-Cypress General Plan 2/26	35061478	\$ 9,987.50
70202	111037 - KNOTTS BERRY FARM	\$ 5,027.54	Excursion(67)/Day Camp 6/17	KB267206	\$ 5,027.54
70203	122069 - LIEBERT CASSIDY WHITMORE	\$ 2,959.50	Legal Svc/HR Matter #CY020-00001 2/26 Legal Svc/HR Matter #CY020-00043 2/26 Legal Svc/HR Matter #CY020-00045 2/26 Legal Svc/HR Matter #CY020-00047 2/26	318557 318556 318555 318554	\$ 2,116.00 \$ 184.00 \$ 230.00 \$ 429.50
70204	2215 - LIGHTBOX PARENT, LP	\$ 9,538.84	GIS Mapping Software Maint/Planning 2/7/26-2/26/27	INV-BP427338	\$ 9,538.84
70205	1779 - LINSOTT LAW & GREENSPAN ENGINEERS LG2WB	\$ 5,921.25	Svc/Traffic Impact Fee Nexus Study 12/25	14704-00106	\$ 5,921.25
70206	109290 - LONG BEACH BMW-RCA INVESTMENTS INC	\$ 1,383.91	PD Svc/48K Mile Tune-Up/Brake Pads/Motor Unit #663	56091	\$ 1,383.91
70207	112017 - LOS ALTOS TROPHY CAL-LINE INVESTMENTS	\$ 29.90	Name Plate(1)/Name Badge(1)/City Manager 3/11	100308	\$ 29.90
70208	933 - LSA ASSOCIATES, INC	\$ 425.75	Svc/Environmental Impact Report/Tentative Tract Map 2/26	203659	\$ 425.75
70209	460 - MASTER LANDSCAPE & MAINTENANCE, INC	\$ 27,410.00	Svc/Tree Planting/Citywide 2/12-2/25	50852	\$ 27,410.00
70210	2407 - MDJ MANAGEMENT	\$ 88,013.21	Final/Construct/Roof Replacement/Boys & Girls Club 2/26	CYP 1002.5	\$ 88,013.21
70211	109269 - MILES, HILDA	\$ 490.75	Instruct/Hula Dance 2/18-3/19	3/19/26	\$ 490.75
70212	117056 - MINUTEMAN PRESS LOS ALAMITOS	\$ 64.46	Business Cards(250)/City Manager 3/19	47113	\$ 64.46
70213	100876 - MOEN KATHI	\$ 74.30	W/C Meal/Mileage/Wellness in Public Safety 2/25 W/C Reimb/Active Shooter Situations 3/1	Reimb(A) 3/27/26 Reimb 3/27/26	\$ 26.65 \$ 47.65

**City of Cypress
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03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70214	2633 - NEWPORT EXTERMINATING INC	\$ 4,095.00			
			Svc/Pest Control/Arnold Cypress Park Office 1/26	1036945	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 10/25	1024752	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 11/25	1029125	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 12/25	1033205	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 2/26	1040852	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 3/26	1045406	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 7/25	1012097	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 8/25	1016098	\$ 25.00
			Svc/Pest Control/Arnold Cypress Park Office 9/25	1020144	\$ 25.00
			Svc/Pest Control/City Hall 1/26	1036939	\$ 65.00
			Svc/Pest Control/City Hall 10/25	1024746	\$ 65.00
			Svc/Pest Control/City Hall 11/25	1029119	\$ 65.00
			Svc/Pest Control/City Hall 12/25	1033199	\$ 65.00
			Svc/Pest Control/City Hall 2/26	1040846	\$ 65.00
			Svc/Pest Control/City Hall 3/26	1045400	\$ 65.00
			Svc/Pest Control/City Hall 7/25	1012091	\$ 65.00
			Svc/Pest Control/City Hall 8/25	1016092	\$ 65.00
			Svc/Pest Control/City Hall 9/25	1020138	\$ 65.00
			Svc/Pest Control/Comm Center 1/26	1036942	\$ 60.00
			Svc/Pest Control/Comm Center 10/25	1024749	\$ 60.00
			Svc/Pest Control/Comm Center 11/25	1029122	\$ 60.00
			Svc/Pest Control/Comm Center 12/25	1033202	\$ 60.00
			Svc/Pest Control/Comm Center 2/26	1040849	\$ 60.00
			Svc/Pest Control/Comm Center 3/26	1045403	\$ 60.00
			Svc/Pest Control/Comm Center 7/25	1012094	\$ 60.00
			Svc/Pest Control/Comm Center 8/25	1016095	\$ 60.00
			Svc/Pest Control/Comm Center 9/25	1020141	\$ 60.00
			Svc/Pest Control/Council Chambers 1/26	1036940	\$ 60.00
			Svc/Pest Control/Council Chambers 10/25	1024747	\$ 60.00
			Svc/Pest Control/Council Chambers 11/25	1029120	\$ 60.00
			Svc/Pest Control/Council Chambers 12/25	1033200	\$ 60.00
			Svc/Pest Control/Council Chambers 2/26	1040847	\$ 60.00
			Svc/Pest Control/Council Chambers 3/26	1045401	\$ 60.00
			Svc/Pest Control/Council Chambers 7/25	1012092	\$ 60.00
			Svc/Pest Control/Council Chambers 8/25	1016093	\$ 60.00
			Svc/Pest Control/Council Chambers 9/25	1020139	\$ 60.00
			Svc/Pest Control/Lexington Park Office 1/26	1036946	\$ 25.00
			Svc/Pest Control/Lexington Park Office 10/25	1024753	\$ 25.00
			Svc/Pest Control/Lexington Park Office 11/25	1029126	\$ 25.00
			Svc/Pest Control/Lexington Park Office 12/25	1033206	\$ 25.00
			Svc/Pest Control/Lexington Park Office 2/26	1040853	\$ 25.00
			Svc/Pest Control/Lexington Park Office 3/26	1045407	\$ 25.00
			Svc/Pest Control/Lexington Park Office 7/25	1012098	\$ 25.00
			Svc/Pest Control/Lexington Park Office 8/25	1016099	\$ 25.00
			Svc/Pest Control/Lexington Park Office 9/25	1020145	\$ 25.00
			Svc/Pest Control/Library 1/26	1036947	\$ 50.00
			Svc/Pest Control/Library 10/25	1024754	\$ 50.00
			Svc/Pest Control/Library 11/25	1029127	\$ 50.00
			Svc/Pest Control/Library 12/25	1033207	\$ 50.00
			Svc/Pest Control/Library 2/26	1040854	\$ 50.00
			Svc/Pest Control/Library 3/26	1045408	\$ 50.00
			Svc/Pest Control/Library 7/25	1012099	\$ 50.00
			Svc/Pest Control/Library 8/25	1016100	\$ 50.00

**City of Cypress
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03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
			Svc/Pest Control/Library 9/25	1020146	\$ 50.00
			Svc/Pest Control/Maint Yard 1/26	1036944	\$ 50.00
			Svc/Pest Control/Maint Yard 10/25	1024751	\$ 50.00
			Svc/Pest Control/Maint Yard 11/25	1029124	\$ 50.00
			Svc/Pest Control/Maint Yard 12/25	1033204	\$ 50.00
			Svc/Pest Control/Maint Yard 2/26	1040851	\$ 50.00
			Svc/Pest Control/Maint Yard 3/26	1045405	\$ 50.00
			Svc/Pest Control/Maint Yard 7/25	1012096	\$ 50.00
			Svc/Pest Control/Maint Yard 8/25	1016097	\$ 50.00
			Svc/Pest Control/Maint Yard 9/25	1020143	\$ 50.00
			Svc/Pest Control/PD 1/26	1036941	\$ 60.00
			Svc/Pest Control/PD 10/25	1024748	\$ 60.00
			Svc/Pest Control/PD 11/25	1029121	\$ 60.00
			Svc/Pest Control/PD 12/25	1033201	\$ 60.00
			Svc/Pest Control/PD 2/26	1040848	\$ 60.00
			Svc/Pest Control/PD 3/26	1045402	\$ 60.00
			Svc/Pest Control/PD 7/25	1012093	\$ 60.00
			Svc/Pest Control/PD 8/25	1016094	\$ 60.00
			Svc/Pest Control/PD 9/25	1020140	\$ 60.00
			Svc/Pest Control/Sr Center 1/26	1036943	\$ 60.00
			Svc/Pest Control/Sr Center 10/25	1024750	\$ 60.00
			Svc/Pest Control/Sr Center 11/25	1029123	\$ 60.00
			Svc/Pest Control/Sr Center 12/25	1033203	\$ 60.00
			Svc/Pest Control/Sr Center 2/26	1040850	\$ 60.00
			Svc/Pest Control/Sr Center 3/26	1045404	\$ 60.00
			Svc/Pest Control/Sr Center 7/25	1012095	\$ 60.00
			Svc/Pest Control/Sr Center 8/25	1016096	\$ 60.00
			Svc/Pest Control/Sr Center 9/25	1020142	\$ 60.00
70215	672 - O'REILLY AUTO PARTS	\$ 219.18	Compression Gauge(1) 2/9	3078-220771	\$ 58.17
			Compression Testers(2) 2/9	3078-220782	\$ 99.11
			Credit/Compression Tester(1)/Compression Gauge(1) 2/9	3078-220814	\$ (117.43)
			Credit/Motor Resistor(1) 12/30	3078-211508	\$ (22.10)
			Motor Resistor(1) 12/30	3078-211411	\$ 22.10
			Vehicle Battery(1) 2/25	3078-224633	\$ 179.33
70216	2563 - OC UNIFORMS & TAILORING INC	\$ 40.00	PD Honor Guard Uniform/ASirigos	2270	\$ 40.00
70217	122725 - ORANGE COUNTY SANITATION DISTRICT	\$ 1,180.46	Sewer Connect Fees 2/26	2/26	\$ 1,180.46
70218	1970 - PERFORMANCE PICKLEBALL, LLC	\$ 1,417.00	Instruct/Pickleball 2/22-3/15	3/15/26	\$ 1,417.00
70219	100379 - POPE, MARIE	\$ 12.00	W/C Meal/Wellness in Public Safety 2/25	Reimb 3/27/26	\$ 12.00
70220	2236 - PROACTIVE WORK HEALTH SERVICES	\$ 2,207.00	Pre-Place Physical(3)/City 2/26	046856	\$ 1,743.00
			W/C Pre-Place Physical(1) 2/26	046856(A)	\$ 464.00
70221	791 - RALPH ANDERSEN & ASSOC	\$ 11,800.00	Svc/Recruitment/City Manager 1/31	7271	\$ 8,850.00
			Svc/Recruitment/City Manager 2/28	7289	\$ 2,950.00
70222	2218 - READWRITE EDUCATIONAL SOLUTIONS INC	\$ 282.75	Instruct/Reading & Math Development 3/2-3/18	3/18/26	\$ 282.75

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70223	130231 - RSG, INC ROSENOW SPEVACEK GROUP INC	\$ 7,815.00	Consult/Affordable Housing Application Review/Citrus Square 2/26	15140	\$ 125.00
			Consult/Citrus Square Loan Processing/AYang	15201	\$ 1,538.00
			Consult/Citrus Square Loan Processing/JBarragan & GBarragan	15206	\$ 1,538.00
			Consult/Citrus Square Loan Processing/MPonce	15202	\$ 1,538.00
			Consult/Citrus Square Loan Processing/MRulon	15203	\$ 1,538.00
			Consult/Citrus Square Loan Processing/ZZhou	15205	\$ 1,538.00
70224	2031 - SDI PRESENCE LLC	\$ 2,054.63	W/C Svc/Cloud Backup 2/26	22036	\$ 495.00
			W/C Svc/Monitor IT/CAD System 2/26	21850	\$ 1,488.38
			W/C Svc/Security Software 2/26	22072	\$ 71.25
70225	119016 - SO CAL EDISON	\$ 14,065.29	700003851853 Svc/Parkways 2/26	2/26(B)	\$ 538.03
			700370018870 - Svc/Traffic Signal 2/26	2/26(F)	\$ 118.11
			700428641933 Svc/Mackay Park 2/26	2/26(E)	\$ 131.92
			700564248438 Svc/Traffic Signals 2/26	2/26(C)	\$ 3,509.76
			700710877173 - Svc/Lexington Park 3/26	3/26	\$ 3,823.26
			700921885822 - Svc/Arnold Cypress Park 2/26	2/26(D)	\$ 5,944.21
70226	119017 - SO CAL GAS CO	\$ 30.58	14011061398 Svc/Storm Drain 3/26	3/26	\$ 15.29
			16111070716 Svc/Storm Drain 3/26	3/26(A)	\$ 15.29
70227	1976 - SONSRAY MACHINERY, LLC	\$ 305.12	Transmission Oil(10 Gls) 3/5	PSO217919-1	\$ 305.12
70228	1591 - SOUTHERN CALIFORNIA NEWS GROUP	\$ 327.52	Pub Notice/State Controller's Report FY 2024-25	0011777442	\$ 327.52
70229	1279 - SOUTHERN CALIFORNIA SHREDDING, INC	\$ 65.00	PD Svc/Shredding 3/9	302291	\$ 65.00
70230	122963 - STERICYCLE INC	\$ 50.28	PD Med Waste Removal 3/26	8013542361	\$ 50.28
70231	1330 - SUPERIOR PROPERTY SERVICES, INC-SUPERIOR GRAFFITI	\$ 35,074.00	Svc/Graffiti Removal/Streets & Parks 1/26	18633	\$ 6,776.00
			Svc/Graffiti Removal/Streets & Parks 10/25	18573	\$ 7,392.00
			Svc/Graffiti Removal/Streets & Parks 11/25	18588	\$ 6,314.00
			Svc/Graffiti Removal/Streets & Parks 12/25	18613	\$ 7,392.00
			Svc/Graffiti Removal/Streets & Parks 2/26	18656	\$ 7,200.00
70232	588 - THE COUNSELING TEAM INTERNATIONAL	\$ 577.50	W/C Svc/Employee Counseling 2/26	INV108976	\$ 577.50
70233	1170 - TOM'S PLUMBING SERVICE INC	\$ 325.00	Svc/Clear Mainline Clog/Comm Center 3/7	71866	\$ 325.00
70234	1242 - UNIFORM DEPOT, INC-MR UNIFORM	\$ 85.03	PD Uniform/Volunteer LCroce	9317	\$ 85.03
70235	109312 - VAZQUEZ, GONZALO SONIC SOUNDS	\$ 650.00	Svc/DJ/Spring Egg Hunt 4/4	2026-003	\$ 650.00
70236	129595 - VERIZON WIRELESS - CA	\$ 61.11	Cell Svc/Rec 3/26	3/26	\$ 61.11
70237	1992 - VOORHEES, RONDA	\$ 1,202.50	Instruct/Piano 2/23-3/16	3/16/26	\$ 1,202.50
70238	1993 - WATANABE , BRYCE I	\$ 1,474.20	Instruct/Karate 2/9-3/18	3/18/26	\$ 1,474.20
70239	1962 - WEX HEALTH INC	\$ 112.80	Admin Fee/FSA 2/26	0002329135IN	\$ 112.80
70240	1974 - YUNEX LLC	\$ 1,864.09	Install/Street Light/St Anne St 5/4/23	56200043200	\$ 290.50
			Repair/Street Lights 12/25	5610007276	\$ 1,573.59

**City of Cypress
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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70241	0 - ASHOORI, MARK	\$ 1,181.65	Refund/Plan Check Fees/BS-26-109/5333 Belle Ave	Rfd 3/27/26	\$ 1,181.65
70242	0 - CYPRESS HIGH SCHOOL GRAD NITE	\$ 569.00	Refund/Rental Fee & Facility Deposit/Contract #10951	Rfd 3/27/26	\$ 569.00
70243	0 - GEYER, LINDA	\$ 8.00	Refund/Facility Deposit/Contract #11588	Rfd 3/27/26	\$ 8.00
70244	0 - JREISAT, SARA	\$ 142.00	Refund/Facility Rental & Deposit/Contract #11604	Rfd 3/27/26	\$ 142.00
70245	0 - SAHA, SIDHARTHA	\$ 300.00	Refund/Facility Deposit/Contract #11587	Rfd 3/27/26	\$ 300.00
70246	0 - TAN, YUKA	\$ 122.00	Refund/K-Pop 3/31-5/19	Rfd 3/27/26	\$ 122.00
70247	0 - TOGIA, ANGELA	\$ 300.00	Refund/Facility Deposit/Contract #11755	Rfd 3/27/26	\$ 300.00
70248	0 - YU, TIMOTHY	\$ 300.00	Refund/Facility Deposit/Contract #11619	Rfd 3/27/26	\$ 300.00
70249	128566 - A Y NURSERY	\$ 1,696.50	Trees(24)/Bloomfield & Cerritos 2/24	0132676	\$ 1,696.50
70250	1346 - A1 TEST ONLY & SMOG	\$ 90.00	Svc/Smog Test/Unit #618	1534814 3/24/26	\$ 45.00
			Svc/Smog Test/Unit #624	1257847 3/24/26	\$ 45.00
70251	290 - AC EXCHANGE AUTO	\$ 3,866.44	Replace/Air Conditioner Compressor/Unit #606	055127	\$ 1,600.41
			Replace/Air Conditioner Compressor/Unit #672	055287	\$ 975.43
			Replace/Radiator & Thermostat/Unit #625	055301	\$ 1,290.60
70252	270 - AITHAL, DARSHINI	\$ 1,025.05	Instruct/Chair Yoga 3/3-3/31	3/31/26	\$ 760.50
			Instruct/Flow Yoga 3/2-3/30	3/30/26	\$ 264.55
70253	130335 - AKM CONSULTING ENGINEERS	\$ 75,355.00	Design/Myra Pump Station #1 3/26	13860	\$ 75,355.00
70254	105442 - ALL CITY MANAGEMENT SERVICES INC	\$ 17,406.42	Crossing Guard Svcs(30 Hrs)/Orange & Grindlay 3/1-3/14	PS-INV104595(A)	\$ 772.20
			Crossing Guard Svcs(646.24 Hrs) 3/1-3/14	PS-INV104595	\$ 16,634.22
70255	2507 - AMPERAGE SECURITY INC	\$ 703.88	Software Maint/Door Key Card Support 3/17/26-3/14/27	1153	\$ 703.88
70256	110860 - AT&T	\$ 3,447.52	Cell Svc/Maint 3/26	3/26(D)	\$ 52.08
			Cell Svc/PD 3/26	3/26(E)	\$ 1,123.14
			PD CIB Callyo Body Wire 3/26	3/26(C)	\$ 62.67
			PD Svc/Mobile Data 3/26	3/26(H)	\$ 2,016.98
			Svc/Engineering Mobile Hotspots 3/26	3/26(G)	\$ 81.48
			Svc/Planning iPads 3/26	3/26(B)	\$ 67.44
			Wireless Svc/Sewer Truck & Myra Pump Station #2 3/26	3/26(F)	\$ 43.73
70257	110860 - AT&T	\$ 4.46	2481347232-Admin Phone Svc 4/26	4/26	\$ 4.46
70258	110860 - AT&T	\$ 1,360.87	9391033696-PD Phone Svc 3/26	3/26(A)	\$ 31.91
			W/C Svc/Priority Radio Line 3/26	000025043302	\$ 1,328.96
70259	110860 - AT&T	\$ 1.86	East Wing Fax Line 3/26	3/26(I)	\$ 1.86
70260	252 - AUTO ZONE, INC	\$ 857.28	Ignition Coil(1) 2/25	05521890702	\$ 58.82
			Throttle Body(1)/Brake Rotors(2)/Coolant(5 Gls)/Misc 2/24	05521889913	\$ 593.24
			Water Pump(1)/Thermostat(1) 2/23	05521888415	\$ 205.22

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70261	2780 - BANUELOS, VANESSA	\$ 32.85	Reimb/Supplies/Kids Night Out 1/16	Reimb 4/10/26	\$ 32.85
70262	1822 - BENEFIT COORDINATORS CORPORATION BCC	\$ 10,651.11	Insurance/Dental & Vision/City & Dist 4/26 Insurance/Dental & Vision/West Comm 4/26 Insurance/Vision Claims/City & Dist & West Comm 3/26	B0MNQX B0MNDT B0MPBN	\$ 9,115.35 \$ 1,060.65 \$ 475.11
70263	2623 - BLUE TRITON BRANDS INC PRIMO BRANDS CORP	\$ 103.46	W/C Bottled Water 3/26	06D8710320455	\$ 103.46
70264	2205 - BP FORD OF LONG BEACH	\$ 4,598.04	Replace/Catalytic Converters/Unit #625 Temperature Sensors(4) 3/3 Throttle Bodies(2) 3/2	FOCB742839 230819FOW 230758FOW	\$ 3,937.74 \$ 243.94 \$ 416.36
70265	1600 - BRIGHTVIEW LANDSCAPE SERVICES, INC	\$ 44,376.73	Svc/Landscape/Citywide 3/26 Svc/Landscape/Lexington Park 3/26 Svc/Seasonal Fertilization/Lexington Park 3/26	9686600 9688607 9688607(A)	\$ 37,245.99 \$ 6,831.76 \$ 298.98
70266	866 - C3 OFFICE SOLUTIONS	\$ 34.72	W/C Copier Svc/Supplies 4/3-5/2	INV217264	\$ 34.72
70267	103141 - CA FORENSIC PHLEBOTOMY, INC	\$ 450.81	PD Blood/Alcohol Tests(3) 3/26	3183	\$ 450.81
70268	2782 - CALIFORNIA CANOPY PLAY ANYWHERE SPORTS INC	\$ 1,646.87	Custom Canopy(1)/Sidewall(1)/Table Cover(1)	2607	\$ 1,646.87
70269	103197 - CALIFORNIA PARK & REC SOCIETY - CPRS	\$ 145.00	Dues/CA Park & Rec Society/IK 5/1/26-4/30/27	Dues/IK 2026-27	\$ 145.00
70270	103197 - CALIFORNIA PARK & REC SOCIETY - CPRS	\$ 660.00	2026 Awards & Installation Banquet Volunteer Award(1) 3/25 Reg/CA Park & Rec Society Awards Banquet(9) 4/9	302-2026-06 302-2026-07	\$ 75.00 \$ 585.00
70271	2137 - CALIFORNIA SAFETY AGENCY RECON INDUSTRIES INC	\$ 1,960.00	Svc/Restroom & Tennis Court Lockup 2/26	3604-183	\$ 1,960.00
70272	2773 - CHARGEPOINT INC	\$ 9,480.00	Software Maint/EV Chargers(20)/AC Park 3/11/26-3/11/27	IN399499	\$ 9,480.00
70273	123012 - CHARLES ABBOTT ASSOCIATES	\$ 31,497.05	Building Inspection and Plan Check Services 2/26	70082	\$ 31,497.05
70274	2090 - CHARTER COMMUNICATIONS HOLDINGS LLC SPECTRUM	\$ 3,173.84	W/C CAD/RMS Ethernet Connection 3/26 W/C CAD/RMS Ethernet Connection 4/5-5/4 W/C Svc/Internet 3/26	218496501040126A 187630201040126 218496501040126	\$ 1,303.25 \$ 1,306.84 \$ 563.75
70275	2381 - CITYGREEN CONSULTING, LLC	\$ 3,385.00	Consult/Solid Waste Program 2/26	1383-25-26-10	\$ 3,385.00
70276	129539 - COAST RECREATION INC	\$ 7,312.57	Playground Deck(1)/Maple Grove North Park 2/6 Playground Equipment(2 Pcs)/Oak Knoll Park 3/10	17210 17296	\$ 6,723.83 \$ 588.74
70277	2035 - COMMUNICATIONS LAB BARRIOS & ASSOCIATES, LLC	\$ 11,776.00	Svc/Recreation Strategic Communication Support 1/26 Svc/Recreation Strategic Communication Support 2/26	26-1402 26-1426	\$ 5,888.00 \$ 5,888.00
70278	114230 - CONCEPT SEATING LAACKE & JOYS COMPANY LLC	\$ 268.45	W/C Chair Parts(2)/Dispatch	79590	\$ 268.45
70279	115003 - COUNTY OF ORANGE	\$ 15,706.92	Agreement/Animal Shelter 1/1/26-3/31/26	AC2690056	\$ 15,706.92
70280	115003 - COUNTY OF ORANGE	\$ 54.08	PD Pre-Booking Forms(200)/Inventory Forms(200) 1/14	SH73900	\$ 54.08
70281	710 - COUNTY OF ORANGE SHERIFF'S DEPARTMENT OCSD	\$ 160.00	PD Svc/Uninstall Radio/Motor Unit #659	STTM003862	\$ 160.00

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EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70282	101 - CROSSTOWN ELECTRICAL & DATA, INC	\$ 16,211.53	Retention/Install/Traffic Signal System/Citywide	5277-200	\$ 16,211.53
70283	1820 - CURBELO, EDWARD	\$ 192.00	PD Meals/CA Sexual Assault Investigators Assoc Conf 3/10-3/13	Reimb 4/10/26	\$ 192.00
70284	1622 - DANIELS TIRE SERVICE, INC	\$ 1,075.31	Backhoe Tires(2) 2/19	200563282	\$ 430.88
			PD Vehicle Tires(5) 3/12	200565070	\$ 644.43
70285	102123 - DELL MARKETING LP-DELL USA LP	\$ 4,504.29	PD Computer(1)/Detectives 3/30	10868939807	\$ 4,504.29
70286	1296 - EDCO CNG	\$ 2,578.00	Natural Gas(155.25 Gls)/Sewer Truck(1) 3/1-3/15	0319026-6A(A)	\$ 530.96
			Natural Gas(598.55 Gls)/Sweepers(2) 3/1-3/15	0319026-6A	\$ 2,047.04
70287	2644 - ELITE MAINTENANCE & TREE SERVICE EMTS, INC	\$ 29,330.00	Svc/Landscape/Right-of-Way 3/26	133374	\$ 29,330.00
70288	1488 - ENTERPRISE HOLDINGS INC	\$ 2,310.72	PD Rental Car(1) 1/20-2/19	41515088(A)	\$ 1,439.57
			PD Rental Car(1) 2/1-3/3	41515088	\$ 871.15
70289	2185 - ENVIRO SAFETY PRODUCTS GUARDIAN SAFETY & SUPPLY	\$ 215.28	PD Exam Gloves(2K) 4/1	INV691017	\$ 215.28
70290	2508 - EWING IRRIGATION PRODUCTS INC	\$ 786.91	Backflow Preventer(1)/Moody Right-of-Way 3/17	29448629	\$ 761.20
			Coupling(1)/Adapters(2)/PVC Ell(1) 3/16	29423096	\$ 25.71
70291	104530 - EXPERIAN	\$ 100.00	PD Credit Reports 3/26	6000256074	\$ 100.00
70292	2461 - FCG CONSULTANTS INC	\$ 46,461.07	Final/Inspect/HVAC & Roof Replacement/Boys & Girls Club 3/26	1135-1021B	\$ 6,120.89
			Inspect/Arterial Street Rehab 1/26	1135-1019AB	\$ 8,768.46
			Inspect/HVAC & Roof Replacement/Boys & Girls Club 2/26	1135-1020B	\$ 22,617.46
			Inspect/OC Sanitation Sewer Project/Permit #25 2/26	1135-1020U	\$ 152.28
			Inspect/Restroom Renovations/Veterans Park 1/26	1135-1019AA	\$ 2,342.70
			Inspect/Various Non-CIP Engineering Permits 2/26	1135-1020Q	\$ 6,459.28
70293	2132 - FERGUSON ENTERPRISES LLC	\$ 701.83	Flush Valves(2)/Drain Cleaner(12 Qts) 3/2	6142572-1	\$ 701.83
70294	107899 - FIREWORKS AND STAGE FX AMERICA	\$ 13,750.00	Deposit/Fireworks Display/2026 Salute to America 7/3	23591	\$ 13,750.00
70295	1115 - FRONTIER	\$ 76.99	7148996947 - Phone Svc/Sewers 4/26	4/26	\$ 76.99
70296	1317 - GEORGE HILLS COMPANY INC	\$ 3,939.25	Admin Fee/Liability Claims 4/1/26-6/30/26	INV1034342	\$ 3,939.25
70297	119018 - GOLDEN STATE WATER COMPANY	\$ 9,118.08	Svc/Parks Landscaping 2/26-3/26	2/26-3/26(A)	\$ 1,236.09
			Svc/Parkway Maint 2/26-3/26	2/26-3/26	\$ 2,203.92
			Svc/Parkway Maint 3/26	3/26(A)	\$ 5,172.62
			Svc/Storm Drain 3/26	3/26	\$ 505.45
70298	123002 - GRAINGER	\$ 1,590.63	Baby Changing Station(1)/Willow Park Restroom 2/25	9818280365	\$ 198.67
			Batteries(2)/PD 2/20	9814067923	\$ 129.53
			Batteries(2)/Sr Center 2/25	9818383979	\$ 251.21
			Body Harnesses(2)/Shock Absorbing Lanyards(2) 3/12	9840357249	\$ 713.13
			Wood Filler(6 Lbs)/Council Chambers 3/11	9836179813	\$ 298.09
70299	110049 - GREAT SCOTT TREE SERVICE INC	\$ 3,800.00	Svc/Tree Removal(2) 3/5	59224	\$ 3,100.00
			Svc/Tree Stump Removal(1) 3/6	59220	\$ 700.00

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70300	103008 - HARTZOG & CRABILL INC	\$ 1,942.50	Consult/Traffic Plan Review & Signal Timing 2/26 Svc/Monitor Traffic Signals 2/26	26-0095 26-0096	\$ 180.00 \$ 1,762.50
70301	128739 - HOME DEPOT CREDIT SVC-MAINT	\$ 1,684.54	Supplies/Facility Operations/Comm Center 1/20 Supplies/Maint 1/26	6611787 4/10/26	\$ 167.59 \$ 1,516.95
70302	2039 - KELLY SPICERS INC KELLY SPICER STORES	\$ 738.08	PD Copy Paper(80 Rms) 4/1 Specialty Paper(5.5 Rms) 3/25	12191195 12185117	\$ 527.01 \$ 211.07
70303	1607 - LEMMON, BRADLEY	\$ 36.00	PD Meals/First Line Leadership 2/9-2/11	Reimb 4/10/26	\$ 36.00
70304	1779 - LINSOTT LAW & GREENSPAN ENGINEERS LG2WB	\$ 24,745.75	Design/Traffic Signal/Valley View & Plaza 2/26 Svc/Traffic Engineering 2/26	14394-00174 14704-00110	\$ 3,672.00 \$ 21,073.75
70305	2629 - LOPEZ, ANDRES	\$ 36.00	PD Meals/Standardized Field Sobriety Test 3/9-3/11	Reimb 4/10/26	\$ 36.00
70306	109298 - M & M LIFTS, INC	\$ 1,997.00	Svc/Boom Truck/Unit #121	6342	\$ 1,997.00
70307	111271 - MAR-CO EQUIPMENT CO	\$ 1,159.46	Sweeper Hydraulic Filter(1)/In-Line Filter(1) 3/11 Sweeper Throttle(1)/Plug Wire Set(1)/Misc 3/19	214864 215079	\$ 564.21 \$ 595.25
70308	2407 - MDJ MANAGEMENT	\$ 108,399.33	Construct/Restroom Renovations/Veterans Park 1/26-3/31	CYP 1003.1R.1	\$ 108,399.33
70309	2781 - MEJIAS, RICHARD	\$ 36.00	PD Meals/Standardized Field Sobriety Test 3/9-3/11	Reimb 4/10/26	\$ 36.00
70310	1477 - MERCADO, HECTOR	\$ 271.00	PD Meals/Basic Peer Support 2/4-2/6 PD Meals/Basic SWAT Academy 3/3-3/14 PD Meals/First Line Leadership 2/9-2/11	Reimb 4/10/26 Reimb(B) 4/10/26 Reimb(A) 4/10/26	\$ 36.00 \$ 199.00 \$ 36.00
70311	122124 - MIKE RAAHAUGE SHOOTING ENTERPRISES	\$ 50.00	PD Svc/Shooting Range(2)/SWAT 3/23	2205	\$ 50.00
70312	117056 - MINUTEMAN PRESS LOS ALAMITOS	\$ 355.06	Svc/Print/City Envelopes(2.5K) 4/2	47255	\$ 355.06
70313	80 - MORRIS, LETICIA	\$ 261.30	Instruct/Zumba 3/7-3/28	3/28/26	\$ 261.30
70314	129724 - NAPA AUTO PARTS - SO CAL AUTO & TRUCK PARTS INC	\$ 367.79	Serpentine Belts(2)/Wiper Fluid(6 Gls)/Misc 3/24 Tire Valve(1)/Wiper Blades(10)/Misc 2/27	499816 498600	\$ 153.90 \$ 213.89
70315	1275 - NICHOLS LOCAL GOVERNMENT CONSULTING, LLC	\$ 3,000.00	PD Svc/SB90 Reimbursement Preparation 7/1/25-6/30/26	2026-9830234-01	\$ 3,000.00
70316	110853 - NORCIA, TOM	\$ 59.00	Reimb/Class B License 3/13	Reimb 4/10/26	\$ 59.00
70317	672 - O'REILLY AUTO PARTS	\$ 1,800.06	Brake Rotors(4)/Disc Brakes(2)/Brake Pads(3)/Misc 3/11 Motor Oil(33 Qts)/Battery(1)/Spark Plugs(8)/Misc 3/24	3078-227877 3078-231261	\$ 1,061.91 \$ 738.15
70318	2715 - OCY MANAGEMENT, LLC	\$ 5,805.00	Sr Center/Nutrition Program 2/26 Taxi Vouchers/Sr Center 2/26	2503026 2501026	\$ 1,245.00 \$ 4,560.00
70319	1601 - ONYX PAVING COMPANY INC	\$ 584,551.90	Construct/Arterial Street Rehab 2/26	25-080-01	\$ 584,551.90
70320	2171 - PACKWOOD, TIFFINY	\$ 24.00	PD Meals/Scenarios & Tactics for Field Training Officer 3/4-3/5	Reimb 4/10/26	\$ 24.00
70321	129575 - PARKHOUSE TIRE INC	\$ 839.45	Sweeper Tires(2) 3/12	1020303271	\$ 839.45

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70322	194 - PAUL, BROCK	\$ 12.00	PD Meals/Court & Temporary Holding Facilities 1/28	Reimb 4/10/26	\$ 12.00
70323	871 - PEREZ, DIANA	\$ 448.50	Instruct/Learn & Grow 2/25-3/18	3/18/26	\$ 448.50
70324	2594 - PREMIER CHRYSLER JEEP DODGE RAM OF BUENA PARK	\$ 326.25	Credit/Disc Brake Caliper(1)/Core Return 3/25	CM107179	\$ (35.00)
			Disc Brake Caliper(1) 3/25	107179	\$ 361.25
70325	1825 - PRISM PUBLIC RISK INNOVATION SOLUTIONS & MGMT	\$ 1,391.04	EAP/City and West Comm(432) 4/1/26-6/30/26	26401470	\$ 1,391.04
70326	109069 - PROFORCE LAW ENFORCEMENT	\$ 924.50	PD Handguns(2) 3/25	597781	\$ 924.50
70327	1966 - REIHANIFAM, CHRISTOPHER	\$ 36.00	PD Meals/First Line Leadership 2/9-2/11	Reimb 4/10/26	\$ 36.00
70328	2233 - REYES, BRIANNA	\$ 48.00	PD Meals/Basic Peer Support 2/4-2/6	Reimb(A) 4/10/26	\$ 36.00
			PD Meals/Threat Liaison Officer 3/18	Reimb 4/10/26	\$ 12.00
70329	129917 - RUTAN & TUCKER	\$ 2,100.00	Legal Svc/Land Use/LARC 2/26	1059226	\$ 2,100.00
70330	2739 - SHOCKEY, COLLIN	\$ 24.00	PD Meals/Firearms Tactical Rifle Course 1/12-1/13	Reimb 4/10/26	\$ 24.00
70331	1999 - SIRIGOS, ARTEMIOS	\$ 1,320.00	Tuition/Juvenile Justice/Spring 2026	Tuit 4/10/26	\$ 1,320.00
70332	1181 - SITE ONE LANDSCAPE SUPPLY, LLC	\$ 415.32	Tree Watering Bags(24) 3/17	163231101-001	\$ 415.32
70333	119016 - SO CAL EDISON	\$ 31.67	700134894611 - Svc/Traffic Signal 3/26	3/26(A)	\$ 31.67
70334	119017 - SO CAL GAS CO	\$ 1,786.87	00840909006 Svc/Comm Center 3/26	3/26(C)	\$ 445.77
			12600890003 Svc/Maint Yard 3/26	3/26(B)	\$ 122.71
			13230923008 Svc/Storm Drain 3/26	3/26(D)	\$ 29.48
			18690942000 Svc/Sr Center 3/26	3/26(F)	\$ 369.87
			19530910009 Svc/City Hall 3/26	3/26(E)	\$ 819.04
70335	543 - SORVILLO, BRYAN	\$ 9,607.00	Instruct/Group Tennis 2/18-3/20	3/20/26	\$ 9,607.00
70336	1969 - SPINDOLA, CHRISTOPHER	\$ 24.00	PD Meals/Scenarios & Tactics for Field Training Officer 3/4-3/5	Reimb 4/10/26	\$ 24.00
70337	103106 - STANTON, CITY OF	\$ 2,284.76	Signal Maint/Knott & Cerritos 10/1/25-12/31/25	AR26000026(A)	\$ 392.37
			Signal Maint/Knott & Cerritos 7/1/25-9/30/25	AR26000017(A)	\$ 317.04
			Signal Maint/Knott & Katella 10/1/25-12/31/25	AR26000026	\$ 860.59
			Signal Maint/Knott & Katella 7/1/25-9/30/25	AR26000017	\$ 714.76
70338	119024 - STATE COMP INSURANCE FUND	\$ 1,595.25	W/C Workers Comp Insurance 3/30-4/30	1002984921	\$ 1,595.25
70339	1330 - SUPERIOR PROPERTY SERVICES, INC-SUPERIOR GRAFFITI	\$ 7,920.00	Svc/Graffiti Removal/Streets & Parks 3/26	18682	\$ 7,920.00
70340	588 - THE COUNSELING TEAM INTERNATIONAL	\$ 1,577.50	PD Svc/Employee Counseling 4/26	INV109234	\$ 1,000.00
			W/C Svc/Employee Counseling 3/26	INV109380	\$ 577.50
70341	725 - TICORAT, NATHAN	\$ 36.00	PD Meals/Basic Peer Support 2/4-2/6	Reimb 4/10/26	\$ 36.00
70342	2070 - TWIST AND SHOUT EVENTS, INC	\$ 1,125.00	Svc/Air Brush & Balloon Artist/Spring Egg Hunt 4/4	462710618947358	\$ 1,125.00

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70343	108908 - ULINE SHIPPING SUPPLY SPECIALISTS	\$ 1,168.65	Door Closers(2)/Lexington Park Office 2/25 Rain Jacket(1)/Rain Pants(1)/Misc 2/12	204542444 204104586	\$ 905.31 \$ 263.34
70344	127207 - UNDERGROUND SVS ALERT OF SO CA	\$ 288.75	Svc/DigAlert Tickets 2/26 Svc/DigAlert Tickets 3/26	220260239 320260242	\$ 154.05 \$ 134.70
70345	1242 - UNIFORM DEPOT, INC-MR UNIFORM	\$ 284.69	PD Uniform/Volunteer MBonilla	9329	\$ 284.69
70346	100308 - UNITED MAINTENANCE SYSTEMS	\$ 24,075.00	Svc/Custodial//Arnold Cypress Park 3/26 Svc/Custodial/City Facilities 3/26 Svc/Custodial//Lexington Park 3/26 Svc/Custodial/Park & Rec Facilities 3/26 Svc/Custodial/Park Restrooms(5) 3/26	16202(A) 16201 16202(B) 16203 16202	\$ 1,250.00 \$ 6,925.00 \$ 1,250.00 \$ 8,650.00 \$ 6,000.00
70347	1997 - VACCARO, FRANK WEST COAST OFFICIALS	\$ 1,386.00	Officials(21 Games)/Youth Basketball 4/18-4/27	1671	\$ 1,386.00
70348	2491 - WELLS FARGO FINANCIAL LEASING, INC	\$ 188.43	W/C Rental/Copier 4/6-5/5	5038124882	\$ 188.43
70349	2193 - WEST GROVE VOLLEYBALL, LLC	\$ 286.65	Instruct/Volleyball 3/1-3/22	3/22/26	\$ 286.65
70350	2284 - WURSTHORN, JOSHUA	\$ 120.00	PD Meals/Basic SWAT Academy 3/3-3/14	Reimb 4/10/26	\$ 120.00
70351	2273 - YOUNG REMBRANDTS NORTH ORANGE COUNTY BI DAN YU	\$ 2,125.50	Instruct/Drawing 1/6-3/21	3/21/26	\$ 2,125.50
70352	2044 - YOUTH EVOLUTION ACTIVITIES	\$ 303.71	Instruct/Youth Basketball 1/22-2/19	2/19/26	\$ 303.71
70353	1974 - YUNEX LLC	\$ 30,625.54	Repair/Traffic Signal Pole/Knockdown/Crescent & Walker 1/22 Repair/Traffic Signal Pole/Knockdown/Crescent & Walker 5/6/24 Repair/Traffic Signals 2/26 Repairs/Traffic Signals 1/26 Traffic Signal Maint 1/26 Traffic Signal Maint 2/26	5610007498 5610002309 5610007769 5610007497 90006349 90006604	\$ 1,403.58 \$ 2,781.50 \$ 11,619.75 \$ 4,057.31 \$ 5,381.70 \$ 5,381.70
70354	0 - AGAPE DISCIPLE CHURCH	\$ 300.00	Refund/Facility Deposit/Contract #11699	Rfd 4/10/26	\$ 300.00
70355	0 - AGUILAR, MARTIN	\$ 500.00	Refund/Recycling Deposit/CDD-25-346/10322 Lorraine Lane	Rfd 4/10/26	\$ 500.00
70356	0 - CHAN, HUGH	\$ 500.00	Refund/Recycling Deposit/CDD-25-316/8563 Walker St	Rfd 4/10/26	\$ 500.00
70357	0 - CORDERO, CHRISTOPHER	\$ 100.00	Refund/Facility Deposit/Contract #11576	Rfd 4/10/26	\$ 100.00
70358	0 - CRUZ, CINDY	\$ 100.00	Refund/Facility Deposit/Contract #11727	Rfd 4/10/26	\$ 100.00
70359	0 - MARKS, LARRY	\$ 500.00	Refund/Recycling Deposit/CDD-25-290/4481 Marion Ave	Rfd 4/10/26	\$ 500.00
70360	0 - MOSLEY INSURANCE & FINANCIAL SVCS	\$ 300.00	Refund/Facility Deposit/Contract #11561	Rfd 4/10/26	\$ 300.00
70361	0 - MURILLO, KARINA	\$ 100.00	Refund/Facility Deposit/Contract #11701	Rfd 4/10/26	\$ 100.00
70362	0 - PRIETO, JAMES	\$ 68.50	Refund/Citation #CP495959	Rfd 4/10/26	\$ 68.50
70363	0 - RAVIDRAN, ARAVIND	\$ 1,000.00	Refund/Recycling Deposit/CDD-24-287/10291 Christopher St	Rfd 4/10/26	\$ 1,000.00

**City of Cypress
Payment Register
03/07/26 - 04/10/26**

EFT/ Warrant Number	Vendor	Payment Amount	Description	Invoice	Invoice Amount
70364	0 - SANTANA, ISAAC	\$ 500.00	Refund/Recycling Deposit/CDD-24-405/6313 Bataan St	Rfd 4/10/26	\$ 500.00
70365	0 - SOCAL VOCATIONAL SERVICES	\$ 300.00	Refund/Facility Deposit/Contract #11749	Rfd 4/10/26	\$ 300.00
70366	0 - TAYLOR, OLIVIA	\$ 100.00	Refund/Facility Deposit/Contract #11678	Rfd 4/10/26	\$ 100.00
70367	0 - TURELK GENERAL BUILDING CONTRACTORS	\$ 30,122.00	Refund/Recycling Deposit/CDD-25-283/10803 Hope St	Rfd 4/10/26	\$ 30,122.00
70368	0 - VULLO, CHRISTOPHER	\$ 500.00	Refund/Recycling Deposit/CDD-26-70/4501 Myra Ave	Rfd 4/10/26	\$ 500.00
67104	0 - CYPRESS TRACK 2021, LLC	\$ (50,000.00)	Void/Refund/Recycling Deposit/4961 Katella Ave	Rfd 1/17/25	\$ (50,000.00)
69857	0 - METOYER, SHAHIDAH	\$ (300.00)	Void/Refund/Facility Deposit/Contract #10894	Rfd 1/30/26	\$ (300.00)
69995	2727 - ILAGAN, ELANOR ELENZ DANCE	\$ (152.10)	Void/Instruct/Elenz Dance Night 2/12	2/12/2026	\$ (152.10)
Total EFTs		\$ 653,052.04			\$ 653,052.04
Total Warrants		\$ 2,969,060.51			2,969,060.51
Transfer to Payroll (W1579)		\$ 849,963.54	Payroll 02/27/26-03/13/26		849,963.54
Transfer to Payroll (W1580)		\$ 916,085.10	Payroll 03/13/26-03/27/26		916,085.10
Grand Totals		\$ 5,388,161.19			\$ 5,388,161.19



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

7.

FROM: Stephanie Sikkema, Director of Finance and Administrative Services

DATE: 04/28/2026

SUBJECT: **Receive and File the Investment Report for the Month Ended March 31, 2026**

RECOMMENDATION

Receive and file the attached investment report.

DISCUSSION

California Government Code Section 53607 and Cypress Municipal Code Section 2-18(f) requires submission of a monthly investment report to the City Council. As of March 31, 2026, the City had \$191.7 million (current market value) in cash and investments and the interest return (yield) on the public funds investments was 3.95%. As required by the Government Code, all investments are in conformity with the City's investment policy and sufficient cash flows are available to meet the next six months of estimated expenditures.

The attached Summary of Cash and Investments presents the investments held by the City of Cypress as of March 31, 2026. The Investment Reports consist of the following five summaries:

1. Summary of Cash and Investments - Provides the total portfolio of the City.
2. Changes in Cash and Investments - Provides a two-month cash flow analysis by fund type. These separate fund types allow for restricted monies to be segregated and tracked separately. The total ending amount agrees to the current market value shown in the Summary of Cash and Investments.
3. Investments at Market Value by Maturity Date - Provides a list of investments by maturity date, and an indication of the liquidity (ability to turn into cash) of the investments. The California Government Code restricts the type of investments eligible for public funds. The City's Investment Policy further defines permitted investments. These restrictions in investment types and the terms of allowable investments result in limited yields on City investments.
4. Interfund Investments - Indicates outstanding loans between City funds. There are currently two loans due to the City's Infrastructure Reserve Fund from the Cypress Recreation and Park District General Fund related to the construction of Lexington

Park and the rehabilitation of Arnold Cypress Park.

5. Summary of Cash and Investments Held In Trust - Presents investments held in trust by the Public Agency Retirement Services (PARS) for offsetting unfunded pension liabilities. The pension trust assets can only be used to pay future pension obligations. The legal restrictions on the allowable investment types are less restrictive than those in the City's portfolio, which provides the potential for higher yields to be earned over the long-term on investments held in the pension trust.

As mentioned previously, the City had \$191.7 million (current market value) in cash and investments on March 31, 2026. The investments include Federal Agencies and US Treasuries Debt (\$103.5 million) and Investment Pools (\$84.2 million). The City's bank accounts held \$4.0 million on March 31, 2026.

A portion of the investment portfolio is invested in the State Investment Pool (Local Agency Investment Fund or LAIF) which is managed by investment professionals and provides a diversified investment pool for local agencies to invest. By using the combined size of the participating cities and agencies, the State Pool can provide a competitive yield, liquidity and investment knowledge that otherwise would not be available to a single entity.

The amount of cash in the City's checking accounts fluctuates based on the maturity of investments, daily cash receipts, and when vendors and employees are paid. The daily balances maintained in the checking accounts provide credits which offset monthly bank charges. In addition to the Federal Depository Insurance Corporation (FDIC) which insures the first \$250,000, excess checking deposits are secured by banks, government, or mortgage securities valued between 110% and 150% of the deposits.

BUDGET IMPACT

This agenda item is presented for receive-and-file purposes only; therefore, there is no budgetary impact associated with this action

LEGAL REVIEW

Reviewed and approved.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Investment Report for the Month Ended March 31, 2026

City of Cypress

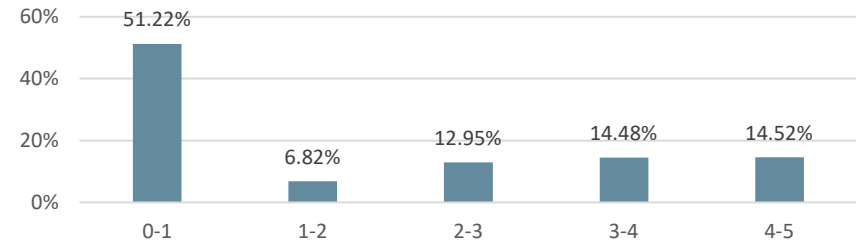
Summary of Cash and Investments

As of March 31, 2026

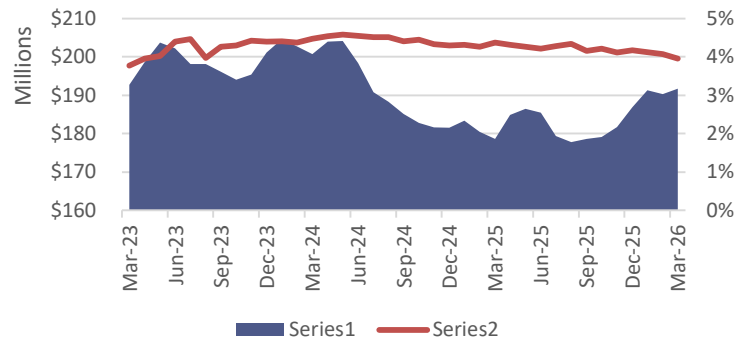
Portfolio Summary

Average Weighted Yield to Maturity	3.95%
Average Weighted Days to Maturity	580.58
Total Carrying Value	\$191,298,292.60
Total Market Value	\$191,695,302.42

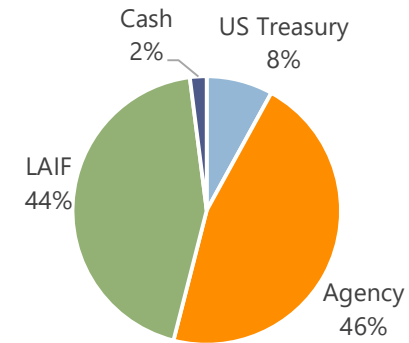
Maturity Distribution



Average Weighted Yield to Maturity



Sector Allocation



I certify that this report reflects all Government Agency pooled investments and is in conformity with the Investment Policy of the City of Cypress. A copy of this Investment Policy is available on the City's website. The Investment Program herein shown provides sufficient cash flow liquidity to meet six months estimated expenditures.

Prepared By: Sheila Tran
Accountant

Signed: 
City Treasurer

City of Cypress

Summary of Cash and Investments

As of March 31, 2026

Portfolio Holdings

City of Cypress As of March 31, 2026

CUSIP	Security Description	Investment		Interest Rate	Carrying Value	Current Market
		Date	Maturity Date			Value
Cash						
General Operating Account *	BMO	--	4/1/2026	-	\$ 3,912,544.50	\$ 3,912,544.50
Worker's Comp Account	BMO	--	4/1/2026	-	50,000.00	50,000.00
Liability Account	California Bank & Trust	--	4/1/2026	-	8,500.00	8,500.00
Petty Cash	City	--	4/1/2026	-	8,350.00	8,350.00
Total Cash					\$ 3,979,394.50	\$ 3,979,394.50

LAIF						
LAIF	Local Agency Investment Fund State Pool	--	4/1/2026	3.826	\$ 44,000,000.00	\$ 44,095,985.25
LAIF	Local Agency Investment Fund State Pool	--	4/1/2026	3.826	40,000,000.00	40,087,259.32
Total LAIF					\$ 84,000,000.00	\$ 84,183,244.57

Agency						
3133EPWD3	Federal Farm Credit Bank	9/29/2023	4/20/2026	5.000	4,997,138.54	5,002,800.00
3130AXU63	Federal Home Loan Bank	11/30/2023	11/17/2026	4.420	5,009,350.00	5,027,700.00
3130B0XB0	Federal Home Loan Bank	4/18/2024	4/16/2027	5.000	3,015,000.00	3,016,236.15
3133ERA92	Federal Farm Credit Bank	11/21/2024	11/12/2027	4.210	9,984,069.06	10,056,400.00
3135GAX89	Federal National Mortgage Association	11/4/2024	7/21/2028	4.152	6,991,754.99	6,998,670.00
91282CHQ7	US Treasury Bill	6/24/2024	7/31/2028	4.288	5,014,669.44	5,035,700.00
3130B4ZY0	Federal Home Loan Bank	2/14/2025	8/14/2028	4.500	5,000,000.00	5,001,050.00

City of Cypress
Summary of Cash and Investments
As of March 31, 2026

Portfolio Holdings

City of Cypress		As of March 31, 2026					
CUSIP	Security Description	Investment Date	Maturity Date	Interest Rate	Carrying Value	Current Market Value	
3130B3W25	Federal Home Loan Bank	5/27/2025	11/27/2028	4.300	\$ 3,135,149.16	\$	3,142,694.70
3130AYWG7	Federal Home Loan Bank	2/15/2024	2/12/2029	4.411	4,648,605.00		4,652,836.50
3133ERAK7	Federal Farm Credit Bank	4/18/2024	4/10/2029	4.375	4,954,640.00		5,077,850.00
91282CES6	US Treasury Bill	6/24/2024	5/31/2029	4.241	4,733,516.58		4,840,200.00
3134HCEX3	Federal Home Loan Mortgage Corp	12/19/2025	6/8/2029	3.995	7,860,000.00		7,821,486.00
91282CFL0	US Treasury Bill	12/6/2024	9/30/2029	4.032	4,975,005.33		5,002,100.00
3133ER4F5	Federal Farm Credit Bank	2/19/2025	2/19/2030	4.820	5,000,000.00		5,013,450.00
3130B6Y83	Federal Home Loan Bank	7/3/2025	7/2/2030	4.000	5,000,000.00		4,991,150.00
3130B7R63	Federal Home Loan Bank	9/12/2025	9/3/2030	4.000	5,000,000.00		4,956,350.00
3133ETB89	Federal Farm Credit Bank	10/1/2025	10/1/2030	3.750	5,000,000.00		4,964,800.00
3134HCBE8	Federal Home Loan Bank	11/20/2025	11/20/2030	4.000	5,000,000.00		4,998,550.00
3136GCG90	Federal National Mortgage Association	1/27/2026	1/27/2031	3.875	8,000,000.00		7,932,640.00
Total Agency					\$ 103,318,898.10	\$	103,532,663.35
Total Portfolio					\$ 191,298,292.60	\$	191,695,302.42

* Negative cash balance (if any) shown due to checks being issued at month end, transfer to cover checks not made until early in the following month.

City of Cypress
Changes in Cash/Investments
As of March 31, 2026

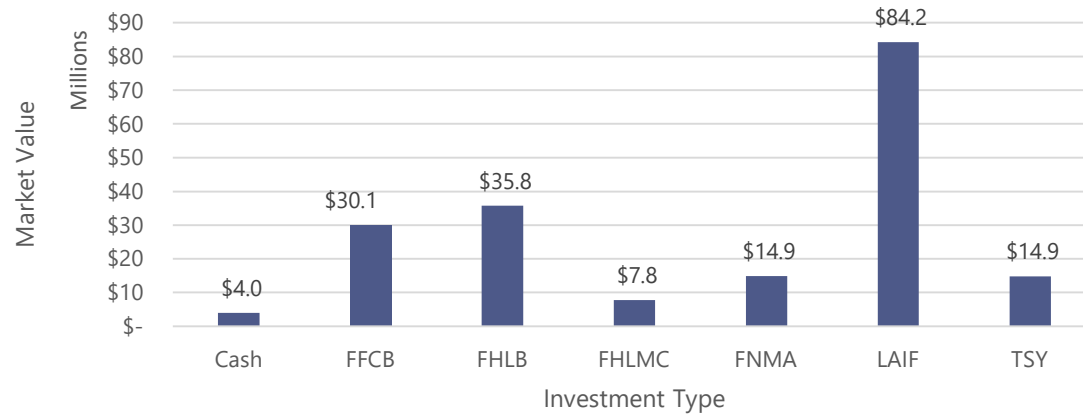
		1/31/2026	+RECEIPTS	(DISBURSEMENTS)	2/28/2026	+RECEIPTS	(DISBURSEMENTS)	3/31/2026
GENERAL								
111/114	GENERAL FUND/GENERAL FUND-GRANTS	\$ 36,516,851	\$ 3,185,192	\$ (3,229,508)	\$ 36,472,535	\$ 3,277,831	\$ (3,288,051)	\$ 36,462,315
112	CFD ADMINISTRATION	-	-	-	-	-	-	-
SPECIAL REVENUE								
115	PANDEMIC RELIEF	-	-	-	-	-	-	-
212	CRPD-GENERAL FUND	14,904,872	141,495	(546,194)	14,500,173	751,478	(1,230,292)	14,021,359
213	CRPD-PARK DEVELOPMENT	58	-	-	58	805,683	-	805,741
221	TRAFFIC SAFETY	24,385	5,462	-	29,847	4,875	-	34,722
230	STREETS	9,342,502	225,672	(7,899)	9,560,275	478,145	(15,196)	10,023,224
251	LIGHTING DISTRICT #2	5,155,292	7,360	(78,839)	5,083,813	154,003	(80,219)	5,157,597
261	STORM DRAIN	2,198,933	31,580	(37,656)	2,192,857	37,406	(26,579)	2,203,684
262	PLANNED LOCAL DRAINAGE FACILITY	1,197,765	-	-	1,197,765	-	-	1,197,765
271	CORP CNTR MAINT DISTRICT #1	229,707	-	(4,481)	225,226	35,608	(13,154)	247,680
280	ASSET SEIZURE	796,128	-	(9,618)	786,510	72,711	(69,770)	789,451
291	CABLE TV FRANCHISE AGREEMENT	904,278	12,957	-	917,235	-	(3,054)	914,181
301	SUPPLEMENTAL LAW ENFORCEMENT	118,340	-	(8,124)	110,216	4,785	(9,782)	105,219
311	AB 2766 TRIP REDUCTION	52,271	-	-	52,271	15,411	-	67,682
321	SEWER FUND	11,145,341	113,838	(28,592)	11,230,587	117,909	(134,417)	11,214,079
471	LOW AND MODERATE HSG ASSET	40,581	455	(2,389)	38,647	-	(1,532)	37,115
CAPITAL PROJECTS								
415	CITY CAPITAL PROJECTS	14,457,449	-	(1,084,468)	13,372,981	-	(526,473)	12,846,508
416	INFRASTRUCTURE RESERVE	52,711,624	-	(975)	52,710,649	-	-	52,710,649
450	RDA CAPITAL PROJECTS	-	-	-	-	-	-	-
TRUST AND AGENCY								
461	HOUSING SUCCESSOR AGENCY TO RDA	-	-	-	-	-	-	-
462	SUCCESSOR AGENCY TO RDA	-	-	-	-	-	-	-
600	TRUST AND AGENCY	1,803,037	20,417	(40,032)	1,783,422	123,795	(134,162)	1,773,055
610	NON-CITY OBLIGATED DEBT	-	-	-	-	-	-	-
611	BUSINESS ASSESSMENT DISTRICT	-	-	-	-	-	-	-
612	CFD #1 ASSESSMENT DISTRICT	153,575	-	-	153,575	-	-	153,575
620	REC & COMM SERVICES FOUNDATION	52,598	2,165	-	54,763	3,429	-	58,192
INTERNAL SERVICE								
710	CENTRAL SERVICES	4,333,318	245,273	(159,480)	4,419,111	249,909	(227,295)	4,441,725
720	CAPITAL REPLACEMENT	16,289,482	80,335	(104,042)	16,265,775	84,964	(22,008)	16,328,731
730	TECHNOLOGY IMPROVEMENT	2,235,841	-	-	2,235,841	-	-	2,235,841
750	EMPLOYEE BENEFITS	5,315,109	1,320,789	(935,756)	5,700,142	1,330,632	(554,373)	6,476,401
760	LIABILITY SELF INSURANCE	2,056,047	69,331	-	2,125,378	69,331	-	2,194,709
770	WORKERS COMP SELF INSURANCE	3,430,458	70,377	(45,574)	3,455,261	68,206	(59,263)	3,464,204
OTHER								
811/812	WESTCOMM JPA	5,862,258	87,343	(326,840)	5,622,761	387,474	(280,337)	5,729,898
Total Cash and Investments		\$ 191,328,100	\$ 5,620,041	\$ (6,650,467)	\$ 190,297,674	\$ 8,073,585	\$ (6,675,957)	\$ 191,695,302

City of Cypress

Investments at Market Value by Maturity Date

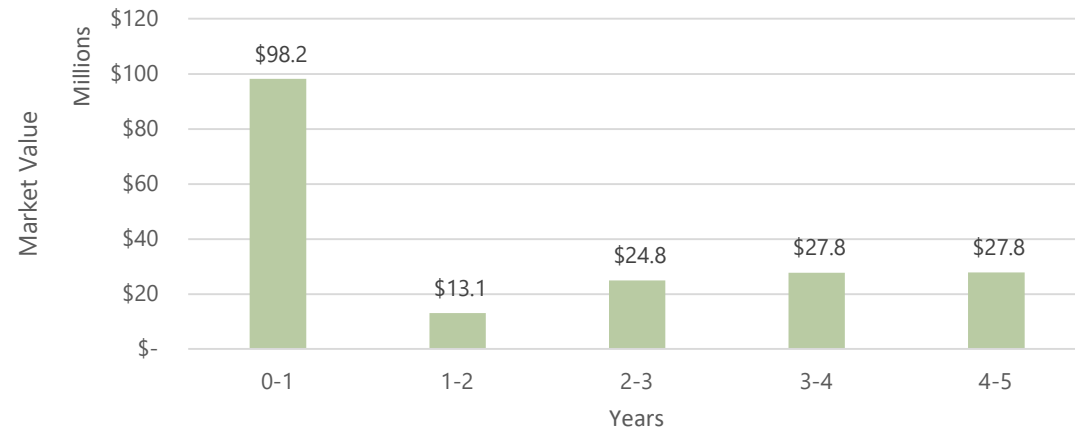
As of March 31, 2026

Investment Type Distribution



Investment Type	Percentage
Cash	2.08%
FFCB	15.71%
FHLB	18.67%
FHLMC	4.08%
FNMA	7.79%
LAIF	43.92%
TSY	7.76%
Total	100%

Maturity Distribution by Maturity Date



Years	Market Value
0-1	\$ 98,193,139
1-2	\$ 13,072,636
2-3	\$ 24,830,951
3-4	\$ 27,755,086
4-5	\$ 27,843,490
Total	\$ 191,695,302

City of Cypress Interfund Investments

As of March 31, 2026

Note No.	To/From	Purpose	Issue Date	Scheduled Maturity Date	Interest Rate	Authorized Amount	Total Advances	Repayments to Date	Note Principal Outstanding
1	CRPD/City	Lexington Park Construction	2/8/2021	6/30/2030	2%	\$ 12,800,000	\$ 12,293,975	\$ 9,109,308	\$ 3,184,667
2	CRPD/City	Arnold Cypress Park Construction	11/13/2023	6/30/2045	2%	\$ 33,500,000	\$ 32,336,574	\$ 1,548,801	\$ 30,787,773
Total Interfund Investments									\$33,972,440

¹ The Lexington Park note is being repaid with park development fees as they become available. Effective July 1, 2025, the maturity date of the note was extended to June 30, 2030 with an interest rate of 2%.

² Beginning June 30, 2025, the CRPD will repay \$2 million annually (including principal and interest) from available CRPD property taxes over the next 20 years.

City of Cypress

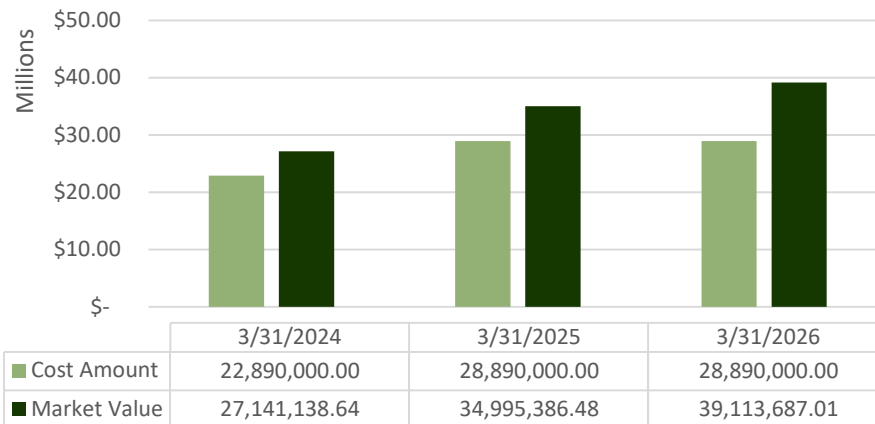
Summary of Cash and Investments Held in Trust

As of March 31, 2026

Fund	Type	Issuer	Maturity Date	One-Year Return *	Cost Amount	Current Market Value
PARS Public Agencies Post-Employment Benefits Trust Trustee: Public Agency Retirement Services (PARS)						
Section 115 Trust	Pension Trust	Various	Open	12.18%	\$ 28,890,000.00	\$ 39,113,687.01
Total Cash and Investments Held in Trust					\$ 28,890,000.00	\$ 39,113,687.01

* 12-month period ending with the current month.

PARS Pension Trust





CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

8.

FROM: Alicia Velasco, Planning Director

DATE: 04/28/2026

SUBJECT: Receive and File the 2025 General Plan Annual Progress Report on the Implementation of the Housing Element

RECOMMENDATION

Receive and file the 2025 General Plan Annual Progress Report on the implementation of the Housing Element.

DISCUSSION

Background

California Government Code Section 65400 requires that cities submit an annual report to the State Office of Land Use and Climate Innovation (LCI) and the Department of Housing and Community Development (HCD) that provides the progress of Housing Element implementation. Cities must also submit a General Plan Annual Progress Report to HCD and LCI. The attached report satisfies both requirements.

General Plan Status

The City Council adopted the General Plan on September 10, 2001. It contains the seven State- required elements plus three optional elements:

General Plan Elements	Last Revised
Land Use	February 24, 2025
Circulation	September 10, 2001
Housing	June 27, 2022
Conservation/Open Space/Recreation	September 10, 2001
Safety	October 14, 2013
Noise	September 10, 2001

Optional: Air Quality, Growth Management, Implementation	September 10, 2001
--	--------------------

Cities are required to keep their General Plans current and internally consistent. There is no requirement to comprehensively update the General Plan; however, recent State legislation requires certain individual elements be updated periodically.

The following is a summary of General Plan related activities during the January 1 to December 31, 2025 reporting period.

Land Use Element

On February 2025, Council approved amendments to the Land Use Element to ensure consistency with amendments to the Cypress Town Center and Commons Specific Plan (ratified by voters in November 2024) and the Lincoln Avenue Specific Plan. Both Specific Plan amendments were required to meet the City’s Housing Element implementation obligations.

On April 28, 2025, Council approved the Cypress Business Park Specific Plan (CBPSP) and amending the Land Use Element to ensure consistency with the new plan. The Land Use Element amendments primarily remove references to specific plans that were consolidated into the CBPSP.

Housing Element

HCD certified the 2021-2029 Housing Element on September 9, 2022. This report is for calendar year 2025, which is the fourth reporting year of the housing element cycle. Having a certified Housing Element makes the City eligible for State housing grants/programs and provides protection against housing-related lawsuits. Cypress' Regional Housing Needs Assessment (RHNA) for the 2021-2029 Housing Element cycle is 3,936 units.

In 2025, the City approved 33 housing applications for a total of 101 units. Of the 101 units, 50 were completed and the rest are under construction.

Below is a summary of the 2021-2029 Housing Element cycle totals which count toward the City’s RHNA based on income level:

Income Level	2021-2029 RHNA	Units to Date* (2021-2025)	Remaining
Very Low	1,150	23	1,127
Low	657	7	650
Moderate	623	46	577
Above Moderate	1,506	494	1,012
TOTAL	3,936	570	3,366

* Indicates units for which a building permit was issued

Other General Plan Element Amendments

There were no amendments to the other elements of the General Plan. Updates to the Safety Element and Open Space/Conservation/Recreation Element are currently underway and anticipated to be completed in late 2026. The City continues to implement the goals

and policies of all General Plan elements.

BUDGET IMPACT

This agenda item is presented for receive-and-file purposes only; therefore, there is no budgetary impact associated with this action.

LEGAL REVIEW

The City Attorney has reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

9.

FROM: Nick Mangalakiri, Director of Public Works

DATE: 04/28/2026

SUBJECT: Award Contracts for Replacement of Interior and Exterior Light Fixtures to LED Fixtures, Project 434

RECOMMENDATION

1. Award a contract to ABM Electrical & Lighting Solutions Inc. for \$617,300.49, authorize a contingency of \$78,300, and authorize the City Manager to execute the contract agreement; and
2. Approve a Task Order for Construction Inspection Services to FCG Consultants, Inc. for \$34,885.40 and authorize a contingency of \$3,500.

DISCUSSION

The FY 2025–26 Capital Improvement Program (CIP) includes a project to replace existing interior and exterior light fixtures with energy-efficient light-emitting diodes (LED) fixtures at various parks facilities, including the Community Center, Senior Center parking lot, Civic Center Tennis Courts, Oak Knoll Park, and Veterans Park.

Public Works recommends Sourcewell eziQC, an Indefinite Delivery, Indefinite Quantity (IDIQ) procurement process, for the project. Sourcewell competitively bids for projects involving the repair, alteration, modernization, and rehabilitation of infrastructure and facilities. Both the California Government Code and Cypress Municipal Code Section 21A-10(e) allow for cooperative purchasing agreements, enabling public entities to benefit from shared contracting efforts. This process has been utilized for several Capital Improvement Projects such as the Veterans Park Picnic Pavilion Reconstruction, Community Center Roof Replacements, City Hall and PD Roof Replacement, and Veterans Park Restroom Renovations.

Using Sourcewell's competitively-bid prices, ABM Electrical & Lighting Solutions Inc., submitted a proposal of \$617,300.49 for the replacement of various light fixtures with energy-efficient LED fixtures. ABM Electrical & Lighting Solutions Inc. comes highly recommended and has completed similar projects for other agencies in Southern California. FCG Consultants, Inc., the City's on-call construction management firm, will

provide inspection services for this project.

BUDGET IMPACT

Estimated project costs, including labor and inspection, will not exceed \$749,985.89. The Parks Interior/Exterior LED Lighting project is included in the City's Capital Improvement Program and funded by the Recreation and Park District's General Fund.

Construction Estimate (includes contingency)	\$695,600.49
Construction Inspection Estimate (includes contingency)	\$38,385.40
Labor	\$16,000.00
Total Project Estimate	\$749,985.89
Total Project Budget	\$750,000.00
(Over)/Under Budget	\$14.11

LEGAL REVIEW

The City Attorney has reviewed this staff report and approved the agreements as to form.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

ABM - Contract Agreement
Sourcewell Contract Agreement
FCG Task Order

**AGREEMENT FOR CONSTRUCTION SERVICES (ezIQC CONTRACTING)
BETWEEN CITY OF CYPRESS AND
ABM ELECTRICAL & LIGHTING SOLUTIONS**

FOR

**REPLACEMENT OF INTERIOR AND EXTERIOR LIGHT FIXTURES TO LED
FIXTURES, PROJECT 434**

THIS AGREEMENT FOR CONSTRUCTION SERVICES (“**Agreement**”) is made and entered into on **04/28/2026** (“**Effective Date**”), by and between the City of Cypress, a California municipal corporation and **ABM Electrical & Lighting Solutions** (“**Contractor**”). City and Contractor may be referred to, sometimes individually or collectively, as “**Party**” or “**Parties.**” Contractor’s State License Number is 967676 and DIR Registration Number is 1000003477.

RECITALS

A. Bids for the Project were received, publicly opened, and declared on the date specified in said notice, or as otherwise accepted and processed through those procedures and approvals authorized under the City of Cypress Municipal Code.

B. City accepted the bid of Contractor dated February 23, 2026 pursuant to legal requirements and selected Contractor for the Project.

C. City desires to retain Contractor, on an independent contractor basis, for the Project, as more particularly described below.

D. Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

E. Pursuant to the City of Cypress Municipal Code and California state law, City has authority to enter into and execute this Agreement.

F. The Parties desire to formalize the selection of Contractor for performance of the services and desire that the terms of that performance be as particularly defined and described herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1. CONTRACTOR SERVICES

1.1 Scope of Work.

The Contractor shall perform all of the work, furnish all labor, materials, equipment, tools, utility services, and transportation, and comply with all of the specifications and requirements (collectively referred to herein as the “**services**” or “**work**” hereunder) in the Contract Documents for Replacement of Interior and Exterior Light Fixtures to LED Fixtures (“**Project**”). All such work shall be performed in a good and workmanlike manner, as reasonably determined by the City, and shall be performed in compliance with all local, state, and federal laws and regulations. By entering into this Agreement, Contractor acknowledges that there may be other contractors on the site whose work will be coordinated with that of its own. Contractor expressly agrees that it will cooperate with other contractors and will do nothing to delay, hinder, or interfere with the work of other separate contractors, the City, the Project Manager, architects, inspectors, engineers, or utilities. As used herein, “**Contract Documents**” refers to all of the following documents, all of which are component parts of this Agreement as if herein set out in full or attached hereto:

- A. Notice of Inviting Bids, Bid Forms & Instructions to Bidders
- B. Scope of Work, if any
- C. Plans for the Project, if any
- D. Project Construction Schedule
- E. General Specifications and Provisions, if any
- F. Special Provisions for the Project, if any
- G. Standard Specifications
- H. Technical Specifications
- I. Addendum(s) as issued
- J. Contractor’s Signed Bid Proposal and Information Required of Bidder
- K. Designated Subcontractors List, if any
- L. Bid Bond, Performance Bond, Labor & Materials Payment Bond, and any other Bonds as required by this Agreement
- M. Insurance Certificates and Written Endorsements
- N. Notice to Proceed (issued by the City)
- O. Notice of Completion (issued by the City at final completion of the project)

P. Guaranty Form

Q. All Changes Orders properly authorized after execution of Agreement.

The Contract Documents are incorporated into this Agreement and made part hereof. In the event of any conflict between the terms of the Contract Documents and this Agreement, the terms of this Agreement shall govern.

1.2 Incorporation of Greenbook.

The provisions of the 2018 Edition of the Standard Specifications for Public Works Construction, as updated by errata, (“**Greenbook**”) are incorporated herein as the Standard Specifications, except as explicitly modified herein or by the Contract Documents. In the event of any conflict between the provisions of the Greenbook and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Labor and Wage Laws.

(a) Public Work. The Parties acknowledge that the work to be performed under this Agreement is a public work as defined in Labor Code section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations (“**DIR**”) implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Contractor shall post job site notices, as prescribed by regulation.

(b) Registration with DIR. Pursuant to Labor Code section 1771.1, Contractor and all subcontractors must be registered with, and pay an annual fee to, the DIR prior to and during the performance of any work under this Agreement.

(c) Prevailing Wages. Contractor shall pay prevailing wages to the extent required by Labor Code section 1771. Pursuant to Labor Code section 1773.2, copies of the prevailing rate of per diem wages are on file at City Hall and on the DIR website at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm> and will be made available to any interested party on request. By initiating any work under this Agreement, Contractor acknowledges receipt of a copy of the DIR determination of the prevailing rate of per diem wages, and Contractor shall post a copy of the same at each job site where work is performed under this Agreement. If this Agreement is subject to the payment of federal prevailing wages under the Davis-Bacon Act (40 U.S.C. § 3141 *et seq.*), then Contractor shall pay the higher of either the state or federal prevailing wage applicable to each laborer.

(d) Penalty for Failure to Pay Prevailing Wages. Contractor shall comply with and be bound by the provisions of Labor Code sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the City, forfeit the sum of \$200 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by subcontractor.

(e) Payroll Records. Contractor shall comply with and be bound by the provisions of Labor Code section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Labor Code section 1776; certify and make such payroll records available for inspection as provided by Labor Code section 1776; and inform the City of the location of the records. Contractor shall submit all required reporting and records directly to the DIR.

(f) Apprentices. Contractor shall comply with and be bound by the provisions of Labor Code sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

(g) Eight-Hour Work Day. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code section 1810.

(h) Penalties for Excess Hours. Contractor shall comply with and be bound by the provisions of Labor Code section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half (1½) times the basic rate of pay.

(i) Workers' Compensation. California Labor Code sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of California Labor Code section 1861 and Section 5.1 and 5.2 of this agreement, Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require 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."

(j) Contractor's Responsibility for Subcontractors. For every subcontractor who will perform work under this Agreement, Contractor shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720)

of the California Labor Code, and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.4 Compliance with Law.

All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of City and any federal, state or local governmental agency having jurisdiction in effect at the time services are rendered. City, and its elected and appointed officers, employees, agents, designated volunteers, attorneys, successors and assigns shall not be liable at law or in equity for failure of Contractor to comply with this Section.

1.5 Licenses, Permits, Fees and Assessments.

Contractor has California State Contractor's License Board License Classification B, No. 1044711 and shall maintain said license and obtain and maintain, at its sole cost and expense, such licenses, permits, registrations, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.6 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the Scope of Work to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder.

1.7 Discovery of Unknown Conditions.

(a) Pursuant to Public Contract Code section 7104, Contractor shall promptly, and before the following conditions are disturbed, notify the City, in writing, of any: (i) material Contractor believes may be hazardous waste as defined in Section 25117 of the Health & Safety Code required to be removed to a Class I, II, or III disposal site in accordance with existing law; (ii) subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to bidders prior to the deadline for submitting bids on the project; or (iii) unknown physical conditions at the site of any unusual nature, different materially from those

ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement.

(b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order in accordance with this Agreement.

(c) In the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the Agreement, but shall proceed with all work to be performed under the Agreement. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting Parties.

1.8 Unidentified Utilities.

To the extent required by Government Code section 4215, City will compensate Contractor for the cost of locating, repairing damage not due to the failure of Contractor to exercise reasonable care, and removing or relocating utility facilities not identified by City in the Contract Documents with reasonable accuracy, and for equipment on the project necessarily idled during such work. Nothing herein shall be deemed to require City to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the project site can be inferred from the presence of other visible facilities, such as buildings, meters, and junction boxes, on or adjacent to the site of the construction; provided, however, nothing herein shall relieve City from identifying main or trunklines in the plans and specifications. If Contractor, while performing the work, discovers utility facilities not identified by City in the plans or specifications, Contractor shall immediately notify City and the utility in writing. This Agreement is subject to Government Code sections 4216 through 4216.9. Contractor must notify utilities and obtain an identification number before excavation or be subject to liability for damages to subsurface installations. Pursuant to Government Code Sections 4216 through 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

1.9 Trench Excavation.

Pursuant to Labor Code section 6705, if this Agreement is for more than \$25,000 and requires the excavation of any trench or trenches five feet or more in depth, Contractor shall submit, in advance of such excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. The plan shall be reviewed and accepted by the City, or a registered civil or structural engineer employed by the City to whom authority has been

delegated, prior to the excavation. If the plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer. This section shall not be deemed to allow the use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders. This subsection shall not be construed to impose tort liability on the City or any of its employees. Full compensation for sheeting, shoring, bracing, sloping, and all other provisions required for worker protection shall be considered as included in the contract price shown in the appropriate Bid item, and no additional compensation will be allowed therefor.

1.10 Protection and Care of Work and Materials.

The Contractor shall adopt reasonable methods, including providing and maintaining storage facilities, during the life of the Agreement, to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as caused by City's own negligence. Stored materials shall be reasonably accessible for inspection. Contractor shall not, without City's consent, assign, sell, mortgage, hypothecate, or remove equipment or materials which have been installed or delivered and which may be necessary for the completion of the work.

1.11 Warranty.

Contractor warrants all work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) calendar days after being notified in writing by the City of any defect in the work or non-conformance of the work to the Agreement, commence and prosecute with due diligence all work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act as soon as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair, remove and/or replace any portions of the work (or work of other contractors or subcontractors) damaged by its defective work or which becomes damaged in the course of repairing or replacing defective work. For any work so corrected, Contractor's obligation hereunder to correct defective work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the City, the

City shall have the right to correct and replace any defective or non-conforming work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

1.12 Additional Work and Change Orders.

(a) City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Work or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless an authorized written change order is first given by the City to the Contractor, incorporating therein any adjustment in (i) the Compensation Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor ("Change Order"). All Change Orders must be signed by the Contractor and City's authorized representative, prior to commencing the extra work thereunder.

(b) Any increase in compensation of up to 12.68% of the Compensation Sum or any increase in the time to perform of up to 50 ☐calendar / ☒working days and which are not detrimental to the Work or to the interest of the City, may be approved by the City's Director of Public Works or City Engineer, or either of their designees. Any greater increases, taken either separately or cumulatively, must be approved by the City Council.

(c) Any adjustment in the Compensation Sum for a Change Order must be in accordance with the rates set forth in the Contractor's Bid. If the rates in the Contractor's Bid do not cover the type of work in the Change Order, the cost of such work shall not exceed an amount agreed upon in writing and signed by Contractor and City's Director of Public Works or City Engineer, or either of their designees. If the cost of the Change Order cannot be agreed upon, the City will pay for actual work of the Change Order completed, to the satisfaction of the City, as follows:

(i) Labor: The cost of labor shall be the actual cost for wages of workers and subcontractors performing the work for the Change Order at the time such work is done. The use of labor classifications that would increase the cost of such work shall not be permitted.

(ii) Materials and Equipment: The cost of materials and equipment shall be at cost to Contractor or lowest current price which such materials and equipment are reasonably available at the time the work is done, whichever is lower.

(iii) If the cost of the extra work cannot be agreed upon, the Contractor must provide a daily report that includes invoices for labor, materials and equipment costs for the work under the Change Order. The daily report must include: list of names of workers, classifications, and hours worked; description and list of quantities of materials used; type of equipment, size, identification number, and hours of operation, including loading and transportation, if applicable; description of other City authorized services and expenditures in such detail as the City may require. Failure to submit a daily report by the close of the next working day may, at the City's sole and absolute discretion, waive the Contractor's rights for that day.

(d) It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Work. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Work may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors.

(e) No claim for an increase in the Compensation Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.13 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements," attached hereto as **Exhibit B** and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit B and any other provisions of this Agreement or the Bid Documents, the provisions of Exhibit B shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Compensation Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amount of Six Hundred Seventeen Thousand, Three Hundred and 49/100 Dollars (\$617,300.49) as set forth in Contractor's Bid attached hereto as **Exhibit A** and incorporated herein by this reference ("**Compensation Sum**"). Subject to any additions or deductions that may be made by Change Order or amendment, and any penalties or damages that may be assessed against Contractor, Contractor shall receive a total compensation no greater than, including reimbursement of Contractor's expenses, an amount not to exceed the contingency amount of Seventy Eight Thousand, Three Hundred dollars (\$78,300) plus the Compensation Sum for a total of Six Hundred Ninety Five Thousand, Six Hundred and 49/100 Dollars (\$695,600.49) ("**Contract Sum**") for completion of the work.

2.2 Invoices.

(a) Each month Contractor shall furnish to City an original invoice for all work performed during the preceding month using the form attached hereto as **Exhibit E** and incorporated herein by this reference. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement.

(b) All invoices shall include a copy of Contractor's Certified Payroll and proof that Certified Payroll has been submitted to the DIR. Contractor shall also submit a list of the prevailing wage rates (including federal prevailing wage rates, if applicable) for all employees and subcontractors providing services under this Agreement, as applicable, with Contractor's first invoice. If these rates change at any time during the term of the Agreement, Contractor shall submit a new list of rates to the City with its first invoice following the effective date of the rate change.

2.3 Payment.

(a) Payments Made by City. City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, City will cause Contractor to be paid any progress payment generally within thirty (30) calendar days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event that City does not cause Contractor to be paid any progress payment within thirty (30) calendar days of receipt of an undisputed and properly submitted invoice and provided the Project is for construction, Contractor shall be entitled to the payment of interest to the extent allowed under Public Contract Code section 20104.50. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor, not later than seven (7) calendar days after receipt by the City, for correction and resubmission. Returned invoices shall be accompanied by a document setting forth in writing the reasons why the payment request was rejected. Review and payment by the City of any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

(b) Payments Made by Contractor to Subcontractors. Contractor shall remit payments owed to subcontractors within fifteen (15) calendar days after receiving payments by City if payments are owed by Contractor to any subcontractor qualifying as a small business enterprise, and within thirty (30) calendar days if payments are owed by Contractor to any subcontractor other than a small business enterprise.

2.4 Retention.

Pursuant to Section 9203 of the Public Contract Code, City will deduct a five percent (5%) retention from all progress payments, which shall be released to Contractor no later than sixty (60) calendar days from completion of the work. In the event of a dispute between City and Contractor, City may withhold from the final payment an amount not to exceed one hundred fifty percent (150%) of the disputed amount.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

2.6 Substitution of Securities.

(a) In conformance with the State of California Public Contract Code section 22300, Contractor may substitute securities for any monies withheld by the City to ensure performance under this Agreement.

(b) At the request and expense of Contractor, Contractor has the option of establishing an escrow account with a state or federally chartered bank which shall serve as an escrow agent, for Contractor's direct deposit of securities as a substitute for retention earnings required to be withheld by the City. Upon Contractor's completion of its obligations hereunder, as evidenced by the City's acceptance of the work pursuant to Section 3.4 hereof, the escrow agent shall return the securities to Contractor. The escrow agent shall notify the City within ten (10) calendar days after deposit of the securities. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention. Securities shall be held in the name of the City and shall designate Contractor as the beneficial owner. Alternatively, on written request of Contractor, the City shall make payments of the retention earnings directly to the escrow account.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Schedule of Performance.

Contractor shall complete the Project within 50 ☐calendar / ☒ working days ("**Contract Time**") after receiving a "**Notice to Proceed**" from the City in accordance with any schedule contained in or required to be provided by the Proposal or Contract Documents, and any revisions thereof approved by the City in writing. All of Contractor's work on the Project shall be completed within durations established for the individual activities as set forth in the Contract Documents, and any revisions thereof approved by the City in writing. Time is of the essence. If the work is not completed within said time periods, liquidated damages shall apply. The term of this Agreement shall expire one (1) year following City's acceptance of the Project.

3.2 Liquidated Damages.

Pursuant to Government Code section 53069.85, if work is not completed in strict compliance with Section 3.1 of this Agreement or in strict accordance with the schedule of performance provided by any schedule contained in or required to be provided by the Contract Documents (such deadlines collectively referred to herein as "**Agreement Deadlines**"), it is understood, acknowledged and agreed that the City will suffer damage. It is therefore agreed that the Contractor and its sureties shall pay to the City the sum of \$1,900.00 for each and every calendar day of delay beyond the completion date in Section 3.1 of this Agreement, or beyond any completion schedule, construction schedule or Project milestones established in or pursuant to the Contract Documents, or beyond the time indicated in the Contract Documents for any individual activity to be performed pursuant to the Agreement. Contractor expressly understands, acknowledges and agrees that such liquidated damages can and shall be imposed if the Contractor does not meet each and every aspect of any activity schedule, completion schedule, construction schedule or Project milestones established in or pursuant to the Contract Documents. If the City accepts work or makes any payment under this Agreement after a default by reason of delays, the acceptance of such work and/or payment(s) shall in no respect constitute a waiver or modification of any provisions regarding Agreement Deadlines, a completion schedule, the Project schedule or the accrual of liquidated damages. In the event the same is not paid, the Contractor further agrees that the City may deduct the amount thereof from any money due or that may become due the Contractor under the Agreement. This Section does not exclude recovery of damages under provisions of the Contract Documents, and is expressly in addition to the City's ability to seek

other damages. To the extent required by Government Code section 4215, Contractor shall not be assessed liquidated damages for delay in completion of the work when such delay was caused by the failure of the City or owner of a utility to provide for removal or relocation of utility facilities.

3.3 Force Majeure.

The time period(s) specified in the Section 3.1 and pursuant to this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, (with the express exception of delays arising from the impact of COVID-19 and its variants to the extent such impact is foreseeable or should have reasonably been foreseeable), if the Contractor shall within ten (10) calendar days of the commencement of such delay notify the Project Manager in writing of the causes of the delay. The Project Manager shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Project Manager such delay is justified. The Project Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Final Acceptance.

Acceptance of the Project shall only be by action of the City. Neither the acceptance nor any prior inspections or failure to inspect shall constitute a waiver by City of any defects in the work. From and after acceptance, the Project shall be owned and operated by City. As a condition to acceptance, Contractor shall certify to City in writing that all of the work has been performed in strict conformity with the Agreement and that all costs have been paid or supplied to City for security required herein, satisfactory to City, guaranteeing such performance.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

Contractor's ownership, management and licensing is tied to specific principal representatives ("Principals") who are designated as Nate Piorek, Senior Sales Executive, (949) 702-9229, nate.piorek@abm.com. The Principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of the Project Manager. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify (and, as required by law, secure City approval in regards to

subcontractors before changes in Contractor's subcontractors, of) City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Project Manager.

The **Project Manager** shall be designated by the City's Director of Public Works or City Engineer. It shall be the Contractor's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager. The Project Manager shall have authority, if specified in writing by the City's Director of Public Works or City Engineer, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither City, nor any of its officers, employees or agents, shall have any control over the manner or means by which Contractor, or its officers, employees, agents or subcontractors, perform the services required herein, except as otherwise set forth herein. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it, or any of its officers, employees, agents or subcontractors, are officers, employees or agents of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor. Contractor shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner. Contractor represents and warrants that the personnel used to provide services to City pursuant to this Agreement shall at all times be under Contractor's exclusive control and direction. No City employee benefits shall be available to Contractor, its officers, employees, agents or subcontractors, in connection with the performance of this Agreement. City shall not be liable for compensation or indemnification to Contractor, its officers, employees, agents or subcontractors, for injury or sickness arising out of performing services hereunder. In the event that Contractor or any officer, employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a federal or state agency, a court of competent jurisdiction, or the California Public Employees' Retirement System, to be classified as other than an independent contractor for City, then Contractor shall indemnify,

defend, and hold harmless City for the payment of any and all assessed fines, penalties, judgments, employee and/or employer contributions, and any other damages and costs assessed to City as a consequence of, or in any way attributable to, the assertion that Contractor, or any officer, employee, agent, or subcontractor Contractor used to provide services under this Agreement, is/are employees of City.

4.5 Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City and in compliance with the Subletting and Subcontracting Fair Practices Act, Public Contract Code section 4100, *et seq.* Contractor shall be responsible for ensuring compliance by any subcontractor or lower tier subcontractor under it with this Agreement, all state and federal laws, codes and regulations, and municipal ordinances and regulations of City. All subcontractors shall obtain, at its or Contractor's expense, such licenses, permits, registrations and approvals (including from the City) as may be required by law for the performance of any services or work under this Agreement. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be voidable at the option of City. No approved transfer shall release the Contractor, or any surety or insured of Contractor, of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

Prior to commencement of any services under this Agreement, and without limiting Contractor's indemnification obligation to City, Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, for the duration of the Agreement, primary policies of insurance of the type and amounts below, as marked by checkmark, issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by City, which shall cover all elected and appointed officers, employees, agents, designated volunteers, and attorneys of City. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Contractor ninety (90) calendar days advance written notice of such change. If such change results in

substantial additional cost to Contractor, City and Contractor may renegotiate Contractor's compensation solely in regards to insurance coverage.

(a) ☒ General liability insurance. A policy of commercial general liability insurance, with coverage at least as broad as Insurance Services Office ("ISO") form CG 00 01, written on a per occurrence basis for bodily injury, personal injury and property damage. Defense costs must be paid in addition to limits. Coverage for an additional insured shall not be limited to its vicarious liability. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted. Limits shall be no less than \$1,000,000 per occurrence for all covered losses, and no less than \$1,000,000 general aggregate, for bodily injury, personal injury and property damage, and a \$1,000,000 completed operations aggregate. Contractor must maintain a policy of commercial general liability insurance for as long as there is a statutory exposure to completed operations claims.

(b) ☒ Automobile liability insurance. A policy of comprehensive automobile liability insurance, at least as broad as ISO form CA 00 01, written on a per occurrence basis covering bodily injury and property damage in an amount not less than \$1,000,000 combined single limit for each accident. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(c) ☒ Workers' compensation insurance. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000). A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California (statutory limits) as well as a policy of employer's liability insurance (with limits of at least \$1,000,000), which shall each indemnify, insure and provide legal defense for Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Contractor in the course of carrying out the work or services contemplated in this Agreement. In addition, Contractor shall require each subcontractor to similarly maintain a policy of worker's compensation insurances and employer's liability insurance in according with the laws of the State of California for all of the subcontractor's employees.

(d) ☐ Builder's Risk Insurance. Contractor shall maintain, from upon commencement of work and through the entire duration of the Project until only the City has an insurable interest, Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions or provisional limit provisions. All subcontractors (excluding those solely responsible for design work) of any tier and suppliers shall be included as additional insureds as their interests may appear. Contractor shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City. The policy shall contain a provision that all proceeds from the Builder's Risk policy shall be made payable to the City. The City will act as a fiduciary for all other interests in the Project. Policy shall be provided for replacement value on an "all risk" basis for the completed value of the Project. There shall be no coinsurance penalty or provisional limit provision in any such policy. The policy must include: (1) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications; (2) coverage against machinery accidents and

operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) ordinance or law coverage for contingent rebuilding, demolition, and increased costs of construction; (5) transit coverage (unless insured by the supplier or receiving contractor), with sub-limits sufficient to insure the full replacement value of any key equipment item; (6) ocean marine cargo coverage insuring any Project materials or supplies, if applicable; (7) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Project site or any staging area. If the Project does not involve new or major reconstruction, then at the option of City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the work, including during transit, installation, and testing at the Project site.

(e) □Pollution Liability Insurance. Contractor shall maintain Environmental Impairment Liability insurance, written on a Contractor's Pollution Liability form or other form acceptable to City providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit shall be no less than \$[] per claim and in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

(f) Excess Liability and Umbrella Liability Insurance. Excess liability insurance and/or umbrella liability insurance may be used to satisfy the obligations herein. If excess liability insurance is used then the policy shall meet all the requirements herein and be at least as broad as the primary coverages set forth herein. Such policy shall: 1) include a drop down feature requiring the policy to respond if primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason; 2) be payable on behalf of wording as opposed to reimbursement; 3) have concurrency of effective dates with primary policies; 4) "follow form" to the underlying primary policies; and, 5) provide insureds, under primary policies required herein, shall be insureds under the excess liability policy.

5.2 General Insurance Requirements.

(a) Proof of Insurance, Enforcement and Notice. No work or services under this Agreement shall commence until both Contractor has provided City with insurance certificates, endorsement forms and appropriate insurance binders, signed by a person authorized by the Insurer to bind coverage on its behalf, evidencing the above insurance coverages, as well as said documentation is approved by City. City reserves the right to inspect complete, certified copies of, and endorsements to, all required insurance policies, at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City. In the event any insurance policy required under this Agreement is cancelled or amended (and the insurance policy is not replaced pursuant to subsection (b) below), or does not comply with Article 5, then: 1) City has the right but not the duty to obtain insurance required herein and any premium paid by City will be promptly reimbursed by Contractor or City will withhold amounts sufficient to pay premium from Contractor payments; or, 2) City,

notwithstanding any other provisions of this Agreement, may immediately terminate this Agreement. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required insurance policies.

(b) Cancellation/Amendment. All of herein required policies of insurance shall provide the insurance may not be amended or cancelled by insurer or any Party hereto without providing thirty (30) calendar days prior written notice (with exception of ten (10) calendar days prior written notice for nonpayment of premium) to City. In the event any of said policies of insurance are amended or cancelled, Contractor shall, five (5) business days prior to the cancellation date, submit new evidence of insurance, or reinstatement of policy, in conformance with this Agreement to City.

(c) Additional Insureds. All of the above policies shall name City and its elected and appointed officers, employees, agents and designated volunteers ("**City Parties**") as additional insureds and such coverage shall contain no special limitations on the scope of protection afforded to City and City Parties. A severability of interests provision must apply for all additional insureds ensuring that Contractor'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, and policies of insurance shall not contain any cross-liability exclusions.

(d) Primary, Subrogation, Contribution and Coverage. All of the above policies of insurance shall be primary insurance. The insurers for above policies, Contractor and any subcontractors are all deemed hereof to waive all rights of subrogation and contribution they may have against City or City Parties, and their respective insurers, and all insurance policies required herein shall be endorsed to waive such rights. Any insurance maintained by City or City Parties will apply in excess of, and not contribute with, Contractor's insurance. If Contractor maintains broader coverage and/or higher limits than the minimum amounts provided herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City and City Parties. None of the coverages required herein will be in compliance with this Agreement if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing. Requirements of specific coverage features or limits contained herein are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any Party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

(e) Limitations, Self- Insured Retention and Deductibles. Contractor agrees that requirements of Article 5 shall not be construed as limiting in any way the extent to which Contractor may be held responsible for the payment of damages to any persons or property resulting from Contractor's activities or the activities of any person or persons for which Contractor is otherwise responsible nor shall it limit Contractor's indemnification liabilities as provided in Section 5.3. All insurance policies must specify that where the primary insured does not satisfy any self-insured retention, any additional insured may satisfy the self-insured retention (without impairment of obligation of primary insured under this Agreement to satisfy any self-

insured retention). Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City and City Parties, or Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, attorneys' fees, defense expenses and claims.

(f) Completed operations coverage. Completed operations coverage shall extend a minimum of three 1 year after project completion. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the policy must include work performed "by or on behalf" of the insured. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer.

(g) Pass through clause. Contractor agrees to ensure that its subconsultants, subcontractors, and any other party involved with the Project who is brought onto or involved in the project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of Article 5 of this Agreement. Contractor agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the Project will be submitted to City for review.

5.3 Indemnification.

(a) General Obligations. Contractor agrees, to the maximum extent permitted by law, to indemnify, defend and hold harmless City and its elected and appointed officers, employees, agents, designated volunteers, attorneys, successors and assigns (each an "**Indemnatee**" and collectively, "**Indemnitees**") against, and will hold and save them and each of them harmless from, whether actual or threatened, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "**Claims or Liabilities**") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable (each an "**Indemnitor**" and collectively, "**Indemnitors**"), or arising from Indemnitors' reckless or willful misconduct, or arising from Indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith: 1) Contractor will defend any action or actions filed or threatened in connection with any such Claims or Liabilities, or at option of Indemnatee(s) will reimburse and pay for all costs and expenses, including legal costs and attorneys' fees, incurred by Indemnatee(s) in connection therewith; and, 2) Contractor will promptly pay any judgment rendered against Indemnatee(s) for any such Claims or Liabilities, and will save and hold Indemnatee(s) harmless therefrom.

(b) Further Provisions. The indemnity obligation herein shall be binding on successors, assigns and heirs of Contractor and shall survive termination of this Agreement. Contractor shall incorporate similar indemnity agreements as provided herein with its

subcontractors, and if Contractor fails to do so Contractor shall be fully responsible to indemnify City hereunder therefor. Failure of City and/or City Parties (collectively "City" for solely this Section 5.2(b)) to monitor compliance with any of the indemnification provisions herein shall not be a waiver hereof. The indemnification provisions herein do not apply to claims or liabilities occurring as a result of City's sole negligence, active negligence or willful misconduct, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence. The indemnification provided herein includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Indemnitors in the performance of professional services hereunder. Payment of invoices by City is not a condition precedent to enforcement of the indemnity obligation herein. In the event of any dispute between Contractor and City, as to whether liability arises from the sole negligence, active negligence or willful misconduct of City, Contractor will be obligated to pay for City's defense until either such time as a final judgment has been entered adjudicating, or agreement between the Parties is reached determining, City as solely negligent, actively negligent or responsible for willful misconduct. Contractor will not be entitled in the absence of such a determination or agreement to any reimbursement of defense costs including but not limited to attorneys' fees, expert fees and costs of litigation. In instances where City is shown to have been actively negligent and/or engaged in willful misconduct, and where City's active negligence and/or willful misconduct accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence and/or willful misconduct of City. City may offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under Section 5.2 of this Agreement. Such offset, if any, does not satisfy any amount, greater than the offset, due to City from Contractor.

5.4 Notification of Third-Party Claims.

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Agreement at any time. City shall timely notify Contractor of the receipt of any third-party claim relating to the work under this Agreement. City shall be entitled to recover from Contractor its reasonable costs incurred in providing such notification.

5.5 Performance and Payment Bonds.

Concurrently with execution of this Agreement, unless otherwise expressly provided in the bid documents, Contractor shall deliver to the City all of the following bonds:

(a) A performance bond securing the faithful performance of this Agreement, in an amount not less than 100% of the Compensation Sum.

(b) A payment bond, securing the payment of all persons furnishing labor and/or materials in connection with the work under this Agreement, in an amount not less than 100% of the Compensation Sum.

All bonds shall be on the applicable forms provided in **Exhibit C** and **Exhibit D** attached hereto and incorporated herein by this reference. The bonds shall each contain the original

notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his/her power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement until released pursuant to Section 5.7 hereof.

5.6 Sufficiency of Surety.

Bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best’s Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better. If the City determines that the work to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the bonds may be changed accordingly upon receipt of written notice from the City’s Risk Manager. If such change results in substantial additional cost to Contractor, City and Contractor may renegotiate Contractor’s compensation solely in regards to bond coverage.

5.7 Release of Securities.

City shall release the performance bond and payment bond when the following have occurred:

- (a) Contractor has made a written request for release and provided evidence of satisfaction of all other requirements under both the forms of the applicable bond attached to this Agreement as well as Article 5 of this Agreement;
- (b) the Project has been accepted; and
- (c) after passage of the time within which lien claims are required to be made pursuant to applicable laws; if lien claims have been timely filed, City shall hold the payment bond until such claims have been resolved, Contractor has provided statutory bond, or otherwise as required by applicable law.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies, certified and accurate copies of payroll records in compliance with all applicable laws, or other documents relating to the disbursements charged to City and services performed hereunder (the “**books and records**”), as shall be necessary to perform the services required by this Agreement and enable the Project Manager to evaluate the performance of such services. Any and all such books and records shall be maintained in accordance with generally accepted accounting principles, including but not limited to in accordance with the requirements of Labor Code section 1776, shall be complete and detailed, and shall be readily accessible. The Project Manager shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts. Such books and records shall be maintained either for a period of no less than three (3) years following completion of the services hereunder, or for such period of time as required by applicable law, whichever period of time is longer. City shall have access

to such books and records in the event any audit is required. In accordance with Government Code section 8546.7 records of both the City and the Contractor shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment. Contractor shall fully cooperate with the City in providing access to any and all Contractor books and records, and any other applicable documents, if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically submit written reports to the Project Manager concerning performance of the services, upon request, and/or as necessary for Project Manager to be informed of both performance of services as well as any decisions which must be made by City or Project Manager. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein, Contractor shall promptly notify the Project Manager of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “**documents and materials**”) prepared (regardless of whether complete or incomplete) by Contractor, its officers, employees, agents and subcontractors in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Project Manager or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City’s sole risk and without liability to Contractor, and Contractor’s guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents and materials under express condition that Contractor agrees such documents and materials are the sole property of City. All subcontractors shall provide for assignment to City of any documents and materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in its performance of this Agreement shall be considered confidential, unless such information is in the public domain. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Project Manager.

(b) No news releases, including photographs, public announcements, or confirmations of the same, of any part of the work, shall be made without prior written authorization from City. Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Project Manager or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Contractor immediately gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys’ fees, caused by or incurred as a result of Contractor’s conduct.

(d) As concerning, regarding or related to, in any way, this Agreement and the work performed thereunder: a) Contractor shall immediately notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder; b) City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding; and, c) Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Default of Contractor.

(a) It is City's right to suspend or terminate this Agreement upon the occurrence of any of the following events by default of Contractor: (1) Contractor refuses or fails to perform the work required under this Agreement with diligence to ensure timely completion of the Project pursuant to Section 3.1; (2) Contractor fails to comply with the provisions of this Agreement; (3) Contractor violates any ordinance, regulation, state or federal law which applies to its performance under this Agreement; (4) Contractor files bankruptcy or otherwise becomes insolvent; (5) Contractor makes a general assignment for the benefit of creditors; (6) a trustee or receiver is

appointed for the Contractor or his property; (7) Contractor repeatedly fails to supply sufficient skilled workers or suitable materials or equipment; (8) Contractor has abandoned the work or the Project, and/or; (9) Contractor disregards proper directives of the architect, inspector, or Project Manager under the Contract Documents. It will be at City's sole discretion to allow Contractor to remedy each cause for the termination without waiving City's right to terminate this Contract or restricting any other right or remedy under this Contract or law.

(b) In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate or suspend this Agreement immediately by written notice to Contractor. If the Project Manager determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, the Project Manager shall cause to be served upon Contractor a written notice of the default. Contractor shall have ten (10) calendar days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

(c) Contractor shall be liable for damages sustained by City from the termination of the Agreement under this Section 7.2, including, but not limited to, all cost necessary for repair and completion of the work. City shall have the right to withhold monies otherwise payable to Contractor until the Project is complete. If City incurs additional costs, expenses, or other damages due to the failure of Contractor to perform the work pursuant to this Agreement, said expenditures shall be deducted from the amounts withheld (and if such deduction does not fully compensate City for said expenditures, then Contractor remains fully liable for the remaining balance owed to City). Should there be a balance of monies held after all expenses have been paid, the balance will be paid to Contractor upon completion of the Project.

7.3 Suspension or Termination.

The City may at any time, for any reason (including but not limited to for City's convenience, environmental considerations, or when it is in the best interests of the City), with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Contractor at least ten (10) calendar days prior written notice. Upon receipt of said notice, Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends a portion of this Agreement such suspension shall not make void or invalidate the remainder of this Agreement. Upon termination, Contractor shall be entitled to compensation for completion of any portion of the Project accepted by City up to the effective date of termination unless any portion of the Project is accepted by City after termination in which event Contractor shall be paid for such completed portion. Upon receipt of a termination notice, Contractor shall immediately discontinue the work and placement of orders for materials, facilities and supplies in connection with the performance of this Agreement, unless otherwise directed in the notice. Contractor shall promptly deliver to City all completed work, including plans, as-builts, forms, reports, and products. Any dispute regarding the amount owed to Contractor shall not diminish the right of City to receive and use such documents or materials. Contractor shall not be

entitled to any claim or lien against City for any additional compensation or damages in the event of termination of this Agreement.

7.4 Dispute Resolution Process.

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of work, but shall proceed with the performance of the work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the Parties. The disputed work will be categorized as an “unresolved dispute” and payment, if any, shall be as later determined as set forth below. The Contractor shall keep accurate, detailed records of all disputed work, claims and other disputed matters.

Section 20104 *et seq.* of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial-supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 *et seq.* and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

For purposes of these procedures, “claim” means a separate demand by the Contractor, after the City has denied Contractor’s timely and duly made request for payment for extra work and/or a time extension, for (A) a time extension, (B) payment of money or damages arising from work done by or on behalf of the Contractor pursuant to the Agreement and payment of which is not otherwise expressly provided for or the Contractor is not otherwise entitled to, or (C) an amount the payment of which is disputed by the City.

The following requirements apply to all claims to which this section applies:

(a) Claim Submittal. The claim shall be in writing and include the documents necessary to substantiate the claim. Claims governed by this procedure must be filed on or before the date of final payment. Nothing in this section is intended to extend the time limit or supersede notice requirements otherwise provided in the Agreement for the filing of claims, including all requirements pertaining to compensation or payment for extra work, disputed work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

(b) Supporting Documentation. The Contractor shall submit all claims in the following format:

(i) Summary of the claim, including references to the specific Contract Document provisions upon which the claim is based.

(ii) List of documents relating to claim: (a) Specifications, (b) Drawings, (c) Clarifications (Requests for Information), (d) Schedules, and (e) Other.

(iii) Chronology of events and correspondence related to the claim.

- (iv) Statement of grounds for the claim.
- (v) Analysis of the claim's cost, if any.
- (vi) Analysis of the claim's time/schedule impact, if any.

(c) City's Response. Upon receipt of a claim pursuant to this section, City shall conduct a reasonable review of the claim and, within a period not to exceed 45 calendar days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 calendar days after the City issues its written statement.

(i) If the City needs approval from the City Council to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the City Council does not meet within the 45 calendar days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the City shall have up to three days following the next duly publicly noticed meeting of the City Council after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

(ii) Within 30 calendar days of receipt of a claim, the City may request in writing additional documentation supporting the claim or relating to defenses or claims the City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor.

(iii) The City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 calendar days (if the claim is less than \$50,000, within 15 calendar days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

(d) Meet and Confer. If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 calendar days of receipt of the City's response or within 15 calendar days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, the City shall schedule a meet and confer conference within 30 calendar days for settlement of the dispute.

(e) Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the City shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 calendar days after the City issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with the City and the Contractor sharing the associated costs equally. The City and Contractor shall mutually agree to a mediator within 10 business days after the disputed

portion of the claim has been identified in writing, unless the Parties agree to select a mediator at a later time.

(i) If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third Party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

(ii) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(iii) Unless otherwise agreed to by the City and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.

(iv) All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

(f) City's Responses. The City's failure to respond to a claim from the Contractor within the time periods described in this section or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the City's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility of qualifications of the Contractor. City's failure to respond shall not waive City's rights to any subsequent procedures for the resolution of disputed claims.

(g) Government Code Claims. If following the mediation, the claim or any portion remains in dispute, the Contractor must comply with the claim procedures set forth in Government Code section 900 *et seq.* prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, construction claims, and/or changed conditions, including any required mediation, have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against the City may be filed. A Government Code claim must be filed no earlier than the date that Contractor completes all contractual prerequisites to filing a Government Code claim, including any required mediation. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted. For purposes of Government Code section 900 *et seq.*, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim to the City until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation that does not result in a complete resolutions of all claims.

(h) Civil Actions for Claims of \$375,000 or Less. The following procedures are established for all civil actions filed to resolve claims totaling \$375,000 or less:

(i) Within 60 calendar days, but no earlier than 30 calendar days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the procedures in this Section. The mediation process shall provide for the selection within 15 calendar days by both Parties of a disinterested third person as mediator, shall be commenced within 30 calendar days of the submittal, and shall be concluded within 15 calendar days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both Parties. If the Parties fail to select a mediator within the 15-day period, either Party may petition the court to appoint the mediator.

(ii) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act (Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

(iii) Upon stipulation of the Parties, arbitrators appointed for these purposes shall be experienced in construction law, and, upon stipulation of the Parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the Parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division.

(iv) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any Party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other Party arising out of the trial de novo.

7.5 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement. Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any requirement of this Agreement imposes no additional obligations on City nor

does it waive any rights hereunder. Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

7.6 Rights and Remedies Are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.7 Unfair Business Practices Claims.

Pursuant to Public Contract Code section 7103.5, in entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials related to this Agreement. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor without further acknowledgment by the Parties.

7.8 Legal Action. In addition to any other rights or remedies, and as consistent with this Agreement and applicable law, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code sections 905 *et seq.* and 910 *et seq.*, in order to pursue a legal action under this Agreement.

7.9 Attorneys' Fees. If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing Party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal, and a Party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, consultants' fees, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. Such fees and costs shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. INDIVIDUAL LIABILITY, CONFLICTS AND NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Project Manager. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

City, in its sole discretion, shall determine the existence of a conflict of interest and may terminate this Agreement in the event such a conflict of interest exists upon sending Contractor written notice describing the conflict. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects their financial interest or the financial interest of any corporation, partnership or association in which they are, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class. Contractor shall require the foregoing covenants to be placed in agreements with all subcontractors.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Provisions Required By Law.

Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though it were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either Party, the contract shall forthwith be physically amended to make such insertion or correction.

9.2 Notices.

Any notice or other communication either Party desires or is required to give to the other Party or any other person in regards to this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not

limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, in the case of City addressed to the name and title of the Project Manager, at City of Cypress, 5275 Orange Ave Cypress CA 90630, and in the case of Contractor, to the person(s) at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.3 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement, headings used, or any other rule of construction which might otherwise apply.

9.4 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.5 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties as to the Agreement. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement, and this Agreement supersedes and cancels any and all prior and contemporaneous negotiations, arrangements, agreements and understandings, if any, between the Parties, concerning this Agreement, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing, approved by the Contractor and by the City, and consistent with the Cypress Municipal Code. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.6 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.7 No Undue Influence.

Contractor declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City has or will receive

compensation, directly or indirectly, from Contractor, or from any officer, employee or agent of Contractor, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to remedies for default in Section 7.2 and any and all remedies at law or equity.

9.8 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

9.9 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF CYPRESS, a California municipal corporation

Leo Medrano, Mayor

ATTEST:

Lisa Berglund, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

William Wynder, City Attorney

CONSULTANT:

_____, a _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Address: _____

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairperson of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. (Cal. Corp. Code § 313.) APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 202_ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

NUMBER OF PAGES

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF ORANGE

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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CAPACITY CLAIMED BY SIGNER

☐

INDIVIDUAL

☐

CORPORATE OFFICER

TITLE(S)

☐

PARTNER(S)

☐

LIMITED

☐

GENERAL

☐

ATTORNEY-IN-FACT

☐

TRUSTEE(S)

☐

GUARDIAN/CONSERVATOR

☐

OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT A

CONTRACTOR'S BID

SEE ATTACHED



Work Order Signature Document

EZIQC Contract No.: CA-R8-E-101723-AEL

☒

New Work Order



Modify an Existing Work Order

Work Order Number.: 150887.00

Work Order Date: 02/23/2026

Work Order Title: Cypress LED Lighting Upgrades

Owner Name: City of Cypress

Contractor Name: ABM Electrical & Lighting Solutions Inc.

Contact: Raymond Velasco

Contact: Nate Piorek

Phone: (714)229-6746

Phone: (949) 330-3049

Work to be Performed

Work to be performed as per the Final Detailed Scope of Work Attached and as per the terms and conditions of Sourcewell EZIQC Contract No CA-R8-E-101723-AEL.

Brief Work Order Description:

Community center lighting upgrade

Time of Performance

Estimated Start Date:

Estimated Completion Date:

Liquidated Damages

Will apply:

☐

Will not apply:

☒

Work Order Firm Fixed Price: \$617,300.49

Owner Purchase Order Number:

Approvals

City of Cypress

Date

ABM Electrical & Lighting Solutions Inc.

Date

Detailed Scope of Work

To: Nate Piorek
ABM Electrical & Lighting Solutions Inc.
14201 Franklin Avenue
Tustin, CA 92780
(949) 330-3049

From: Raymond Velasco
City of Cypress
5275 Orange Avenue Cypress,
CA 90630
(714)229-6746

Date Printed: February 23, 2026

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Brief Scope: Community center lighting upgrade

☐

Preliminary

☐

Revised

☒

Final

The following items detail the scope of work as discussed at the site. All requirements necessary to accomplish the items set forth below shall be considered part of this scope of work.

January 18, 2026

Cypress Community Center Lighting Upgrades

Scope of Work

- Replace (96) existing 3 lamp fluorescent troffers with Sylvania LED troffer door kit RDORKIT7A/S045UNVD8SC8/24/BLE, see attached specifications to Include wireless control node.
- Replace(16) existing 3 lamp fluorescent troffers with emergency backups , install Sylvania LED troffer door kit and new LED driver emergency backup RDORKIT7A/S045UNVD8SC8/24/BLEE. see attached specifications to Include wireless control node.
- Replace (175) recessed compact fluorescent fixtures throughout the center with new Sylvania LED recessed fixtures RT65AS2000UNVD9SC8WHTAA, see attached specifications
- Replace (75) Emergency battery back up units in the recessed ceiling fixtures throughout the center. See attached specifications
- Replace (5) incandescent 4" recessed fixtures in the high ceiling with Sylvania LED recessed gimble fixtures 62393 LEDRT4G650SC3, see attached specifications
- Retrofit (10) 2' fluorescent lamps in the restroom soffits with Sylvania Type B LED lamps LED8T8L24FG841BFG2
- Retrofit (6) 3' fluorescent lamps in the restroom soffits with Sylvania Type B LED lamps LED11T8L36FG841BFG2
- (90) 4' fluorescent lamps in the storage and utility closets with Sylvania Type B LED lamps LED14T5HEL48FGDIM841BFG2
- Retrofit (22) 4 lamp compact fluorescent hanging pendant fixtures throughout the facility with Sylvania Type B LED lamps LED15PBGX24DO8SC8BF
- Remove and replace (30) tall parking lot pole fixtures located on the front and rear parking areas with Sylvania AREAFLD6AS150UNHDSC2ADJBZ. Fixtures to include dimming sensors per Title24
- Remove and replace (15) bollards with Sylvania Bollards spec LED bollards.
- Remove and replace (32) 12x12 sq recessed canopy fixtures with ALEO LCP-20/55UX/CT surface mount LED canopy fixtures.
- Remove and replace (3) wallpacks at rear canopy area with Sylvania WALPAKN8A/S080UNHD8SC2/BZ/P
- Intercept electrical in canopy fixtures and install (1) Sylvania flagpole LED flood on roof line to illuminate the flags. Spec FLOODLT2AS060UNHD8SC2BZP

Detailed Scope of Work Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

- Intercept electrical in canopy and install (2) wallpacks on the fascia of the building to light courtyard entrance. Spec Sylvania WALPAKN6AS080UNVD8SC2T4BZP
- Install (197) wireless power packs at interior recessed cans to provide wireless controls.
- Add (50) new LV dimmer/switch wall controls.

Dispose of and haul off all debris

Dispose of Hazardous materials per EPA guidelines

Provide all required high-reach equipment

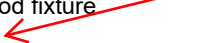
Material Lead time 6-8 weeks

Estimated project duration 4 weeks

Cypress Sr. Center Exterior Lighting

- Scope of Work
- Replace (20) existing HID bollard lights with Sylvania LED bollard, install new anchors in existing concrete footing to mount new fixtures as needed. See attached specifications.
- Replace (16) HID tall parking lot pole fixtures with new Sylvania LED area fixtures AREAFLD6AS150UNHDSC2ADJBZ, Sylvania parking lot LED fixtures to feature dimming occupancy sensors for Title 24 operation. See attached specifications.
- Replace (16) compact fluorescent recessed fixtures with Sylvania LED recessed 62808 RT65AS2000UNVD9SC8WHTAA. See attached specifications.
- Replace (3) HID Wall Lights with Sylvania medium size LED wall fixture WALPAKN6AS040UNVD8SC2T4BZP See attached specifications.
- Replace (3) HID Wall Lights with Sylvania slim LED wall fixture SLMWPKC3A/S030UNHD8SC2/BZP See attached specifications.
- Replace (3) HID Wall Lights with Sylvania large wall fixture WALPAKN8A/S080UNHD8SC2/BZ/P See attached specifications.
- Replace (3) HID Wall Lights with Sylvania medium forward throw LED wall fixture WALPAKN8AMEDWGAL See attached specifications.
- Replace (3) fluorescent ground flood fixtures with Sylvania LED ground flood fixture BULLTFL2A/S030UNHD8SC2/BZ See attached specifications.
- Relamp (3) Incandescent wall sconce fixtures with Sylvania LED A19 lamps LED6A19F8SC310YVRP4 See attached specifications.

up the wattage on
one for the flag pole



Work to be completed other than normal working hours shift prevailing wage county of Orange

Cypress Veterans Park

Scope of Work

- Remove and replace (7) parking lot light poles and fixtures with Sylvania AREAFLD6AS080UNHDSC2ADJBZ and LSI Duragrip 20' x 4" square poles
- Remove and replace (3) tot lot light poles and fixtures with Sylvania AREAFLD6AS080UNHDSC2ADJBZ and LSI Duragrip 20' x 4" square poles
- Remove and replace (3) walkway light poles and fixtures with Sylvania AREAFLD6AS080UNHDSC2ADJBZ and LSI Duragrip 15' x 4" round poles
- Cap and raise (13) existing concrete footings 8-10" above grade
- Drill and epoxy new anchors in (13) existing footings
- Provide engineered drawings for concrete footing modifications, to be approved by plan check
- Pull new wire between (13) pole locations to extend wire length for raised footings
- Sylvania fixtures to include programmable sensor per Title 24

Material Lead Time 6-8 weeks

Project Scheduling 2 weeks

Project Duration 3 weeks

Detailed Scope of Work Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Oaknoll Park

- Scope of Work
- Remove and replace (7) walkway light poles and fixtures with Sylvania AREAFLD6AS080UNHDSC2ADJBZ and LSI Duragrip 15' x 4" round poles
- Replace anchors to match new pole BCD
- Sylvania fixtures to include programmable sensor per Title 24

Pricing does not include permitting, plan set, engineered drawing or Title 24 Certification

Material Lead Time 6-8 weeks

Project Scheduling 2 weeks

Project Duration 1 weeks

Cypress Tennis Court LED Lighting

Scope of work

- Remove and dispose of (24) existing HID tennis court lighting fixtures
- Prep existing poles for new fixture mounts
- Install (24) Sylvania Hi Power LED Lighting fixtures FLOODLTPS470UNHD8SC2ADJBZP.
- Provide all high reach equipment and misc. hardware for fixture installation
- Test all fixtures for proper operation
- Work to be perform 1st Shift prevailing wage, Orange County
- Pricing does not include permitting, plan set, engineered drawings or Title 24 Certification.

Material Lead time 3-4 weeks

Project Scheduling 2 weeks

Project duration 1-2 weeks

Notes:

Repairs to existing electrical infrastructure not included

Permitting, permitting fees, plans and engineering not included

Paint or drywall repairs excluded

Title 24 compliance documentation excluded. Alterations to achieve Title 24 compliance may result in additional cost.

Tariff Note:

In the event of a Change in Law that materially affects ABM's performance of its obligations under this Agreement , increases the cost of performance, or affects the timing or feasibility of an obligation under this Agreement , ABM shall be entitled to an equitable adjustment of the contract price, schedule, or other relevant terms. For the purposes of this Agreement, a "Change in Law" shall mean (i) the enactment, adoption, promulgation, modification, or repeal of any applicable law, regulation, rule, ordinance, code, or standard by any governmental authority after the Effective Date ; or (ii) any change in the interpretation or application of any applicable law by any governmental authority after the Effective Date.

Subject to the terms and conditions of EZIQC Contract **CA-R8-E-101723-AEL**.

Detailed Scope of Work Continues..

Work Order Number: 150887.00
Work Order Title: Cypress LED Lighting Upgrades

ABM Electrical & Lighting Solutions Inc.	Date
--	------------

City of Cypress	Date
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Contractor's Price Proposal - Summary

Date:	February 23, 2026	
Re:	IQC Master Contract #:	CA-R8-E-101723-AEL
	Work Order #:	150887.00
	Owner PO #:	
	Title:	Cypress LED Lighting Upgrades
	Contractor:	ABM Electrical & Lighting Solutions Inc.
	Proposal Value:	\$617,300.49

Bonding	\$13,288.26
Cypress Community Center	\$328,833.53
Cypress Sr. Center	\$77,669.23
Cypress Tennis Court	\$57,966.71
Oaknoll Park	\$26,376.27
Veterans Park	\$113,166.49
Proposal Total	\$617,300.49

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

The Percentage of NPP on this Proposal: %

Contractor's Price Proposal - Detail

Date: February 23, 2026

Re: IQC Master Contract #: CA-R8-E-101723-AEL
 Work Order #: 150887.00
 Owner PO #:
 Title: Cypress LED Lighting Upgrades
 Contractor: ABM Electrical & Lighting Solutions Inc.
 Proposal Value: \$617,300.49

Sect.		Item		Mod.		UOM		Description		Line Total		
Labor	Equip.	Material	(Excludes)									
Bonding												
1	01	22	16	00	0002	EA	Reimbursable FeesReimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt, invoice, or proof of payment shall be submitted with the Price Proposal.					\$13,288.26
						Installation	Quantity		Unit Price	Factor	Total	
							12,080.24	x	1.00	x	1.1000 = 13,288.26	
Bonding: 604,012.23 x 2% = 12080.24												
Subtotal for Bonding											\$13,288.26	
Cypress Community Center												
2	01	22	23	00	0065	WK	33' Electric, Scissor Platform Lift					\$1,363.82
						Installation	Quantity		Unit Price	Factor	Total	
							2.00	x	695.90	x	0.9799 = 1,363.82	
High Reach Equipment												
3	01	71	13	00	0004	EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy-duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.					\$1,499.22
						Installation	Quantity		Unit Price	Factor	Total	
							1.00	x	1,529.97	x	0.9799 = 1,499.22	
Logistics												
4	26	01	50	51	0170	EA	13 Watt, 4000K CCT, PL EDGE BYPass Series (Green Creative 6PLH/840/BYP/E26)					\$2,234.25
						Installation	Quantity		Unit Price	Factor	Total	
							88.00	x	25.91	x	0.9799 = 2,234.25	
Hanging Pendants, Specified as Sylvania LED15PBGX24DO8SC8BF												
5	26	01	50	51	0344	EA	2', 1,100 Lumens, LED Tube (T8 Fluorescent Lamp Replacement) (Sylvania LED9T8/L24/FG/835/BF)					\$307.30
						Installation	Quantity		Unit Price	Factor	Total	
							10.00	x	31.36	x	0.9799 = 307.30	
Restroom soffits LED Lamps												
6	26	01	50	51	0346	EA	4', 1,700 Lumens, LED Tube (T8 Fluorescent Lamp Replacement) (Sylvania LED14T8/L48/FG/835/BF)					\$2,815.94
						Installation	Quantity		Unit Price	Factor	Total	
							90.00	x	31.93	x	0.9799 = 2,815.94	
Closet and Utility room lamps LED lamps												

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Cypress Community Center

7	26	01	50	51	0382	EA	Recycle 4' Length Linear Fluorescent Lamps									\$1,161.92
							Quantity	Unit Price	Factor	=	Total					
						Installation	425.00	x 2.79	x 0.9799	=	1,161.92					
						Disposal										
8	26	01	50	51	0385	EA	Recycle Compact Fluorescent Lamps									\$826.64
							Quantity	Unit Price	Factor	=	Total					
						Installation	185.00	x 4.56	x 0.9799	=	826.64					
						Disposal										
9	26	01	50	52	0313	EA	Up To 780 Lumens, Ninety Minute Illumination, 120-277 Volt, 6 Watt Output, Emergency LED Driver (Bodine BSL6LST)									\$21,725.85
							Quantity	Unit Price	Factor	=	Total					
						Installation	75.00	x 269.37	x 0.9799	=	19,796.67					
						Demolition	75.00	x 26.25	x 0.9799	=	1,929.18					
						Specified as Sylvania Proprietary Emergency Backup Driver										
10	26	01	50	52	0317	EA	Up To 2,600 Lumens, Ninety Minute Illumination, 120-277 Volt, 20 Watt Output, Emergency LED Driver (Bodine BSL20LV)									\$8,094.91
							Quantity	Unit Price	Factor	=	Total					
						Installation	16.00	x 490.06	x 0.9799	=	7,683.36					
						Demolition	16.00	x 26.25	x 0.9799	=	411.56					
						Specified as Sylvania Proprietary Emergency Backup Driver										
11	26	01	50	52	0317	0294	MOD	For Factory Installation In New Fixtures, Deduct								-\$823.12
							Quantity	Unit Price	Factor	=	Total					
						Installation	16.00	x -52.50	x 0.9799	=	-823.12					
12	26	09	23	00	0881	EA	2-pole dimming nLight Air wireless switch (Acuity rPODBA 2P DX WH G2)									\$5,563.87
							Quantity	Unit Price	Factor	=	Total					
						Installation	50.00	x 113.56	x 0.9799	=	5,563.87					
						Wireless Wall Controls adders for Sylvania recessed , Pendants and troffers										
13	26	09	23	00	0884	EA	nLight Air dimming powerpack (Acuity rPP20 DS)									\$40,056.35
							Quantity	Unit Price	Factor	=	Total					
						Installation	300.00	x 136.26	x 0.9799	=	40,056.35					
						Wireless Controls power pack adders for Sylvania recessed , Pendants and troffers										
14	26	09	23	00	0887	EA	Wireless battery powered nLight Air ceiling sensor (Acuity rCMSB 7 G2)									\$3,331.07
							Quantity	Unit Price	Factor	=	Total					
						Installation	20.00	x 169.97	x 0.9799	=	3,331.07					
						Wireless Controls sensor adders for Sylvania troffers										
15	26	51	19	00	0144	EA	2' x 4', 4,000 Lumens, Volumetric, Lay-In/Troffer LED Fixture (Lithonia 2RTL4)									\$82,701.21
							Quantity	Unit Price	Factor	=	Total					
						Installation	112.00	x 697.89	x 0.9799	=	76,592.59					
						Demolition	112.00	x 55.66	x 0.9799	=	6,108.62					
						Specified as Sylvania RDORKIT6A/S044UNHD8SC7/24U/WH										
16	26	51	19	00	0144	0659	MOD	For >100 To 250, Deduct								-\$4,059.61
							Quantity	Unit Price	Factor	=	Total					
						Installation	112.00	x -36.99	x 0.9799	=	-4,059.61					
17	26	51	19	00	0321	EA	4" Diameter, 1,300 Lumens, Recessed LED Downlight With Open Trim (Portfolio® LD413)									\$1,501.40
							Quantity	Unit Price	Factor	=	Total					
						Installation	5.00	x 248.91	x 0.9799	=	1,219.53					
						Demolition	5.00	x 57.53	x 0.9799	=	281.87					
						Specified as Sylvania LEDRT4G650SC3										

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Cypress Community Center

18	26	51	19	00	0323	EA	6" Diameter, 1,800 Lumens, Recessed LED Downlight With Open Trim (Gotham® EVO® ALED)							\$64,331.66
							Quantity	Unit Price	Factor	=	Total			
						Installation	175.00 x	317.62 x	0.9799	=	54,466.27			
						Demolition	175.00 x	57.53 x	0.9799	=	9,865.39			
						Specified as Sylvania RT65AS2000UNVD9SC8WHTAA								
19	26	51	19	00	0323	0659	MOD	For >100 To 250, Deduct						-\$3,093.54
							Quantity	Unit Price	Factor	=	Total			
						Installation	175.00 x	-18.04 x	0.9799	=	-3,093.54			
20	26	55	13	00	0104	EA	24" Overall Height, 7" Diameter, 12 LEDs, Aluminum Architectural Bollard							\$29,474.90
							Quantity	Unit Price	Factor	=	Total			
						Installation	15.00 x	1,894.17 x	0.9799	=	27,841.46			
						Demolition	15.00 x	111.13 x	0.9799	=	1,633.44			
						Proposed Spec: RAB B17 LED , Selectable power /color								
21	26	56	19	00	0015	EA	25 System Watts, Wall Mount, Full Cutoff, LED Wall Pack (CREE® BetaLED® XSPW™ XSPW-A-O-X-X-G-U)							\$3,601.77
							Quantity	Unit Price	Factor	=	Total			
						Installation	5.00 x	612.16 x	0.9799	=	2,999.28			
						Demolition	5.00 x	122.97 x	0.9799	=	602.49			
						Community Center wall packs Spec: Sylvania								
22	26	56	19	00	0225	EA	21,000 Lumens, 210 Watt, Arm Mount, Rectangular, LED Area Fixture (Everlast EL-LED-VS)							\$37,510.57
							Quantity	Unit Price	Factor	=	Total			
						Installation	30.00 x	1,131.32 x	0.9799	=	33,257.41			
						Demolition	30.00 x	144.68 x	0.9799	=	4,253.16			
						Specified as Sylvania AREAFLD6AS200UNHDSC2ADJBZ								
23	26	56	19	00	0247	EA	3,600 Lumens, 36 Watt, Surface Mount, Round, LED Parking Structure Fixture (Everlast EL-LED-SS)							\$28,707.15
							Quantity	Unit Price	Factor	=	Total			
						Installation	32.00 x	785.29 x	0.9799	=	24,624.18			
						Demolition	32.00 x	130.21 x	0.9799	=	4,082.97			
						canopy Fixture Sec: ALEO								

Subtotal for Cypress Community Center

\$328,833.53

Cypress Sr. Center

24	01	22	23	00	0059	WK	25' Electric, Scissor Platform Lift							\$503.32
							Quantity	Unit Price	Factor	=	Total			
						Installation	1.00 x	513.64 x	0.9799	=	503.32			
						High Reach Equipment								
25	26	01	50	51	0349	EA	7.5 Watt, 2700K CCT, Clear A19 Filament LED Lamp (Green Creative 7.5FA19DIM/827)							\$63.94
							Quantity	Unit Price	Factor	=	Total			
						Installation	3.00 x	20.25 x	1.0525	=	63.94			
						LED A19 Relamp Sconce Fixtures								
26	26	51	19	00	0336	EA	6" Diameter, IC Rated, Surface Mount LED Downlight Fixture Housing, White (Cree® SC6-277V)							\$4,039.24
							Quantity	Unit Price	Factor	=	Total			
						Installation	16.00 x	182.33 x	1.0525	=	3,070.44			
						Demolition	16.00 x	57.53 x	1.0525	=	968.81			
						Specified as Sylvania RT65AS2000UNVD9SC8WHTAA								

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Cypress Sr. Center

27	26	55	13	00	0104	EA	24" Overall Height, 7" Diameter, 12 LEDs, Aluminum Architectural Bollard						\$42,211.57
							Quantity		Unit Price		Factor	=	Total
						Installation	20.00	x	1,894.17	x	1.0525	=	39,872.28
						Demolition	20.00	x	111.13	x	1.0525	=	2,339.29
						Specified as RAB LED B17							
28	26	56	19	00	0015	EA	25 System Watts, Wall Mount, Full Cutoff, LED Wall Pack (CREE® BetaLED® XSPW™ XSPW-A-O-X-X-G-U)						\$6,963.52
							Quantity		Unit Price		Factor	=	Total
						Installation	9.00	x	612.16	x	1.0525	=	5,798.69
						Demolition	9.00	x	122.97	x	1.0525	=	1,164.83
						Walpack's Specified as Sylvania (3) WALPAKN8AMEDWGAL, (3) WALPAKN6AS040UNVD8SC2T4BZP, (3) SLMWPKC3A/S030UNHD8SC2/BZP							
29	26	56	19	00	0016	EA	42 System Watts, Wall Mount, Full Cutoff, LED Wall Pack (CREE® BetaLED® XSPW™ XSPW-A-O-X-X-C-U)						\$2,659.50
							Quantity		Unit Price		Factor	=	Total
						Installation	3.00	x	712.07	x	1.0525	=	2,248.36
						Demolition	3.00	x	130.21	x	1.0525	=	411.14
						Walpack's Specified as Sylvania WALPAKN8A/S080UNHD8SC2/BZ/P							
30	26	56	19	00	0224	EA	14,000 Lumens, 140 Watt, Arm Mount, Rectangular, LED Area Fixture (Everlast EL-LED-VS)						\$20,382.97
							Quantity		Unit Price		Factor	=	Total
						Installation	16.00	x	1,065.71	x	1.0525	=	17,946.56
						Demolition	16.00	x	144.68	x	1.0525	=	2,436.41
						Specified as Sylvania AREAFLD6AS150UNHDSC2ADJBZ							
31	26	56	19	00	0277	EA	13 Watt, Surface Mount, LED Multi-Purpose Area Fixture (Lumark Crosstour® XTOR1A)						\$845.17
							Quantity		Unit Price		Factor	=	Total
						Installation	3.00	x	220.60	x	1.0525	=	696.54
						Demolition	3.00	x	47.07	x	1.0525	=	148.62
						Ground Flood Fixtures							

Subtotal for Cypress Sr. Center

\$77,669.23

Cypress Tennis Court

32	01	22	23	00	0062	WK	30' Electric, Scissor Platform Lift						\$641.33
							Quantity		Unit Price		Factor	=	Total
						Installation	1.00	x	654.48	x	0.9799	=	641.32
						High Reach Equipment							
33	01	71	13	00	0002	EA	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Rollback Flatbed TruckIncludes loading , tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as trenchers, skid-steer loaders (bobcats), industrial warehouse forklifts, sweepers, scissor platform lifts, telescoping and articulating boom man lifts with up to 40' boom lengths, etc.						\$482.64
							Quantity		Unit Price		Factor	=	Total
						Installation	1.00	x	492.54	x	0.9799	=	482.64
						Equipment Logistics							
34	26	56	19	00	0210	EA	15,400 Lumens, 144 Watt, Arm Mount, Rectangular, LED Area Fixture (General Electric EASC 0 F4 F 5 40 AA DKBZ)						\$56,842.74
							Quantity		Unit Price		Factor	=	Total
						Installation	24.00	x	2,257.89	x	0.9799	=	53,100.15
						Demolition	24.00	x	159.14	x	0.9799	=	3,742.59
						Sylvania Hi Power LED Fixtures							

Subtotal for Cypress Tennis Court

\$57,966.71

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00
Work Order Title: Cypress LED Lighting Upgrades

Oaknoll Park

35	01 22 23 00 1600	DAY	3 Ton Capacity, 12' To 16' Bed, 4 x 2 Flat Bed Truck With Full-Time Truck Driver						\$2,419.75
			Installation	Quantity		Unit Price		Factor	Total
				2.00	x	1,234.69	x	0.9799	= 2,419.75
			Disposal and pole logistics						
36	26 56 13 00 0190	EA	16' High, 4" OD, 11 Gauge, Round Straight, Steel Area Light Pole, Anchor Base						\$15,654.09
			Installation	Quantity		Unit Price		Factor	Total
				7.00	x	1,922.24	x	0.9799	= 13,185.22
			Demolition	7.00	x	359.93	x	0.9799	= 2,468.87
			Spec: Duragrip LSI						
37	26 56 19 00 0224	EA	14,000 Lumens, 140 Watt, Arm Mount, Rectangular, LED Area Fixture (Everlast EL-LED-VS)						\$8,302.43
			Installation	Quantity		Unit Price		Factor	Total
				7.00	x	1,065.71	x	0.9799	= 7,310.02
			Demolition	7.00	x	144.68	x	0.9799	= 992.40
			Specified as Sylvania AREAFLD6AS80UNHDSC2ADJBZ						

Subtotal for Oaknoll Park

\$26,376.27

Veterans Park

38	01 22 20 00 0086	HR	Senior EngineerFor tasks not included in the Construction Task Catalog® and as directed by owner only.						\$14,499.38
			Installation	Quantity		Unit Price		Factor	Total
				85.00	x	174.08	x	0.9799	= 14,499.38
			Shop drawings, site visits and structural calculations for concrete footings, Includes existing footing evaluation and existing conditions evaluation.						
39	01 22 23 00 0006	WK	40' Engine Powered, Telescoping Boom Man Lift With Platform						\$3,620.12
			Installation	Quantity		Unit Price		Factor	Total
				3.00	x	1,231.46	x	0.9799	= 3,620.12
			Equipment to take down and erect 20' poles on new footings						
40	01 22 23 00 1601	WK	3 Ton Capacity, 12' To 16' Bed, 4 x 2 Flat Bed Truck With Full-Time Truck Driver						\$15,087.45
			Installation	Quantity		Unit Price		Factor	Total
				3.00	x	5,132.31	x	0.9799	= 15,087.45
			Disposal and pole logistics						
41	01 22 23 00 1601 0042	MOD	For Equipment Without Operator, Deduct						-\$3,920.57
			Installation	Quantity		Unit Price		Factor	Total
				1.00	x	-4,000.99	x	0.9799	= -3,920.57
42	03 11 13 00 0076	LF	24" Diameter Round Fiber Tube Formwork						\$3,253.46
			Installation	Quantity		Unit Price		Factor	Total
				65.00	x	51.08	x	0.9799	= 3,253.46
			Concrete Sonotube Forms						
43	03 11 13 00 0076 0018	MOD	For Columns >12' In Length, Add						\$65.09
			Installation	Quantity		Unit Price		Factor	Total
				13.00	x	5.11	x	0.9799	= 65.09
44	03 30 53 00 0009	CF	Hand Mix And Place 3,000 PSI ConcreteFor use where conventional equipment access is limited or when directed by the owner. Includes local aggregate, sand, bagged cement (Type I) and water.						\$1,624.18
			Installation	Quantity		Unit Price		Factor	Total
				78.00	x	21.25	x	0.9799	= 1,624.18
			Concrete						

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Veterans Park

45	03	30	53	00	0009	0033	MOD	For 5,000 PSI Concrete, Add									\$68.02
							Installation	Quantity	Unit Price	Factor	=	Total					
								78.00	0.89	0.9799		68.02					
46	05	05	19	00	0177		EA	3/4" x 9-1/2" Long Chemically Adhered Anchor Rod									\$4,748.99
							Installation	Quantity	Unit Price	Factor	=	Total					
								104.00	46.60	0.9799		4,748.99					
							Epoxy for Anchors										
47	05	05	19	00	0177	0222	MOD	For >50 To 100, Deduct									-\$339.36
							Installation	Quantity	Unit Price	Factor	=	Total					
								104.00	-3.33	0.9799		-339.36					
48	05	05	23	00	1229		LF	3/4" Diameter, Hot Dipped Galvanized Steel, Low Carbon Threaded Rod									\$3,476.69
							Installation	Quantity	Unit Price	Factor	=	Total					
								200.00	16.90	0.9799		3,312.06					
							Demolition	200.00	0.84	0.9799	=	164.62					
							Anchors										
49	05	05	23	00	1343		EA	5/8" Diameter, Hot Dipped Galvanized Steel, Low Carbon/Grade 2 Hex Nut									\$177.32
							Installation	Quantity	Unit Price	Factor	=	Total					
								104.00	1.45	0.9799		147.77					
							Demolition	104.00	0.29	0.9799	=	29.55					
							Nuts										
50	05	05	23	00	1426		EA	3/4" Inside Diameter, Hot Dipped Galvanized Steel Flat Washer									\$122.29
							Installation	Quantity	Unit Price	Factor	=	Total					
								104.00	1.20	0.9799		122.29					
							Washers										
51	26	05	19	16	0015		MLF	#12 AWG, Type THHN-THWN, 600 Volt, Copper, Single Solid Cable, Installed In Conduit									\$1,240.22
							Installation	Quantity	Unit Price	Factor	=	Total					
								1.00	924.62	0.9799		906.04					
							Demolition	1.00	341.04	0.9799	=	334.19					
							Interior Pole Wire										
52	26	05	19	16	0298		MLF	#8 AWG, Type THHN-THWN, 600 Volt, Copper, Single Stranded Cable, Installed In Conduit									\$20,208.28
							Installation	Quantity	Unit Price	Factor	=	Total					
								10.00	1,683.62	0.9799		16,497.79					
							Demolition	10.00	378.66	0.9799	=	3,710.49					
							Underground Wiring										
53	26	56	13	00	0190		EA	16' High, 4" OD, 11 Gauge, Round Straight, Steel Area Light Pole, Anchor Base									\$6,708.90
							Installation	Quantity	Unit Price	Factor	=	Total					
								3.00	1,922.24	0.9799		5,650.81					
							Demolition	3.00	359.93	0.9799	=	1,058.09					
							Spec: Duragrip LSI										
54	26	56	13	00	0236		EA	20' High, 4" OD, 11 Gauge, Square Straight, Steel Area Light Pole, Anchor Base									\$22,375.33
							Installation	Quantity	Unit Price	Factor	=	Total					
								10.00	1,851.51	0.9799		18,142.95					
							Demolition	10.00	431.92	0.9799	=	4,232.38					
							Spec: Duragrip LSI										

Contractor's Price Proposal - Detail Continues..

Work Order Number: 150887.00

Work Order Title: Cypress LED Lighting Upgrades

Veterans Park

55	26	56	19	00	0224	EA	14,000 Lumens, 140 Watt, Arm Mount, Rectangular, LED Area Fixture (Everlast EL-LED-VS)								\$15,418.80
							Installation	Quantity		Unit Price		Factor	=	Total	
								13.00	x	1,065.71	x	0.9799	=	13,575.76	
							Demolition	13.00	x	144.68	x	0.9799	=	1,843.04	
							Specified as Sylvania AREAFLD6AS80UNHDSC2ADJBZ								
56	31	23	16	13	0008	CY	Excavation For Trenching By Hand In Loose Rock Or Compacted AggregateIncludes stockpiling excess materials and trimming sides and bottom of trench.								\$3,429.00
							Installation	Quantity		Unit Price		Factor	=	Total	
								13.00	x	269.18	x	0.9799	=	3,429.00	
							Earthwork Footings								
57	31	23	16	13	0016	CY	Compaction of Fill or Subbase for Trenches by Hand								\$626.36
							Installation	Quantity		Unit Price		Factor	=	Total	
								13.00	x	49.17	x	0.9799	=	626.36	
							Earthwork Footings								
58	31	23	16	13	0019	CY	Load Excess Material by Hand for Removal from Excavation for Trenching								\$676.54
							Installation	Quantity		Unit Price		Factor	=	Total	
								6.00	x	115.07	x	0.9799	=	676.54	
							Earthwork Footings								

Subtotal for Veterans Park

\$113,166.49

Proposal Total

\$617,300.49

This total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding.

The Percentage of NPP on this Proposal: %

EXHIBIT B

**SPECIAL REQUIREMENTS
(Superseding Agreement Template)**

Bond No. _____

EXHIBIT C

FAITHFUL PERFORMANCE BOND

SEE ATTACHED

Bond No. _____

EXHIBIT D

LABOR AND MATERIALS PAYMENT BOND

SEE ATTACHED

EXHIBIT E

INVOICE FORM

SEE ATTACHED



MONTHLY PAYMENT ESTIMATE SUMMARY FORM
City of Cypress, Public Works Department

Invoice No.	Period Start	Period End	Date	Payment Information	
				☒ Progress Payment	No. 1
				☐ Final Payment	
Project Title					CIP No.
Contractor			Address		

Description	Amounts		
	Previous	This Estimate	To Date
Total Earning for Work and Materials Installed	\$ -	\$ -	\$ -
Plus 65% of Invoice Amount for Materials Delivered	\$ -	\$ -	\$ -
Less Adjustment for Previous Materials Invoices	\$ -	\$ -	\$ -
Sub-Total =	\$ -	\$ -	\$ -
Less 5% Retainage =	\$ -	\$ -	\$ -
Net Earning =	\$ -	\$ -	\$ -
	Less Previous Payments =		\$ -
	Net Payment (this estimate) =		\$ -

Contract Completion Data		Contract Cost Data	
Notice to Proceed Date		Original Contract Amount	\$ -
Original Contract Duration		Approved Change Orders	\$ -
Approved Time Extensions		Total Contract Amount =	\$ -
Contract Completion Date		less Previous Payments/Billed	\$ -
Purchase Order Data		less Current Invoice Due	\$ -
		Remaining Contract Balance =	\$ -
PO No.	Date	Percent Complete	#DIV/0!
Account No(s):			

Requested by (signature and title) - Contractor	Checked by Public Works Inspector
Project Manager	Public Works Inspector
Recommended by Project Manager	Approved by City Engineer
City of Cypress	City of Cypress

No.	Fund	Program	Account	Amount
1				
2				
3				
4				
TOTAL INVOICE AMOUNT APPROVED FOR PAYMENT =				



MONTHLY PAYMENT ESTIMATE FORM
City of Cypress, Public Works Department

	Invoice No.	Period Start	Period End	Date	Payment Information	
					☒ Progress Payment	No. 1
					☐ Final Payment	
Contractor		Project Title			CIP No.	

Item No	Pay Item	Contract		Unit Price	Item Total	Previous Estimate		This Estimate		To Date	
		Quant.	Unit			Quant.	Earnings	Quant.	Earnings	Quant.	Earnings
1					\$ -	-	\$ -	-	\$ -	-	\$ -
2					\$ -	-	\$ -	-	\$ -	-	\$ -
3					\$ -	-	\$ -	-	\$ -	-	\$ -
4					\$ -	-	\$ -	-	\$ -	-	\$ -
5					\$ -	-	\$ -	-	\$ -	-	\$ -
6					\$ -	-	\$ -	-	\$ -	-	\$ -
7					\$ -	-	\$ -	-	\$ -	-	\$ -
8					\$ -	-	\$ -	-	\$ -	-	\$ -
9					\$ -	-	\$ -	-	\$ -	-	\$ -
10					\$ -	-	\$ -	-	\$ -	-	\$ -
11					\$ -	-	\$ -	-	\$ -	-	\$ -
12					\$ -	-	\$ -	-	\$ -	-	\$ -
13					\$ -	-	\$ -	-	\$ -	-	\$ -
14					\$ -	-	\$ -	-	\$ -	-	\$ -
15					\$ -	-	\$ -	-	\$ -	-	\$ -
16					\$ -	-	\$ -	-	\$ -	-	\$ -
17					\$ -	-	\$ -	-	\$ -	-	\$ -
		Original Contract =			\$ -						
CO 1					\$ -				\$ -		\$ -
CO 2											
CO 3											
		Approved CO Total =			\$ -						
		Total Contract Amount =			\$ -						
		TOTAL =						\$ -		\$ -	

Requested by (signature and title) - Contractor	Checked by Public Works Inspector
Project Manager	Public Works Inspector



MATERIALS ESTIMATE FORM
City of Cypress, Public Works Department

Invoice No.	Period Start	Period End	Date	Payment Information	
				☒ Progress Payment	No. 1
				☐ Final Payment	

Contractor	Project Title	CIP No.

Item No	Pay Item / Storage Location	Material Value				Previous Estimate		This Estimate		To Date	
		Quant.	Unit	Unit Price	Material Total	Quant.	Earnings	Quant.	Earnings	Quant.	Earnings
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
TOTAL =											

Requested by (signature and title) - Contractor	Checked by Public Works Inspector
Project Manager	Public Works Inspector

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R8-E-101723-AEL**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R8-E-101723-AEL is effective upon the date of the last signature below.

Sourcewell and ABM Electrical and Lighting Solutions ("Contractor") have entered into an Indefinite Quantity Construction Contract, Contract Number CA-R8-E-101723-AEL with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). This contract has previously been extended by the parties for the term ending December 5, 2025. The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The updated CTC will appear in the eGordian software upon receipt of the executed extension document.

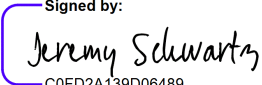
Pursuant to the Contract, Contractor's Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2025 through December 5, 2026.

Sourcewell

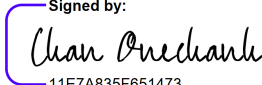
ABM Electrical and Lighting Solutions

Signed by:

By: C0FD2A139D06489...

Jeremy Schwartz

Title: Chief Procurement Officer

Date: 10/29/2025 | 3:06 PM CDT

Signed by:

By: 11E7A835F651473...

Chan Onechanh

Title: Sr. General Manager

Date: 10/29/2025 | 12:13 PM CDT

**AGREEMENT TO
MODIFY AND EXTEND
SOURCEWELL CONTRACT #CA-R8-E-101723-AEL**

THIS AGREEMENT TO MODIFY AND EXTEND, Sourcewell Contract #CA-R8-E-101723-AEL, is effective upon the date of the last signature below.

Sourcewell and ABM Electrical and Lighting Solutions ("Contractor") have entered into an Indefinite Delivery-Indefinite Quantity Construction Contract, Contract Number **CA-R8-E-101723-AEL**, with an initial term ending December 5, 2024, and five bilateral options to extend for an additional one-year term ("Contract"). The parties agree to modify and extend the Contract as stated below.

CONTRACT MODIFICATION

The following is adopted as the new CTC for the Contract effective December 6, 2024:

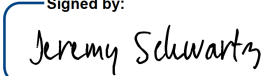
[Sourcewell California - Region 8](#)

Pursuant to the Contract, Contractor's Adjustment Factors remain fixed for the duration of the contract term and are unaffected by this modification.

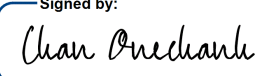
EXERCISE OF OPTION: EXTENSION

Contractor and Sourcewell hereby desire and agree to extend the Contract, with the above modification, for the period of December 6, 2024 through December 5, 2025.

Sourcewell

Signed by:

By: C0ED2A139D06489
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/13/2024 | 5:52 PM CST

ABM Electrical and Lighting Solutions

Signed by:

By: 11E7A835E651473
Chan Onechanh
Title: Sr. General Manager
Date: 11/12/2024 | 5:27 PM CST



Indefinite Delivery-Indefinite Quantity Construction Contract

Contract Number: CA-R8-E-101723-AEL

Service Type: Electrical

This Indefinite Delivery-Indefinite Quantity Construction Contract (Contract) is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 and **ABM Electrical and Lighting Solutions, 14201 Franklin Ave, Tustin, CA 92780** (Contractor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state and municipal governmental entities, K-12 and higher education entities, nonprofit entities, tribal governments, and other public entities located within the United States.

The Contractor desires to contract with Sourcewell to provide construction services to entities that access Sourcewell's indefinite delivery-indefinite quantity (IDIQ) construction contracts within the Service Region.

I. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract, including the General Terms and Conditions incorporated by reference, is effective upon the later of December 6, 2023 or the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires **December 5, 2024**, unless it is terminated sooner pursuant to Article XX of the General Terms and Conditions, which are incorporated into this Contract by reference. This Contract allows up to five additional one-year extensions upon the request of Sourcewell and written agreement with Contractor. Sourcewell retains the right to consider additional extensions beyond six years as required under exceptional circumstances.

II. REGION AND SERVICES

The Contractor's Region is: Region 8. The Contractor's IDIQ construction service type is: Electrical. The Contractor **has** agreed to perform work outside the Region.

III. ADJUSTMENT FACTORS

The Contractor will perform any or all Tasks in the Construction Task Catalog for the Unit Price appearing therein multiplied by the following Adjustment Factors. See the General Terms and Conditions for additional information.

A. **Normal Working Hours – Prevailing Wage Rate Projects**: Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 0.9799.

B. **Other Than Normal Working Hours – Prevailing Wage Rate Projects:** Work performed from 4:00 p.m. to 7:00 a.m. Monday to Friday, and any time Saturday, Sunday and Holidays. The Contractor will perform Tasks during Other Than Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0525.

C. **Secured Facilities/OSHPD Prevailing - Wage Rate Projects:** Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 1.0616.

D. **All Union Wage Projects:** Work performed from 7:00 a.m. until 4:00 p.m. Monday to Friday, except Holidays. The Contractor will perform Tasks during Normal Working Hours for the Unit Price set forth in the CTC multiplied by the Adjustment Factor of: 0.9799.

E. **Non pre-priced Adjustment Factor:** To be applied to Work determined not to be included in the CTC but within the general scope of the work: 1.1251.

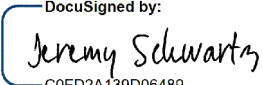
VI. AUTHORIZED REPRESENTATIVE

A. Sourcewell's Authorized Representative is its Chief Procurement Officer.

B. The Contractor's Authorized Representative is Chan Onechanh. If the Contractor's Authorized Representative changes at any time during this Contract, Contractor must promptly notify Sourcewell in writing.

Sourcewell

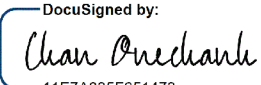
ABM Electrical and Lighting Solutions

DocuSigned by:

By: C0FD2A139D06489...

Jeremy Schwartz

Title: Chief Procurement Officer

Date: 12/13/2023 | 2:44 PM CST

DocuSigned by:

By: 11E7A835F651473...

Chan Onechanh

Title: Sr. General Manager

Date: 12/13/2023 | 2:03 PM CST



March 24, 2026

Daniel Co, P.E,
Assistant City Engineer
City of Cypress
Public Works Engineering

**SUBJECT: PROPOSAL TO PROVIDE MATERIAL TESTING AND INSPECTION
SERVICES FOR LED LIGHTING UPGRADES PROJECT 434**

Dear Mr. Co,

FCG is pleased to present our proposal to the City of Cypress to provide material testing and inspection services for the LED Lighting Upgrades Project 434 in the amount of **\$34,885.40**. All work will be completed pursuant to the City of Cypress On-Call Construction Management and Inspection Services Contract dated July 1, 2024.

We look forward to partnering with the City on this project. If there are any questions regarding this proposal, please contact me at (714) 312-0317 or maha.fakhouri@fcgconsultants.com with any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Maha Fakhouri'.

Maha Fakhouri
President / CEO

ATTACHMENT “A” SCOPE OF SERVICES

The scope of services includes part-time inspection services and project controls to assist our inspector in the field.

Below is a list of services included in this proposal:

- Represent the City’s interests with the overall construction inspection of this project.
- Monitor the contractor's compliance with the project contract, specifications, and National Pollutant Discharge Elimination System (NPDES).
- Assist City staff with public relations and responding to inquiries of residents and the general public.
- Attend the preconstruction meeting and subsequent weekly field meetings, as needed.
- Assist the City’s construction manager in monitoring and documenting the contractor’s adherence to the approved construction schedule.
- Be present on the job site when construction is in progress and when inspection is required. Part-time inspection work is proposed as requested by the City. will not be responsible for observing construction activities that are implemented when its inspector is not scheduled/present on site.
- Measure and verify the project pay item quantities in place. All pay item quantities must be confirmed with the contractor prior to submission of the invoice for payment.
- Review the contractor's invoices.
- Prepare daily inspection reports (Daily Activity Report, Weekly Statement of Working Days, etc.) as required for this project.
- Review traffic control and coordinate adjustments as needed.
- Identify items requiring corrective action by either the contractor or the City. Monitor and document timely corrective actions implemented by the contractor.
- Develop punch list items and monitor corrections made.

**ATTACHMENT “B”
SCHEDULE OF COMPENSATION**

City of Cypress Material Testing and Inspection Services for LED Lighting Upgrades
Project 434
50 Working Days Construction Duration

Role / Name	Total Hours	Hourly Rate	Extended Fee
Construction Inspector	200	\$152.28	\$30,456.00
Materials Testing			\$4,429.40
Total Estimated Fee			\$34,885.40

Exclusions to Scope and Fee: The following items are specifically excluded:

1. Night-time/weekend inspection and weekday hours in excess of a regular 8-hour shift that would be subject to overtime pay, unless so authorized in writing by the City
2. Special inspections



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

10.

FROM: Nick Mangkalakiri, Director of Public Works

DATE: 04/28/2026

SUBJECT: **Approve Change Order for Purchase and Upfitting of Seven Replacement Police Vehicles**

RECOMMENDATION

1. Approve Change Order No. 1 for the purchase and upfitting of seven replacement police vehicles, in the amount of \$11,858, and authorize the City Manager to execute the change order;
2. Authorize the City Manager to negotiate and execute any change orders up to 5% of the total original amount (\$648,847); and
2. Authorize an appropriation increase in the amount of \$32,500 in the City's Capital Replacement Fund for Change Order No. 1 and future contingency.

DISCUSSION

Last September, the City Council approved the purchase and upfitting of seven replacement police vehicles from National Auto Fleet Group. The approved scope of work included the procurement of the vehicles and associated upfitting costs, including installation of various equipment.

During implementation, it was determined that the original scope did not account for the labor and materials required to remove existing radio, camera, and mobile data computer systems from the outgoing vehicles prior to installation in the new vehicles. This issue did not arise during the City's previous vehicle replacement cycle, as these systems were new installations at that time and did not require removal and reinstallation.

The additional work is necessary to properly transfer the existing systems and ensure full operational readiness of the replacement vehicles. The cost for this additional work is \$1,694 per vehicle, for a total of \$11,858.

A contingency was not included as part of the original vehicle purchase approved last

September. Therefore, City Council approval is required for this change order.

BUDGET IMPACT

There are sufficient funds available in the unassigned fund balance in the City's capital replacement fund for this work.

Fund 721 - City Capital Replacement Fund

	Current Amended Budget	Proposed Amendment	Proposed Amended Budget
Beginning Fund Balance	19,142,857		19,142,857
Revenue	2,295,693	0	2,295,693
Expenditures	2,153,711	32,500	2,186,211
Revenue Less Expenditures	141,982	-32,500	109,482
Ending Fund Balance	\$19,284,839		\$19,252,339

LEGAL REVIEW

The City Attorney reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Change Order for PD Vehicles

CITY OF CYPRESS

Contract Change Order No. 1 Sheet 1 of 1

Project: Replacement and Upfitting of Seven Police Vehicles

Contractor: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076

You are hereby directed at making the following changes, described below, to the Plans and Specifications; or to doing the following work, described below, which was not included in the Plans and Specifications on this Contract.

NOTE: THIS CHANGE ORDER IS NOT EFFECTIVE UNTIL APPROVED BY THE CITY

Item No.	Description	Amount
1.	Provide all equipment, labor, materials, and tools to remove existing radios, cameras, and MDC systems from seven (7) existing vehicles and reinstall in seven (7) new PD vehicles. Cost associated with this change is \$1,694 per vehicle.	\$ 11,858.00
Total		\$ 11,858.00

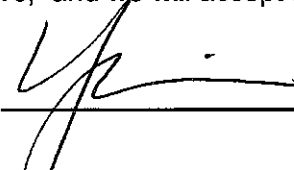
Total Cost Increase	\$ 17,448.00	Decrease	\$
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Original Contract	\$ 648,847.00	
Change Order No. 1	\$ 11,858.00	
Revised Contract	\$ 660,705.00	

Purchase Order No. 2026-304

Requested and submitted by: Jose Guerra, Maintenance Superintendent Date: 04/21/26

We, the undersigned Contractor, have given careful consideration to the change proposed and hereby agree that if this Change Order is approved, we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work specified above; and we will accept as full payment therefore the prices shown above.

Accepted by:  Date: 4/21/26

Title: Fleet Manager Contractor: National Auto Fleet Group

Approved by: _____ Date: _____
City Manager



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

11.

FROM: Nick Mangkalakiri, Director of Public Works

DATE: 04/28/2026

SUBJECT: **Accept the HVAC and Roof Replacement for the City-Owned Building at 10161 Moody Street (Cedar Glen Park), Project 378**

RECOMMENDATION

1. Accept the HVAC and Roof Replacement for the City-Owned Building at 10161 Moody Street (Cedar Glen Park), Project 378, in the amount of \$650,354.85 and approve the final payment of \$32,517.74 to MDJ Management, LLC.; and
2. Authorize the City Clerk to file a Notice of Completion with the County Recorder.

DISCUSSION

In July 2024, the City Council awarded a construction contract to MDJ Management, LLC. for the HVAC and Roof Replacement for the City-owned building at 10161 Moody Street (Cedar Glen Park). The project included removal and replacement of the heating, ventilation, and air conditioning (HVAC) units, approximately 8,600 square feet of roofing, and equipment screens. In July 2025, the City Council approved Amendment No. 1 to install structural reinforcements to support the new HVAC units. Work began in September 2025 and was completed in February 2026.

Public Works will release the Labor and Materials Bond and the Faithful Performance Bond upon expiration of the required lien period.

BUDGET IMPACT

The amended estimated cost of construction and inspection was \$744,229.37, and final project costs total \$697,605.16, as summarized in the attached table. Sufficient amounts are budgeted in the City's Capital Project Fund to pay for the project.

LEGAL REVIEW

The City Attorney has reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Project Cost Table

PROJECT COST TABLE

HVAC and Roof Replacement for City-Owned Building at 10161 Moody Street Project 378

<u>Item Description</u>	<u>Original Amount</u>	<u>Actual Expenditures</u>	<u>Difference</u>
<u>Construction</u>			
Construction	\$ 611,563.67	\$ 611,563.67	\$ -
Construction Contingency	76,000.00	38,791.18*	37,208.82
Sub-total Construction	<u>\$ 687,563.67</u>	<u>\$ 650,354.85</u>	<u>\$ 37,208.82</u>
<u>Construction Management & Inspection</u>			
Inspection	\$ 49,265.70	\$ 47,250.31	\$ 2,015.39
Inspection Contingency	7,400.00	-	7,400.00
Sub-total Construction Inspection	<u>\$ 56,665.70</u>	<u>\$ 47,250.31</u>	<u>\$ 9,415.39</u>
Total Project	<u>\$ 744,229.37</u>	<u>\$ 697,605.16</u>	<u>\$ 46,624.21</u>

* Includes change orders for unforeseen site conditions and additional work.



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

12.

FROM: Nick Mangalakiri, Director of Public Works

DATE: 04/28/2026

SUBJECT: **Approve Plans and Specifications and Award Contract for City Hall Executive Boardroom Improvements, Project 392**

RECOMMENDATION

1. Approve Plans and Specifications for Executive Boardroom Improvements, Project 392;
2. Award a contract to Ankor Associates Inc. for \$338,700, authorize a contingency of \$85,000, and authorize the City Manager to execute the contract agreement; and
3. Award a contract for Construction Inspection Services to FCG Consultants, Inc., for \$70,966.40, and authorize a contingency of \$11,000.

DISCUSSION

The FY 2025–26 Capital Improvement Program includes the modernization of the Executive Boardroom at City Hall. The existing space is outdated, with a dark, inefficient layout that no longer meets operational needs, and underutilized features such as cabinetry and a kitchenette. The project will create a more functional and welcoming space for public engagement, workshops, and staff use. Improvements include a new exterior window, dedicated public access door, separate employee access door, upgraded lighting and finishes, a reconfigured kitchenette, new flooring and paint, and relocation of mechanical and electrical systems. A new secondary entrance/exit will enhance security and circulation by providing a clear public entry point, eliminating the need for visitors to pass through secured employee areas.

Two workshops were held last year to review design options, and feedback from the City Council and the public was incorporated into the final design. Notices for bids were issued on March 19, 2026, and on April 9, the City received eight bids for the project, with Ankor Associates, Inc. identified as the lowest responsive and responsible bidder. FCG Consultants, Inc., the City's on-call construction manager, will provide inspection services. A summary of the project award is attached. Construction is expected to begin in late July and be completed by October, with some work occurring outside of business hours and potential temporary staff relocation to minimize impacts.

BUDGET IMPACT

Estimated project costs, including labor and inspection, will not exceed \$531,666.40. The Executive Boardroom Improvements project is included in the City's Capital Improvement Program and funded by the Capital Projects Fund.

Construction Estimate (includes contingency)	\$423,700.00
Construction Inspection Estimate (includes contingency)	\$81,966.40
Design	\$51,000.00
Labor	\$26,000.00
Total Project Estimate	\$582,666.40
Total Project Budget	\$600,000.00
(Over)/Under Budget	\$17,333.60

LEGAL REVIEW

The City Attorney has reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Project Award Information
Proposed Boardroom Rendering
FCG Task Order

Project Award Information Checklist

Description of Project:

City Hall Executive Boardroom Improvements

Contract Working Days: 40 working days

Notice Inviting Bids Sent to: PlanetBids, City Hall Bulletin Board, Community Center Bulletin Board, Police Department Bulletin Board, McGraw-Hill Construction, Dodge Construction Network, AGC Plan Room, Construct Connect

Bid Opening Date: April 9, 2026

No. of Bid Packets Downloaded: 50

Bidders	Base Bid	Base Bid + Alt A
1. Ankor Associates Inc., Los Angeles, CA	\$318,700	\$338,700
2. Genesis Builders, Inc., Fullerton, CA	\$377,557	\$536,557
3. Global Builders Inc., Laguna Hills, CA	\$379,364	\$396,424
4. Triangle DeCon Services Inc., Mission Viejo, CA	\$399,000	\$414,000
5. YMC, Irvine, CA	\$416,300	\$416,300
6. Elegant Construction Inc., Irvine, CA	\$421,680	\$423,680
7. Gulati Construction Company, Inc., La Palma, CA	\$443,330	\$485,830
8. De La Secura, Inc., Orange, CA	\$485,058	\$489,558

Apparent Low Bidder: Ankor Associates Inc., Los Angeles, CA – \$318,700

Qualified to Perform Work: Yes. Staff confirmed bid was responsive.

Contractor's License:

Valid at Time of Award: Yes

Valid at Time of Bid: Yes

Registration with DIR:

Contractor: Yes

Sub-Contractor: Yes

Experience:

The apparent low bidder has performed this type of work for multiple government agencies in Southern California.

Construction Management/Inspection Firm: FCG Consultants, Inc.

On-Call Contract Date: July 1, 2024

Amount of Task Order: \$ 70,966.40

Sul

**City Hall Executive Boardroom Improvements** Project 392

Award Pending

Lowest Bid Per Section

Export

Done

Item #	Item Description	UOM	QTY	YMC	Ankor Associates Inc	Global Builders Inc	Triangle DeCon Services Inc.	Elegant Construction Inc	De La Secura, Inc.	Gulati Constructi...	Genesis Builders Inc
☐ Base Bid				\$416,300.00	\$318,700.00	\$379,364.00	\$399,000.00	\$421,680.00	\$485,058.00	\$443,330.00	\$377,557.00
☐ 1	Mobilization, Bond, and G...	LS	1	\$36,400.00	\$35,500.00	\$49,681.00	\$100,000.00	\$15,000.00	\$58,025.19	\$52,579.00	\$45,000.00
☐ 2	City Hall Executive Boardr...	LS	1	\$318,300.00	\$169,200.00	\$238,466.00	\$250,000.00	\$314,680.00	\$361,768.05	\$317,244.00	\$318,557.00
☐ 3	Flooring Removal Perfor...	LS	1	\$6,600.00	\$24,000.00	\$10,611.00	\$9,000.00	\$12,000.00	\$6,800.00	\$12,712.00	\$13,000.00
☐ 4	Furnish, Deliver, and Insta...	LS	1	\$55,000.00	\$90,000.00	\$80,606.00	\$40,000.00	\$80,000.00	\$58,464.76	\$60,795.00	\$1,000.00
☐ Additive - Alternate A				\$0.00	\$20,000.00	\$17,060.00	\$15,000.00	\$2,000.00	\$4,500.00	\$42,500.00	\$159,000.00
☐ 5	Weekend/Night Work for ...	LS	1	\$0.00	\$20,000.00	\$17,060.00	\$15,000.00	\$2,000.00	\$4,500.00	\$42,500.00	\$159,000.00
☐ Deductive - Alternate B				-\$62,000.00	\$28,000.00	\$0.00	-\$15,000.00	-\$10,000.00	-\$2,155.00	\$7,800.00	\$15,000.00
☐ 6	Deduct Raised Ceiling an...	LS	1	-\$62,000.00	\$28,000.00	\$0.00	-\$15,000.00	-\$10,000.00	-\$2,155.00	\$7,800.00	\$15,000.00
Totals				\$354,300.00	\$366,700.00	\$396,424.00	\$399,000.00	\$413,680.00	\$487,403.00	\$493,630.00	\$551,557.00

 City Hall Executive Boardroom Improvements Project 392

Award Pending

City of Cypress Executive Boardroom



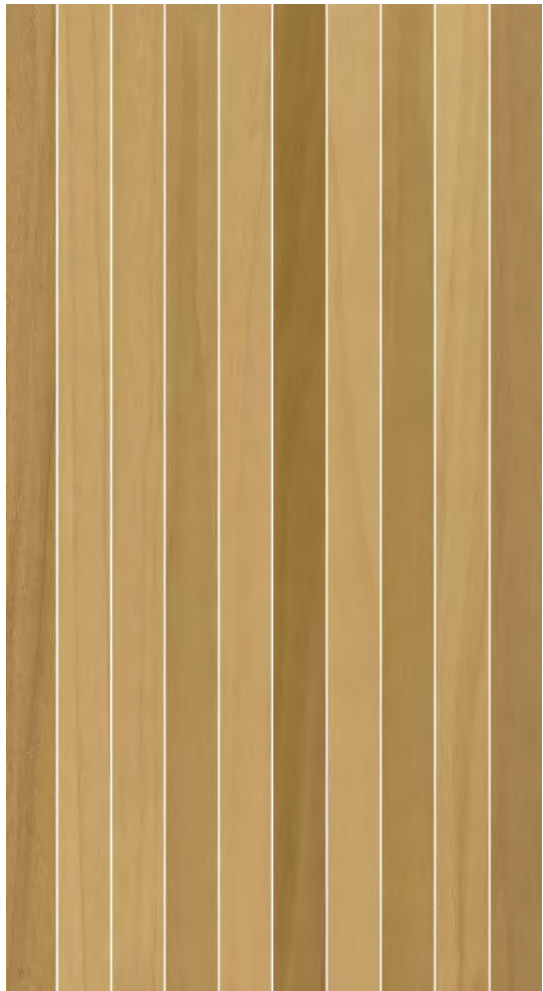
SEE PAGE 3 FOR ACTUAL FURNITURE
AND FINISH SELECTIONS

City of Cypress Executive Boardroom

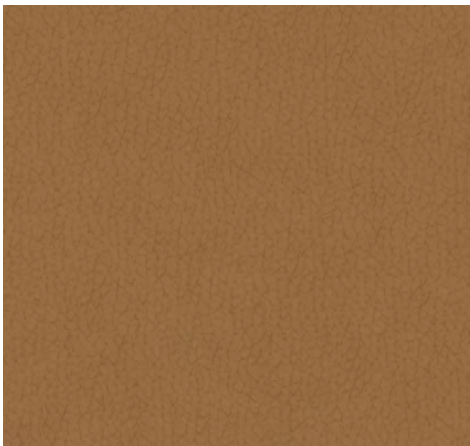


SEE PAGE 3 FOR ACTUAL FURNITURE
AND FINISH SELECTIONS

City of Cypress Executive Boardroom



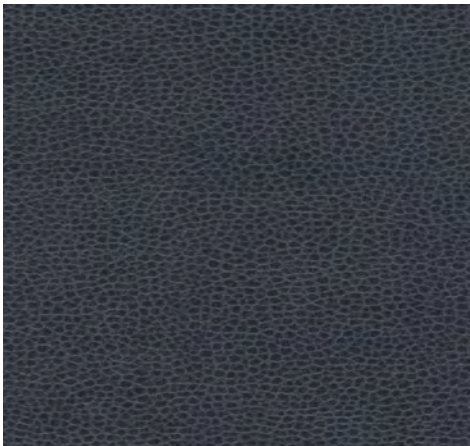
CEILING/WALL SLATS
Armstrong - Golden Maple



ACCENT CHAIR
Wellington - Luggage



KITCHENETTE COUNTER TOP
Wilsonart - Nevis Ridge



CONFERENCE CHAIR
Promessa - Atlantic



CONFERENCE TABLE AND CABINETRY
Formica - Aged Ash



CONFERENCE ROOM CARPET
Milliken - Major Frequency One - Static



SIDE CHAIR
(fabric selection not shown)



CONFERENCE CHAIR
(fabric selection not shown)



CONFERENCE TABLE
Matte Black Metal Accents



STOREFRONT SYSTEM
Black Metal Mullions and Stainless Steel Handle



March 20, 2026

Daniel Co, P.E,
Assistant City Engineer
City of Cypress
Public Works Engineering

**SUBJECT: PROPOSAL TO PROVIDE CONSTRUCTION MANAGEMENT,
INSPECTION SERVICES, AND ASBESTOS ABATEMENT
MONITORING AND REPORTING FOR CITY HALL EXECUTIVE
BOARDROOM IMPROVEMENTS PROJECT 392**

Dear Mr. Co,

FCG is pleased to present our proposal to the City of Cypress to provide construction management, inspection services, and asbestos abatement monitoring and reporting for the City Hall Executive Boardroom Improvements Project 392 in the amount of **\$70,966.40**. All work will be completed pursuant to the City of Cypress On-Call Construction Management and Inspection Services Contract dated July 1, 2024.

We look forward to partnering with the City on this project. If there are any questions regarding this proposal, please contact me at (714) 312-0317 or maha.fakhouri@fcgconsultants.com with any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Maha Fakhouri'.

Maha Fakhouri
President / CEO

ATTACHMENT “A” SCOPE OF SERVICES

The scope of services includes part-time inspection services and project controls to assist our inspector in the field.

Below is a list of services included in this proposal:

- Represent the City’s interests with the overall construction inspection of this project.
- Monitor the contractor's compliance with the project contract, specifications, and National Pollutant Discharge Elimination System (NPDES).
- Assist City staff with public relations and responding to inquiries of residents and the general public.
- Attend the preconstruction meeting and subsequent weekly field meetings, as needed.
- Assist the City’s construction manager in monitoring and documenting the contractor’s adherence to the approved construction schedule.
- Be present on the job site when construction is in progress and when inspection is required. Part-time inspection work is proposed as requested by the City. will not be responsible for observing construction activities that are implemented when its inspector is not scheduled/present on site.
- Measure and verify the project pay item quantities in place. All pay item quantities must be confirmed with the contractor prior to submission of the invoice for payment.
- Review the contractor's invoices.
- Prepare daily inspection reports (Daily Activity Report, Weekly Statement of Working Days, etc.) as required for this project.
- Review traffic control and coordinate adjustments as needed.
- Identify items requiring corrective action by either the contractor or the City. Monitor and document timely corrective actions implemented by the contractor.
- Develop punch list items and monitor corrections made.

**ATTACHMENT “B”
SCHEDULE OF COMPENSATION**

City of Cypress Construction Management, Inspection Services, and Asbestos
Abatement Monitoring and Reporting for the City Hall Executive Boardroom
Improvements Project 392
40 Working Days Construction Duration

Role / Name	Total Hours	Hourly Rate	Extended Fee
Construction Manager	120	\$234.27	\$28,112.4
Facilities Inspector	250	\$152.28	\$38,070.00
Asbestos Abatement Monitoring and Reporting			\$4,784.00
Total Estimated Fee			\$70,966.40

Exclusions to Scope and Fee: The following items are specifically excluded:

1. Night-time/weekend inspection and weekday hours in excess of a regular 8-hour shift that would be subject to overtime pay, unless so authorized in writing by the City
2. Special inspections



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

13.

FROM: Jeff Draper, Director of Recreation and Community Services

DATE: 04/28/2026

SUBJECT: Approve an Agreement for Senior Transportation Programs

RECOMMENDATION

Approve a three-year agreement, with the option for two one-year extensions, with OCY Management, LLC for Senior Transportation Services in an amount not to exceed \$500,000.

DISCUSSION

The Recreation and Park District offers two transportation programs for residents age 60 and older. The Nutrition Taxi and Taxi Voucher programs are summarized below:

Program	Description	Cost
Nutrition Taxi	• Daily transport to and from the Senior Center for the Nutrition Program. • Average of five passengers per day. • Eligible senior residents can receive transportation at no cost.	• City currently pays \$15.00 per passenger trip. • The Senior Mobility Program (SMP) under the Orange County Transportation Authority pays up to 80% of the costs and the City pays 20% of the costs.
Taxi Vouchers	• Curb-to-curb service taxi service for nutrition, medical, personal care, shopping, social/recreation visits to the Cypress Senior Center. • Approximately 100 residents participate in the program. • Eligible senior residents can receive up to eight vouchers per month at no cost. • Participants pay difference for fare if needed.	• City currently pays \$15.00 per voucher. • The Senior Mobility Program (SMP) under the Orange County Transportation Authority pays up to 80% of the costs and the City pays 20% of the costs.

The current agreement with the OCY Management, LLC is set to expire on June 30, 2026. A Request for Proposal (RFP) was issued in January and two proposals were received. After reviewing the proposals for completeness, service areas, price, past experience with the City, references, and the company's reputation with other municipalities, OCY Management, LLC was identified as the most qualified vendor. Additionally, historically, 86% to 93% of all rides only utilize one to two vouchers, making the proposal from OCY Management, LLC the most cost-effective.

OCY Management, LLC is the current vendor for the Nutrition Taxi and Taxi Voucher programs and has provided excellent service to the City of Cypress and its senior clients. A summary of the proposed services and costs are below:

Program	Proposal
Nutrition Taxi	\$20.00 per passenger, per trip
Taxi Voucher	0 – 4 Miles = \$20.00 (One Voucher) 4.1 – 8 Miles = \$32.00 (Two Vouchers) 8.1 – 12 Miles = \$47.00 (Three Vouchers) 12.1 – 16 Miles = \$62.00 (Four Vouchers) 16.1 to 20 Miles = \$77.00 (Five Vouchers) 20.1 to 24 Miles = \$92.00 (Six Vouchers) 24.1 to 28 Miles = \$ 107.00 (Seven Vouchers) 28.1 to 32 Miles = \$122.00 (Eight Vouchers) 32.1+ Miles = \$3.85 per mile paid by passenger

BUDGET IMPACT

Based on expected ridership, the annual contract amount is projected to be \$100,000 annually with a maximum contract amount of \$500,000 over five years. Eighty percent of the costs will be reimbursed through the Senior Mobility Program (SMP) as provided by Measure M2, Orange County's half-cent sales tax for transportation improvements approved in 2006 for a 30-year period.

Sufficient appropriations are proposed as part of the District's FY 2026-27 General Fund budget for the Senior Transportation Program.

LEGAL REVIEW

The City Attorney has reviewed and approved the contract to form.

APPROVED BY: Shannon DeLong, City Manager

Attachments

Agreement for Senior Transportation Services

OCY Management, LLC Proposal

Top Notch Medical Transportation, LLC Proposal

AGREEMENT FOR CONTRACT SERVICES

By and Between

CITY OF CYPRESS

and

OCY MANAGEMENT, LLC

**AGREEMENT FOR CONTRACT SERVICES
BY AND BETWEEN THE CITY OF CYPRESS AND
OCY MANAGEMENT, LLC**

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this ____ day of _____, 2026 by and between the City of Cypress, a California municipal corporation (“City”) and **OCY Management, LLC**, a _____ corporation (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Cypress’s Charter and Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be both of good quality as well as fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall

mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2Contractor's Proposal.

The Scope of Service shall include the Contractor's scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

1.6Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for the actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum or \$25,000, whichever is less; or, in the time to perform of up to one hundred eighty (180) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors. No claims for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

1.9 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed \$100,000 per fiscal year and a total contract amount of **Five Hundred Thousand Dollars (\$500,000.00)** ("Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion; (ii) payment in accordance with specified tasks or the percentage of completion of the services, less contract retention; (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, provided that (a) time estimates are provided for the performance of sub tasks, (b) contract retention is maintained, and (c) the Contract Sum is not exceeded; or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3, City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission. Review and payment by City for any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding three (3) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Akbar Majid, President/General Manager
520 W. Dyer Road
Santa Ana, CA 92707

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall utilize only competent personnel to perform services pursuant to this Agreement. Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be the Director of Recreation and Community Services or such person as may be designated by the City Manager. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed

to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a)General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b)Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c)Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

(d)Professional Liability. Professional liability insurance appropriate to the Contractor's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5

consecutive years following the completion of Contractor's services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e)Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(f) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements in Exhibit “B”.

5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents may apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention.

All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer.

No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance, additional insured endorsement forms or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of and endorsements to all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following “cancellation” notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed] _____
Contractor Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or any automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor'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.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnitors"), or arising from Contractor's or indemnitors' reckless or willful misconduct, or arising from Contractor's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorney's fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorney's fees.

Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Sufficiency of Insurer.

Insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor's business, custody of the books and records may be given to City, and access shall be provided by Contractor's successor in interest. Notwithstanding the above, the Contractor shall fully

cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “documents and materials”), including any electronic documents and materials, prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City in a format of the City’s choice upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City’s sole risk and without liability to Contractor, and Contractor’s guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have the right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this

Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Contractor’s conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Orange, State of California.

7.2 Disputes; Default.

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor’s default shall not be deemed to result in a waiver of the City’s legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or

damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Contractor shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue a legal action under this Agreement.

7.7Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon written notice to Contractor. In addition, the Contractor may terminate this Contract for cause, upon sixty (60) days' advance written notice to City. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation

only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorney's Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual

orientation, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

8.4Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer (with her/his name and City title), City of Cypress, 5275 Orange Avenue, Cypress, California 90630 and in the case of the Contractor, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the

Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5.

Nor shall any such officer or employee participate in any decision relating to the Agreement which affects her/his financial interest or the financial interest of any corporation, partnership or association in which (s)he is, directly or indirectly, interested, in violation of any State statute or regulation, including but not limited to the Political Reform Act (Government Code Sections 81000, *et seq.*)

Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Contractor's Authorized Initials _____

9.7 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

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

CITY:

City of Cypress, a municipal corporation

Leo Medrano, Mayor

ATTEST:

Lisa Bergland, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

William Wynder, City Attorney

CONSULTANT:

OCY MANAGEMENT, LLC

By:

Name:

Title:

By:

Name:

Title:

Address: _____

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 2026 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
☐	INDIVIDUAL
☐	CORPORATE OFFICER
☐	TITLE(S) _____ TITLE OR TYPE OF DOCUMENT
☐	PARTNER(S)
☐	ATTORNEY-IN-FACT
☐	NUMBER OF PAGES TRUSTEE(S)
☐	GUARDIAN/CONSERVATOR
☐	OTHER _____
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	DATE OF DOCUMENT _____
	SIGNER(S) OTHER THAN NAMED ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

EXHIBIT "A"

SCOPE OF SERVICES

SCOPE OF SERVICES

The Contractor shall be responsible for all operations and maintenance of all participating vehicles at its sole cost and expense, including insurance, fuel, taxes, fringe benefits, licensing, dispatching, radio equipment, training, supervision, management, service monitoring, and vehicular accident reporting. All such liability shall be the sole responsibility of the Contractor. Vehicles shall have a mileage fee meter with a current approval and inspection by the Department of Weights and Measures. The Contractor shall ensure that participating vehicles meet all applicable codes, laws, and regulations.

Taxi Voucher Program

The Contractor will provide curb-to-curb taxi service to qualifying participants.

1. The City issues a maximum number of Taxi Vouchers each month to eligible Cypress resident seniors, 60 years and older, through the Cypress Senior Center.

Each voucher covers a distance of 4 miles. Riders can use up to eight vouchers per trip. These vouchers are then given to the taxi driver for full or partial payment of their ride. No change is given to the rider. Participants are responsible for all trip costs exceeding the amount printed on the voucher or the maximum allowed per trip.

The City does not guarantee a minimum level of ridership or the issuance of vouchers through this program.

For Taxi Voucher services, all trip pricing will be charged as follows:

- 0 to 4 Miles = \$20.00 (one voucher)
- 4.1 to 8 Miles = \$32.00 (two vouchers)
- 8.1 to 12 Miles = \$47.00 (three vouchers)
- 12.1 to 16 Miles = \$62.00 (four vouchers)
- 16.1 to 20 Miles = \$77.00 (five vouchers)
- 20.1 to 24 Miles = \$92.00 (six vouchers)
- 24.1 to 28 Miles = \$ 107.00 (seven vouchers)
- 28.1 to 32 Miles = \$122.00 (eight vouchers)
- 32.1+ Miles = \$3.85 per mile

2. Participants may use vouchers for the following transportation seeking purposes in Orange County: nutrition, medical, personal care, shopping, social/recreation, and visits to the Cypress Senior Center. Trips outside of Orange County must be medical trips within 10 miles of the Orange County border.

3. Contractor shall provide trips outside of Orange County for medical trips only, and within 10 miles of the Orange County border.
4. The Contractor shall provide a toll-free telephone number for use by Taxi Voucher participants. The Contractor shall dispatch a vehicle to the requested pick-up location within the program limits. Reservations shall allow for one-way or round-trip transportation services within program limits. Taxi services are available between 7:00 a.m. and 7:00 p.m., seven days a week (including holidays).
5. Contractor will provide transportation upon request to registered disabled seniors. The vehicle shall have wheelchair accessibility if requested by the rider or City staff.
6. Contractor will service and dispatch a vehicle to the pickup location. The vehicle shall arrive at the pickup location within a 15-minute window of the designated pickup time. Telephone requests must be made at least 24 hours in advance and up to one week in advance if the rider so chooses.
7. It is the Contractor's responsibility to maintain and operate all owned vehicles at its sole cost and expense. In addition, Contractor will, at its sole cost and expense, provide a messaging system for communicating with drivers. Taxis must have a taximeter with current approval and inspection by the Department of Weights and Measures.
8. All "in-city" taxi vehicles will be uniform in appearance. Taxi vehicles must be cleaned daily before each service day and shall remain clean throughout the day.
9. Contractor must obtain and keep current a permit from the ORANGE COUNTY TAXI ADMINISTRATION PROGRAM (OCTAP).

Nutrition Taxi Program

The Contractor will provide transportation for resident seniors aged 60 and older to participate in the Congregate Lunch Program (Nutrition Program) at the Senior Center.

1. Each week, City staff will provide Contractor with a list of Cypress residents, 60 years and older, to be transported Monday – Thursday to the Cypress Senior Center, 9031 Grindlay Street. Contractors will also accept telephone requests from City staff up to and including the day of transportation services.
2. Contractor will pick up and transport the registered seniors Monday through Thursday (excluding holidays) beginning at 9:00 a.m. and provide a return trip for the same patron(s) starting at 1:00 p.m. The allowable charge is \$20 per one-way passenger trip provided to an eligible Cypress resident to and from the Senior Center's Nutrition Program.
3. The average number of riders per day using the Nutrition Taxi service is between four to six. Therefore, a van or small bus may best serve this program. Not every patron requires a pick-up and a return trip from the Senior Center, as schedules may vary due to activity participation. The City does not guarantee a minimum level of ridership through this program.

4. Contractor will provide transportation upon request to registered disabled seniors. The vehicle shall have wheelchair accessibility if requested by City staff.
5. It is the Contractor's responsibility to maintain and operate all owned vehicles at its sole cost and expense. In addition, Contractor will, at its sole cost and expense, provide a messaging system for communicating with drivers. Taxis must have a taximeter with current approval and inspection by the Department of Weights and Measures.
6. All "in-city" taxi vehicles will be uniform in appearance. Taxi vehicles must be cleaned daily before each service day and shall remain clean throughout the day.
7. Contractor must obtain and keep current a permit from the ORANGE COUNTY TAXI ADMINISTRATION PROGRAM (OCTAP).

Program Requirements

Reporting

1. The contractor shall gather ridership data for both the Nutrition Transportation and Taxi Voucher Program in accordance with the requirements of the Orange County Transportation Authority and submit reports monthly. More frequent reports are also acceptable.
2. Upon request, the Contractor must submit any required reporting documents at the frequency set by the City. These may include, but are not limited to, monthly statistical reports with monthly invoices, driver's logs, and office logs for dates requested to document on-time performance standards.
3. Contractor will provide a monthly summary attached to its billing invoice for each program that includes the following data: passenger's first and last name; vehicle number; trip date; scheduled pick up time; pick up address; pick up city; pick up time; pick up odometer; drop off address; drop off city; drop off time; drop off odometer; number of passengers; vehicle space type; trip category; trip duration; call number; passenger ID number; trip cost; total vehicle miles and revenue miles; total vehicle hours and revenue hours; passengers per hour; no shows and cancellations; response to passenger complaints; accidents or incident investigation findings.
4. Drivers will be required to complete an "incident report" and "vehicle accident report" after any out-of-ordinary occurrence during service. The Contractor is required to inform the City within 24 hours of any report received or filed.
5. Contractor and City will investigate and document all complaints or citizen concerns as a part of program administration.
6. Taxi Voucher Program specific requirements:
 - a. Contractor may accept taxi voucher tickets only if authorized to do so in writing by the City.

- b. Contractor will provide a “trip ticket” for each order that includes the caller’s name, telephone number, pick-up and drop-off addresses, time the call was received, and time the call was dispatched.
- c. Contractor will provide one copy of each “taxi voucher” with all Taxi Voucher monthly invoices.

Qualifications for Drivers

All drivers must have a satisfactory Department of Motor Vehicles (DMV) record. Drivers must receive sensitivity and safety training. Drivers shall assist any passenger having difficulty in boarding. Drivers shall assist passengers in wheelchairs with boarding and tie downs. Drivers are to be alert, clean, careful, courteous, and competent in their driver skills. Drivers shall conform to the Contractor’s dress code. City also reserves the right to request driver records and DMV pull notices.

Additional Responsibilities - Contractor must:

1. Perform daily pre-operation inspections that meet or exceed the guidelines provided by OCTA’s SMP Funding Guidelines.
2. Schedule preventative maintenance that meets or exceeds the guidelines provided by OCTA’s SMP Funding Guidelines.
3. Maintain all maintenance records for each vehicle for five (5) years and shall cooperate fully in annual motor coach carrier terminal inspections conducted by the California Highway Patrol.
4. All vehicles shall be cleaned daily before each vehicle service day and shall be kept clean throughout the day. Vehicle exteriors shall be washed not less than once per week, and after any rain or other circumstances that compromise the vehicles’ clean appearance. Floors shall be free of stains, paper or other debris, gum or other sticky substances. Windows shall be free of dirt, dust, smudges, hands or fingerprints, exterior or interior. Dashboards, wheel wells, rails, and ledges shall be kept clean, dirt and grease-free. Seating areas shall be kept clean and in good repair, with attention paid to cleaning upholsteries on a regular basis. Wheelchair lifts must be kept clean and in good working order.

EXHIBIT “B”
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

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EXHIBIT "C"
SCHEDULE OF COMPENSATION

- A. Provided that Contractor is not in default under the terms of this Agreement, and provided further that payment shall not exceed the Contract Sum set forth at Section 2 of the Agreement, Contractor shall be paid for the services described in Exhibit "A" within thirty (30) days after any invoice to City submitted in a form approved by the City's Finance Director.
- B. The contractor shall accept the compensation, as herein indicated, as full payment for the service specified herein. No adjustments in payment to the contractor resulting in an increased cost above the bid price quoted herein will be accepted.
- C. Contractor will provide a monthly summary attached to its billing invoice for each program that includes the following data: passenger's first and last name; vehicle number; trip date; scheduled pick up time; pick up address; pick up city; pick up time; pick up odometer; drop off address; drop off city; drop off time; drop off odometer; number of passengers; vehicle space type; trip category; trip duration; call number; passenger ID number; trip cost; total vehicle miles and revenue miles; total vehicle hours and revenue hours; passengers per hour; no shows and cancellations; response to passenger complaints; accidents or incident investigation findings.
- D. All invoices to be submitted within 30 days of the completed month to the Cypress Senior Center, 9031 Grindlay Street, Cypress, CA 90630-0609. Invoices shall contain the Purchase Order Number, description of service(s), quantities, unit price(s), extended total and invoice terms.

EXHIBIT “D”
SCHEDULE OF PERFORMANCE

- A. Term: The period of this Agreement covers July 01, 2026 through June 30, 2029. The term of this Agreement may also be extended for two (2) additional one (1) year periods upon mutual written approval between the Contract Officer and Contractor.

OCY Management, LLC

Formally known as:

Cabco Yellow Inc.

DBA California Yellow Cab

City of Cypress

Senior Transportation Services

February 13, 2026

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OCY Management, LLC

February 13,

Shayna Gutierrez
Recreation Supervisor
9031 Grindlay St
Cypress, CA 90630

Hello Ms. Gutierrez,

OCY Management, LLC (OCY), formerly known as Cabco Yellow Inc., respectfully submits its interest in providing transportation services to the City of Cypress. This proposal shall remain valid for a minimum of 180 days from the date of submission.

OCY has a long-standing history of delivering transportation services that extend well beyond traditional taxicab operations. Early in our development, we recognized underserved populations within Orange County and designed flexible, on-demand transportation solutions to address the limitations of public transit. Today, OCY operates the largest and most adaptable taxicab fleet in the county, offering seniors and paratransit passengers reliable transportation without the constraints of fixed bus schedules.

We are confident in our ability to successfully support this program through our experienced drivers and dedicated staff. Our drivers are professional, patient, and safety-focused, consistently treating senior passengers with the respect and care they deserve.

OCY currently serves as a transportation contractor for more than fifteen senior transportation programs throughout Orange County, including the Cities of Cypress, Rancho Santa Margarita, Laguna Woods, Aliso Viejo, Laguna Niguel, Orange, Garden Grove, Seal Beach, and others.

We appreciate the opportunity to submit this proposal and look forward to the possibility of continuing to serve and support the transportation needs of seniors in the City of Cypress.

Sincerely,

A handwritten signature in black ink, appearing to read 'Akbar Majid', written in a cursive style.

Akbar Majid
President

Company Summary

Legal Name of Company:

OCY Management, LLC

Formally known as:

Cabco Yellow Inc.

DBA California Yellow Cab

Office Location:

520 W Dyer Road, Santa Ana, CA 92707

Phone: (714) 427-2555

Dispatch Phone Numbers:

(714)444-4444

(949)444-4444

(657)444-4444

(877)951-8294

Name and Title of Person Authorized to Submit Proposal:

Akbar Majid, President

Ph. (714)427-2555 Ext. 112 Email: amajid@rideyellow.com

Federal Employer Identification Number:

33-1810345

Statement of Ownership:

OCY Management, LLC is an LLC

Wholly owned by William Rouse

Years in Business:

>1 year as OCY Management

30+ Years as Cabco Yellow Inc., dba California Yellow Cab

Failures or Refusals to Complete Any Contracts:

None

Arbitrations, lawsuits, settlements, etc., in the last 5 years

There is no pending litigation or arbitration for OCY other than that related to normal operational vehicle accident activity, which has resulted in routine litigation, which is addressed by our company's insurance carrier. Additionally, there are no other conditions – including those identified above – that Cabco Yellow believes would impede the company's ability to service the program.

Comparable contracts in the last 5 years

Please refer to Summary of Experiences (page 13)

Qualifications of Personnel

Akbar Majid- Mr. Majid serves as General Manager overseeing the daily operations of SDY Management, LLC, and as President of OCY Management, LLC. He is actively involved in all aspects of the organization's operations and plays a key role in strategic planning and decision-making. Throughout the term of this contract, Mr. Majid will work closely with Melissa Gomez, Project Manager, to ensure full compliance with all requirements. With more than 30 years of experience in the taxicab industry, Mr. Majid has an extensive background providing transportation services to seniors, individuals with disabilities, and the public.

Melissa Gomez- Since January 2017, Ms. Gomez has served as Project Manager, overseeing compliance with program guidelines and ensuring all outcome objectives are met while maintaining the highest standards of service. She manages established client relationships and takes the lead in addressing service issues and resolving complaints related to Orange County programs. With an extensive background in the transportation industry, Ms. Gomez currently manages more than 19 Senior Mobility Programs in Orange County and is dedicated to ensuring seniors receive exceptional service and are transported safely, reliably, and on time.

Jackson Fraser- As Director of Operations at OCY Management LLC, Mr. Fraser oversees all aspects of day-to-day service delivery for our fleet. His responsibilities include driver oversight, regulatory and contract compliance, customer service quality, and operational strategy to ensure reliable, timely transportation across Orange County. Mr. Fraser has led initiatives to streamline dispatching, improve ADA accessibility, and maintain fleet standards in accordance with county, city, and private contracts. He collaborates closely with both municipal partners and private stakeholders to ensure OCY Management's services meet evolving community needs.

Work Experience

2019-present

Vice President and General Manager

SDY Management, LLC

Yellow Cab of San Diego

- Oversee daily operations of the largest taxicab company in San Diego County
- Responsible and directly involved in all aspects of business and decision makings
- Represent the company with all applicable regulatory agencies, including Metropolitan Transit Systems, San Diego County Sheriff and San Diego County Regional Airport Authority
- Oversee Transdev/ MTS Access contract
- Working closely with legal counsel in drafting agreements, litigation, depositions and other legal matters

Vice President of Operations

2004-2019 Administrative Services SD, LLC

Yellow Cab of San Diego

- Responsible for forming the largest taxicab Cooperative in San Diego County
- Overseeing the agreements, accounting and all other business matters related to over 1000 independent contractors, taxicab drivers and permit holders
- Overseeing all marketing, sales and public relations related to the business
- Oversaw customer complaints and related resolutions
- Responsible and directly involved in union negotiations and administration of the union contract related to all union employees
- Negotiations, review and purchase of all commercial insurance policies such as commercial auto, D&O, EPLI
- Participation in various government meetings, such San Diego International Airport Board of Directors, the Metropolitan Transit Systems Board of Directors, and MTS Taxicab Advisory Committee

Operations Manager

2001-2004 Transit Capital Corporation

Yellow Cab of San Diego

- Responsible for hiring, discipline, promotion and termination of employees within the operations department

- Operated and was responsible for all aspects of Direct Access Route Transportation contract with the Metropolitan Transit Systems
- Oversaw all employees, scheduling and contract compliance related to the Direct Access Route
- Oversaw the operations of the mechanical repair shop and its employees
- Oversaw the mechanical parts shop and its employees
- Oversaw the operations of the limousine and sedan fleet
- Responsible for all aspects of the operations department

President and General Manager

1993-2004 San Diego Cab and San Diego Dispatch

- Established the company
- Organized independent taxi permit holders and fleets under one organized management team
- Directly responsible for all aspects of the business and decision-making
- Established the dispatch service for the company
- Developed company policies and procedures
- Hired employees and entered into agreements with vendors
- Developed customer service and driver orientation programs

Affiliations

Metropolitan Transit System Taxicab Advisory Committee

Member of The Transportation Alliance

Member of the Taxicab and Paratransit Association of California

Member of San Diego County Lodging Association

MELISSA GOMEZ

Riverside, CA ■ 714-559-8300 ■ melissa@cayellow.com

EDUCATION

California Baptist University, 2016 (*Master's in Communication*)

California State University San Bernardino, 2014 (*BA in Communications/Spanish*)

Riverside City College, 2009 (*AA in Humanities, Philosophy, and Arts*)

PROFESSIONAL **OCY Management, LLC/California Yellow Cab**

January 2017 to Present

- Maintain files to meet contractual compliance
- Increased overall operational efficiency through the implementation of innovative scheduling
- Coordinate with our Fleet Department to ensure minimal service disruptions and vehicle downtime
- Conduct annual safety orientations
- Develop effective risk management strategies to decrease safety-related incidents
- Develop and implement sales and marketing plans to achieve company objectives
- Create awareness of the company's services and monitor progress
- Ensure high levels of customer service are emphasized
- Oversee the planning and execution of logistics and operations for day-to-day services

Happy Taxi February 2012- January 2017

- Answered routine employee and recruitment-related questions, such as appropriate documentation submission and application status
- Assisted in scheduling interviews and training times/dates for candidates
- Provided training and orientation for new staff
- Provided quotes and answered questions regarding orders, billing, or transportation needs
- Dispatched and routed customer orders promptly
- Generated invoices and processed payments via fax, telephone, e-mail, and in person
- Responded to and assisted customers with inquiries and/or complaints in an efficient manner
- Provided strong skills in analysis and complex problem-solving
- Maintained equipment and technology up to date
- Implemented innovative marketing efforts to increase business
- Exercise good judgment and make sound decisions in emergencies under pressure

Mission Inn Foundation, August 2016- December 2016

- Oversaw the planning and execution of logistics and operations for events through private meetings and conferences
- Worked with event sponsors and vendors on all aspects of planning events
- Assisted in achieving business objectives
- Multitasked with demanding timeframes
- Negotiated and managed contracts with vendors and service providers
- Maintained strong verbal communication skills for dealing effectively with all types of personalities
- Used high-level discretion and maintained a high level of confidentiality

Relevant Work Experience

2024 – Present Director of Operations OCY Management, LLC /California Yellow Cab

- Manage day-to-day operations for a fleet of 250+ vehicles, including sedans, minivans, and wheelchair-accessible vehicles, ensuring compliance with local, state, Federal and industry regulations.
- Oversee adherence to contracts, including Same-Taxi and OC Access, ensuring full compliance and maintaining strong relationships with key stakeholders.
- Spearhead efforts to identify and secure new business opportunities, contributing to the company's growth in a competitive market.
- Supervise the permitting and drug testing process for all drivers, ensuring adherence to regulatory requirements and maintaining the highest standards of safety and reliability.
- Streamline operational procedures to enhance efficiency, reduce costs, and improve service delivery.
- Overhaul driver orientation and recruitment processes, resulting in improved driver satisfaction, retention, and performance.
- Supervise accounting functions, ensuring accuracy and accountability.

2020 – 2024

Development Manager The Jackal Group

- Managed large-scale logistics for television and film productions, coordinating complex schedules, union compliance, and regulatory adherence across multiple states and international locations.
- Collaborated with legal teams, unions, and regulatory bodies to ensure smooth operations and compliance with industry standards.
- Pitched and developed new television and film projects, successfully securing greenlights for multiple productions and building relationships with networks and studios.
- Directed creative and production teams, fostering collaboration and ensuring alignment with project goals and timelines.
- Worked closely with production finance teams to manage budgets, control costs, and maximize resource allocation for high-quality outputs.

2015 – 2020

Executive Assistant (2017-2020)

Mosaic Media Group

- Provided comprehensive administrative support to senior talent

and literary managers, ensuring seamless day-to-day operations in a fast-paced entertainment environment.

- Managed complex calendars, coordinated meetings with high-profile clients and executives, and organized travel arrangements across multiple time zones.
- Served as a key point of contact between clients, studios, networks, and other industry stakeholders, fostering strong professional relationships.
- Assisted in the development and execution of client strategies, tracking deadlines and deliverables for ongoing projects in film, television, and publishing.
- Coordinated talent logistics for press tours, premieres, and industry events, ensuring all arrangements were meticulously handled.
- Drafted correspondence, deal memos, and pitch materials for client submissions, highlighting professionalism and attention to detail.
- Maintained confidential client files and tracked project statuses, ensuring accuracy and accessibility for managers.

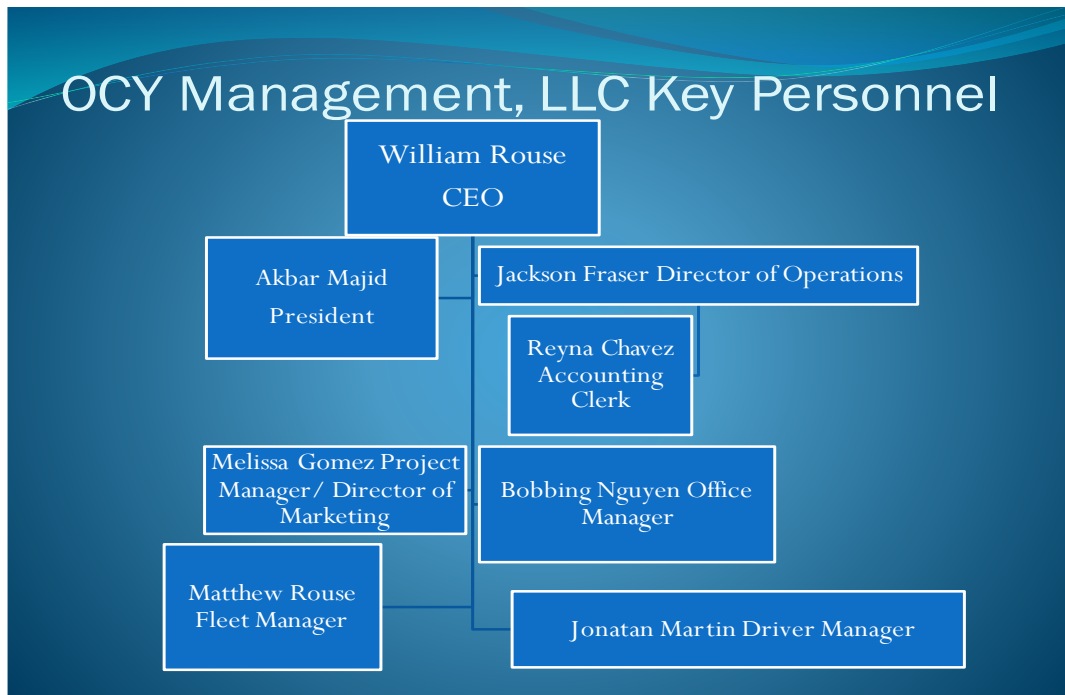
Facilities Coordinator (2015-2017)

- Oversaw day-to-day office functions, ensuring smooth workflow and efficient operations.
- Recruited, trained, and managed a team of 20+ interns per year, creating schedules, delegating tasks, and providing mentorship to foster professional development.
- Supervised receptionist and AV room staff, ensuring professional front-of-office operations and seamless support for client presentations and meetings.
- Coordinated with vendors and managed office supply inventory while adhering to budgetary constraints.
- Provided direct support to executives and staff, maintaining office calendars, arranging meetings, and organizing company events.
- Streamlined administrative procedures and implemented new organizational systems to increase efficiency and reduce downtime.

Education:

Bachelor of Science – Communications (2014) The University of Texas at Austin

Organizational Chart



Key Personnel Statement: President Akbar Majid, Director of Operations Jackson Fraser, and Project Manager Melissa Gomez will be available to the extent proposed for the duration of the project and acknowledge that no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the City.

Summary of Experiences

OCY has numerous contracts with public and private organizations throughout Orange County, including the OC Health Care Agency, OCTA-Same-Day Taxi, OCTA-Access, and Children's Hospital of Orange County. However, OCY is the primary provider to 19 City Senior Mobility Programs in Orange County.

2004 – Present

City of Laguna Woods- Senior Mobility Program

Transportation for Laguna Woods residents 60 years of age and older. Trips must begin or end in Laguna Woods, but can travel within OC and Long Beach VA. Participants must provide the taxicab drivers with a co-pay (if applicable) and may use the services for non-emergency medical appointments, social, personal care, and other recreational purposes.

2012 – Present

City of Mission Viejo- Senior Mobility Program

Transportation for Mission Viejo residents 60 years of age and older. Services are limited to the City of Mission Viejo, surrounding cities, and selected satellite destinations. Participants must provide the taxicab driver with a co-pay (if applicable) and may use the services for non-emergency medical appointments, grocery store, church, visit family and friends, the senior center, and more.

2012 – Present

City of Orange- Senior Mobility Program

Transportation for Orange residents 60 years of age and older. Trips must begin and end in Orange. Services must be to/from the seniors' resident and the senior center, grocery store, and/or a medical facility.

2017 – Present

City of Lake Forest- Senior Mobility Program

Transportation for Lake Forest residents 60 years of age and older. Services are limited to the City of Lake Forest, surrounding cities, and selected satellite destinations. Participants must provide the taxicab driver with a co-pay (if applicable) and may use the services for non-emergency medical appointments, grocery store, church, visit family and friends, the senior center, and more.

2012 – Present

City of Mission Viejo- Senior Mobility Program

Transportation for Mission Viejo residents 60 years of age and older. Trips must begin and end in Mission Viejo, but can go to surrounding cities and selected satellite destinations. Participants must provide the taxicab driver with a co-pay (if applicable) and may use the services for non-emergency medical appointments, grocery store, church, visit family and friends, the senior center, and more.

2012 – Present

City of Laguna Hills- Senior Mobility Program

Transportation for Laguna Hills residents 60 years of age and older. Trips must begin and end in Laguna Hills. Riders can travel within Laguna Hills and surrounding cities as well as satellite destinations.

References

2004 – Present

City of Laguna Woods- Senior Mobility Program

Yolie Trippy, Deputy City Clerk

24264 El Toro Road, Laguna Woods, CA 98263

T: 949-639-0561

E-mail: Ytrippy@cityoflagunawoods.com

2012 – Present

City of Orange- Senior Mobility Program

Katherine Connaghan, Executive Director

170 S Olive St, Orange, CA 92866

T: 714-538-9633

E-mail: Katherine@orangeseniorcenter.org

2017 – Present

City of Lake Forest- Senior Mobility Program

Victoria “Vicky” Blethen, Recreational Manager

100 Civic Center Dr, Lake Forest, CA 92630

T: 949-461-3453

E-mail: Vblethen@lakeforestca.gov

2012 – Present

City of Laguna Hills- Senior Mobility Program

Jessica Cardenas, Administrative Assistant

24035 EL Toro Road, Laguna Hills, CA 92653

T: 949-707-2681

E-mail: Jcardenas@lagunahillscsca.gov

2012 – Present

City of Mission Viejo- Senior Mobility Program

Melanie McGrane, Recreation & Community Services

24932 Veterans Way, Mission Viejo, CA 92692

T: 949-470-8441

E-mail: Mmcgrane@cityofmissionviejo.org

Overview & Approach

City of Cypress

OCY proposes establishing a dedicated toll-free telephone number for Senior Mobility Program (SMP) participants in the City of Cypress. Through this number, program patrons may request on-demand transportation during program service hours, with the expectation that a vehicle will arrive at the designated pick-up location within sixty (60) minutes.

The toll-free line will automatically recognize callers as program participants, requiring them only to provide basic trip details and their SMP identification number, also known as a Passenger ID number. As the City of Cypress's current transportation provider, OCY can either continue using the existing toll-free number or establish a new one, based on the City's preference.

In addition to standard on-demand service, participants may use the same toll-free number and identification process to schedule trips up to two weeks in advance. This advanced scheduling allows OCY dispatchers and routing staff to plan and assign trips to designated drivers ahead of time, ensuring efficient and reliable service.

Reporting and Billing

All OCY documentation and reporting are managed through our proprietary digital dispatch system. In addition to providing monthly trip data and invoicing, the system maintains highly detailed electronic records that are securely archived and can be accessed and compiled into customized reports within as little as twenty-four hours.

The information collected, stored, and readily available for reporting includes essential dispatch details such as passenger names, pick-up locations, destinations, travel dates and times, passenger identification numbers, and additional contact information. Beyond standard trip data, the system also

captures GPS “ping” data from each vehicle, providing accurate records of routes taken, vehicle speeds, and performance metrics. Comprehensive records of customer interactions are maintained as well, including audio recordings of all inbound and outbound calls, along with detailed trip event logs documenting pick-up and drop-off times.

**Under current SMP reporting requirements, both pick-up and drop-off odometer readings are recorded. OCTA has approved OCY’s method of reporting the pick-up odometer reading as zero (0) and using the drop-off reading to reflect the total mileage for each trip.

Complaints and Incidents

The Project Manager will review all complaints and concerns within twenty-four (24) hours of receipt. A proposed resolution will be identified promptly, and the City will be notified of the issue and its status within forty-eight (48) hours. Appropriate remedies will be implemented as necessary to prevent similar issues from occurring in any area of operations.

As a service-oriented organization, OCY maintains that any incident is unacceptable. Upon receipt of an incident report, the Project Manager will assume responsibility for gathering all relevant details and conducting appropriate follow-up. A comprehensive written report documenting any accident, injury, or dispute will be prepared and submitted to the City. In accordance with standard operating procedures, all accidents receive immediate attention from OCY’s accident investigation team. These investigators are responsible for responding promptly when applicable and for completing a formal investigation using established reporting protocols. Each investigation includes interviews with involved parties, on-site measurements, and photographic documentation of the incident and surrounding conditions.

Additionally, detailed trip-level data is included with each monthly invoice. Ridership is itemized on a line-by-line basis to support program auditing, transparency, and effective oversight.

Experience

OCY has provided senior and paratransit transportation services since its founding more than thirty years ago in 1995. Currently, OCY serves as the transportation contractor for senior mobility programs in the Cities of Cypress, La Habra, Fullerton, Laguna Hills, Laguna Woods, Mission Viejo, Orange, Garden Grove, Rancho Santa Margarita, and others. In addition, OCY is the exclusive ground transportation contractor for John Wayne Airport, holds a franchise in the City of Anaheim, and partners with several independent private care organizations—all of which require strict ADA compliance and comprehensive driver Sensitivity Orientation.

OCY also serves as the transportation provider for OCTA's Same-Day Taxi Program and as a subcontractor under the ACCESS paratransit contract.

Notably, OCY has more than fifteen years of experience serving the approximately 25,000 senior residents of Laguna Woods, maintaining a complaint rate consistently below one percent.

As the exclusive contractor for John Wayne Airport (JWA), OCY continuously adapts and innovates to meet the evolving needs of a diverse traveling public. Operational best practices developed at JWA—including modern fleet protocols, advanced customer service standards, enhanced situational awareness, and specialized assistance techniques for seniors and culturally diverse populations—are incorporated into OCY's street-fleet driver orientation programs, ensuring a consistent and high level of service across the entire fleet.

Fleet and Maintenance

OCY has a diverse fleet consisting of conventional sedans, 6-passenger minivans, and ADA-compliant wheelchair-access vans.



All taxicabs are subject to a comprehensive maintenance program to ensure safe, reliable transportation for all passengers. Detailed inspection reports and maintenance logs are maintained as permanent records and are available for review by City staff upon request.

Central to OCY's vehicle maintenance program is the Preventive Safety and Maintenance Inspection (PSMI). This proactive program is designed to identify and address potential mechanical or safety issues before they escalate, ensuring optimal vehicle performance and passenger safety.

Safety Inspections

Every cab in our fleet is inspected by the driver daily prior to conducting any trip. This helps prevent any vehicle malfunction or unsafe conditions, including, but not limited to:

- Headlights, taillights, brake lights, interior lights, and turn signals
- Steering
- Windshield wipers
- Tires
- Oil, transmission fluid, etc.
- Warning lights on display

- Body, windshield, or interior damage
- Leakage of any fluids
- Horn
- Mirrors
- Double-check the hood to ensure both latches are fastened securely
- **Wheelchair Vehicles: handrails, wheelchair tie-downs (manual or power), internal and exterior lighting, operation of ramp/lift, etc.**

If any malfunction or damage is observed, the vehicle is not driven.

Interval PMSI Inspections

PMSI inspections are conducted at intervals established per standard manufacturer recommendations for applicable vehicles. The vehicle's engine oil and filter are changed at each inspection, and the tires, lights, steering, and brakes are inspected and adjusted, if necessary.

Automated Maintenance Tracking System

OCY utilizes an automated driver and vehicle maintenance tracking system that proactively monitors all drivers and vehicles within the fleet, including the weekly recording of vehicle mileage. The system tracks critical driver compliance data, including:

- Driver's license status and expiration
- Norton Medical certification expiration (drug screening)
- Driver permit status

In addition, the system monitors essential vehicle information, including:

- Vehicle registration status and expiration
- Vehicle mileage and required preventive maintenance

The program also maintains a comprehensive history of prior vehicle inspections. Using this data, the system evaluates the entire fleet and identifies vehicles scheduled for inspection within the upcoming week, as well as the specific inspection required. This information is communicated to the Fleet Manager to

ensure vehicles are made available to the Maintenance Department as scheduled.

All OCY vehicles are washed weekly, and drivers are required to always maintain clean and orderly interiors. Any vehicle found to be dirty or emitting unpleasant odors is immediately removed from service and reinspected after corrective action before being returned to operation.

While most OCY taxicabs maintain a uniform and easily recognizable appearance, some vehicles transitioned to a single solid color beginning in 2020. However, all vehicles retain consistent decal placement to ensure uniform identification across the fleet.

Insurance Requirements

Since our vehicles can hold a maximum of 6 riders, our automobile liability insurance coverage is with a limit of not less than \$1,000,000 for each accident.

Business License

AB1069 states "A city or county shall not require a taxicab company or driver to obtain a business license, service permit, car inspection certification, or driver permit, or to comply with any requirement under this section or Section 53075.52, unless the company or driver is substantially located within the jurisdiction of that city or county". Under AB 1069, regulatory fees will be paid to the jurisdiction where taxicabs are "substantially located," which is defined as both where the taxicab driver or taxicab business is located and where the taxicab provided the largest number of trips in the year prior.

Orange County Taxi Administration Program (OCTAP)

OCTAP went out of business in 2019. Therefore, drivers are no longer eligible for a Taxi permit through OCTAP. Drivers now obtain a taxi permit through the City of Anaheim.

Dress and Appearance Standard

All drivers participating in the program will wear business casual attire.

Operations Base in Santa Ana

Our facility includes approximately 2,600 square feet of office space and over 5,000 square feet dedicated to logistics and vehicle maintenance. The administrative office is staffed by fifteen full-time employees, and we contract with an additional dozen on-site fleet maintenance technicians and specialists. All routine and most specialized maintenance is performed on-site, except for certain bodywork and machine shop services. Our fully equipped maintenance facility can handle everything from routine oil changes to complete driveline and chassis rebuilds. The shop meets all local zoning requirements and is staffed by highly trained, certified technicians, ensuring vehicles are maintained to the highest standards of safety and reliability.

Driver Orientation Program

All drivers with (OCY) are independent contractors.

All applicants must be able to produce the following:

- An Excellent Driving Record
 - Current, valid California Driver's License
 - ZERO serious violations such as reckless driving, or driving while under the influence of drugs or alcohol
- Pass a drug screening initially, and enroll in a random and annual drug and alcohol program
- Live Scan fingerprints
- Successfully pass a background check
- Provide proof of legal residency
- Be placed on the DMV *Pull-Notice* program

Only after successfully producing the above will a prospective driver be considered for a Lease under the OCY livery.

OCY utilizes a comprehensive driver orientation program structured around four modules: Operations, Safety, Service, and Review (OSSR). OSSR places particular emphasis on customer service, fare collection policies, and sensitivity orientation for transporting seniors and individuals with disabilities. The program includes approximately 30 hours of combined classroom and on-the-road orientation, typically delivered over a three- to five-day period.

Orientation is conducted before assigning a vehicle to a driver, on an annual basis, and as needed. Whenever program guidelines are updated, drivers are promptly notified via their tablets, and the revised guidelines are immediately made available.

For all senior programs we serve, drivers are requested to wear a white shirt with dark trousers and dark shoes. Participation is optional; however, drivers who choose to participate are required to comply with the program's uniform standards.

Drug and Alcohol Policy

OCY provides safe, dependable, and efficient transportation services to our customers. Our safety-sensitive employees' and affiliates' use of illegal drugs and misuse of alcohol pose a significant risk to public safety, as well as the employees' and affiliates' health and well-being, and can cause loss of efficiency, productivity, or a disruptive work environment. OCY's drug and alcohol policy is intended to comply with all applicable State and Federal regulations governing workplace anti-drug use and alcohol misuse programs in the transportation industry. They include DOT 49 CFR Part 40 as amended ("Procedures for Transportation Workplace Drug and Alcohol Testing Programs"); FTA 49 CFR Part 655 ("Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations"); DOT 49 CFR Part 29 ("Drug-Free Workplace Act of 1988");

and CA Govt. Code Section 8350 et. Seq. ("Drug-Free Workplace Act of 1990"). The policy incorporates the requirements of the above regulations for safety-sensitive employees and others when so noted (this policy is available at any time). Drivers undergo an FTA Drug test initially (pre-employment) and must enroll in a random pool.

****OCY is aware of and understands the scope of work and all the tasks outlined for the City of Cypress.***

Cost Proposal

Should the City of Cypress and OCY Management, LLC (OCY) agree, OCY will provide services to eligible participants using the rates below:

Taxi Voucher Program

Proposed Cost

- 0 to 4 Miles = \$20.00 (one voucher)
- 4.1 to 8 Miles = \$32.00 (two vouchers)
- 8.1 to 12 Miles = \$47.00 (three vouchers)
- 12.1 to 16 Miles = \$62.00 (four vouchers)
- 16.1 to 20 Miles = \$77.00 (five vouchers)
- 20.1 to 24 Miles = \$92.00 (six vouchers)
- 24.1 to 28 Miles = \$ 107.00 (seven vouchers)
- 28.1 to 32 Miles = \$122.00 (eight vouchers)
- 32.1+ Miles = \$3.85 per mile

Based on the mileage breakdown above, OCY Management, LLC may accept up to eight vouchers per trip.

If a rider does not have sufficient vouchers to cover the total amount, they can pay the difference with cash, debit or credit card.

Nutrition Taxi Program

Proposed Cost

Trips within Cypress - \$20.00 one-way



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February 18, 2026

Shayna Gutierrez
Recreation Supervisor
City of Cypress - Recreation & Community Services
5275 Orange Avenue
Cypress, CA 90630

Subject: Proposal for Senior Transportation Services

Dear Ms. Gutierrez,

Top-Notch Medical Transport LLC is pleased to submit this proposal to provide Senior Transportation Services for the City of Cypress Recreation & Community Services Department. We have carefully reviewed the Request for Proposals issued January 13, 2026, and hereby confirm our understanding of the scope, requirements, and conditions outlined therein.

Top-Notch Medical Transport LLC is a licensed and insured Non-Emergency Medical Transportation (NEMT) provider serving Los Angeles and Orange Counties. Since our founding in 2024, we have delivered reliable, safe, and compassionate transportation services to seniors, individuals with disabilities, and medical patients. Our experience includes curb-to-curb transportation, wheelchair-accessible services, and coordinated scheduling for medical appointments and community programs.

We are confident in our ability to successfully operate both components of the City's Senior Transportation Program:

- **Taxi Voucher Program:** Providing timely curb-to-curb transportation for eligible seniors for medical, personal, and recreational trips, including accessible vehicles when requested.
- **Nutrition Taxi Program:** Providing scheduled transportation to and from the Cypress Senior Center's Congregate Lunch Program, with reliable morning and return service.

Our organization is fully equipped to meet or exceed program expectations, including:

- ADA-compliant and wheelchair-accessible vehicles
- Professional, trained, and background-checked drivers
- Dispatch and communication systems to ensure on-time performance
- Data tracking and reporting capabilities compliant with OCTA requirements
- Commitment to safety, customer service, and dignity for senior riders
- Compliance with all applicable federal, state, and local regulations

Top-Notch Medical Transport LLC will operate this program from our Southern California office, ensuring prompt service within the City of Cypress and surrounding areas. Our



management team will dedicate sufficient personnel and operational resources to guarantee dependable service delivery and rapid response to City requests.

We recognize that service to older adults requires not only transportation expertise but also patience, professionalism, and sensitivity. Our staff are trained specifically to assist seniors, including those with mobility challenges, ensuring a safe and respectful experience at every stage of the trip.

Top-Notch Medical Transport LLC accepts the City's standard Contract Services Agreement terms and will obtain all required permits, licenses, and insurance documentation prior to contract commencement. We also acknowledge the reporting, maintenance, safety, and operational responsibilities described in the RFP and confirm our ability to comply fully.

We appreciate the opportunity to partner with the City of Cypress to support mobility, independence, and quality of life for its senior residents. Should additional information or clarification be required, we would welcome the opportunity to participate in interviews or provide supplemental materials.

Thank you for your consideration.

Sincerely,

Francisco Flores
Chief Executive Officer
Top-Notch Medical Transport LLC



COMPANY EXPERIENCE

Top-Notch Medical Transport LLC is a minority-owned Non-Emergency Medical Transportation provider. We specialize in safe, reliable transportation for seniors, disabled individuals, and patients requiring assistance to medical appointments and community programs.

Relevant Experience Includes:

- Transportation for healthcare providers and community organizations
- Scheduled and on-demand NEMT services
- Wheelchair and ambulatory transportation
- Coordination with dispatch systems and medical facilities
- Compliance with regulatory and safety requirements

Current Clients (Private Sector)

Call the Car - Non-Emergency Medical Transportation

Service Area: Los Angeles & Orange Counties

Scope: Scheduled and on-demand transportation for medical appointments

Department of Veterans Affairs - Senior Transportation

Service Area: Los Angeles & Orange Counties

Scope: Transportation to different locations

Downey Community Health Center - Patient Transportation

Service Area: Los Angeles & Orange Counties

Scope: Transportation to primary and specialty care appointments

Downey Post Acute - Patient Transportation

Service Area: Los Angeles & Orange Counties

Scope: Transportation to primary and specialty care appointments

Norwalk Skilled Nursing - Patient Transportation

Service Area: Los Angeles & Orange Counties

Scope: Transportation to primary and specialty care appointments

Top-Notch Medical Transport LLC has demonstrated consistent reliability, punctuality, and patient-focused service delivery to many more health care facilities and brokers.



KEY PERSONNEL

Francisco Flores - Chief Executive Officer

Responsible for overall program oversight, contract compliance, financial management, and client relations.

Francisco Flores - Operations Supervisor

Responsible for daily scheduling, dispatch coordination, driver supervision, and service quality monitoring.

Matilde Lemus – Office Manager

Oversee daily office activities, manage office supplies and inventory, coordinate communication between departments and facilitate meetings, supervise administrative staff and provide training as needed, implement office policies and procedures to improve efficiency, handle budgeting and financial reporting for office expenses.

Jamiles Aldana – Dispatcher and office assistant

Acts as the central communication hub for organization, coordinating the movement of personnel, vehicles or service teams to ensure efficient operations and provides specialized administrative support that bridges the gap between healthcare and providers, insurance brokers and field drivers

Aileen Flores – office assistant

Provides specialized administrative support that bridges the gap between healthcare and providers, insurance brokers and field drivers

Drivers

Specialized professionals responsible for transporting patients primarily the elderly and individuals with disabilities to and from medical appointment, dialysis centers, errands and rehabilitation facilities All drivers meet or exceed requirements, including:

- Valid California driver's license with clean DMV record
- Background screening
- Drug-free workplace compliance
- Sensitivity training for seniors and disabled passengers
- Wheelchair securement training
- Customer service training

Driver assistant

Works alongside the driver to provide hands-on care and physical support to patients during transit transporting high-risk patients, such as those on gurney or severe mobility limitations, where one person cannot safely manage both the vehicle and the patient.



APPROACH & SERVICE DELIVERY

Top-Notch Medical Transport LLC will implement a structured service model designed for reliability, safety, and responsiveness.

Taxi Voucher Program

- Curb-to-curb transportation for eligible seniors
- Reservations accepted 24 hours to one week in advance
- Toll-free dispatch number
- Service hours: 7:00 a.m. – 7:00 p.m., seven days per week
- Wheelchair-accessible vehicles available upon request
- Arrival within the required 15-minute pickup window
- Capability to provide medical trips outside Orange County (within program limits)

Nutrition Taxi Program

- Scheduled transportation Monday–Thursday
- Morning pickup for Congregate Lunch Program
- Return trips beginning at 1:00 p.m.
- Vehicle capacity appropriate for 3–12 riders
- Accessible service when requested

UNDERSTANDING OF PROJECT SUCCESS FACTORS

Key objectives for program success include:

- On-time performance
- Clear communication with City staff
- Accurate reporting
- Safety and ADA compliance
- Rider satisfaction
- Operational reliability

Top-Notch Medical Transport LLC is committed to meeting and exceeding these objectives.



REFERENCES

Call the Car

Manager: Halmilton

Phone: (626) 827-7891

Department of Veterans Affairs

Supervising Rehabilitation Therapist

Rebecca Lee

Phone: (424) 832-8411

Downey Community Health Center

Social Services

Michelle Woodard

Phone: (626) 394-6559

Downey Post Acute

Social Worker

Evelin Hernandez

Phone: (562) 923-9301

Norwalk Skilled Nursing

Social Services

Lorena

Phone: (562) 927-9627

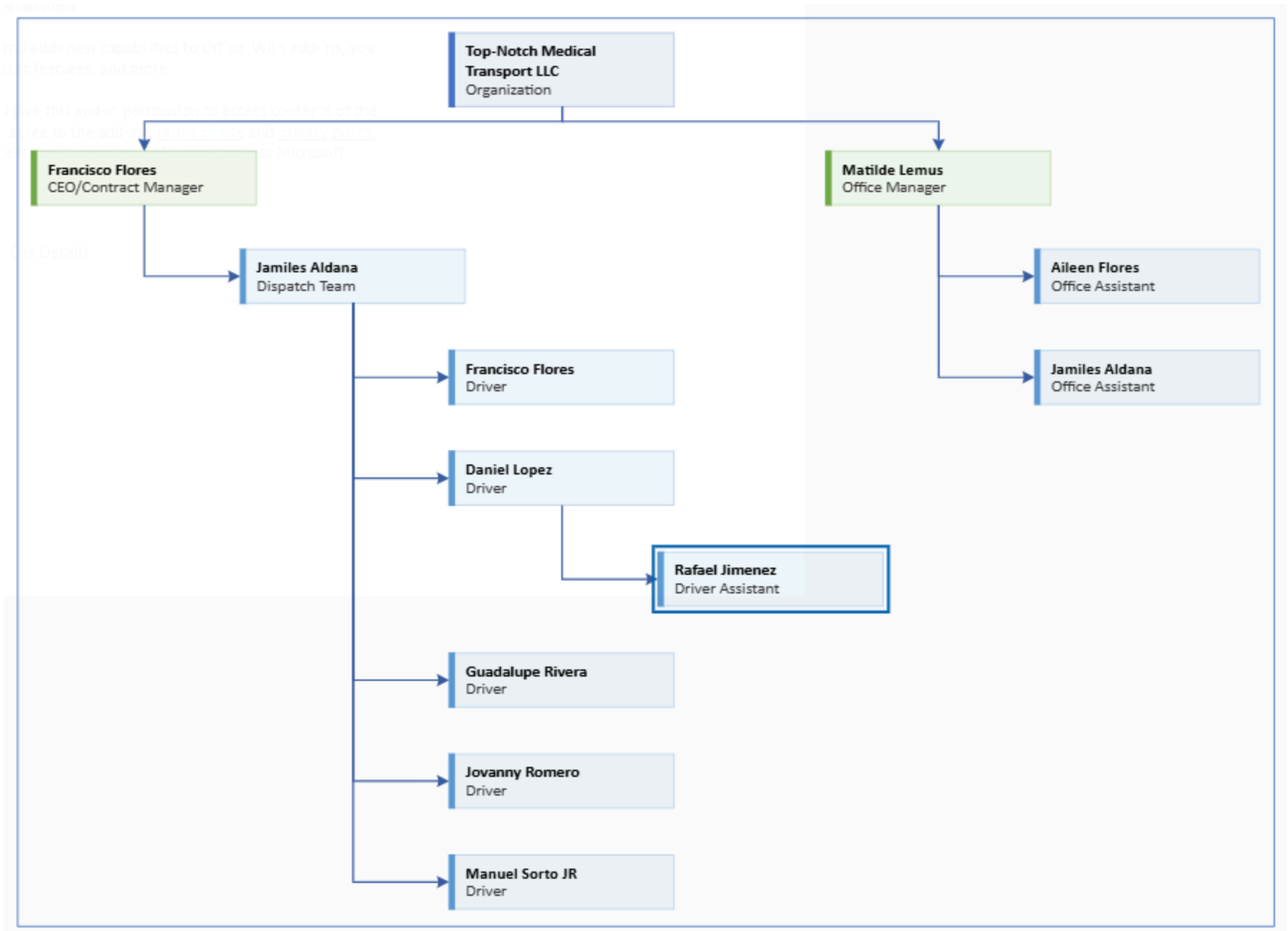
Taxi Voucher Program

Distance	Price
0–4 miles	\$22.00
4.1–8 miles	\$34.00
8.1–12 miles	\$46.00
12.1–16 miles	\$58.00
16.1–20 miles	\$70.00
20.1–24 miles	\$82.00
24.1–28 miles	\$94.00
28.1–32 miles	\$106.00

Beyond 32 miles: **\$4.00** per mile

Nutrition Taxi Program Pricing

Cost per one way trip \$60



Detailed Fee Proposal

Contract Term: July 1, 2026 – June 30, 2031 (5 Years)

Task-Based Cost Breakdown

Task / Requirement	Staff Classification	Est. Annual Hours	Hourly Rate	Annual Cost	5-Year Cost
Program oversight & reporting	Program Manager	520 hrs	\$60	\$31,200	\$156,000
Contract compliance	Program Manager	120 hrs	\$60	\$7,200	\$36,000
Scheduling coordination	Dispatcher	1,560 hrs	\$32	\$49,920	\$249,600
Billing & invoicing	Admin Specialist	260 hrs	\$30	\$7,800	\$39,000

Annual: \$96,120

5-Year: \$480,600

Taxi Voucher Program - Service Delivery

Task	Staff	Annual Hours	Hourly Rate	Annual Cost	5-Year Cost
Vehicle operation	Drivers	4,500 hrs	\$28	\$126,000	\$630,000
Vehicle standby & staging	Drivers	500 hrs	\$28	\$14,000	\$70,000
Dispatch support	Dispatcher	520 hrs	\$32	\$16,640	\$83,200

Assumed trips per year: 3,000

Annual: \$156,640

5-Year: \$783,200

Nutrition Taxi Program - Dedicated Service

Task	Staff	Annual Hours	Hourly Rate	Annual Cost	5-Year Cost
Dedicated route driving	Driver	1,300 hrs	\$28	\$36,400	\$182,000
Vehicle prep & inspections	Driver	260 hrs	\$28	\$7,280	\$36,400
Scheduling & coordination	Dispatcher	156 hrs	\$32	\$4,992	\$24,960

Annual: \$48,672

5-Year: \$243,360

Non-Labor Costs-Vehicle & Operating Expenses

Expense Category	Annual Cost	5-Year Cost
Fuel	\$55,000	\$275,000
Maintenance & repairs	\$28,000	\$140,000
Commercial insurance	\$42,000	\$210,000
Vehicle depreciation	\$35,000	\$175,000
Licensing & permits	\$4,500	\$22,500
Technology & dispatch systems	\$8,000	\$40,000

Annual: **\$172,500**

5-Year: \$862,500

Hourly Billing Rates by Classification

Classification	Billing Rate
Program Manager	\$60/hour
Operations Supervisor	\$48/hour
Dispatcher	\$32/hour
Administrative Specialist	\$30/hour
Driver (Ambulatory)	\$26/hour
Driver (Wheelchair-Capable)	\$28/hour
Vehicle Maintenance Technician	\$42/hour

Support Services & Materials

Item	Billing Method
After-hours dispatch	Included in hourly rates
Accessible vehicle equipment	Included
Wheelchair securement systems	Included
Safety supplies & PPE	Included
Training & certification	Included

Subcontractor Costs

No subcontractors are anticipated for this contract. All services will be performed by Top-Notch Medical Transport LLC personnel.

TOTAL PROJECT COST SUMMARY

Category	Annual Cost	5-Year Cost
Administration	\$96,120	\$480,600
Voucher Operations	\$156,640	\$783,200
Nutrition Program	\$48,672	\$243,360
Non-Labor Expenses	\$172,500	\$862,500

Grand Total

Annual Estimated Cost: \$473,932

Total Contract Cost (5 Years): \$2,369,660



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

14.

FROM: Jeff Draper, Director of Recreation and Community Services

DATE: 04/28/2026

SUBJECT: Approve an Agreement for Animal Care Services

RECOMMENDATION

1. Approve a five-year Animal Care Services Agreement with the County of Orange for animal control services, animal care shelter services, and field services; and
2. Authorize the City Manager to execute the annual Notice of Intent during the five-year term of the Animal Care Services Agreement.

DISCUSSION

The City Council's strategic plan calls for Recreation to recommend an agreement to provide animal care services. Pursuant to state law, municipalities in California must provide for various animal care and control services. Since 1961, the City has contracted with the County of Orange to satisfy its legal responsibilities and provide animal care services, including field and shelter services. In May 2016, the City entered into the current agreement for animal care services with the County of Orange for a 10-year term that is set to expire on May 30, 2026.

Cypress is one of 14 cities (Anaheim, Brea, Cypress, Fountain Valley, Fullerton, Huntington Beach, Lake Forest, Orange, Placentia, San Juan Capistrano, Santa Ana, Tustin, Villa Park and Yorba Linda) that contract with Orange County Animal Care (OCAC) for animal care services. In addition to animal care services, in 2016, the cities also approved a separate Participation Agreement which defined the roles and responsibilities between the County and City for the funding and construction of the regional animal shelter in the City of Tustin. Cypress has contributed approximately \$600,000 (principal and interest) towards the construction of the OCAC animal shelter and has two payments of approximately \$15,700 remaining until the construction costs are paid off.

On February 24, 2026, the Orange County Board of Supervisors approved the attached Agreement for Provision of OC Animal Care Services between the County of Orange and contracting cities. The Agreement was developed with the input of cities that currently contract with OCAC for animal care services in anticipation of the expiration of the current

agreement on May 30, 2026. A committee made up of Orange County city managers negotiated key components of the OCAC services that are now reflected in the new Agreement.

The services provided by the new Agreement are virtually identical to the current menu of services described in the current agreement. Key differences in the new Agreement include:

- A clause describing how contracting cities would assume control of the animal shelter property in the event the County of Orange discontinues the use of the facility. Contracting cities would have the opportunity to continue using the facility via a \$1 per year lease, plus all operational costs and the costs of the land lease the facility is party to with the South Orange County Community College District.
- A new section describing the financial responsibilities of new cities that may contract with OCAC for animal care services. New cities would be required to pay for any physical expansion of the existing shelter in the event their accommodation required more space. If the shelter would not need to be expanded to accommodate a new city, the new city would be required to pay 5% above their actual costs annually throughout the term of the new Agreement to defray facility maintenance costs.
- A new clause that requires OCAC provide at least 12-months notice before any service category is added that may impact costs for contracting cities. Contracting cities would also have the ability to opt-in or opt-out of the new service.
- To provide stabilization from quarterly bills that can fluctuate based on actual use, OCAC has added a new clause that states each contract city would be billed in equal quarterly installments based on the Notice of Intent (NOI) provided for that year or based on their actual utilization – whichever is greater.
- The term of the new Agreement is five years in total length, rather than the ten-year term length of the current agreement. The term of the Agreement automatically renews each July for twelve (12) months for a period of five (5) years, provided no notice of termination has been given by either party. Twelve months notice is required to terminate the agreement.

Notice of Intent (NOI)

Before each fiscal year, OCAC provides a Notice of Intent (“NOI”) to each contracting city that projects costs for the next fiscal year. Actual costs billed to each city are based on the services provided to that individual city and are proportional to the use each contracting city incurs.

A City's actual costs may vary depending upon the actual services or shelter stays are provided for Cypress; fewer services provided will likely result in lower costs billed. In some instances, contracting cities pay more than their NOI estimate due to spikes in services rendered, such as hoarding cases and other unexpected surges in animal care demand. The chart below provides a 5-year history of Cypress’ NOI’s and the actual costs of the OCAC service.

Year	NOI	Actual Cost
FY 2021-2022	\$325,362	\$259,032
FY 2022-2023	\$327,159	\$393,761
FY 2023-2024	\$483,010	\$674,708
FY 2024-2025	\$507,914	\$389,355
FY 2025-2026	\$587,713	\$503,959*

* Projected FY 2025-2026 cost

In fiscal years 2022-2023 and 2023-2024, the actual costs exceeded the NOI. In FY 2022-2023, the increase was due to two factors: 1) inflationary impacts on animal feed and shelter supplies and 2) large increases in animal intakes and field services provided directly to Cypress. In FY 2023-2024, the cost increase was largely related to an animal hoarding case that removed 83 cats and 2 dogs from a Cypress residence. This single hoarding case cost over \$147,000.

On April 2, 2026, Cypress received the attached NOI for fiscal year 2026-27. The NOI projects an estimated cost of \$663,393 for FY 2026-27 and includes Animal Control Services, Animal Care Special Services, Animal Care Shelter Services, and Barking Dog Complaint Services

Approval of the new agreement for OCAC Services ensures continuity of animal care and shelter services consistent with state and federal statutes and Chapter 3 of the Cypress Municipal Code.

BUDGET IMPACT

The NOI estimate for FY 2026-27, \$663,393 (a 13% increase), will be included in the proposed General Fund budget for Animal Control. Because actual costs may fluctuate based on service utilization during a given billing period (e.g. a hoarding case), the City is billed either in equal installments based on its Notice of Intent for that year, or based on actual utilization for the period, whichever is greater for the first three quarters of the year with the final, fourth quarter billed on actual utilization for the full year of services.

LEGAL REVIEW

The City Attorney has reviewed and approved the agreement as to form.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Agreement for Provision of Animal Care Services
FY 2026-2027 Notice of Intent

AGREEMENT FOR PROVISION OF
OC ANIMAL CARE SERVICES
BETWEEN
COUNTY OF ORANGE
AND
CITY OF CYPRESS
MAY 31, 2026 THROUGH MAY 30, 2027

THIS AGREEMENT entered into this 31st day of May, 2026, which date is enumerated for purposes of reference only, is by and between the COUNTY OF ORANGE, a political subdivision of the State of California (“COUNTY”) and the CITY OF CYPRESS (“CITY”). This AGREEMENT shall be administered by County of Orange OC Community Resources (“ADMINISTRATOR”). COUNTY and CITY may be referred to individually as a “PARTY” and collectively as the “PARTIES.”

WITNESSETH:

WHEREAS, COUNTY owns, and through OC Animal Care operates, an animal care shelter facility at 1630 Victory Road, Tustin, California ("SHELTER"); and

WHEREAS, CITY wishes to contract with COUNTY for the provision of the Animal Care Services described herein; and

WHEREAS, COUNTY is willing and able to provide such services on the terms and conditions hereinafter set forth:

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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REFERENCED CONTRACT PROVISIONS

Term: MAY 31, 2026 through MAY 30, 2031

Notices to COUNTY and CITY:

COUNTY: County of Orange
OC Community Resources
Director's Office
1770 North Broadway
Santa Ana, CA 92706-2642
and
County of Orange
OC Community Resources
OC Animal Care Director
1630 Victory Rd.
Tustin, CA 92782

CITY: Shannon DeLong
City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

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I. ALTERATION OF TERMS

This AGREEMENT, together with Exhibit A and B, attached hereto and incorporated herein by reference, fully expresses all understanding of COUNTY and CITY with respect to the subject matter of this AGREEMENT, and shall constitute the total agreement between the PARTIES for these purposes. No addition to, or alteration of, the terms of this AGREEMENT, whether written or verbal, shall be valid unless made in writing and formally approved and executed by both COUNTY and CITY.

II. INDEMNIFICATION AND INSURANCE

A. CITY agrees to indemnify, defend and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by CITY pursuant to this AGREEMENT. If judgment is entered against CITY and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CITY and COUNTY agree that liability will be apportioned as determined by the court. Neither PARTY shall request a jury apportionment.

B. COUNTY agrees to indemnify, defend and hold CITY, its elected and appointed officers, employees, agents, directors, members, shareholders and/or affiliates harmless from any claims, demands, including defense costs, or liability of any kind or nature, including but not limited to, personal injury or property damage, arising from or related to the services, products or other performance provided by COUNTY pursuant to this AGREEMENT. If judgment is entered against COUNTY and CITY by a court of competent jurisdiction because of the concurrent active negligence of CITY, COUNTY and CITY agree that liability will be apportioned as determined by the court. Neither PARTY shall request a jury apportionment.

C. Each PARTY agrees to provide the indemnifying PARTY with written notification of any claim related to services provided by either PARTY pursuant to this AGREEMENT within thirty (30) calendar days of notice thereof, and in the event the indemnifying PARTY is subsequently named party to the litigation, each PARTY shall cooperate with the indemnifying PARTY in its defense.

D. Without limiting CITY's indemnification, CITY warrants that it is self-insured or shall maintain in force at all times during the term of this AGREEMENT, the policy or policies of insurance covering its operations, placed with reputable insurance companies. Upon request by ADMINISTRATOR, CITY shall provide evidence of such insurance.

E. Without limiting COUNTY's indemnification, COUNTY warrants that it is self-insured or shall maintain in force at all times during the term of this AGREEMENT, the policy or policies of insurance covering its operations, placed with reputable insurance companies. Upon request by CITY, COUNTY shall provide evidence of such insurance.

III. NOTICES

A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements authorized or required by this AGREEMENT shall be effective:

1. When written and deposited in the United States mail, first class postage prepaid and addressed as specified on Page 3 of this AGREEMENT or otherwise directed by ADMINISTRATOR or CITY;
2. When FAXed, transmission confirmed;
3. When sent by electronic mail; or
4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

B. Termination Notices shall be addressed as specified on Page 3 of this AGREEMENT or as otherwise directed by ADMINISTRATOR or CITY and shall be effective when FAXed, transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel Service, or other expedited delivery service.

C. Each PARTY shall notify the other PARTY, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature, which may expose either PARTY to liability. Such occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COUNTY property in possession of CITY.

D. For purposes of this AGREEMENT, any notice to be provided by COUNTY may be given by ADMINISTRATOR.

IV. SEVERABILITY

If a court of competent jurisdiction declares any provision of this AGREEMENT or application thereof to any person or circumstances to be invalid or if any provision of this AGREEMENT contravenes any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this AGREEMENT or the application thereof shall remain valid, and the remaining provisions of this AGREEMENT shall remain in full force and effect, and to that extent the provisions of this AGREEMENT are severable.

V. STATUS OF THE PARTIES

Each PARTY is, and shall at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this AGREEMENT. Each PARTY is entirely responsible for compensating staff and consultants employed by that PARTY. This AGREEMENT shall not be construed as creating the relationship of employer and employee, or principal and agent, between COUNTY and CITY or any of either PARTY's employees, agents, consultants, or subcontractors. Each PARTY assumes exclusively the responsibility for the acts of its employees, agents, consultants, or subcontractors as they relate to the services to be provided during

the course and scope of their employment. Each PARTY, its agents, employees, or subcontractors, shall not be entitled to any rights or privileges of the other PARTY's employees and shall not be considered in any manner to be employees of the other PARTY.

VI. TERM

A. The term of this AGREEMENT shall commence as specified on Page 3 of this AGREEMENT.

B. The term of this AGREEMENT shall be automatically renewed each July for twelve (12) additional months, for a period of five (5) years, provided no notice of termination has been given by either PARTY in accordance with the "TERMINATION" paragraph of this AGREEMENT.

VII. TERMINATION

A. COUNTY may terminate this AGREEMENT, without cause, upon twelve (12) months written notice to CITY or immediately upon default by the CITY of its obligations hereunder.

B. Upon termination, both PARTIES shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

C.. The obligations of COUNTY or CITY under this AGREEMENT are contingent upon the provision of sufficient funding for the services hereunder in the applicable budgets approved by the Board of Supervisors and the CITY's City Council. In the event such funding is subsequently reduced or not appropriated, either PARTY may terminate this AGREEMENT upon thirty (30) calendar days written notice to the other PARTY. CITY acknowledges that the sharing of costs among the COUNTY and all contracting cities provides cost efficiencies and operational savings to COUNTY and each contracting city, and that COUNTY and each contracting city have entered into their services agreements in reliance on such shared costs and resulting savings. CITY further acknowledges that the withdrawal by CITY from the program would increase the financial burden of services on COUNTY and all remaining contracting cities, and acknowledges and agrees that it is the current intent of CITY to acquire Animal Care Services from the COUNTY pursuant to this AGREEMENT for a term of at least five (5) years, and that other cities acquiring services from the COUNTY are relying on CITY's stated intention and the sharing of costs with CITY in electing to acquire similar services. CITY acknowledges and agrees that this AGREEMENT is contingent upon other local cities entering into similar agreements with the COUNTY to provide Animal Care Services for a period of five (5) years, and that this AGREEMENT will not be effective until other cities enter into similar agreements with the COUNTY to provide an estimated annual aggregate of at least 75% of the dollar value of Animal Care Services provided to contract cities during the twelve months prior to execution of this AGREEMENT.

VIII. THIRD PARTY BENEFICIARY

Neither PARTY intends this AGREEMENT to create rights hereunder in any third parties including, but not limited to, any subcontractors or any clients provided services hereunder.

IX. WAIVER OF DEFAULT OR BREACH

Waiver of any default shall not be considered a waiver of any subsequent default. Waiver of any breach of any provision of this AGREEMENT shall not be considered a waiver of any subsequent breach. Waiver of any default or any breach shall not be considered a modification of the terms of this AGREEMENT.

X. USE OF SHELTER UPON DISCONTINUANCE OF USE BY COUNTY

A. The SHELTER, which is owned and operated by COUNTY, shall be used by COUNTY for the provision of services for contracting cities and COUNTY unincorporated areas, as needed, pursuant to the terms of current and future services agreements. In the event COUNTY elects to discontinue usage of the SHELTER for animal sheltering purposes prior to December 31, 2066, COUNTY shall offer to those CITIES then currently contracting with COUNTY, whose AGREEMENTS contain this provision, to receive services pursuant to a services agreement the opportunity to lease the SHELTER strictly for animal sheltering purposes until such date, at a costs of \$1.00 per year plus all rental costs, if any, owed to South Orange County Community College District (SOCCCD) pursuant to the Ground Lease entered into between COUNTY and SOCCCD.

B. Each and every CITY exercising this option shall be responsible for all operational costs; utility costs; maintenance, alteration, repair, and improvement costs; and any other costs of sustaining and operating an animal shelter at the site and shall indemnify COUNTY for any costs or liabilities resulting from or relating to the site. Upon exercise of the option, the COUNTY and the optioning CITIES shall use best efforts to negotiate mutually agreeable terms for the resulting lease. If the PARTIES cannot agree to mutually agreeable terms within one hundred and eighty (180) days after the exercise of the option, the option will terminate. The option provided for in this subsection is exclusive to those CITIES described above and may only be exercised collectively by those CITIES that elect to exercise the option or, if only one CITY wishes to do so, by that single electing CITY. The option must be exercised, if at all, within one hundred and eighty (180) days after COUNTY notifies CITIES of its decision to discontinue use of the SHELTER for animal sheltering purposes. The option provided herein shall be contingent upon the ground lease not terminating by its terms prior to COUNTY obtaining fee hold possession of the site.

C. In the event COUNTY does not yet have fee hold possession of the site as of April 29, 2034, the expiration date of the ground lease, COUNTY shall, at least six months prior to that date, consult with those CITIES then contracting with COUNTY for SERVICES regarding proposed methods of accessing continued use of the site.

XI. PARTICIPATION OF NEW CITIES

A. After full execution of this AGREEMENT, cities not a PARTY to this AGREEMENT (either new cities or cities previously a PARTY to this AGREEMENT whose AGREEMENT has terminated) may be added to the COUNTY's Animal Care Services program at the discretion of and under terms deemed acceptable by the COUNTY. If such new or returning city requests to participate in the Animal Care Services program, and COUNTY elects to provide Animal Care Services to such city, such city will be required to pay all, or, if such expansion is necessitated by the participation of multiple new and/or returning cities, its pro rata portion, of the costs of any SHELTER expansion attributable to such city's anticipated use of the SHELTER. If the COUNTY determines, at its sole discretion, that no expansion is required to accommodate a new or returning city, said city or cities shall be required to pay, in addition to actual annual costs, 5% of its Notice of Intent (see Exhibit A, Section II.A) for shelter maintenance and repair which shall be used by COUNTY to defray the cost of capital projects for the current PARTIES to this Agreement whose contracts did not terminate. CITY payment of 5% above annual Notice of Intent shall be limited to the term of this AGREEMENT. For the sake of clarity and avoidance of misunderstanding, new or returning cities will not be offered the option to lease SHELTER facilities pursuant to the "USE OF SHELTER UPON DISCONTINUANCE OF USE BY COUNTY" paragraph of this AGREEMENT.

XII. GOVERNING LAW AND VENUE

This AGREEMENT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this AGREEMENT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the PARTIES hereto agree to and hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the PARTIES specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

XIII. ATTORNEY'S FEES

In any action or proceeding to enforce or interpret any provision of this AGREEMENT, or where any provision hereof is validly asserted as a defense, each PARTY shall bear its own attorney's fees, costs and expenses.

XIV. APPROPRIATIONS

During the term of this AGREEMENT, for each fiscal year, CITY shall make reasonable efforts to adopt all necessary budgets and make all necessary appropriations for all payments due hereunder. To the extent COUNTY has not terminated this AGREEMENT as provided hereunder, the CITY shall continue to make reasonable efforts to make all payments required hereunder.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the PARTIES have executed this AGREEMENT in the County of Orange,
State of California.

CITY OF CYPRESS

BY: _____ DATED: _____
LEO MEDRANO, MAYOR

ATTEST:

BY: _____ DATED: _____
LISA BERGLUND, CITY CLERK

APPROVED AS TO FORM:

BY: _____ DATED: _____
WILLIAM WYNDER, CITY ATTORNEY

COUNTY OF ORANGE

BY: _____ DATED: _____

TITLE: _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

BY: _____ DATED: _____
DEPUTY

EXHIBIT A
TO AGREEMENT FOR PROVISION OF
OC ANIMAL CARE SERVICES
WITH
CITY OF CYPRESS
MAY 31, 2026 THROUGH MAY 30, 2031

I. DEFINITIONS

- A. "Actual Cost" means all COUNTY expenditures, including indirect charges, for providing Animal Care Services to CITY pursuant to this AGREEMENT.
- B. "Animal Care Notice of Intent" means the document, signed by authorized representatives of COUNTY and CITY, which specifies all Animal Care Services COUNTY intends to provide to CITY, the estimated cost of the services, and the effective date.
- C. "Animal Care Service(s)" means one or more service to be provided by COUNTY to CITY, as specified, by category, in Paragraph II.B. of Exhibit A to this AGREEMENT.
- D. "Fee Revenue" means revenue collected by COUNTY for Animal Care Services provided by COUNTY to CITY pursuant to this AGREEMENT.
- E. "Fiscal Year" means a twelve (12)-month period from July through June.
- F. "Net Cost" means Actual Cost minus Fee Revenue.
- G. "Service Details" mean the activities performed by COUNTY within an Animal Care Service category.

II. SERVICES TO BE PROVIDED BY COUNTY

A. ANIMAL CARE NOTICE OF INTENT

1. Annually, by March 1, CITY shall identify which of the Animal Care Services, specified below in subparagraph II.B. of Exhibit A to this AGREEMENT, CITY would like COUNTY to provide during the next Fiscal Year. CITY and COUNTY may agree to individualized levels of Service Details within the Animal Care Services selected. Requests for individualized levels of Service Details will only be considered by COUNTY if the resulting service level will not conflict with state or federal statutes and will not endanger public health.

2. Annually, by April 1, COUNTY shall prepare and send to CITY an Animal Care Notice of Intent which shall include, but not be limited to, a list of Animal Care Services, and individualized Service Details, if any, COUNTY agrees to provide, estimated costs for said services, and the start date for those services. COUNTY shall provide the Animal Care Services specified in the Animal Care Notice of Intent signed by both ADMINISTRATOR or designee, and an authorized representative of CITY.

3. Upon mutual AGREEMENT of CITY and COUNTY, COUNTY may prepare a new or

amended Animal Care Notice of Intent at any time, may change due dates specified in subparagraph II.A.1. and II.A.2. of Exhibit A to this AGREEMENT, and may modify the format of the Animal Care Notice of Intent attached to this AGREEMENT as Exhibit B.

B. ANIMAL CARE SERVICES – COUNTY provides the following seven (7) categories of Animal Care Services. COUNTY shall provide to CITY the Animal Care Services specified on the most current, Animal Care Notice of Intent for the Fiscal Year, signed in accordance with subparagraph II.A.2. of this Exhibit A to the AGREEMENT. Each category of service includes Service Details which may be added or changed by ADMINISTRATOR upon six (6) months prior notification to CITY. However, any new Service Level Details not required by law and which were not contemplated or included in the Animal Care Notice of Intent approved by the PARTIES and in place at the time of the proposed change(s) shall require twelve (12) months prior notice to CITY, and CITY may opt in of the New Service Level Details.

1. ANIMAL CONTROL SERVICES – Animal Control Services include, but are not limited to, emergency response service; patrolling; impounding of stray animals and of owner-released animals; animal cruelty investigations; animal bite investigations; citation issuance; field release to owner and impound fee collection for impounded animals; quarantine activities including home checks of animals involved in bites; site inspections required to comply with vicious dog ordinances; emergency transportation of injured, impounded animals to a veterinarian; impounding of deceased animals for disposal; responses to requests for assistance from law enforcement and CITY officials regarding suspected criminal activities or zoning violations related to animals; advice to residents regarding wildlife management or other animal concerns, not to include wildlife eradication or relocation services; injured wildlife pick-up; animal license issuance and renewal, fee collection and payment services; customer support regarding animal licensing; animal license billing; and delinquent animal license follow-up; assistance to residents regarding potentially dangerous and/or vicious animals; impound data entry; and impound animal photography.

2. ANIMAL CARE SPECIAL SERVICES

a. Animal Care Special Services include, but are not limited to animal license issuance and renewal; fee collection and payment services; customer support regarding animal licensing; animal license billing; delinquent animal license follow-up; digital canvassing to locate and license unlicensed animals; inspection of animal-related businesses in CITY jurisdiction in response to complaints and in accordance with COUNTY established inspection schedules; and when applicable, issuance of animal permits for private homes.

3. ANIMAL CARE SHELTER SERVICES

a. Animal Care Shelter Services for animals impounded by OC Animal Care include, but are not limited to, retention of impounded animals at COUNTY's Animal Care Shelter (Shelter), public display of animals to allow owner identification; contact of owners when animals are wearing identification; sale or release of impounded animals to residents; animal evaluation for adoption;

reasonable effort toward animal placement; public education; volunteer services; rescue group coordination; euthanasia and disposal of animals that are neither redeemed nor adopted; veterinary services and spay/neuter surgeries consistent with standards established by the California Veterinary Medical Board; and necropsies on animals that die under suspicious circumstances or at the request of law enforcement.

b. CITY may request additional retention days for healthy, non-aggressive impounded animals. Additional retention days will be offered to CITY upon written approval by COUNTY's OC Community Resources Director, or designee, on a space available basis only.

c. COUNTY agrees to maintain its Shelter in a humane manner, keep said premises in a clean condition at all times, and use humane methods of care.

d. No animals may be donated, sold or otherwise released for the purposes of experimentation, research or vivisection.

4. BARKING DOG COMPLAINT SERVICES – Barking Dog Compliant Services include, but are not limited to, receipt of barking dog complaints from residents, customer assistance regarding barking dog complaints, issuance of citations, and administrative hearings in response to complaints received by COUNTY for barking dogs within jurisdiction of CITY.

5. STANDARD LICENSING SERVICES – Standard Licensing Services include, but are not limited to, animal license issuance and renewal, fee collection and payment services; customer support regarding animal licensing; animal license billing; and delinquent animal license follow-up.

6. CITY LICENSE SERVICES

a. City License Services include, but are not limited to, issuance of CITY animal licenses at the time of adoption or redemption by owners. CITY shall provide CITY licensing tags to COUNTY. COUNTY shall provide quarterly licensing reports to CITY.

b. CITY shall make its best effort to provide updated animal licensing information to COUNTY.

7. ANIMAL IMPOUND SERVICES – Animal Impound Services include, but are not limited to, data entry of impound information for each live or deceased animal from CITY, impound animal photography for each live animal, owner notification of impounded animal, and posting of animal photographs on COUNTY website. COUNTY shall receive CITY animals at Shelter at times arranged by COUNTY.

C. COUNTY shall notify CITY of COUNTY's hours of operation for Animal Care Services. COUNTY may adjust hours of operation for Animal Care Services upon ninety (90) calendar days prior notification given to CITY.

D. Animals which are being retained for criminal prosecutions, except for violations of animal control regulations and/or ordinances pursuant to this AGREEMENT, are not to be construed as held pursuant to the services provided under this AGREEMENT; housing will be provided at the discretion of COUNTY and at COUNTY's usual and customary charges for such housing.

E. To facilitate the performance of services, COUNTY shall have full cooperation and assistance from CITY, its officers, agents and employees.

III. PAYMENTS

A. BASIS FOR PAYMENT

1. CITY shall pay COUNTY the Net Cost of providing Animal Care Services specified in Animal Care Notice of Intent for CITY signed in accordance with subparagraph II.A. CITY Net Costs may include services/supplies procured but not yet delivered within the Fiscal Year.

2. The methodology for determining CITY's Actual Cost of Animal Care Services shall be provided to CITY annually in accordance with the Reports paragraph of this AGREEMENT. CITY shall adopt Animal Care Services fees consistent with the most recent animal care services fees approved by the County of Orange Board of Supervisors (the "COUNTY FEES") which fee amounts will be charged for Animal Care Services within CITY's jurisdiction and shall be used in determining CITY's Actual Cost of Animal Care Services. If CITY wishes to adopt fees which are different from the COUNTY FEES, CITY shall notify COUNTY of the applicable fee amounts to be charged for Animal Care Services within CITY's jurisdiction (the "CITY FEES") and CITY FEES will be charged for Animal Care Services within CITY's jurisdiction and shall be used in determining CITY's Actual Cost of Animal Care Services.

3. COUNTY shall record and retain all Fee Revenue derived from providing Animal Care Services to CITY. CITY's Fee Revenue shall be credited to CITY's Actual Cost of Animal Care Services. COUNTY shall have all fee collection powers of CITY and shall receive full cooperation from CITY to enable efficient enforcement of fee collection.

B. PAYMENT SCHEDULE

1. Each Fiscal Year, CITY shall pay COUNTY in arrears for the Net Cost of Animal Care Services provided in accordance with the following payment schedule. Billings are due from COUNTY to CITY within thirty (30) calendar days following the three-month Period specified below.

<u>Period</u>	<u>Billing Due</u>	<u>Payment Due</u>
July 1 through September 30	October 30	November 25
October 1 through December 31	January 30	February 25
January 1 through March 31	April 30	May 25
April 1 through June 30	July 30	August 25

2. Because Actual Costs may fluctuate based on service utilization during a given billing period (e.g. a hoarding case), CITY shall be billed either in equal installments based on its Notice of Intent for that year, or based on actual utilization for the period, whichever is greater for the first three quarters of the year with the final, fourth quarter billed on actual utilization for the full year of services.

3. If payment is not received by COUNTY by the payment due date specified above in subparagraph III.B. of Exhibit A to this AGREEMENT, COUNTY may cease providing any further service under this AGREEMENT and may satisfy the indebtedness in any manner prescribed by law.

4. COUNTY may modify the payment schedule upon six (6) months written notification to CITY.

IV. CITY MANAGERS ASSOCIATION ANIMAL CARE COMMITTEE

A subcommittee of the Orange County City Managers Association representing all cities participating in OCAC services exists to facilitate communication between OCAC and the city managers and staff of participating cities regarding financial and operational matters of OCAC, including, but not limited to: the assessment of cost options for animal care services provided under the Services Agreements; supplemental services or financial requests which result in a change to a participating city's Actual Cost; consideration of new or adjusted fees; and other Service Details which may arise during the course of the AGREEMENT. COUNTY shall provide regular updates on operations to the City Managers Association Animal Care Committee and to a participating city upon request.

V. LAWS AND REGULATIONS

A. COUNTY shall comply with all applicable governmental laws, regulations, and requirements related to Animal Care Services, as they exist now or may be hereafter amended or changed and shall enforce federal and state statutes deemed applicable to CITY by COUNTY. Animal Care Services provided by COUNTY to CITY may be changed to comply with said laws, regulations, and requirements. ADMINISTRATOR will make its best efforts to notify CITY of changes that may impact Animal Care Services provided through this AGREEMENT.

B. For each Animal Care Service that COUNTY agrees to provide to CITY in an Animal Care Notice of Intent, CITY shall enact and maintain in full force and effect ordinances identical to COUNTY ordinances which apply to said service, including but not limited to, those related to fees. ADMINISTRATOR shall notify CITY of the deadline for adopting said ordinances. If COUNTY is unable to enforce an animal care ordinance because of the limitations of a CITY ordinance or failure of CITY to adopt identical ordinances related to an Animal Care Service, COUNTY may suspend provision of one or all Animal Care Services to CITY or may terminate this AGREEMENT. It is the sole responsibility of CITY to immediately notify COUNTY of any discrepancy between relevant ordinances maintained by CITY and those maintained by COUNTY.

D. If CITY wishes to maintain any relevant ordinance that is not consistent, on any point, with COUNTY ordinances, CITY shall immediately notify COUNTY of the discrepant ordinance. At the sole discretion of COUNTY, COUNTY may waive CITY enactment and maintenance of COUNTY animal care ordinances and may agree to enforce, and issue citations for violations pursuant to, the discrepant CITY ordinance. CITY acknowledges that individualized enforcement of unique CITY ordinances may result in increased costs to CITY.

E. CITY shall notify COUNTY of its intent to add, amend, or delete any CITY animal care ordinance at least ninety (90) calendar days in advance of its addition, amendment, or deletion.

F. CITY may request that specific ordinances adopted by CITY not be enforced in CITY by COUNTY. Requests for exclusion must be submitted in writing and received by COUNTY ninety (90) calendar days prior to the requested exclusion. Requests for exclusion will only be considered by COUNTY if they are not in conflict with state statutes and do not endanger public health. COUNTY shall notify CITY, in writing, of COUNTY's decision regarding the requested exclusion.

G. COUNTY's OC Community Resources Director, or designee, may provide assistance to CITY in defining the manner in which enforcement of a new or amended animal care ordinance would be provided by COUNTY. Requests for assistance must be made in writing and received by COUNTY ninety (90) calendar days prior to the requested implementation of the service. If the cost of such service can be delineated and accommodated by COUNTY, COUNTY will send an amended Animal Care Notice of Intent to CITY which will include reference to the CITY ordinance.

H. CITY will reimburse COUNTY for ordinance enforcement, as specified in the "PAYMENTS" paragraph of this AGREEMENT.

VI. REPORTS

A. Each Fiscal Year, COUNTY shall provide to CITY written, quarterly reports of Animal Care Services revenue and expenses for each period specified below. Said reports will be due to CITY within thirty (30) calendar days of the month following the reporting period, in accordance with the schedule below:

<u>Period</u>	<u>Reports Due</u>
July 1 through September 30	October 30
October 1 through December 31	January 30
January 1 through March 31	April 30
April 1 through June 30	July 30

B. Each Fiscal Year, COUNTY shall provide the following Animal Care Services reports to CITY by July 30:

1. A payment methodology report for Animal Care Services to be provided by COUNTY during the next Fiscal Year and
2. A Fiscal Year intake and outcome report.

C. COUNTY may change the due dates for reports specified in subparagraphs VI.A. and VI.B. above upon six (6) months written notification to CITY.

D. No less than once every three (3) years, COUNTY shall engage an external auditor to review CITY billings.

VII. RECORDS

A. All records created or received by COUNTY in accordance with the performance of COUNTY services pursuant to this AGREEMENT are confidential. COUNTY agrees to keep said records in such form and manner as the Auditor-Controller of COUNTY shall specify. Said records shall be open for examination by CITY at all reasonable times.

B. Once each Fiscal Year, COUNTY shall deliver to CITY only the addresses of each CITY licensed animal upon demand without additional expense or cost to CITY. Any such information requested which is confidential pursuant to the terms of the Public Records Act shall be released to CITY pursuant to government code. Prior to each disclosure, CITY agrees to complete and return to COUNTY a "Confidentiality Agreement" on a form approved or provided by COUNTY. The PARTIES agree and understand that this procedure is required by the Public Records Act and necessitated to permit CITY to obtain the information required for its use, and to allow COUNTY to disclose said information. Upon receipt by COUNTY, the records requested may be released to the extent COUNTY is in possession of such records, and permitted by state law to disclose them voluntarily.

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EXHIBIT B
TO AGREEMENT FOR PROVISION OF
OC ANIMAL CARE SERVICES
WITH
CITY OF CYPRESS
MAY 31, 2026 THROUGH MAY 30, 2031

ANIMAL CARE NOTICE OF INTENT

This Animal Care Notice of Intent specifies Animal Care Services to be provided to CITY by COUNTY for the Period: «NOI_START» through «NOI_END». COUNTY agrees to provide to the City of «COMPANY2» the following Animal Care Services beginning «NOI_EFFECTIVE»:

«SERVICE1»
«SERVICE2»
«SERVICE3»
«SERVICE4»
«SERVICE5»

The total estimated cost for Animal Care Services specified above is «TOTAL_COST_».

- ☒ This is a new Animal Care Notice of Intent for the Period indicated above.
☐ This is an Amendment to an existing Animal Care Notice of Intent for the Period indicated above.

Significant Changes Since the Previous Animal Care Notice of Intent:

To the best of my knowledge, this notice specifies the Animal Care Services to be provided by COUNTY.

City of Cypress Representative and Title

Date

OC Animal Care Director

Date

EXHIBIT B
TO AGREEMENT FOR PROVISION OF
OC ANIMAL CARE SERVICES
WITH
CITY OF CYPRESS
MAY 31, 2026 THROUGH MAY 30, 2031

ANIMAL CARE NOTICE OF INTENT

This Animal Care Notice of Intent specifies Animal Care Services to be provided to CITY by COUNTY for the Period: JULY 1, 2026, through JUNE 30, 2027. COUNTY agrees to provide to the City of CYPRESS the following Animal Care Services beginning JULY 1, 2026:

Animal Control Services
Animal Care Special Services
Animal Care Shelter Services
Barking Dog Complaint Services

The total estimated cost for Animal Care Services specified above is \$663,393.

- ☒ This is a new Animal Care Notice of Intent for the Period indicated above.
☐ This is an Amendment to an existing Animal Care Notice of Intent for the Period indicated above.

Significant Changes Since the Previous Animal Care Notice of Intent:

To the best of my knowledge, this notice specifies the Animal Care Services to be provided by COUNTY.

City of CYPRESS Representative and Title	Date
OC Animal Care Director	Date



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

15.

FROM: Stephanie Sikkema, Director of Finance and Administrative Services

DATE: 04/28/2026

SUBJECT: Review of Draft Fiscal Policies

RECOMMENDATION

Direction and feedback on the draft fiscal policies is respectfully requested to inform next steps.

SUMMARY

During the March 24, 2026, City Council workshop, the following fiscal policies were discussed and proposed to be developed or updated:

1. Investment Policy
2. Capital Asset Policy
3. Budget Policy
4. Fund Balance

DISCUSSION

Investment Policy

The purpose of the Investment Policy is to establish prudent investment cash management guidelines for the City. The investment goals of the City are safety, liquidity and yield. The City Treasurer and Finance Manager shall be responsible for reviewing and modifying this Statement of Investment Policy annually for City Council approval to ensure its consistency with the overall objectives of safety, preservation of principal, and liquidity, and its relevance to current law and current financial and economic conditions.

Key provisions of the proposed policy include the following:

1. General clean up to remove redundancies and possible conflicts with the government code.
2. Revised one of the authorized and suitable investment categories to replace the CalTrust-specific reference with a broader allowance for local government investment pools, thereby expanding the City's investment opportunities.

3. Added county pools as an authorized and suitable investment.

Capital Asset Policy

The purpose of this policy is to establish the City's capitalization criteria, update capital thresholds for each asset classification, provide estimates for useful lives of assets for depreciation/amortization, and maintain accurate and up-to-date records of capital asset information to prepare the City's financial statements in accordance with the Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB).

Key provisions of the proposed policy include the following:

1. Increased the threshold from \$1,000 to \$5,000 for all assets other than buildings, improvements, and infrastructure. The threshold for buildings, improvements, and infrastructure remains \$10,000 in accordance with the City's Charter.
2. Updated the estimated useful life used in deeming depreciation to be consistent with ideal replacement schedules.

Budget Policy

This policy establishes a budget process to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Key provisions of the proposed policy include the following:

1. Inclusion of a long-range financial plan.
2. Depreciation will be used as the basis for budgeting for service charges paid by departments for equipment replacement funds.
3. One-time resources will only be used for one-time purposes.
4. The budget process will include a review of the City's Strategic Plan, an update of the long-range financial plan, and a budget calendar presented to City Council.
5. Staff will provide monthly and quarterly reporting.

Fund Balance Policy

This policy establishes the procedures for reporting unrestricted fund balance in the City's financial statements. Certain commitments and assignments of fund balance help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events, such as revenue shortfalls and unanticipated expenditures.

Key provisions of the proposed policy include the following:

The City shall maintain a Committed Fund Balance of twenty-five percent (25%) of operating expenditures in the General Fund and a Committed Fund Balance of thirty percent (30%) of the total seven-year capital improvement program plus encumbrances in the Infrastructure Reserve Fund. Additionally, at the end of the fiscal year, the excess unassigned fund balance in the City's General Fund will be prioritized and presented for City Council consideration as follows:

1. 25% will stay in the General Fund Balance as unassigned fund balance for unforeseen appropriations that may arise throughout the fiscal year.
2. Up to 25% will be transferred to the Employee Benefits Fund until a fund balance reserve is established and maintained equal to current liabilities.
3. Up to 15% will be transferred to the Self-Insurance Funds: General Liability and Workers Compensation Funds until a fund balance reserve is established to cover the long-term liabilities due within one year (claims payable).

4. The remaining balance will be transferred to Capital Funds: Infrastructure Reserve Fund, Capital Outlay, and Information Technology.

For example, the excess fund balance for fiscal year ending June 30, 2025 would be allocated as follows:

General Fund Operating Budget FY2025-26	\$41,316,941	
25% of Operating Budget	\$10,329,235	25%

General Fund Balance 6/30/2025	\$35,133,312	
Nonspendable	80,845	
Committed	10,329,235	
Preliminary Unassigned Fund Balance	\$24,723,232	

Proposed use of excess unassigned fund balance/transfers:		
Unassigned Fund Balance	6,180,808	25%
Transfer to Employee Benefits Fund	6,180,808	25%
Transfer to Self Insurance Funds	0	0%
Transfer to Infrastructure Reserve	8,653,131	35%
Transfer to City Capital Replacement Fund	2,472,323	10%
Transfer to Technology Master Plan Fund	1,236,162	5%
Total Use of Unassigned Fund Balance	\$24,723,232	100%

Adjusted General Fund Balance after transfers:		
Nonspendable	80,845	
Committed	10,329,235	
Unassigned Fund Balance	6,180,808	
Total Fund Balance	\$16,590,888	

BUDGET IMPACT

The recommended updates to the City's financial policies are procedural in nature and do not directly change revenues or expenditures. The revisions clarify existing practices and strengthen financial management standards. Any budget effects would be indirect and occur over time, such as improved investment yields, more consistent reserve funding, or enhanced long-term planning.

LEGAL REVIEW

The City Attorney has reviewed this staff report.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Draft Investment Policy with changes marked
Draft Capital Asset Policy
Draft Budget Policy
Draft Fund Balance Reserve Policy

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 202~~6-27~~⁵⁻²⁶



CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 2026-275-26

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CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 202~~6-275-26~~

POLICY

1. PURPOSE

~~This purpose of this policy is to provide~~To establish guidelines for the prudent investment of unexpended funds to maximize security while meeting daily cash flow demands and providing a market rate of return. The investment practices and policies are based on compliance with State law and prudent money management principles.

2. SCOPE

This Statement of Investment Policy (Policy) covers all funds under the City's control including the Cypress Recreation and Park District collectively referred to herein as the City's investment portfolio, or portfolio.

This Policy also applies to any bond proceeds. If a bond's trust agreement is more restrictive than this Policy, then the trust agreement supersedes this Policy. The City may delegate its investment responsibility to the fiscal agent to ensure compliance with the bond covenants when managing bond proceeds. Borrowing money solely for the purpose of investing and earning arbitrage is specifically prohibited.

The Public Agencies Post-Employment Benefits Trust (PARS Trust) is managed under separate investment goals, objectives, and management policies, and as such is specifically excluded from this policy. Additional information can be found in the Investment Guidelines Document for the PARS Trust.

3. PRUDENCE

The City strives to maintain the level of investment of all idle funds as near 100% as possible. All temporarily pooled idle cash is invested under the Prudent Investor Standard, as set forth in California Government Code Section 53600.3:

~~"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter 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~~

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
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~~anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity 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 agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."~~

Commented [SS1]: Eliminated the direct quote from the code to prevent potential contradictions.

4. OBJECTIVE

The primary objectives, in priority order, of the City's investment activities shall be:

- a. Safety - The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City will undertake investments in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- b. Liquidity - This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. The City will maintain sufficient cash and short-term investment instruments which, together with projected revenues, will provide sufficient liquidity to meet all operating requirements as well as unanticipated needs for funds.
- c. Return on Investments (Yield) – Yield is the income returned on investments. The Portfolio will be designed with the objective to attain a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow requirements.

5. DELEGATION OF AUTHORITY

The City Council, pursuant to California Government Code Section 53601, has primary responsibility for the investment of surplus monies. As authorized under Section 53607, the City Council hereby delegates its authority to invest surplus City funds to the City Treasurer and the Finance Manager. This delegation of authority shall be in effect for one fiscal year. The City Council may renew the authority annually and may revoke the authority at any time.

6. ETHICS AND CONFLICTS OF INTEREST

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Officers and employees involved in 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. Officials, staff members and investment consultants shall disclose to the City Manager any material financial interests with a financial institution, provider, dealer or broker that conducts business with the City. Officials, staff members and investment consultants will further disclose any personal financial position that could be related to the City's cash and investment portfolio.

Any firm proposing to provide any type of investment service to the City shall acknowledge their familiarity with and agree to abide by any Federal and State laws or regulations pertaining to contractual conflicts of interest or contributions by such firms, their employees, spouses or agents. Any persons, firms, dealers, brokers and advisors providing investment services or bond issue assistance shall disclose to the City Treasurer and Finance Manager all fee sharing and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issuing bonds.

7. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the City. The City of Cypress shall transact business only with banks, savings and loans, and "primary" or "regional" registered investment securities broker/dealers with offices located in the State of California. The firms, and individuals covering the agency, should be knowledgeable and experienced in public agency investing and the investment products involved. Any broker/dealer or financial institution wishing to provide services must provide the following to the City Treasurer:

- A completed City of Cypress Broker/Dealer Questionnaire
- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Trading resolution
- Proof of state registration

8. AUTHORIZED AND SUITABLE INVESTMENTS

The City is authorized by California Government Code Section 53600 et seq. to invest in specific types of securities. This Statement of Investment Policy further limits the authorized investments to the following:

CITY OF CYPRESS
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a) U.S. Treasury Securities

United States Treasury bills, notes, bonds, or certificates of indebtedness, for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limit on the percentage of the portfolio that can be invested in this category.

b) U.S. Government Agency Securities

Bonds or obligations issued by federal government agencies or government-sponsored enterprises. There is no limit on the percentage of the portfolio that can be invested in this category. Examples include:

- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal National Mortgage Association (FNMA)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank Notes and Bonds (FHLB)
- Federal Agricultural Mortgage Corporation (FAMC)
- Government National Mortgage Association (GNMA)

c) Certificates of Deposit (CD)

A time deposit with a specific maturity evidenced by a Certificate. Purchases of CDs shall not exceed 25% of the portfolio at the time of purchase, nor one year maturity.

d) Bankers' Acceptances

Also known as bills of exchange or time drafts, Bankers' Acceptances are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days maturity. Issuing banks must be rated by at least two of the Nationally Recognized Statistical Rating Organizations (NRSROs) and have a short-term rating of at least A1/P1 and a long-term rating, if any, of not less than "A". Bankers' Acceptances shall not exceed 25% of the portfolio at the time of purchase with each issuer limited to 10%.

Commented [SS2]: Added 10% limit to make consistent with Glossary of Terminology and Investment Strategy

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e) Commercial Paper

Short-term, unsecured promissory notes issued by both financial and non-financial corporations. Eligible commercial paper shall be of "prime" quality of the highest ranking or of the highest letter and number rating as provided by an NRSRO, shall not exceed 270 days maturity, and shall not exceed 25% of the portfolio at the time of purchase. Furthermore, the City may invest no more than 10% of its total portfolio in the commercial paper and medium-term corporate notes of any single issuer at the time of purchase.

f) Negotiable Certificates of Deposit

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Issuing institutions must be rated by at least two of the NRSROs and have a short-term rating of at least A1/P1 and a long-term rating, if any, of not less than "A". Negotiable CDs shall not exceed 25% of the portfolio at the time of purchase.

g) Medium-term Corporate Notes

Unsecured promissory notes issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Medium-term Corporate Notes shall not exceed 25% of the portfolio at the time of purchase. Furthermore, the City may invest no more than 10% of its total portfolio in the commercial paper and medium-term corporate notes of any single issuer at the time of purchase.

h) State of California Local Agency Investment Fund (LAIF)

LAIF is a voluntary investment program administered by the California State Treasurer and overseen by the Local Investment Advisory Board. It allows local agencies to invest in a major portfolio while maintaining highly liquid investments. The City may invest in LAIF up to the maximum permitted by State law.

[i\) California County Investment Pools](#)

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
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County investment pools are investment funds managed by California counties in which local agency deposits are commingled with county funds and invested in accordance with Government Code Section 5364. The total investment in all county investment pools shall not exceed \$50 million.

i) ~~Investment Trust of California (CalTRUST)~~

j) ~~CalTRUST is a Joint Powers Authority created by local public agencies to deposit funds for investment. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. There is no minimum investment, nor is there a maximum investment imposed by CalTRUST, however, the City has established a maximum of \$50 million.~~Local Government Investment Pools

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. The total investment in all county investment pools shall not exceed \$50 million. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

1. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
2. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (r) Government Code Section 53601, inclusive.
3. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
4. Only pools that seek to maintain a constant net asset value of \$1.00 per Share are permitted.

Commented [SS3]: Rather than specifically naming CalTRUST, staff proposes generally allowing Local Government Investment Pools through a Joint Powers Authority.

k) Money Market Mutual Funds

Shares of money market mutual funds as described in Government Code Section 53601(l). The total investment in money market mutual funds shall not exceed 20% of the portfolio at the time of purchase. No more than 10% of the portfolio may be invested in any one mutual fund.

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
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l) Municipal Bonds

Bonds issued by local agencies of the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency rated "A" or better by an NRSRO. No more than 5% of the portfolio may be invested in any one municipal issuer. In addition, the aggregate investment in municipal bonds may not exceed 25% of the portfolio at the time of purchase.

9. REVIEW OF INVESTMENT PORTFOLIO

The securities held by the City must be in compliance with Section 8 – Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 8 subsequent to the date of purchase, the Treasurer shall at least quarterly review the portfolio to identify any securities no longer in compliance. The Treasurer shall report to the City Council any major and critical incidences of noncompliance identified through the portfolio review.

If the credit rating of a security in the portfolio is downgraded, the City Treasurer and Finance Manager will monitor the credit risk and evaluate the need to sell the security prior to maturity. When selling securities prior to maturity, losses are only acceptable if (1) the proposed swap/trade can clearly enhance yield (value) over the life of the new security on a total return basis, or (2) to prevent the further loss of principal. Sufficient written documentation to facilitate the audit of the transaction must be maintained. Under Section 53601.6 of the California Government Code, the City may hold prohibited investments until their maturity to avoid incurring a loss. This allows the City to "grandfather" in securities purchased prior to a downgrade or the effective date of new legislation.

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 2026-275-26

10. INVESTMENT POOLS/MUTUAL FUNDS

The Treasurer shall be required to research all investment pools and mutual funds prior to investing in them, and to stay abreast of any changes while the funds are invested in the pool/fund. The analysis should include an understanding of the pool/fund's eligible securities, maximum maturities, interest calculation and distribution, size, withdrawal and deposit limits, and expense ratio.

11. COLLATERALIZATION

Surplus funds must be deposited in state or national banks, state or federal savings associations or federal credit unions within the State of California. All demand and time deposits shall be collateralized with securities authorized by California Government Code Section 53651 et seq. The bank or savings and loan must secure public funds deposits with eligible securities having a market value of 110% of the total amount of the deposits or first trust deeds having a value of 150% of the total amount of the deposits. The Treasurer may waive security for that portion of a deposit, which is insured pursuant to Federal law. The first \$250,000 of a deposit is federally insured. Deposits over \$250,000 are collateralized as indicated above.

12. SAFEKEEPING AND CUSTODY

All security transactions shall be conducted on a delivery-versus-payment (DVP) method. All securities shall be registered in the name of the City of Cypress and held by a third-party custodian designated by the City Treasurer.

13. MAXIMUM MATURITIES AND SETTLEMENT PERIODS

In accordance with California Government Code, the City will not invest in any security maturing more than 5 years from the settlement date. Investment purchases must settle within 45 days of the commitment to purchase the investment. If the City Treasurer desires to invest in longer-term securities, the Government Code allows such an investment if it is expressly approved by the City Council at least three months prior to the purchase.

CITY OF CYPRESS
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14. INTERNAL CONTROLS

A system of internal control shall be established and documented in writing. The controls shall be designed to prevent losses of public funds arising from irregularities, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. Controls deemed most important include: control of collusion, separation of duties, custodial safekeeping, clear delegation of authority, written confirmation of transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, and code of ethics standards.

15. REPORTING

Under provisions of Section 53607 of the California Government Code, the City Treasurer shall submit a monthly investment report to the City Council. This report will list the type of investment, institution, date of maturity, amount of deposit, rate of interest, current market value of securities with maturities in excess of 12 months, source of market valuations, and statement of compliance. A schedule of market values maturing by date and type, and such other data as required by the City Council will also be provided.

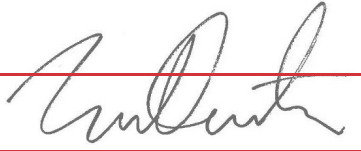
16. INVESTMENT POLICY ADOPTION

The City Treasurer and Finance Manager shall be responsible for reviewing and modifying this Statement of Investment Policy annually for City Council approval to ensure its consistency with the overall objectives of safety, preservation of principal, and liquidity, and its relevance to current law and current financial and economic conditions.

17. INDEMNIFICATION

Any authorized investment personnel acting with prudence and in accordance with the City Statement of Investment Policy, will not be held personally liable for any investment losses. Through surety bonds the City is indemnified against any investment personnel acting with malfeasance, misfeasance or nonfeasance.

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
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City Treasurer

Date

June 2, 2025

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
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INVESTMENT GUIDELINES AND STRATEGY

I. GUIDELINES

Guidelines are established to direct and control activities in such a manner that previously established goals are achieved.

1. Investment Transaction: Every investment transaction must be authorized and reviewed by the City Treasurer and Finance Manager.
2. Pooled Cash: Whenever practical, cash is consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated quarterly to each fund according to fund actual month-end cash balances.
3. Competitive Bids: Purchases and sales of securities are made on the basis of competitive offers and bids when practical.
4. Cash Forecasting: The cash flow for the City is projected with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.
5. Investment Limitations: Security purchases and holdings are maintained within statutory limits imposed by the California Government Code. The City's current limits are listed on the following page.
6. Liquidity: The marketability (salability) of a security is considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands.
7. Diversification: The portfolio should consist of various types of securities, issuers, and maturities.
8. Evaluate Certificates of Deposit:
 - a) Certificates of Deposit shall be evaluated in terms of Federal Deposit Insurance Corporation (FDIC) coverage. The City does not purchase Certificates of Deposit in excess of the FDIC coverage amount.
 - b) Negotiable Certificates of Deposit shall be evaluated in terms of the credit worthiness of the issuer, as these deposits are uninsured and uncollateralized promissory notes.

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 2026-275-26

PERMITTED INVESTMENTS	CITY POLICY		GOVERNMENT CODE	
	Portfolio Limit	Maximum Maturity	Portfolio Limit	Maximum Maturity
U.S. Treasury Securities	No limit	5 years	No limit	5 years
U.S. Agency Securities	No limit	5 years	No limit	5 years
Certificates of Deposit (CD)	25%	1 year	No limit	5 years
Bankers' Acceptances ¹	25%	180 days	40%	180 days
Commercial Paper ²	25%	270 days	25% - 40%	270 days
Negotiable CDs ¹	25%	5 years	30%	5 years
Medium-term Corporate Notes ²	25%	5 years	30%	5 years
LAIF	No limit ³	n/a	No limit ³	n/a
California Investment Pools	\$50 million	n/a	No limit	n/a
Local Government Investment Pools CalTRUST	\$50 million	n/a	No limit	n/a
Money Market Mutual Funds	20%	n/a	20%	n/a
Municipal Bonds ⁴	25%	5 years	No limit	5 years

¹ Individual issuer limit of 10%

² Individual issuer limit of 10% for Commercial Paper and Medium-term Corporate Notes combined

³ Limit set by LAIF Governing Board is \$75 million per individual account. The City maintains two LAIF accounts (City and the Recreation and Park District).

⁴ Individual issuer limit of 5%

II. STRATEGY

Strategy refers to the ability to manage financial resources in the most advantageous manner.

1. Economic Forecasts: Economic forecasts are obtained periodically from economists and financial experts to assist with the formulation of an investment strategy for the local agency.
2. Implementing Investment Strategy: Investment transactions are executed which conform with anticipated interest rate trends and the current investment strategy plan.
3. Preserve Portfolio Value: The City generally holds investments until maturity to avoid short-term market fluctuations..

III. AUDIT

Annually, the City's external auditors test the City's portfolio for conformance to this policy in relation to the financial statement audit.

CITY OF CYPRESS
STATEMENT OF INVESTMENT POLICY
FISCAL YEAR 2026-275-26

INVESTMENT PROCEDURES – INTERNAL CONTROL GUIDELINES

I. OBJECTIVES OF INTERNAL CONTROL

Internal control is the plan of organization and all the related systems established by management's objective of ensuring, as far as practicable:

- The orderly and efficient conduct of its business, including adherence to management policies.
- The safeguarding of assets.
- The prevention or timely detection of errors and irregularities.
- The accuracy and completeness of the accounting records.
- The timely preparation of reliable financial information.

II. LIMITATIONS OF INTERNAL CONTROL

No internal control system, however elaborate, can by itself guarantee the achievement of management's objectives. Internal control can provide only reasonable assurance that the objectives are met, because of its inherent limitations, including:

- Management's typical and practical requirement that a control be cost-effective.
- The focus of most controls on recurring, rather than unusual, types of transactions.
- Human error due to misunderstanding, carelessness, fatigue or distraction of functions.
- The potential for a person responsible for exercising control abusing that responsibility.
- Frequently, a member of management may be in a position to override controls which management has set up.
- Collusion, where two or more employees conspire to circumvent controls.

III. ELEMENTS OF INTERNAL CONTROL

Elements of a system of internal control are the means by which an organization can satisfy the objectives of internal control. These elements are:

- ORGANIZATION: Specific responsibility for the performance of duties should be assigned and lines of authority and reporting clearly identified and understood.
- PERSONNEL: Personnel should have capabilities commensurate with their responsibilities. Personnel selection and training policies, together with the quality and quantity of supervision, are essential.

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- SEGREGATION OF FUNCTIONS: Segregation of incompatible functions reduces the risk that a person is in a position both to perpetrate and conceal errors or irregularities in the normal course of duty. If different people handle two parts of a transaction, collusion is necessary to conceal errors or irregularities. In particular, the functions that should be considered when evaluating segregation of functions are authorization, execution, recording, custody of assets, and performing reconciliations.
- AUTHORIZATION: An appropriate responsible individual should authorize all transactions. The responsibilities and limits of authorization should be clearly delineated. The authorization for a specific transaction or the granting of authority for transactions should be to a position commensurate with the significance of the transactions. Delegation of authority to authorize transactions should be handled carefully.
- CONTROLS OVER ACCOUNTING SYSTEM: Controls over an accounting system include manual and automated procedures carried out independently to ascertain that transactions are complete, valid, authorized and properly recorded.

IV. CASH CONTROLS

1. Cash control procedures include the following:
 - a. Receipts are reconciled on a daily basis.
 - b. Amounts are deposited intact.
 - c. All bank accounts are duly authorized.
 - d. Bank reconciliations are prepared and reviewed.
 - e. The posting of cash receipt entries in books is timely.
 - f. Receipt forms are automated, accounted for, and physically secured.
 - g. Proper approval required for write-off of customer accounts.
 - h. Checks are restrictively endorsed upon receipt.
 - i. Adequate physical security over cash.
 - j. Individuals who handle cash do not post account records.
 - k. Adequate supervision of Finance Department operations.
2. Significant revenues are confirmed directly with payer and compared with City books to make sure amounts are recorded properly.
3. Cash balances are substantiated by confirming **all** account balances. Bank reconciliations are reviewed for propriety and recalculated by the auditor. All significant reconciling items on bank reconciliations are verified as valid reconciling items by proving to subsequent bank statements.

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SEGREGATION OF RESPONSIBILITIES OF THE TREASURY FUNCTIONS

<u>Function</u>	<u>Responsibility</u>
1. Authorization of Investment Transactions	
A) Formal Investment Policy	
Prepared by:	Finance Manager/City Treasurer
Approved by:	City Treasurer
Adopted by:	City Council
B) Investment transactions approved by:	City Treasurer
C) Monthly Investment Report	
Prepared by:	Accountant/Finance Manager
Reviewed by:	Finance Manager/City Treasurer
Approved by:	City Treasurer
Submitted to:	City Council
2. Execution of investment transactions:	Finance Manager/City Treasurer
3. Timely recording of investments in Treasurer's records:	Finance Manager/City Treasurer
4. Recording of investments in the accounting records:	Accountant/Finance Manager
5. Accounting records approved by:	City Treasurer
6. Verification on investment with broker's records:	Accountant/Finance Manager
7. Safeguarding of Assets and Records	
A) Reconciliation of Treasurer's records to accounting records, bank statements and safekeeping records:	Finance Manager/City Treasurer
B) Approved by:	City Treasurer
C) Review of financial institution's financial condition, safety, liquidity, and yield potential of investments:	Finance Manager with City Treasurer approval
8. Wire Transfer Control Procedures	
A) Written amount, account and authorization agreement:	Requesting Department
B) Dual-approval required for all wire transfers:	Finance Manager/City Treasurer
9. Annual review of investment portfolio prepared by Finance Manager/City Treasurer, including investment types, purchase price, market values, maturity dates, yields, and safekeeping reports:	Independent Auditors for Financial Statements

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GLOSSARY OF INVESTMENT TERMINOLOGY

Bankers' Acceptances: Short-term debt instruments issued by a company and guaranteed by a commercial bank. They are time drafts in which a bank accepts the obligation to pay the principal and interest at maturity even if the issuer does not. Essentially, these are bank obligations collateralized by goods being shipped between an exporter and importer. The date of maturity typically ranges between 30 and 180 days. ~~The City may not invest more than 25% of its surplus money in Bankers' Acceptances with each issuer limited to 10%.~~

Commented [SS4]: Removed duplicate policy stances.

Basis Point: One one-hundredth of one percent, or 0.01%. Basis points are often used to describe changes in yields on bonds and notes. ~~Bid Price: The price at which a buyer offers to buy a security.~~

Commented [SS5]: Removed immaterial terms.

Certificates of Deposit (CD): A deposit of funds at a bank for a specified period of time that earns interest at a specified rate. The City does not purchase Certificates of Deposit that are not FDIC insured. ~~The City may invest up to 25% of its surplus money in insured CD's with maturities of one year or less.~~

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 funds.

Commercial Paper: Short-term unsecured promissory notes issued by a corporation to raise working capital. These negotiable instruments are typically purchased at a discount to par value or at par value with interest bearing. Local agencies are permitted by State law to invest in Commercial Paper of the highest ranking or of the highest letter and numerical rating as provided by a nationally recognized statistical rating organization (NRSRO). ~~Purchases of eligible Commercial Paper may not exceed 270 days maturity, nor exceed 25% of the City's surplus funds. Furthermore, the City may invest no more than 10% of its total portfolio in the commercial paper and medium term corporate notes of any single issuer at the time of purchase.~~

Coupon: The annual rate of interest a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

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Delivery Versus Payment (DVP): A procedure for settling investment transactions in which the delivery of the security by the seller and the payment for the security by the buyer happen simultaneously by a third-party safekeeping agent. This practice ensures no funds are at risk in an investment transaction as funds are not released until securities are delivered.

Discount: The difference between the par value of a bond and the cost of the bond, when cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par and return par value to the investor at maturity, without additional interest. Other securities trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Duration: ~~A measure of the timing of cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.~~

Federal Funds Rate: ~~Interest rate charged by banks with excess reserves at a Federal Reserve bank to banks needing overnight loans to meet reserve requirements.~~

Interest: The amount earned while owning a security, generally calculated as a percentage of the principal amount.

Investment Trust of California (CalTRUST): A Joint Powers Agency Authority created by local public agencies to deposit funds for investment. CalTRUST is authorized as an investment under California Government Code Section 53601(p). While there is no maximum balance imposed by CalTRUST, the City has established a \$50 million limit. CalTRUST offers varying degrees of liquidity, with the short-term option providing that deposits can be converted to cash in 24 hours. Interest is distributed to those agencies participating on a per share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid monthly. CalTRUST retains a portion of the earnings for administrative costs, ranging between 12 and 20 basis points.

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Local Agency Investment Fund (LAIF): A voluntary investment alternative for local governments and special districts authorized by California Government Code Section 16429.1 et seq. There is no minimum investment period and the minimum transaction is \$5,000. Each LAIF account is limited to 15 transactions per month and subject to a maximum balance, currently set by the State Treasurer at \$75 million, but subject to change. LAIF offers high liquidity because deposits can be converted to cash in 24 hours with no interest lost. Interest is distributed to those agencies participating on a per share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. The State retains a portion for administrative costs, not to exceed five percent of the quarterly earnings.

The pooling of the State's surplus cash with the participant's surplus cash creates a multi-billion dollar money pool and allows diversified investments. In a high interest rate market, the City may do better than LAIF however, in times of low interest rates, LAIF's yields tend to be higher. The City invests in the Local Agency Investment Fund, whose Investment Policy allows investments in securities not specifically authorized by the City's Investment Policy. However these investments by LAIF are allowable under the California Government Code.

Market Risk: The possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets. Market risk is also known as undiversifiable risk because it affects all asset classes and is unpredictable.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Corporate Notes: Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments traded in the secondary market. Medium Term Corporate Notes can be defined as extended maturity Commercial Paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by an NRSRO, five year maximum maturity and may not exceed 30% of surplus funds. ~~The City's restrictions are a maximum term of five years to maturity and total investments in Medium Term Corporate Notes may not exceed 25% of the City's surplus funds. Furthermore, the City may invest no more than 10% of its total portfolio in the commercial paper and medium term corporate notes of any single issuer at the time of purchase.~~

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Municipal Bonds: Debt securities issued by a state or local government or governmental entity.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating organization that provides an assessment of the creditworthiness of a firm or financial instrument(s), and is registered with the Securities and Exchange Commission.

Negotiable Certificates of Deposit: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of \$1,000,000, the secondary market usually trades in denominations of \$500,000, and smaller lots are occasionally available. As a matter of practice, only the ten largest US banks, where there is a secondary market established for continued liquidity, are considered for investment. ~~Purchases of Negotiable Certificate of Deposit may not exceed 25% of the City's surplus funds and five years to maturity. The City may invest no more than 10% of its total portfolio in the negotiable certificates of deposit of any single issuer.~~

~~**Offer Price:** The price asked by a seller of securities.~~ **Par Value:** The face value of a bond.

Principal: The face value or par value of an investment.

Safekeeping: Storage and protection of a customer's financial assets, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.

Settlement Date: The date on which an investment trade/purchase is finalized, cash/assets are exchanged and all parties take possession of the securities/assets agreed-upon in the terms of the trade/purchase.

U.S. Government Agency Securities: Debt securities issued or guaranteed by U.S. federal government agencies, or bonds issued by government-sponsored enterprises (GSEs). GSEs are corporations created by Congress to foster a public purpose. Bonds issues or guaranteed be federal agencies, such as the Government National Mortgage Association, are backed by the full faith and credit of the U. S. government. Bonds issued by GSEs, such as the Federal Nation Mortgage Association, are not backed by the same guarantee as federal government agencies.

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U.S. Treasury Bills: Direct obligations of the United States Government issued weekly with maturity dates up to one year. They are issued and traded on a discount basis with interest calculated on a 360-day basis and actual invested days, and paid at maturity. They are a highly liquid security. ~~An unlimited amount of the City's portfolio may be invested in US Treasury Bills.~~

U.S. Treasury Notes: Direct obligations of the United States Government with original maturities of two to ten years. Notes are actively traded in a large secondary market and are very liquid. Interest is paid every six months until maturity. An unlimited amount of funds may be invested in US Treasury Notes with maximum terms of five years. The term may be extended if authorized by the City Council.

Yield: The rate of annual income return on an investment, expressed as a percentage.



CITY OF CYPRESS CAPITAL ASSET POLICY

PURPOSE

To ensure adequate control and appropriate use of City capital assets.

OVERVIEW

In accordance with the City's Charter, the capitalization threshold for capital improvements including buildings, improvements, and infrastructure with a probable life in excess of ten years is \$10,000. Buildings and improvements and infrastructure meeting the threshold are assigned a tracking number and are capitalized and depreciated the year after it has been placed in service.

Beginning July 1, 2025, the capitalization threshold for all other tangible and intangibles assets is \$5,000 and a useful life of more than two years. Assets previously added but not disposed under lower thresholds will remain part of the capital asset portfolio until disposed.

Costs that are included in the capitalized basis are:

1. Original price, less discounts including design and construction necessary to bring the asset to its intended use
2. Freight, or other carriage charges
3. Sales, use and transportation taxes
4. Installation costs
5. Additional costs necessary to get the asset ready for use (i.e., light bars for police vehicles, truck bed/toolbox for a Maintenance truck, fixtures in buildings, etc.)

CATEGORIES OF CAPITAL ASSETS

- **Land** includes all investments in real property, excluding buildings and improvements. Land is recorded at cost and capitalized as an asset, but it is not depreciated due to the inexhaustible nature of this type of asset.
- **Land Improvements** are non-building assets that add value to the land but have limited useful lives. Examples of depreciable land improvements include parking lots, driveways, fences, retaining walls, irrigation systems, recreation areas, athletic fields and courts, and play structures.

- **Buildings** are permanent structures used for operating purposes. If practical high-cost components, such as elevators, HVAC systems, and roofs, are recorded separately to simplify future replacement transactions, because their useful lives can differ from those of buildings.
- **Building improvements** are additions or improvements to buildings that increase value or extend the useful life of a building. Examples include lighting fixtures, roofs, replacing HVAC systems, major energy conservation projects, and upgrading plumbing or electrical systems.
- **Machinery and Equipment** include moveable personal property such as machines, guns, tools, furniture, office trailers, computers, phone systems, and copy machines.
- **Intangible assets** are financial assets that lack physical substance, such as easements, rights-of-way, and computer software. Computer software will be subject to the rules of the Governmental Accounting Standard Board (GASB) Statement No. 96.
- **Lease assets** is a contract that conveys control of the right to use assets (like land, building, or equipment) for a period in an exchange like transaction. Lease assets are subject to the rules of GASB Statement No. 87.
- **Vehicles** include any licensed or unlicensed motor vehicle. Historical cost includes the purchase price plus registration, taxes, delivery fees, and outfitting costs.
- **Infrastructure** includes bridges, traffic control devices, pavement, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, traffic signals, and sewer lines.
- **Inventoried assets** relate to equipment that has an original cost of less than \$5,000 and has a useful life of greater than one (1) year. These assets may require inventory control due to susceptibility to theft or misplacement.

DEPRECIATION AND USEFULL LIFE

Straight-line method of depreciation. The original cost of the asset is used as the capitalization basis, divided by the estimated useful life of the asset which yields annual depreciation. The City's policy is to charge the first year of depreciation the year after the asset has been placed in service.

The City will review estimated useful lives periodically to determine if they are still reasonable. Based on this review, the estimated useful life of a particular asset may be revised at the Director of Finance and Administrative Services discretion to better reflect current trends.

Asset Type	Estimated Useful Life	Capitalization Threshold
Land	N/A	-
Land Improvements	10-40	\$10,000
Buildings	40	\$10,000
Building Improvements	10-40	\$10,000
Machinery and Equipment		
Computer Equipment	3-5	\$5,000
Guns	3	\$5,000
Large Tools and Furniture	10	\$5,000
Office Equipment	5	\$5,000
Intangible Assets (Subscriptions Assets)	2-10	\$5,000
Lease Asset	2-10	\$5,000
Vehicles		
Standard Vehicles	5-8	\$5,000
Marked Police Vehicles	5	\$5,000
Heavy Duty Vehicles	10	\$5,000
Infrastructure		
Bridges	65	\$10,000
Electronic Traffic Control Devices	20	\$10,000
Medians	40	\$10,000
Pavement, Curbs, Gutters, & Sidewalks	35	\$10,000
Sewer	60	\$10,000
Storm Drain System	60	\$10,000
Streetlights	20	\$10,000

ASSET SURPLUS AND DISPOSAL

Normally, assets become surplus when they are no longer in use or become obsolete or worn out.

Surplus assets are physically removed from the department and put into storage at a designated City location. Surplus assets can be transferred to another department to be put back into service, or they can be disposed of later.

All departments are required to prepare a list of all surplus assets on an annual basis as part of the budget process. However, on an individual and as needed basis, a department head may request the surplus/disposal of specific assets.

A Fixed Asset Status Change Form must be completed and approved by the department head whenever changes to an asset's status are to be made. This form will include the ID # of the asset, type of status change being made (surplus or disposal), and why the change is being made.

The standards set forth below for the surplus/disposing of City assets will not apply to real property (land or buildings and improvements) or unclaimed property held by the Police Department.

DISPOSAL

Once it is determined that a surplus asset will be disposed of, there are several methods by which the city can dispose of these assets. The preferred method used to dispose of surplus assets will be determined by the purchasing officer and will be the method which proves most advantageous to the city in accordance with Section 21A-15 of the municipal code.

LOST OR STOLEN ASSETS

In the case of lost or stolen assets, it is the responsibility of the assigned department to advise the Director of Finance and Administrative Services. The department assigned the lost or stolen asset is required to complete a Fixed Asset Status Change Form, with detailed information on the asset, as well as any details on the loss and/or theft. In addition, departments are responsible for filing a police report for all lost or stolen assets, if applicable.



CITY OF CYPRESS BUDGET POLICY

PURPOSE

The purpose of this policy is to establish guidelines for the preparation, adoption, and presentation of the City's annual budget. The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year.

DEFINITIONS

Non-Recurring Expenditures: Comprise special projects such as capital improvements, asset acquisitions, and other costs incurred infrequently by the City.

Non-Recurring Revenue: Revenues that are one-time in nature and cannot be reasonably expected to continue year-to-year.

Recurring Expenditures: In general, recurring expenditures are those that the City expects to fund every year in order to maintain current service levels. Examples include salaries, benefits, rent, utilities, maintenance costs and certain contracted services.

Recurring Revenues: The portion of the City's revenues that can reasonably be predicted to continue year-to-year, with some degree of predictability.

Structurally Balanced Budget: A budget is structurally balanced if it does not spend more on ongoing services than it receives in ongoing revenues.

DELEGATION OF AUTHORITY

The budget is prepared by the Finance Department with the support of each operating department under the direct supervision of the City Manager. The Finance Department is responsible for coordinating all revenues estimates contained in the budget. Estimates are reached by analyzing historical revenue history, national and local economic trends and indices, and development patterns in the local economy. The Finance Department also coordinates the development of the expenditure budgets with the support of each operating department and the City Manager.

LONG-RANGE FINANCIAL PLAN

The City's financial situation and projected future status are important factors in the financial and economic decisions the City Council may make. To support the City's budgetary planning and financial decision-making process, the City needs to analyze its financial situation and the key factors impacting its economic and financial status.

At a minimum, the proposed annual budget should include a three-year General Fund surplus/(shortfall) projection (the fiscal year plus two additional years). Major assumptions should be identified.

REVENUES

The City shall design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

EXPENDITURES

The City shall identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

INTERNAL SERVICES CHARGES

The City will strive to include depreciation of equipment, furnishings and computer software in the service charges paid by departments to the equipment replacement funds. This will permit the accumulation of cash to cost effectively replace these assets and smooth out budgetary impacts. However, these amounts may be budgeted for less than depreciation to maintain a structurally balanced budget.

STRUCTURALLY BALANCED BUDGET

A structurally balanced budget is a necessary component of good financial management and financial discipline and will help sustain the consistent delivery of services to residents. An unbalanced budget (spending more than is received) undermines the City's ability to deal with financial problems. It may lead to reduced services in the future and inhibit the City's ability to take advantage of opportunities that will periodically occur.

The budget for the General Fund will be structurally balanced for the fiscal year. A structurally unbalanced budget will include an explanation and describe the expected approach and time frame for achieving structural balance within the context of official revenue and expenditure projections. It is not a violation of this policy to have a planned use of funds available to fund one-time items, including capital, equipment, land or transitional costs for operations (starting up or termination of a service element). It is also not a violation of this policy to use funds previously set aside to mitigate temporarily higher costs or lower revenues.

In order to achieve a structurally balanced budget, the City should consider the following:

- Nonrecurring revenues and reserves should not be used to fund employee compensation.
- While capital assets are often funded with non-recurring revenues, the City shall be observant of the long-term operating and maintenance costs of such purposes, to prevent the creation of new on-going expenditures that cannot be maintained by recurring revenues.

- The City shall prioritize the use of non-recurring revenues to replace current assets that have outlived their useful lives over the purchase of entirely new assets, where the replacement of the expired or obsolete assets is critical to the maintenance of the City's core programs. A replacement schedule for such assets is a good indicator of when to budget for these items.

ONE-TIME RESOURCES WILL BE USED ONLY FOR ONE-TIME PURPOSES

One-time resources are revenues that only occur once, for a very limited time, or are too unpredictable or unstable to fund operations. One-time revenues may include the variable portion of some revenue sources that have highly variable components. One-time revenues are not suited to fund ongoing operations because they are not available in the future or cannot be relied on from year-to-year to pay the ongoing costs of operations.

One-time resources will not be used to fund ongoing operations. They will be used for one-time uses, including capital and other one-time expenditures, transitional funding of operations (for a limited time-period with a planned ending date), increasing reserves, or paying down unfunded liabilities.

BUDGET PROCESS

The City's fiscal year begins each July 1st and concludes on June 30th. The development of the annual budget is comprised of distinct phases and requires a great deal of effort on the part of the City Council and all members of the City's management team.

1. The budget process shall start with a review of the City's **Strategic Plan** by City Council. This review establishes the goals and objectives for the upcoming budget cycle. Following that, the **long-range financial plan shall be updated**.
2. Budget Calendar is developed and presented to City Council.
3. An internal budget kick-off meeting shall be held to review the technical and procedural aspects of preparing the budget.
4. Departments may then prepare their line-item budgets. Once the initial line-item requests are compiled, Finance staff shall work with the City Manager and departments to review the requests and gain a high-level understanding of the challenges facing the City and specific departments, including gaps between revenues and expenditures.
5. Budget review meetings may be held with each department to discuss the proposed budgets, including increases, reductions, or other significant changes, goals and objectives, and supplemental requests.
6. In accordance with the City's Charter, the Manager shall submit the **proposed budget to City Council by May 31st each year**.

AMENDMENTS

In accordance with the City's Charter, the Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency and, upon written request by the Manager, the Council may by resolution transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another.

REPORTING

Monthly: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.

Quarterly: Each quarter, staff will produce a "Quarterly Financial Report" comparing current year to past year actual revenue and expenditure and present the data to City Council.

POLICY ADOPTION

The Director of Finance & Administrative Services shall be responsible for reviewing and modifying this Policy annually for City Council consideration to ensure its consistency with the overall objectives and its relevance to current law and current financial and economic conditions.



CITY OF CYPRESS FUND BALANCE RESERVE POLICY

PURPOSE

The purpose of this policy is to establish the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes and to and articulate a framework and process for how the city will increase or decrease the level of unrestricted fund balance over time.

DEFINITIONS

Non-spendable Fund Balance: Inherently non-spendable portions of net resources that cannot be spent because of their form or portions of net resources that cannot be spent because they must be maintained intact.

Restricted Fund Balance: Externally enforceable limitations, on the use of funds, that are imposed by creditors, grantors, contributors, or laws and regulations of other governments or limitations imposed by law through constitutional provisions or enabling legislation. Debt Service fund balance will be designated as restricted.

Committed Fund Balance: Self-imposed limitations, on the use of funds, that are set in place prior to the end of a period. Limitations imposed at highest level of local decision making that requires formal action at the same level to remove. Capital Project fund balances typically will consist of funds designated by City Council for future capital improvement projects.

Assigned Fund Balance: Limitations resulting from intended use that are established by the highest level of decision making or intended use established by the City Council for a specific purpose. The resources for these funds may be acquired through the budgeting process or funds that are deposited with the city for specific purposes. Special Revenue fund balances typically consist of funds assigned by other governmental agencies for specific use or by the City Council specific use.

Unassigned Fund Balance: Residual net resources that make up the fund balance in the general fund more than nonspendable, restricted, committed, and assigned fund balance (i.e., surplus) or excess of nonspendable, restricted, and committed fund balance over total fund balance (i.e., deficit). The General operating fund balance typically will consist of unassigned funds for use by the City Council.

DELEGATION OF AUTHORITY

The Director of Finance and Administrative Services is responsible for monitoring reserve levels and reporting current and projected reserves during each budget development cycle.

GENERAL FUND RESERVES

The City shall maintain a Committed Fund Balance of twenty-five percent (25%) of operating expenditures in the General Fund. This fund balance is intended to provide stability in the event of unexpected changes to revenues or expenses. The Committed Fund Balance shall mean the dollar amount of unencumbered fund balance, excluding any amounts held in reserves or otherwise committed funds. The total operating budget for the most recent fiscal year—excluding capital expenditures and transfers out—shall be used to calculate the percentage of operating expenditures.

At the end of the fiscal year, the excess unassigned fund balance in the City's General Fund will be prioritized and presented for City Council consideration as follows:

1. Twenty-five percent (25%) shall stay in the General Fund Balance as unassigned fund balance for unforeseen appropriations that may arise throughout the fiscal year.
2. Up to twenty-five percent (25%) will be transferred to the Employee Benefits Fund until a fund balance reserve is established and maintained equal to current liabilities.
3. Up to fifteen percent (15%) will be transferred to the Self-Insurance Funds - General Liability and Workers Compensation Funds until a fund balance reserve is established to cover the long-term liabilities due within one year (claims payable).
4. The remaining balance will be transferred to Capital Funds: Infrastructure Reserve Fund, Capital Outlay, and Information Technology Replacement.

Replenishment of General Fund Reserves

If the General Fund balance falls below policy reserves as defined above, the City Manager shall prepare and present to the City Council a recommended plan to replenish the reserves. The City Council shall review and adopt a replenishment plan within twelve months after the policy reserve levels first fall below the minimum levels. Once adopted, the replenishment plan's progress will be reviewed periodically with the City Council but no less than every calendar year until such time as the reserves are replenished to or above the target levels described above.

Conditions for Using General Fund Reserves

The City shall endeavor to avoid the appropriation of fund balance for recurring operating expenditures. If at any time the utilization of a fund balance to pay for operating expenditures is necessary to maintain the quality or a defined level of services, an explanation of the circumstances for the utilization of fund balance and demonstration of strategy through the long-term financial model on future fund balance targets will be included in the budget transmittal letter prepared by the Mayor in the Proposed Budget and deliberated by the City Council.

Reserves may be used at the discretion of the City Council to:

City of Cypress Policy

Fund Balance Reserve

1. Provide temporary resources in the event of an economic downturn while expenditure reductions are implemented or alternate sources of revenue are determined;
2. Provide resources to meet emergency expenditures in case of flood, fire, earthquake, landslides or other catastrophic failures; or
3. Provide resources for one-time capital outlay expenditures which include capital equipment as part of the capital improvement plan.

INFRASTRUCTURE FUND RESERVE

The City shall maintain a Committed Fund Balance of thirty percent (30%) of the total seven-year capital improvement program that is funded by the general fund, plus encumbrances in the Infrastructure Reserve Fund.

POLICY ADOPTION

The Director of Finance & Administrative Services shall be responsible for reviewing and modifying this Policy annually for City Council consideration to ensure its consistency with the overall objectives and its relevance to current law and current financial and economic conditions.



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

16.

FROM: Nick Mangalakiri, Director of Public Works

DATE: 04/28/2026

SUBJECT: **Approve Agreement with the County of Orange for Municipal Solid Waste Disposal Services and Receive the Annual Solid Waste Franchise Consumer Price Index Rate Adjustment**

RECOMMENDATION

1. Approve the proposed Waste Infrastructure System Enterprise (WISE) Agreement with the County of Orange for municipal solid waste disposal rates and services; and
2. Authorize the City Manager to execute the agreement and make minor modifications, as necessary; and
3. Receive the annual solid waste franchise Consumer Price Index rate adjustment.

SUMMARY

The proposed Waste Infrastructure System Enterprise (WISE) Agreement with the County of Orange establishes a new long-term framework for solid waste disposal, ensuring continued landfill access at negotiated rates that are phased in over the first three years. Consistent with the City's franchise agreement, the annual rate adjustment effective July 1, 2026 includes both standard consumer price index (CPI) based increases and the pass-through of higher County disposal fees, resulting in a \$5.80 per month increase for residential service (to \$31.05) and \$23.97 per month for commercial service (to \$198.17), with most of the increase driven by County rates. Approval of the agreement maintains favorable pricing compared to non-participating agencies, avoids higher disposal costs, and has no impact on the City's General Fund.

DISCUSSION

Background

The County of Orange (County), through Orange County Waste and Recycling (OCWR), operates the County-owned landfill system, which consists of three active landfills and approximately 20 inactive sites. Since 1997, Orange County cities have participated in the Waste Disposal Agreement (WDA), which provides guaranteed landfill capacity and disposal rates at least 10 percent below those charged to non-contract customers. The WDA has been amended periodically, most recently through a one-year extension in 2025.

As the WDA nears expiration, OCWR has developed a successor agreement, known as the Waste Infrastructure System Enterprise (WISE) Agreement. The Orange County City Managers Association (OCCMA), representing cities and special districts that utilize the landfill system, initiated negotiations with the County in late 2024. As part of this process, the parties secured a one-year extension of the WDA through June 30, 2026, including a rate adjustment in accordance with the existing agreement, to allow additional time to finalize negotiations on the WISE Agreement.

County Increased Rate and Impact

The current WDA limits annual rate increases to the Consumer Price Index (CPI) and does not fully account for increasing operational, regulatory, and environmental compliance costs. OCWR has indicated that additional capital investment is necessary to fund the closure of the Brea Olinda Landfill and to significantly expand capacity at the landfill in San Juan Capistrano over the proposed 10-year term.

OCWR's initial WISE proposal included a substantial rate increase, from \$43.76 per ton to \$82.00 per ton in the first year, with projected increases to nearly \$107.00 per ton by 2035.

Through negotiations, OCCMA secured agreement on a phased rate structure for the first three years of the term. Beginning in FY 2029–30, annual rate adjustments will include a CPI-based increase.

Fiscal Year	Contract Disposal Rate
Current	\$43.76/ton
2026–27	\$67.00/ton
2027–28	\$74.00/ton
2028–29	\$81.00/ton

WISE Agreement Components

While disposal rates were the primary focus of negotiations, OCCMA also secured several key provisions in the WISE Agreement, including:

- Implementation of an annual “true-up” process beginning in 2030, which may suspend CPI-based rate adjustments based on OCWR’s cost recovery and tonnage revenue. The provision also allows cities to initiate a meet-and-confer process, with review by an independent consultant.
- Enhanced transparency measures, including ongoing review and annual notification requirements to ensure continued OCCMA participation and oversight of OCWR’s financial condition and WISE implementation.
- Removal of provisions that would have made cities financially responsible for hauler non-payment.

- Elimination of the requirement that all residential organic waste be delivered to OCWR facilities; instead, the County will offer optional organic waste processing services.

Cities must approve the WISE Agreement by April 30, 2026, to avoid disposal rates that may be up to 10 percent higher. In addition, jurisdictions representing at least 50 percent of the total waste disposed at County landfills must ratify the agreement to meet the required participation threshold. The proposed term of the agreement is ten years, through June 30, 2036, with one optional ten-year extension.

Annual Solid Waste Franchise Rate Adjustment

The City's solid waste franchise agreement with Valley Vista Services (VVS) expressly authorizes an annual rate adjustment effective July 1 of each year. This adjustment is calculated based on a weighted average of component indices, including the published Consumer Price Index (CPI), the County landfill disposal rate, and the recycling and transfer facility gate fee for green waste processing.

In addition, the franchise agreement provides that landfill disposal costs charged by OCWR are treated as a direct pass-through expense. The City does not retain or apply any markup to these costs. Accordingly, increases in disposal rates, such as those established under the WISE Agreement, are incorporated into the hauler's cost structure and reflected in customer service rates, as permitted under the franchise.

Taking into account the authorized annual CPI rate adjustment and the updated County disposal rates under the WISE Agreement, the resulting rate adjustment effective July 1, 2026, is as follows:

Fiscal Year	Residential Rate (monthly)*	\$ Increase per month	Commercial Rate (monthly)*	\$ Increase per month
2025-26 Current	\$25.25	-	\$174.20	-
2026-27 (actual)	\$31.05	\$5.80	\$198.17	\$23.97
2027-28 (est.)	\$32.84	\$1.79	\$207.07	\$8.90
2028-29 (est.)	\$34.61	\$1.77	\$215.95	\$8.88

Note: Rates assume an annual CPI increase of 3% for FY 2027-28 and FY 2028-29. Rates do not include the City services charge of approximately \$4.75 (organics fee, city compliance fee, street sweeping).

* Residential rates are based on single family standard set of refuse, recycling, and green waste carts. Commercial rates are based on 3yd bin for trash (1x weekly service).

Beginning in July, residential VVS rates will increase by \$5.80 to \$31.05 per month, with approximately \$5.33 of the increase attributable to the new County rates and the remaining \$0.47 reflecting the annual CPI adjustment. Similarly, the average commercial VVS rate for a three-cubic-yard dumpster serviced once per week will increase by \$23.97 to \$198.17 per month, of which approximately \$19.89 is attributable to the new County rates and \$4.08 reflects the annual CPI adjustment.

The franchise requires VVS to prepare and distribute a notice to customers within 60 days of the effective date of a rate change.

Alternatives

Do not approve the WISE Agreement. This alternative is not recommended as the City's landfill access would be charged higher rates than contained in the proposed agreement, translating into even higher rates for residential (up to \$36.68/month) and commercial customers (up to \$219.18/month).

BUDGET IMPACT

The WISE Agreement has no impact to the City's General Fund. Per the solid waste franchise, VVS is permitted to recover increased disposal costs through a pass-through mechanism subject to review and approval by the City.

LEGAL REVIEW

The City Attorney has reviewed and approved the agreement as to form.

APPROVED BY: Shannon DeLong, City
Manager

Attachments

Waste Infrastructure System Enterprise Agreement with the County of Orange
VVS Annual Rate Adjustment
2025 Trash Rate Survey

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT
("WISE AGREEMENT")

Between

THE COUNTY OF ORANGE, CALIFORNIA

and
the

CITY OF CYPRESS

Dated April 28, 2026

County Authorization Date:

County Notice Address:

Director
OC Waste & Recycling
601 N. Ross Street 5th Floor
Santa Ana, CA 92701

City Authorization Date:

April 28, 2026

City Notice Address:

City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

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APPENDIX 5

ORGANIC SERVICES AGREEMENT

WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT

THIS WASTE INFRASTRUCTURE SYSTEM ENTERPRISE AGREEMENT (“WISE Agreement” or “Agreement” are used interchangeably) is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the “County”), and the city, special district, or sanitary district designated on the cover page of this Agreement (the “City”). County and City may hereinafter be referred to singularly as “Party” or collectively as “Parties.”

RECITALS

The County owns, manages and operates a Waste Infrastructure System to manage municipal and solid waste generated within the County of Orange or imported from outside the County pursuant to contractual agreements. The Waste Infrastructure System collectively includes active Class III sanitary landfills (“County Landfills”), resource recovery, recycling and organics programs, infrastructure and operations, closed landfills, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

The County is also responsible for the long-term management of twenty (20) closed landfills as required under Applicable Law.

County Landfills are used for the management of municipal solid waste pursuant to legislation including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the “Act”) and the Short-lived Climate Pollutants Reduction Act (“SB 1383”). County Landfills are also subject to other State and federal regulations designed to ensure that landfill operations minimize the impacts to public health and safety and the environment.

Pursuant to Resolution, the County established the Waste Management Enterprise Fund pursuant to Government Code §25261 to ensure that all costs associated with the operation and management of the Waste Infrastructure System are financed by charges imposed for services provided by the Department and are not funded by tax revenue or the County General Fund.

The City, in the exercise of its police power, its powers under the Act, and other Applicable Law, has entered into a franchise or other agreement with or issued permits or licenses to one or more private haulers for the collection, recycling, diversion and disposal of municipal solid waste generated within the City.

A significant portion of municipal solid waste generated within the City historically has been and currently is delivered by such hauler or haulers to the County for disposal in the Disposal System.

Since 1997, the City and the County have provided for the management of municipal solid waste through Waste Disposal Agreements (“WDAs”), wherein the County agreed to provide disposal capacity for waste generated in the City, and the City agreed to deliver or cause the delivery of waste generated in the City to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of the WDAs.

Starting in approximately 2014, the Legislature of the State of California passed several pieces of legislation (“Organics Legislation”) that require significant reductions in the disposal of Organic Waste. The purpose of the Organics Legislation is to mandate organics recycling and curtail the impacts of climate change by reducing greenhouse gas emissions such as methane. In this regard, the decomposition of organic material in the State’s landfills was identified as a significant source of methane that could be reduced.

On April 23, 2019, the Orange County Board of Supervisors passed Resolution 19-031 to respond to the State’s increasing landfill diversion requirements and identified the need for additional organic processing infrastructure in the County and directed the Department to develop additional organics recycling infrastructure to support the region in meeting State organic recycling mandates.

The County has developed an Organics Infrastructure that is comprised of organic processing facilities to receive and process Organic Waste to support the State’s Organic Legislation goals, promote local recycling, assist local jurisdictions in meeting their organic diversion requirements and correspondingly conserve capacity in the

Disposal System and is offering interested Cities the option of participating in the County provided Organic Processing Services pursuant to a separate Organic Services Agreement (“OSA”) as provided in Appendix 5.

In their effort to continue the concepts and purposes outlined in the WDAs and respond to Organics Legislation, the City and the County desire to enter into this Waste Infrastructure System Enterprise Agreement (“WISE Agreement” or “Agreement”), on the terms and conditions set forth herein. The County and City acknowledge that the currently operative WDA shall remain in full force and effect until its expiration or the WISE Agreement Commencement Date, whichever comes first.

The City has determined that the execution of this Agreement by the City will serve the public health, safety and welfare of the City by providing disposal rate stability, predictable and reliable long-term disposal service, and the continuation of sound environmental management.

The County has determined that the execution by the County of this Agreement will serve the public health, safety and welfare by providing a stable, predictable and reliable supply of municipal solid waste and the resulting service payment revenue to the Waste Infrastructure System, thereby enabling the County to plan, manage, operate and finance improvements to the Waste Infrastructure System on a prudent and sound long term, businesslike basis consistent with its legal and regulatory obligations to the State and Federal government.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below.

“Acceptable Waste” means all garbage, refuse, rubbish, Organic Waste and other materials and substances discarded or rejected as being spent, useless, worthless or in excess to the owners at the time of such discard or rejection and which are normally disposed of by or collected from residential (single family and multi-family), commercial, industrial, governmental and institutional establishments and which are acceptable at Class III landfills under Applicable Law.

“Act” means AB 939 the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded and replaced from time to time.

“Agreement” means this Waste Infrastructure System Enterprise Agreement (“WISE Agreement”) between the County and the City as the same may be amended or modified from time to time in accordance herewith.

“Appendix” means an appendix to this Agreement, as the same may be amended or modified from time to time in accordance with the terms hereof

“Applicable Law” means the Act, Organics Legislation, the Orange County Code of Ordinances, CERCLA, RCRA, CEQA, any Legal Entitlement and any federal or State rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Waste Infrastructure System, and the transfer, handling, transportation and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes).

“CalRecycle” means the California Department of Resources Recycling and Recovery, which is a branch of the California Environmental Protection Agency, and any agency, department or other Governmental Body which succeeds to the duties and powers thereof. CalRecycle oversees the State’s waste management and waste reduction programs. CalRecycle was established in 2010 to replace the California Integrated Waste Management Board and is responsible for the enforcement of legislation and regulations and diversion requirements applicable to the Waste Infrastructure System.

“Capital Costs” means all costs of the Waste Infrastructure System that are classified as capital costs for purposes of the budget of the Department in accordance with procedures established by the County of Orange Auditor-Controller in compliance with the California State Controller’s Manual, including but not limited to all of the categories of costs of the Waste Infrastructure System including but not limited to “Buildings and Improvements, and Infrastructure” (Object Code 4200), “Equipment” (Object Code 4000-4040) and “Intangible” (Object Code 4250-4299) in the County of Orange – Chart of Accounts, or any successor accounting or reporting system utilized by the County.

“CEQA” means the California Environmental Quality Act, codified in California Public Resources. Code Section 21000 *et seq.* as amended or superseded, and the regulations promulgated thereunder.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the parties of their respective obligations under this Agreement (except for payment obligations), or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Waste Infrastructure System or other matters to which Applicable Law applies:

- (1) the enactment, adoption, promulgation, issuance, material modification or written change in administrative or judicial interpretation on or after the Commencement Date of any Applicable Law (other than Applicable Law enacted by the County); or
- (2) the order or judgment of any Governmental Body (other than the County), on or after the Commencement Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or
- (3) the denial of an application for, delay in the review, issuance or renewal of, or suspension, termination, interruption, imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Commencement Date of any Legal Entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, if and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however that the contesting in good faith or the failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or
- (4) any new or revised requirements or fees relating to the funding or provision of Waste Infrastructure Services, including but not limited to, Integrated Waste Management Act Fees, Host Fees, regulations for disposal operations, organics processing and diversion, recycling initiatives or activities associated with the remediation, closure, funding or monitoring of closed landfills with respect to facilities comprising the Waste Infrastructure System, or facilities which the County previously utilized to provide waste disposal, transfer, recycling, processing or other waste related activities.

“City” means, as applicable, the City (general law, charter or other), Special District or Sanitary District designated on the cover page of this Agreement and party to this Agreement.

“City Acceptable Waste” means all Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the City, and Residue from the foregoing wherever produced, whether within or outside the City (or Tonnage equivalencies of such Residues, as and to the extent provided in subsection 3.1(D) hereof).

“Consumer Price Index” or “CPI” means a blend of the following two indexes based on the following percentage of each: 60% of the CPI shall be comprised of the Consumer Price Index published by the Bureau of Labor Statistics for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG); and, 40% of the CPI shall be comprised of the Consumer Price Index for All Urban Consumers, not seasonally adjusted, all items index (CPI-U) – All items in Los Angeles-Long Beach-Anaheim (CUURS49ASA0). In the event either of the foregoing indexes is no longer published during the term of this Agreement, such other index identified by the Bureau of Labor Statistics as a replacement or otherwise generally accepted as a replacement shall be used for purposes of this Agreement; and, in the absence thereof, the Orange County Board of Supervisors shall select an index that it determines most closely reflects the foregoing and best implements the intent of this Agreement.

“Commencement Date” means the date on which the obligations of the parties hereto commence, established as provided in Section 6.2(B) hereof.

“Contract Date” means the first date on which this Agreement has been executed by both parties hereto.

“Contract Rate” has the meaning specified in Section 4.2 hereof

“Contract Year” means the fiscal year commencing on July 1 in any year and ending on June 30 of the following year.

“Controllable Waste” means all City Acceptable Waste with respect to which the City has the legal or contractual ability to determine the disposal location therefor and which is:

- (1) Non-Recycled City Acceptable Waste;
- (2) not generated from the operations of the Governmental Bodies which, under Applicable Law, have the independent power to arrange for the disposal of the waste they generate; and
- (3) collected and hauled by Franchise Haulers.

“County” means the County of Orange, a political subdivision of the State of California and party to this Agreement.

“County Landfills” means all active Class III sanitary landfills located within the County of Orange and operated by the Department. At the time of execution, County Landfills consist of the Olinda Alpha Landfill located in Brea, California, the Frank R. Bowerman Landfill located in Irvine, California, and the Prima Deshecha Landfill located in San Juan Capistrano, California. (Note: The current estimated closure date for the Olinda Alpha Landfill is 2036 as specified in its Solid Waste Facility Permit. Throughout the term of this Agreement, County reserves the right to reduce, continue, expand, or cease all operation at the Olinda Alpha Landfill at its sole discretion.)

“County Plan” means the integrated waste management plan of the County approved by CalRecycle pursuant to the Act as in effect from time to time.

“County Acceptable Waste” means Acceptable Waste generated in the County.

“County-wide Recycling Services” has the meaning set forth in subsection 3.7(A) hereof.

“Cumulative Tonnage Target” for any given Contract Year means the amount specified in Appendix 2 hereto with respect to such Contract Year.

“Department” means OC Waste & Recycling, and any agency, department or other Governmental Body

which succeeds to the duties and powers thereof.

“Designated Facility” means the landfill or other County facility that the Department directs or assigns City Franchise Haulers to deliver City Acceptable Waste.

“Director” means the Director of OC Waste & Recycling.

“Disposal Services” means the solid waste disposal and other services to be provided by the County pursuant to the Service Covenant and as otherwise provided in this Agreement.

“Disposal System” means the Waste Infrastructure System which includes solid waste disposal operations at active landfills; Organics Infrastructure; regional Household Hazardous Waste Collection Centers; and other waste management related systems deemed necessary by the County, as well as services, such as post-closure maintenance and other activities, at closed landfills formerly operated by the County, as appropriate under Applicable Law.

“Environmental Fund” means the fund or funds held by the County to pay unanticipated costs of environmental mitigation, remediation or liability.

“Franchise Hauler” means any hauler or collector who provides Acceptable Waste collection services within the City pursuant to, or under authority granted by, a permit, contract, franchise or other agreement with the City. The term Franchise Hauler includes the City itself if Acceptable Waste collection and transportation services are provided directly by City operated municipal collection service.

“Full Cost Recovery” means all facets of Department costs and responsibilities including, but not limited to; operation, maintenance and management of the Waste Infrastructure System, labor and equipment, capital projects, environmental monitoring and mitigation, site closure, legal and regulatory compliance, long-term post-closure maintenance, remediation costs, planning for contingencies associated with the County’s long-term liability and maintaining adequate financial reserves.

“Governmental Body” means any federal, State, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

“Hazardous Material” or “Hazardous Substance” has the meaning given such term in CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Section §78000 *et seq.*), and Titles 26 and 27 of the California Code of Regulations and other regulations promulgated thereunder.

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do either of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in 40 CFR Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in 10 CFR Part 40. The terms Hazardous Waste, Hazardous Material or Hazardous Substance shall be used interchangeably in this Agreement when not referring to specific Applicable Law.

“Host Fee” means the amount paid pursuant to Cooperative Agreements, referred to in Section 1.2 (I) of this Agreement, to compensate the cities identified in Section 1.2(I) (“Host Cities”) for costs or impacts incurred by Host Cities which might be associated with County Landfills due to their location within Host City boundaries, and not already substantially avoided or mitigated through the identification and adoption of Project Design Feature and Mitigation Measures.

“Imported Acceptable Waste” means Acceptable Waste that is generated outside of the geographical boundaries

of the County and delivered to the Waste Infrastructure System.

“Importation Agreement” means an agreement between the County and any public or private entity for the delivery and acceptance of Imported Acceptable Waste pursuant to contract.

“Independent Haulers” means those waste collection/hauler companies primarily engaged as a principal business in the collection and transportation of municipal solid waste generated in the County of Orange which are not obligated to deliver County Acceptable Waste to the Waste Infrastructure System pursuant to a franchise, contract, permit or other authorization with a City in the County.

“Initial Term” has the meaning specified in Section 6.1(A) hereof.

“Legal Entitlement” means all permits, licenses, approvals, authorizations, consents and entitlements of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Waste Infrastructure System or the performance of any obligation under this Agreement or the matters covered hereby.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative or regulatory proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

“Loss-and-Expense” means any and all loss, liability, obligation, damage, delay, penalty, judgment, deposit, cost, expense, claim, demand, charge, tax, or expense, including all fees and costs.

“MRF Fines” mean undersized or pulverized material consisting of small fractions of waste that are created during the recycling process as Material Recovery Facilities.

“Net Import Revenues” has the meaning ascribed thereto in Section 3.6(F).

“Non-Recycled City Acceptable Waste” means all City Acceptable Waste other than Recycled City Acceptable Waste.

“OC Waste & Recycling Enterprise Fund” means the waste management enterprise fund established and managed by the County pursuant to Section 25261 of the Government Code separate from its other funds and accounts for receipts and disbursements in connection with the Waste Infrastructure System.

“Organics Infrastructure” means organic processing facilities designed to receive and process Organic Waste to support the State’s Organic Legislation goals, promote local recycling, and/or assist local jurisdictions in meeting their organic diversion requirements which are utilized by interested Cities in connection with their participating in County-provided Organic Processing Services pursuant to a separate Organic Services Agreement.

“Organics Legislation” means organics recycling legislation including AB 1594, AB 1826, SB 1383 and any future legislation pertaining to the management and diversion of Organic Waste.

“Organics Processing Services” means the services provided by County to Cities that choose to enter into the Organic Services Agreement provided in Appendix 5.

“Organics Services Agreement” (“OSA”) means that separate agreement (as provided in Appendix 5) between County and interested Cities, whereby the County agrees to provide Organic Processing Services to interested Cities pursuant to the terms of the OSA.

“Organic Waste” means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges as defined in Title 14 of the California Code of Regulations, Section 18982(a)(46).

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the prime rate established from time to time by the Bank of America, N.A. or its successors and assigns, plus 2%, whichever is lower.

“Participating City” means any City executing a WISE Agreement in accordance with Section 3.6(A) hereof and meeting all requisite conditions to the Commencement Date thereof.

“Participation Threshold” means the point at which the percentage of the County’s Acceptable Waste attributable to Participating Cities which have executed and delivered Agreements shall exceed 50% percent (using the percentage rates attributed to such Participating Cities in Appendix 1).

“Posted Disposal Rate” means the per ton tipping fee charged by the County for the disposal of solid waste at the Disposal System by parties which are not entitled to disposal service at the Contract Rate pursuant to this Agreement or other contractual arrangement.

“Prohibited Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the Disposal System.

“Qualified Household Hazardous Waste” means waste materials determined by local, State, and federal regulation to be:

- (1) Of a nature that they must be listed as hazardous in State statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic;

which are discarded from households as opposed to businesses. Qualified Household Hazardous Waste shall not include Unacceptable Waste.

“Recycled City Acceptable Waste” means any otherwise Controllable Waste which is separated from Acceptable Waste by the generator thereof or by processing and which is “recycled” within the meaning of Section 40180 of the Public Resources Code.

“Renewal Term” has the meaning specified in Subsection 6.1(C) hereof.

“Residue” means any material remaining from the processing, by any means and to any extent, of City Acceptable Waste or Recycled City Acceptable Waste; provided, however, that Residue shall not include minimal amounts of material remaining after such processing (which minimal amounts shall in no event exceed 10% of the amount of such City Acceptable Waste or Recycled City Acceptable Waste prior to processing).

“Resource Conservation and Recovery Act” or “RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, as amended and superseded.

“Restricted Reserves” has the meaning specified in Section 4.5.

“Sanitary Districts” means the sanitary districts in the County formed pursuant to the Sanitary District Act of 1923, codified in California Health & Safety Code Section 6400 *et seq.*, as amended, supplemented, superseded and replaced from time to time.

“Self-Hauled Waste” means City Acceptable Waste and City Acceptable Organic Waste collected and hauled by Self-Haulers.

“Self-Hauler” means any person not engaged commercially in waste haulage who collects and hauls Acceptable Waste generated from residential or business activities conducted by such person.

“Service Coordinator” means the service coordinator for either party designated pursuant to subsection 3.5(C) hereof.

“Service Covenant” means the covenants and agreements of the County set forth in Sections 3.2 and 3.3 hereof.

“Special District” means public agencies created by a Governmental Body to provide one or more specific services to a community, such as but not limited to water, sewer, refuse, parks and recreation, fire protection, pest abatement, etc.

“Source-Separated Household Hazardous Waste” means Qualified Household Hazardous Waste which has been segregated from Acceptable Waste originating or generated within the geographical jurisdiction of the City at the source or location of generation.

“Source-Separated Household Hazardous Waste Disposal System” means the collection centers, facilities, contracts and other arrangements owned or administered by the County for the receipt, handling and disposal of Source-Separated Household Hazardous Waste.

“State” means the State of California.

“Term” shall mean the term of this Agreement.

“Ton” means a “short ton” of two thousand (2,000) pounds.

“Transfer Station” means any materials recovery facility, composting facility, intermediate processing facility, recycling center, transfer station or other waste handling or management facility to which solid waste collected for the City is delivered for processing before receipt in the Waste Infrastructure System.

“Unacceptable Waste” means Hazardous Material; Hazardous Waste; Hazardous Substances; Prohibited Medical Waste; Qualified Household Hazardous Waste separated from Acceptable Waste; explosives, ordnance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities); drums and closed containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine vessels and steel cable; hot loads; and any waste which the Waste Infrastructure System is prohibited from receiving under Applicable Law.

“Uncontrollable Circumstance” means any act, event or condition affecting the Waste Infrastructure System, the County, the City, or any of their Franchise Haulers, contractors or suppliers to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable control of and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the Agreement; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party. Examples of Uncontrollable Circumstances are:

- (1) an act of God, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance, epidemic; and
- (2) a Change in Law.

“Unincorporated Area” means those portions of the County which are not contained within the jurisdictional boundaries of incorporated cities.

“Unincorporated Area Acceptable Waste” means Acceptable Waste originating from or generated within the Unincorporated Area.

“Unrestricted Reserves” means cash and other reserves of the Waste Infrastructure System which are not Restricted Reserves.

“Waste Disposal Covenant” means the covenants and agreements of the City set forth in Section 3.1 hereof.

“Waste Infrastructure System” or “Disposal System” means County owned or operated waste management

related facilities, including active Class III sanitary landfills ("County Landfills"), closed landfills managed by the County, resource recovery operations, Organics Infrastructure, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

"WISE" means Waste Infrastructure System Enterprise.

"WISE Agreements" means each of the WISE agreements entered into between the County and any City within the County, Special District, Sanitary District, Jurisdiction, or operator of any Franchise Hauler located in the County in accordance with the terms herewith.

SECTION 1.2 INTERPRETATION. In this Agreement, unless the context otherwise requires:

(A) References Hereto. The terms "hereby", "hereof", "herein", "hereunder", "herewith", and any similar terms refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the Contract Date.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(E) No Third Party Beneficiaries. Nothing in this Agreement is intended to confer on haulers or any other person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

(F) Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

(G) Applicable Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

(H) Severability. If any clause, provision, subsection, Section or Article of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist, unless such invalidity frustrates the underlying primary purpose of the Agreement.

(I) Integration; Preservation of Certain Agreements. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the Parties with respect to such transactions; provided; however, that this Agreement shall not supersede the following Cooperative Agreements as they currently

exist or as they may be amended in the future:

- 1) Cooperative Agreement between the City of Brea and the County of Orange regarding the Olinda Alpha Landfill.
- 2) Cooperative Agreement between the City of Irvine and the County of Orange regarding the Frank R. Bowerman Landfill.
- 3) Cooperative Agreement between the City of San Juan Capistrano and the County of Orange regarding the Prima Deshecha Landfill.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1 REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence. The City is a general law or charter city or a Special District or Sanitary District validly existing under the Constitution and laws of the State.

(B) Due Authorization. The City has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the City.

SECTION 2.2 REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants that:

(A) Existence. The County is a political subdivision of the State of California validly existing under the Constitution and laws of the State.

(B) Due Authorization. The County has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the County.

ARTICLE III DELIVERY AND ACCEPTANCE OF WASTE AND PROVISION OF WASTE MANAGEMENT AND DISPOSAL SERVICE

SECTION 3.1 DELIVERY OF WASTE.

(A) Waste Management and Disposal Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this Agreement, and subject to available Waste Infrastructure System capacity, the City shall exercise all legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Waste to the Waste Infrastructure System in accordance herewith.

(B) Recycled City Acceptable Waste. The parties hereto acknowledge the responsibility of the City to meet its own recycling and landfill diversion goals contained in the Act and Organics Legislation. Nothing in this Agreement is intended or shall be interpreted to prohibit or impair the ability of the City to meet such responsibilities, or to restrict the right of the residents, businesses or organizations in the City to practice source separation, recycling, composting or other materials recovery activities, or to restrict the right of the City to conduct, sponsor, encourage or require such activities in any form. No reduction in the amount of Controllable Waste generated in the City and delivered to the Waste Infrastructure System by or on behalf of the City which may result from any such source separation or recycling program shall cause the City any liability hereunder (other than potential adjustment to the Contract Rate to the extent provided in Article IV hereof) and shall not constitute a breach of this Agreement.

(C) Waste Delivered to Transfer Station. All Residue from any processing of Controllable Waste by materials recovery, composting, recycling or other means, wherever performed, shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Where City Acceptable Waste is processed at a facility which concurrently processes other Acceptable Waste in a manner which produces commingled residue which cannot be traced to a geographic source, generic residues from such facility in Tonnage equal to the residues that would have

been produced had City Acceptable Waste only been processed at the facility shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Any City Acceptable Waste or material derived or segregated therefrom which is held in storage and asserted by the possessor thereof to constitute Recycled City Acceptable Waste awaiting sale or distribution to the secondary materials markets shall constitute Controllable Waste if, when and to the extent that the storage or diversion thereof can be reasonably deemed to constitute an evasion of the Waste Disposal Covenant rather than generally recognized, accepted and prevailing practice in the Southern California materials recovery and recycling industry conducted in accordance with Applicable Law. In order for the owner and/or operator of a transfer station to be entitled to deliver Acceptable Waste from a Participating City to the Waste Infrastructure System for the Contract Rate as provided in Article IV, such owner and/or operator must execute a direct agreement with the County, acknowledging and agreeing to comply with the obligation of the Participating City to cause the delivery of all Controllable Waste to the Waste Infrastructure System pursuant to this Agreement. In addition, the County shall be authorized to implement procedures to determine if Acceptable Waste delivered by the owners or operators of Transfer Stations is entitled to utilize the Waste Infrastructure System for the Contract Rate. Such procedures may include requiring Transfer Stations to certify, under penalty of perjury, the source of any such Acceptable Waste. If necessary, the County may require that, in order to qualify for use of the Waste Infrastructure System for the Contract Rate, Transfer Stations must deliver Controllable Waste in loads containing only Controllable Waste, and not commingled with Acceptable Waste from entities which are not Participating Cities or Participating Independent Haulers.

(D) Power to Obligate Waste Disposal and Comply with this Agreement. On or before the Commencement Date, (i) any City franchise, contract, lease, or other agreement which is lawfully in effect relating to or affecting Controllable Waste shall provide, or shall have been amended to provide, that the City shall have the right without material restriction on and after the Commencement Date to direct the delivery of all Controllable Waste to the County Waste Infrastructure System (whether or not such Controllable Waste is delivered to a transfer station as an intermediate step prior to landfill disposal) and otherwise to comply with its obligations under this Agreement with respect to Controllable Waste and Franchise Haulers, and (ii) the City shall designate the Waste Infrastructure System as the disposal location pursuant to such franchise, contract, lease or other agreement. On and after the Commencement Date and throughout the Term of this Agreement the City (a) shall not enter into any franchise, contract, lease, agreement or obligation, issue any permit, license or approval, or adopt any ordinance, resolution or law which is materially inconsistent with the requirements of the Waste Disposal Covenant, and (b) shall maintain non-exclusive or exclusive franchises or other contractual arrangements over any City Acceptable Waste which, as of the Contract Date, is subject to non-exclusive or exclusive franchise or other contractual arrangements. The City agrees that the County shall be a third party beneficiary of the obligation of Franchise Haulers to deliver Controllable Waste to the Waste Infrastructure System, and may directly enforce such obligation through any legal means available. The City shall notify in writing each Franchise Hauler of the County's third party beneficiary rights.

(E) Controllable Waste Flow Enforcement.

(1) The City, in cooperation with the Department, shall establish, implement, carry out and enforce a waste flow enforcement program which is sufficient to assure the delivery of all Controllable Waste to the Waste Infrastructure System pursuant to and in accordance with the Waste Disposal Covenant for Controllable Waste disposal at the times and in the manner provided herein. The waste flow enforcement program shall consist of amending City franchises, permits or authorizations with all Franchise Haulers, to the extent required by this Section and to the extent allowed by law, and shall include in addition, to the extent necessary and appropriate in the circumstances to assure compliance with the Waste Disposal Covenant, but shall not be limited to:

- (i) licensing or permitting Franchise Haulers, upon the condition of compliance with the Waste Disposal Covenant,
- (ii) providing for and taking appropriate enforcement action under any such franchise, license, or permit, such as but not limited to the suspension, revocation and termination of collection rights and privileges, the imposition of fines or collection of damages, and the exercise of injunctive relief against non-complying Franchise Haulers and
- (iii) causing any Transfer Station to which Controllable Waste is delivered for processing to deliver certification, under the penalty of perjury, of the amounts of Controllable Waste received and Residue remaining from processing at such Transfer Station.

(2) The City acknowledges and agrees that in the event of a breach of the Waste Disposal Covenant by the City, the City shall pay the County an amount equal to the amount that the City would have been required to pay to the County had the Waste Disposal Covenant not been breached, which shall be calculated by: (1) subtracting the

number of tons actually delivered during the month(s) of the breach from the number of tons that were delivered during the same month(s) closest in time when there was no such breach, even if such month(s) closest in time was prior to the Term, and (2) multiplying such amount by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2). In the event that the County terminates the Agreement as a result of such breach, the damages due as a result of such termination shall be equal to the average monthly deliveries by the City for the twelve (12) months prior to the commencement of the breach multiplied by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2), multiplied by the number of months that would have remained in the Term of the Agreement had the termination not occurred. The parties recognize that if the City fails to meet its obligations hereunder, the County will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of such damages. Therefore, the parties agree that the damages specified above represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date hereto, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

(F) Legal Challenges to Franchise System. The City shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant against any challenge thereto, legal or otherwise (including any lawsuits against the City or the County, whether as plaintiff or defendant), by a Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The City shall bear the cost and expense of any such Legal Proceeding or other challenge. In the event any such Legal Proceeding relating to the Waste Disposal Covenant or the City's exercise thereof establishes in a final determination that such covenant or exercise thereof is void, unlawful or unenforceable, or if any Franchise Hauler fails to deliver Controllable Waste to the Waste Infrastructure System in breach of its franchise with the City on the grounds that a judicial determination made by any court or other Applicable Law has rendered its obligation to deliver Controllable Waste to the Disposal System void, unlawful or unenforceable on any legal grounds, with the result that actual waste deliveries to the Disposal System fall below the Cumulative Tonnage Targets, the County shall be entitled to avail itself of the remedies described in Section 4.2(B) hereof.

(G) Franchise Haulers. The City shall compile and provide the Department with the following information concerning all Franchise Haulers: name, address and phone number; identification number; area of collection and transportation; and franchise and permit terms.

(H) Waste Information System. The City shall cooperate with the Department in collecting information and otherwise monitoring Franchise Haulers in order to assure compliance with this Agreement, the Act, Organics Legislation, or other Applicable Law. Such information may include information such as, data pertaining to Controllable Waste collected, transported, stored, processed and disposed of, Recycled City Acceptable Waste collected, transported, stored, processed and marketed or disposed of, Controllable Organic Waste collected, stored, processed and marketed or disposed of, Franchise Haulers' franchise, permit or license terms, collection areas, transportation routes and compliance with Applicable Law; and all other information which may reasonably be required by the Department in connection with this Agreement. The City agrees to include in any revised franchise, contract, license or permit or other authorization granted to Franchise Haulers an obligation of the Franchise Hauler to provide to the County information relating to the Controllable Waste collected by such Franchise Hauler, including origins from which such Controllable Waste was collected (identifying Controllable Organic Waste, Recycled City Acceptable Waste, or as otherwise may be required under this Agreement or under Applicable Law), tonnage by type of load (residential, commercial, roll-off box), customer service levels, tonnage delivered by transfer station or material recovery facility utilized, and other related information.

(I) City Actions Affecting County. The City agrees to carry out and fulfill its responsibilities under this Agreement and Applicable Law so as to permit full and timely compliance by the County with its covenants and agreements with the State. In particular, the City agrees not to conduct, authorize or permit any disposal services for Controllable Waste to be provided in competition with the Disposal Services provided by the County hereunder, and not to take or omit to take any action with respect to Controllable Waste, its collection, transportation, transfer, storage, treatment, processing, or disposal that may materially and adversely affect the County's ability to achieve such timely compliance. Notwithstanding the foregoing, the City shall not be required to deny any permit or license or refuse to grant any approval while exercising its police powers.

(J) No Right of Waste Substitution. Nothing in this Agreement shall authorize or entitle the City to deliver or cause the delivery to the Waste Infrastructure System of Acceptable Waste or Acceptable Organic Waste originating from or generated outside the jurisdiction of the City, nor obligate the County to receive or dispose of any such Acceptable Waste or Acceptable Organic Waste. The City shall not assign in whole or in part its right to deliver or cause to be delivered Controllable Waste or Controllable Organic Waste to the County hereunder, and shall not permit any Acceptable Waste or Acceptable Organic Waste originating from or generated outside the jurisdiction of the City to be substituted for Controllable Waste or Controllable Organic Waste for any purpose hereunder.

(K) Annexations and Restructuring. It is the intention of the parties that this Agreement and the obligations and rights of the City hereunder, including particularly the Waste Disposal Covenant and the Contract Rate, shall, to the extent permitted by Applicable Law, extend to any territory annexed by the City (or any territory with respect to which the City assumes solid waste management responsibility from a Sanitary District or other public entity) and shall bind any successor or restructured Governmental Body which shall assume or succeed to the rights of the City under Applicable Law.

SECTION 3.2 PROVISION OF WASTE INFRASTRUCTURE SERVICES BY THE COUNTY.

(A) Service Covenant. Commencing on the Commencement Date, and subject to available Waste Infrastructure System capacity, the County shall provide or cause the provision of the service of receiving and disposing of all Controllable Waste at the Waste Infrastructure System, and, in accordance with subsection 3.3(C) hereof, disposing of Unacceptable Waste inadvertently accepted at the Disposal System. The County, to the maximum extent permitted under Applicable Law, shall use its best efforts to increase source reduction, materials recovery, recycling, organic processing or other waste diversion in the region as may be required by law or which result in the long-term preservation of landfill disposal capacity and to keep the Waste Infrastructure System open for the receipt of Acceptable Waste for disposal or transfer of Controllable Waste pursuant to this Agreement. The County shall do and perform all acts and things which may be reasonably necessary or desirable in connection with its covenants in this subsection, including without limitation all planning, development, administration, implementation, construction, operation, maintenance, management, financing and contract work related thereto or undertaken in connection therewith. The County shall exercise all reasonable efforts to minimize the costs incurred in complying with the Service Covenant consistent with its responsibilities hereunder and under this Agreement, Applicable Law and prudent solid waste management practice and environmental considerations.

(B) Source-Separated Household Hazardous Waste. The County shall maintain, as part of the Waste Infrastructure System, a Source-Separated Household Hazardous Waste Disposal System for the disposal of Source-Separated Household Hazardous Waste. The disposal service provided by such system shall constitute part of the Disposal Services, and shall be available to Participating Cities as part of the Contract Rate. The County may impose additional fees and charges for new services relating to Source-Separated Household Hazardous Waste or with respect to cities which are not parties to an Agreement. The County may provide for the expansion, contraction or modification of the Source-Separated Household Hazardous Waste Disposal System and its services to the extent necessary to ensure the Waste Infrastructure System's viability.

(C) Designated Facilities. County and City will coordinate in determining the primary landfill used for disposal and processing of Controllable Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Waste Infrastructure System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within twenty four (24) hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the landfill used by the City as soon as possible. In the event a situation, event or circumstance results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Waste Infrastructure System the County shall have the right to redirect Controllable Waste to another landfill within the Waste Infrastructure System for the duration of the situation, event or circumstance; provided, however, that in such circumstances the County shall utilize reasonable efforts to first redirect waste which is not Controllable Waste. In no event shall the County be required to accept Controllable Waste if it does not have sufficient permitted disposal capacity within the Waste Infrastructure System.

(D) Compliance with Service Covenant Not Excused for any Reason. Commencing on the

Commencement Date, and subject to the terms of this Agreement, the obligations of the County to duly observe and comply with the Service Covenant, in accordance with Applicable Law, shall apply continuously and without interruption for the Term of this Agreement. In the event that any Change in Law, situation, event or other Uncontrollable Circumstance impairs or precludes compliance with the Service Covenant by the means or methods then being employed by the County, the County shall use best efforts to implement alternative or substitute means and methods to enable it to satisfy the terms and conditions of the Service Covenant. In the event that a Change in Law precludes the County from complying with such covenants with the means or methods then being employed and from utilizing any alternate or substitute means or methods of compliance, the County shall continuously use all reasonable efforts to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the County lawfully to resume compliance with such covenants as soon as possible following the Change in Law.

County failure to duly observe and comply with the Service Covenant due to its efforts to comply with Applicable Law, shall not constitute a breach under this Agreement, and shall excuse County performance to the extent necessary to comply with Applicable Law.

If the alternative or substitute means and methods proposed for the County to observe and comply with the Service Covenant are more costly than the previously used means and methods, County shall be entitled to a corresponding Contract Rate increase to cover any associated additional costs pursuant to the provisions of Section 4.2 of this Agreement.

SECTION 3.3 COUNTY RIGHT TO REFUSE WASTE.

(A) Right of Refusal. Notwithstanding any other provision hereof, the County may refuse delivery of:

- (1) Hazardous Waste;
- (2) Controllable Waste delivered at hours other than those provided in Section 3.5 hereof;
- (3) Waste that does not constitute Acceptable Waste;
- (4) Acceptable Waste delivered by City but originating from or generated outside the jurisdiction of the City;
- (5) Controllable Waste consisting primarily of construction and demolition debris or inert material which may cause a particular facility's daily tonnage limit to be exceeded;
- (6) Acceptable Waste in excess of permitted limits; and
- (7) Acceptable Waste that would result in County violating Applicable Law.

(B) Identification of Unacceptable Waste. The Department shall have the right (but not the duty or the obligation) to inspect the vehicles of all Franchise Haulers delivering material to the Waste Infrastructure System, and may require that the Franchise Hauler remove any Unacceptable Waste from such vehicle before it is unloaded. If the Department determines that it is impractical to separate Controllable Waste from Unacceptable Waste in any vehicle, or if the Franchise Hauler delivering such waste is unwilling to make such separation, or if any vehicle is carrying waste which may spill or leak, then the Department may reject the entire vehicle, and the City shall forthwith remove or cause the removal of the entire delivery from the Waste Infrastructure System. The Department may take all reasonable measures to prevent waste from being blown or scattered before and during unloading. The City shall cause the Franchise Haulers to observe and comply with Applicable Law, the operating rules and regulations of the Department, and the provisions of this Agreement prohibiting the delivery of Unacceptable Waste to the Waste Infrastructure System.

(C) Hazardous Waste and Hazardous Substances. The parties acknowledge that the Waste Infrastructure System has not been designed or permitted to accept Hazardous Waste or Hazardous Substances, and is

not intended to be used in any manner or to any extent, for the handling, transportation, storage or disposal of Hazardous Waste, Hazardous Material or Hazardous Substances. Neither the County nor the City shall countenance or knowingly permit the delivery of Hazardous Waste or Hazardous Substances to the Waste Infrastructure System. City shall be responsible for the costs of removal, and any regulatory fines, associated with the knowing delivery of any Hazardous Substances to the Waste Infrastructure System by the City or its Franchise Hauler.

(D) Disposal of Unacceptable Waste and Hazardous Waste. If Unacceptable Waste or Hazardous Waste is discovered in a vehicle at any facility within the Waste Infrastructure System, the driver of the vehicle will not be permitted to discharge the load. If a vehicle is observed unloading Unacceptable Waste or Hazardous Waste in the tipping area of a facility within the Waste Infrastructure System Department personnel will use reasonable efforts to assure that such material has been characterized, properly secured and its disposition resolved. The return or reloading onto the delivery vehicle of any Hazardous Waste, Prohibited Medical Waste or other waste requiring handling or transportation shall be conducted in accordance with Applicable Law. Whenever Hazardous Waste is detected at any facility within the Waste Infrastructure System, the Department shall take immediate action in accordance with Applicable Law.

SECTION 3.4 UNINCORPORATED AREA ACCEPTABLE WASTE.

Commencing on the Commencement Date, the County in accordance with Applicable Law shall provide or cause to be provided the service of disposing of non-recycled Acceptable Waste originating or generated within the Unincorporated Area and, with respect to such material, shall comply with the Waste Disposal Covenant as if the County constituted a City subject to the Waste Disposal Covenant hereunder. Rates charged by the County for the disposal of each class of non-recycled Acceptable Waste generated in the Unincorporated Area shall be the same as the Contract Fee charged for the disposal of each class of Controllable Waste. The County shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area) against any challenge thereto, legal or otherwise, by a Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The County shall bear the cost and expense of any such Legal Proceeding or other challenge (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area).

SECTION 3.5 MISCELLANEOUS OPERATIONAL MATTERS.

(A) Operating Hours. The County shall keep the Waste Infrastructure System open for the receiving of Acceptable Waste during such regular operating hours as may be established by the Department in the operating rules and regulations applicable to the Waste Infrastructure System. The County reserves the right to modify the operating days and hours to comply with Applicable law or as otherwise may be deemed necessary by the County.

(B) Scales and Weighing. The Department shall operate and maintain permanent scales at the Waste Infrastructure System as required by Applicable Law. The Department shall weigh all vehicles delivering waste by or on behalf of the City (whether or not the County accepts such waste) and prepare a daily weight record with regard to such delivery.

(C) Service Coordinator. The County and the City each shall designate in writing thirty (30) days prior to the expected Commencement Date a person to transmit instructions, receive information and otherwise coordinate service matters arising pursuant to this Agreement (each a "Service Coordinator"). Either Party may designate a successor or substitute Service Coordinator at any time by notice to the other Party.

(D) Review of Records. Each Party may review the other Party's books and records with respect to matters relevant to the performance by either Party under this Agreement or otherwise related to the operation of the Waste Infrastructure System to the extent allowed under the California Public Records Act (interpreted as if the Parties to this Agreement were natural persons for purposes of the Public Records Act).

SECTION 3.6 OTHER USERS OF THE DISPOSAL SYSTEM.

(A) On or Before April 30, 2026, the County shall have the right to enter into WISE Agreements with Orange County entities with respect to Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the County, including other cities in the County, Special Districts, Sanitary Districts, Franchise Haulers and Independent Haulers. Agreements entered into during this period shall have terms

and provisions substantially identical to the terms and provisions of this Agreement; provided, however, that in no event shall such agreements have terms and provisions more favorable than the terms and provisions of this Agreement (including but not limited to the Contract Rate and availability of disposal capacity).

(B) After April 30, 2026, the County shall have the right to enter into WISE Agreements with Orange County entities, including any city, Special Districts, Sanitary Districts, Franchise Haulers and Independent Haulers, or otherwise accept Acceptable Waste from such parties, but only within the limitations contained in this Section. Any such agreement or waste acceptance agreement must provide that the party delivering waste shall pay a Disposal Rate at least 10% higher than the Contract Rate unless the County determines it is in the best interest of the Waste Infrastructure System to establish a Disposal Rate less than 10% higher than the Contract Rate. In no event shall the Disposal Rate be less than the Contract Rate. In addition, the County shall reserve the right in any such agreement to at any time, to the extent permitted by Applicable Law, refuse to receive and dispose of Acceptable Waste from any city, Special District, Sanitary District, Franchise Hauler and Independent Hauler if and to the extent that such receipt and disposal might materially and adversely affect the ability of the County to comply with its obligations to the Participating Cities under the WISE Agreements to which each is a party.

(C) Posted Disposal Rate. The Posted Disposal Rate shall at all times be at least 10% higher than the Contract Rate.

(D) Self-Haulers. The City and the County acknowledge that Self-Haulers shall be entitled to deliver Self-Hauled Waste to the Waste Infrastructure System, on a non-contract basis, at the Posted Disposal Rate. Such Self-Haulers shall not be entitled to dispose of Acceptable Waste for the Contract Rate.

(E) Receipt of Imported Acceptable Waste on a Contract Basis. The County shall have the right to enter into Importation Agreement(s) with any public or private entity for the delivery of Imported Acceptable Waste on terms and conditions that the County determines to be necessary to ensure and enhance the viability of the Waste Infrastructure System and to generate Net Import Revenues. In no event shall such Importation Agreements, entered into after the Commencement Date, include a per ton tipping fee or Disposal Rate for Imported Acceptable Waste that is less than the Contract Rate. The County certifies that in its good faith judgment the contract or other agreement for the delivery of such waste will not materially and adversely affect the ability of the County to receive and dispose of Acceptable Waste from the Participating Cities in accordance with the applicable WISE Agreements throughout the Term thereof; and, should the delivery of waste subject to Importation Agreements adversely affect the County's ability to receive and dispose of Controllable Waste from Participating Cities the County will prioritize receipt and disposal of Controllable Waste delivered pursuant to applicable WISE Agreements.

(F) Application and Use of Revenues From Other Users.

(1) County Acceptable Waste: Throughout the Term hereof, all revenues received by the County from the disposal or processing of County Acceptable Waste into the Waste Infrastructure System (including Surcharges, and any and all fine, penalty, liquidated damages or other damages, grants, awards or revenue received by the County in connection with the Waste Infrastructure System), shall be deposited by the County in the County OC Waste & Recycling Enterprise Fund and shall constitute revenues of the Waste Infrastructure System.

(2) Imported Acceptable Waste: Throughout the Term hereof, all revenues received by the County, pursuant to an Importation Agreement, for the disposal or processing of Imported Acceptable Waste into the Waste Infrastructure System (including Surcharges, and any and all fine, penalty, liquidated damages or other damages or revenue received by the County in connection with the Waste Infrastructure System), shall first be applied toward all of the costs attributable to the acceptance and management of such Imported Acceptable Waste into the Waste Infrastructure System. Costs attributable to the disposal of Imported Acceptable Waste include, but are not limited to, deposits to the Environmental Fund, deposits to closure and post-closure reserves, Host Fees (if applicable), incremental operating costs (such as manpower expenditures, equipment, services and supplies expenditures), State surcharges, regulatory fees, charges or penalties, and a pro rata share of capital project costs. Revenue remaining after costs attributable to the disposal and management of Imported Acceptable Waste shall be considered "Net Import Revenues" and shall be calculated and distributed as follows:

(i) Calculation: Net Import Revenues are estimated to be 30% of the revenues received

by the County from the disposal of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Waste Infrastructure System are located.)

(ii) Distribution: Net Import Revenues shall be distributed as follows;

- a. 50% of any Net Import Revenues shall be paid to the County General Fund.
- b. 50% of such Net Import Revenues shall be paid to the Participating Cities (and to the County, with respect to the unincorporated area) listed in Appendix 1 for use for any purpose by the Participating City, including but not limited to State mandated solid waste programs. Payments of such amount to the County General Fund and the Participating Cities shall be made by the County within ninety (90) days after the end of each fiscal year. The portion of Net Import Revenues specified above payable to the Participating Cities shall be apportioned in the percentages set forth in Appendix 1.
- c. The percentages set forth in Appendix 1 with respect to each Participating City shall be annually reviewed and adjusted every five (5) years by the County to reflect the percentage of deliveries of Acceptable Waste from each Participating City averaged over the last five (5) years. The County shall notify Participating Cities of the revised percentages in Appendix 1 within one hundred and twenty (120) days of the end of each fiscal year.

SECTION 3.7 COUNTY PROVISION OF WASTE DIVERSION SERVICES.

(A) County-Wide Recycling and Diversion Services. Unless otherwise specifically provided in this Agreement, County is not required to provide for any source reduction, materials recovery, recycling, organic processing or other waste diversion services under this Agreement. However, County may choose to provide County-Wide Recycling Services funded through the County OC Waste & Recycling Enterprise Fund at its sole discretion on the condition that provision of said services shall be funded in a manner that does not impact the Contract Rate without first going through the process outlined in Section 4.2 and expressly agreed to by 50% of Participating Cities.

(B) Organic Processing and Diversion Services. The County has developed Organics Infrastructure and programs available to interested Cities intended to assist Cities in meeting their diversion and Organic Legislative Recycled Organic Waste Procurement goals and to promote the processing and diversion of Organic Waste into compost or other material that qualifies as diversion under Applicable Law. Cities interested in receiving County provided Organic Processing Services may enter into the separate Organic Services Agreement (“OSA”) provided in Appendix 5 of this Agreement.

(C) Food Waste Processing and Diversion. County is in the process of evaluating the options and feasibility of development of a Commercial Food Waste Processing Infrastructure. If developed, Cities will be provided an opportunity to participate in this service on terms which shall be separately agreed upon by the Parties.

(D) Edible Food Recovery Programs. County is in the process of evaluating the options and feasibility of development of regional County-wide edible food recovery programs to assist Cities in meeting State mandated goals. The intent of Edible Food Recovery to address the food hierarchy and wasted food scale on a regional level through collaboration of all jurisdictions, key local, State and federal stakeholders, the non-profit sector and business sector. City agrees to reasonably cooperate with County efforts and collaborate on data analysis and reporting to provide jurisdictions reports for compliance under SB 1383. If developed, Cities will be provided an opportunity to participate in this service on terms which shall be separately agreed upon by the Parties.

(E) Recycling Market Development Zone (“RMDZ”) Program. The RMDZ program, administered by the California Department of Resource Recycling and Recovery (CalRecycle), combines recycling with economic development to support business that use materials from the waste stream to manufacture their products. The program offers loans, technical assistance and product marketing to eligible businesses located within designates zones. City agrees to reasonably cooperate and collaborate with County in support of the RMDZ program.

(F) Separate City-County Diversion Service Agreements. Nothing in this Agreement is intended to limit the right of the County to enter into a separate agreement with the City or any other person to provide source reduction, materials recovery, recycling, composting or other waste diversion services. Any such program conducted by the County, whether in participation with the City, any other of the Participating Cities, other Cities, Special Districts, Sanitary Districts, Franchise Haulers, Independent Haulers, Unincorporated Area or non-County entity, shall be operated, managed and accounted for as a program separate and distinct from the Disposal Services program contemplated by the WISE Agreements and shall not be funded through the general revenues of the Disposal System.

ARTICLE IV CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF CONTRACT RATE. The City acknowledges that the County shall have the right to charge and collect a Contract Rate for the acceptance, disposal, and processing of Controllable Waste delivered to the Waste Infrastructure System by City or its Franchise Hauler. The Contract Rate shall be calculated and established, and may be modified, as provided in Section 4.2 hereof. In addition, the City acknowledges that the County shall have the right to establish as part of the operating rules and regulations reasonable measures to secure the payment of all Contract Rates.

SECTION 4.2 CONTRACT RATE.

(A) Establishment of Contract Rate. The Contract Rate payable by each City or Franchise Hauler shall be a three (3) year progressive Contract Rate of **\$67/ton** (July 1 2026 through June 30, 2027), **\$74/ton** (July 1, 2027 through June 30, 2028), and **\$81/ton** (July 1, 2028 through June 30, 2029) and contingent on the delivery to the Waste Infrastructure System of an amount of City Acceptable Waste at least equal to the Cumulative Tonnage Targets identified in Appendix 2, and subject to adjustment necessary to reflect the circumstances set forth in this Section 4.2 including but not limited to:

(i) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Uncontrollable Circumstances, other than Changes in Law;

(ii) costs incurred by the County (in excess of available insurance proceeds and amounts available in the Environmental Fund for such purposes) remediating environmental conditions at the Disposal System or inactive or closed disposal sites in the County, which, if uncorrected, could give rise to potential claims under CERCLA or related federal or State statutes, including costs incurred providing indemnification to any Participating City pursuant to subsection 7.3;

(iii) tonnage shortfalls to the extent permitted by Sections 4.2(B);

(iv) County determination that the Department revenue is insufficient to meet Full Cost Recovery requirements.

(v) increased costs incurred by the County due to the occurrence of one or more Changes in Law;

(vi) Capital Costs in excess of the Capital Costs at any point in time during the term hereof exceeding the Cumulative Capital Costs set forth in Appendix 3;

(vii) Provision of new or expanded services, provided on terms as agreed to by the Parties.

Prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (i), (ii), (iii) (iv) or (vi) above, the County shall utilize the following remedies in the following order of priority:

(1) reduce the costs of operating the Disposal System to the extent practicable; and

(2) at the sole discretion of the County, utilize Unrestricted Reserves to pay costs of the Waste Infrastructure System.

The County will not be required to utilize such remedies prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (v) or (vii) above.

Any adjustments to the Contract Rate permitted by this Section shall be calculated by the County to reflect the actual costs or expenses of addressing the circumstance or circumstances pursuant to which the adjustment is authorized. The County agrees that, where appropriate, it will evaluate the feasibility of long-term financing for significant capital costs. Notwithstanding the forgoing, no adjustment to the Contract Rate shall occur as a result of costs associated with the programs identified in Section 3.7, without first going through the process outlined in Section 4.2 and expressly agreed to by 50% of Participating Cities.

(B) County Acceptable Waste Shortfall. In the event that the actual amount of County Acceptable Waste delivered to the Disposal System at the end of any Contract Year is less than the Cumulative Tonnage Target for such Contract Year for County Acceptable Waste, as specified in Appendix 2, the County shall utilize the following options, in the following order of priority, in order to remedy any adverse effects of such tonnage shortfall:

- (i) reduce the costs of operating the Waste Infrastructure System to the extent practicable;
- (ii) at the sole discretion of County, utilize Restricted Reserves described in clause (iii) of Section 4.5 to pay costs of the Waste Infrastructure System;
- (iii) at the sole discretion of County, utilize Unrestricted Reserves to pay costs of the Waste Infrastructure System; and
- (iv) adjust the Contract Rate.

In the event that implementation of the steps described above does not result in sufficient revenues to satisfactorily address the shortfall in tonnage, the County shall have the right to terminate the Agreement on one-hundred eighty (180) days written notice to the City. In addition, in the event that Waste Infrastructure expenses are lower than estimated or actual deliveries to the Disposal System exceed the Cumulative Tonnage Target as of the end of any Contract Year, the City acknowledges the County shall have the right to establish reserves intended to reflect the potential for lower than expected annual waste deliveries in subsequent years, and that any such reserves shall constitute "Restricted Reserves".

(C) [RESERVED]

(D) Interim Use of Remedies. In the event that, during any Contract Year, waste deliveries to the Disposal System are 25% or more below delivery projections for such Contract Year with the result that the County determines it is unlikely that the Cumulative Tonnage Target will be achieved as of the end of such Contract Year, the County may utilize the remedies described in Section 4.2(B) prior to the end of such Contract Year; provided, however, that if at the end of such Contract Year, the Cumulative Tonnage Target is actually met, the County shall reimburse any adjustments to the Contract Rate made pursuant to this Section to Participating Cities. Such reimbursement shall occur in a manner as agreed between the parties, and may be given as a credit or adjustment to the Contract Rate for future deliveries, rather than a lump sum payment.

(E) Special Charges. Notwithstanding Section 4.2(A), the County shall have the right to establish special charges for the provision of new or expanded services or the receipt of hard to handle materials, such as bulky materials, construction and demolition debris, tree stumps and sludge. Should the County wish to provide new or expanded services to Cities, it may charge for such services upon agreement of City. Special charges shall be calculated to reflect the reasonable incremental costs to the County of providing the new or expanded services or accepting such hard to handle materials.

Adjustments pursuant to this Section 4.2(E) shall not require compliance with the provisions of Section 4.2(I)

(F) Annual CPI Escalation. Subject to the application of the Contract Rate True-up (provided

below), the Contract Rate shall be adjusted each July 1, beginning 2029, in an amount equal to the percentage change in the CPI (as defined above) as measured from the October twenty one (21) months prior to the rate adjustment to the October immediately preceding the rate adjustment (the “Annual CPI Adjustment”). For example: The July 1, 2029 Annual CPI Adjustment to the Contract Rate shall be based upon the change in CPI from October 2027, to October 2028, referred to as year 1 and year 2 respectively in the following example.

Formula to calculate percentage change in the Contract Rate based on Annual CPI Adjustment :

Step 1:

$$\left[\frac{\text{October Year 2 CPI}}{\text{October Year 1 CPI}} \right] - 1 = \% \text{ increase in Contract Rate}$$

Step 2: Current Contract Rate x (1+ % increase in Contract Rate) = Contract Rate as of July 1 Year 2

On each April 1, commencing April 1, 2029, the County shall provide the City with notice of the Annual CPI Adjustment to the Contract Rate to be effective the following July 1. Such notice shall contain the calculation of the adjustment set forth above. The County shall calculate the new Contract Rate each year.

In the event that the change in CPI as described above is negative rather than positive, no rate adjustment will be made for that year. No adjustment under this Section 4.2(F) will take place until the October CPI index surpasses the index level as of the October immediately preceding the last annual rate adjustment pursuant to this Section 4.1(F), which will be considered “year 1” in calculating the change in the Contract Rate.

For example, if the change in CPI is measured as follows: October 2027 = 205, October 2028 = 204, October 2029 = 201, October 2030 = 208, then there would be no adjustment in July 2029, or July 2030, and an adjustment equal to the change from 205 to 208 would be implemented on July 1, 2031.

Contract Rate True-up: On an annual basis, no later than each April 30, beginning April 30, 2030, the County shall conduct an annual review of factors pertaining to the most recently completed fiscal year(s) including but not limited to, tonnage received throughout the Waste Infrastructure System, Cumulative Tonnage Targets identified in Appendix 2, revenue received from all sources, Department expenditures, and other factors that make up Department’s total costs. County shall notify City prior to April 30, 2030 (and every April 30 thereafter) and advise whether the Annual CPI Adjustment to the Contract Rate should be frozen for a period of time (in circumstances where Department revenues exceed Department Full Cost Recovery needs) or to determine whether the Contract Rate should be increased beyond the Annual CPI Adjustment as defined above (in circumstances where Department costs exceed CPI) to ensure that Department revenues meet Full Cost Recovery.

Within thirty (30) days of finalizing each annual review, the County shall transmit its findings and the bases thereof to Participating Cities at the next regularly scheduled OCCMA meeting or other forum mutually agreed to by the County and OCCMA. If requested by the City or OCCMA, the County shall reasonably respond to requests from the City and/or OCCMA for additional information including, but not limited to, requests to meet and discuss reviews, findings, and bases of findings. At the request of 50% of Participating Cities, County agrees to meet and confer in good faith with OCCMA, within sixty (60) days to discuss retention of a consultant acceptable to both the County and OCCMA to conduct an independent review of the County’s annual review findings.

Nothing in this section shall be interpreted as limiting the County’s rights under Section 4.2(A).

(G) Adjustment Resulting from Increased Fees. In addition to the other adjustments specified herein, the Contract Rate shall be adjusted to reflect the imposition of new fees or increase in existing fees relating to the disposal of Controllable Waste imposed by State, federal or other agencies (e.g., the State’s Integrated Waste Management fee, which is currently \$1.40 per ton, but is expected to increase during the term of this Agreement). The adjustment shall be equal to the amount of any new or increased fee, and the adjustment shall take effect so as to coincide with the imposition of the new or increased fee. The County shall provide notice of any increase pursuant to this Section 4.2(G) as soon as practicable after becoming aware of the imposition of any fees described above.

Adjustments pursuant to this Section 4.2(G) shall not require compliance with the provisions of Section 4.2(I).

(H) [RESERVED]

(I) Procedure for Rate Adjustments. In the event the County determines that it is entitled to an adjustment of the Contract Rate pursuant to Section 4.2(A) (other than 4.2(A)(iv)) or Section 4.2(B), it shall utilize the procedures described in this Section 4.2(I). The County shall be required to provide the City with at least ninety (90) days prior written notice of the adjustment, which notice shall identify the specific event(s) or circumstances which require the adjustment. The notice shall also specify the earliest date on which the County Board of Supervisors shall consider the proposed adjustment. At least forty five (45) days prior to such meeting of the Board of Supervisors, the County shall provide the City with a report which shall contain the following information: a description of the specific event(s) or circumstances which require the adjustment; a description (including cost estimates) of any activities (which may include, but not be limited to capital improvements to the Waste Infrastructure System) required in order to remedy such event or circumstance; certification by the County that it has implemented the remedies described in Section 4.2(A) or (B) prior to requiring the rate adjustment; and a description of the methodology used by the County to calculate the adjustment to the Contract Rate (hereinafter the "County Report"). In the event the City disputes the adjustment, it shall provide the County with a written description of the reason for the dispute at least ten (10) days prior to the meeting of the Board of Supervisors identified in the initial notice of the County (hereinafter the "City Report"). The City Report shall be provided to the Board of Supervisors for consideration at such meeting in connection with the proposed rate adjustment. At any time from and after the date that the County provides the City with the County Report, upon the request of either party, the City and County shall meet and confer in good faith to resolve any dispute that may arise regarding the proposed adjustment to the Contract Rate. In any such meeting, the County shall be represented by the Director of the Department or his or her designee. In the event the Board of Supervisors approves all or a portion of the proposed rate adjustment, such rate adjustment shall become effective on the date identified in the initial notice sent by the County regardless of whether or not the procedures in Section 4.2(J) are utilized, but subject to potential reimbursement pursuant to clause (11) of Section 4.2(J).

(J) Procedure for Expedited Judicial Review of Contested Rate Adjustment. In the event that, within thirty (30) days after the effective date of any Contract Rate adjustment made pursuant to Section 4.2(I), Participating Cities which, in the aggregate, accounted for more than 50% of the County Acceptable Waste delivered to the County System in the twelve (12) months preceding the Contract Rate adjustment, provide notice to the County of their election to utilize the procedures described in this Section 4.2(J), then the provisions of this Section 4.2(J) shall be utilized by such Participating Cities and the County to resolve the dispute over the Contract Rate Adjustment. In the event that Participating Cities which have delivered the amount of waste contemplated in the preceding sentence do not provide notice to the County of such election, the County shall have no obligation to participate in or cooperate in the implementation of the procedures described below in this Section 4.2(J).

(1) In order to pursue the expedited judicial determination described in this Section (the "Expedited Rate Determination"), the Participating Cities which have made the election described in the paragraph above (the "Challenging Cities") must commence a civil action for breach of contract (the "Action") in the Orange County Superior Court within forty five (45) days of the date on which the Board of Supervisors approves the challenged adjustment to the Contract Rate.

(2) Within two (2) Court days of filing the Action, the Challenging Cities shall personally serve on the County Counsel, with copy provided to the Clerk of the Board both the summons and complaint, and a stipulation and request for the entering of an order incorporating all of the procedural provisions relating to the Expedited Rate Determination as set forth in this Section 4.2(J) (such stipulation and request for order is hereinafter referred to as the "Expedited Rate Determination Stipulation"). The Expedited Rate Determination Stipulation shall be signed by each of the Challenging Cities, or on behalf of them by their legal counsel.

(3) Within fifteen (15) days of the date of service upon the County of the summons and complaint, and Expedited Rate Determination Stipulation, County Counsel shall execute the Expedited Rate Determination Stipulation and deliver it as well as the County's answer to the complaint in the Action, by electronic means, to the Challenging Cities through their counsel of record. The Stipulation shall also include a waiver by each of the parties of their right to a jury trial of the issues raised in the Action. The Parties agree that the duty to execute the Expedited Rate Determination Stipulation and comply with the procedures set forth for Expedited Rate Determination in this Section 4.2(J) shall be, and are hereby deemed to be, ministerial duties which the law specifically enjoins upon each of them, and shall be subject to enforcement by the parties herein pursuant to Code of Civil Procedure Section 1085, *et seq.*, or by means of a complaint for specific performance.

(4) Within three (3) days of the date of service by the County upon the Challenging Cities of the fully signed Expedited Rate Determination Stipulation, the County and the Challenging Cities shall jointly

make *ex parte* application to the Orange County Superior Court in the Action for the issuance of an order reflecting the procedural requirements and timelines contained in the Expedited Rate Determination Stipulation, provided however, the timelines may be adjusted by the Court as it deems may be needed for its convenience. As part of such *ex parte* application, the County and the Challenging Cities shall expressly seek to confirm with the Orange County Superior Court the briefing schedule, and request a hearing date (effectively a trial date) in accordance with the procedures set forth in this Section 4.2(J).

(5) Within ten (10) days of the date of service by the County upon the Challenging Cities of the answer in the Expedited Rate Determination, the Challenging Cities shall file with the Court and electronically serve upon County Counsel the Challenging Cities' opening brief and the Record in the Expedited Rate Determination. The opening brief shall not exceed 15 pages in length. The Record shall consist of, and be limited to, the record of the proceedings before the Board of Supervisors with respect to the adjustment of the Contract Rate, including but not limited to the County Report and the City Report prepared by each or any of the Challenging Cities pursuant to Section 4.2(I), any materials filed or lodged with the Board of Supervisors and the Orange County Waste Management Commission in connection with its decision, the transcript of the proceedings of the Board of Supervisors meeting(s), and the Orange County Waste Management Commission, the minutes of the Board of Supervisors and the Orange County Waste Management Commission meeting, and the resolution and/or other documentation evidencing the action by the Board of Supervisors and the Orange County Waste Commission to adjust the Contract Rate pursuant to Section 4.2(A) or (B). The record shall also include the most recent reports prepared pursuant to Sections 4.6 and 4.7. The Expedited Rate Determination shall be decided solely on the evidence in the Record, and no extrinsic evidence shall be submitted to or considered by the Court.

(6) Within ten (10) days of service by the Challenging Cities of their opening brief and the Record, the County shall file and electronically serve upon the Challenging Cities' Counsel the County's opposition brief. The opposition brief shall not exceed 15 pages in length.

(7) Within five (5) days of service by the County upon the Challenging Cities of the opposition brief, the Challenging Cities may file and electronically serve upon County Counsel a reply rebuttal brief, which shall not exceed 10 pages in length.

(8) The trial of the Expedited Rate Determination shall be conducted as a law and motion hearing, similar to a hearing on a writ, which shall be conducted at the date set by the Court in connection with the *ex parte* application conducted pursuant to Section 4.2(J)(4), or such other date and time ordered by the Court. If the Court requests the parties to prepare supplemental briefs in response to any question or issue raised by the Court, the parties may do so.

(9) The standard of review for the Expedited Rate Determination shall be the preponderance of the evidence based upon the Record. The burden of proof shall be borne by the Challenging Cities, and the burden of proof shall be the same as with respect to a plaintiff in a damages action for breach of contract. Both parties have participated in the drafting of this Agreement. Accordingly, nothing set forth in this Agreement shall be interpreted or construed for or against either of the parties as a consequence of their participation in the drafting of this Agreement.

(10) The Court shall be advised that the Parties request that it issue a written statement of decision and enter judgment within thirty (30) days of the date of the hearing in the Expedited Rate Determination, although the Parties recognize that the Court has discretion to act as it deems appropriate in accord with applicable laws in connection with the timing thereof.

(11) If the Court determines that any portion of the County's adjusted Contract Rate which is the subject of the Expedited Rate Determination was improperly imposed, the County shall, within thirty (30) days of the date of the statement of decision, reimburse to the City the amount improperly imposed, together with interest calculated at the Overdue Rate. If agreed by the Parties, as an alternative such reimbursement may be made in the form of a reduction in the Contract Rate for a future period (not to exceed twelve (12) months), applied in a manner such that it provides full reimbursement of the amounts described above (including the Overdue Rate, to be applied consistent with provisions of Section 7.14 hereof.)

(12) In the event that the Court does not sign the order contained in the Expedited Rate Determination Stipulation and set the matter for disposition as contemplated herein, the County and the Challenging

Cities shall, within twenty (20) days following the issuance of the Court's order or decision not to do so and thereby honor the parties' stipulation, make application to the Orange County Superior Court for an expedited hearing or trial date. The Challenging Cities and the County shall be bound by all of the requirements and restrictions set forth in Section 4.2(J) that are not in conflict with this paragraph (12). In this regard, and without limiting the foregoing, the only evidence to be presented at the hearing or trial shall be the Record, no testimony shall be presented at the hearing or trial; and both the County and the Challenging Cities waive all rights to a jury trial, to any reconsideration of the decision of the Court, to a new trial after the Court renders a decision, and to any appeal or review of the decision of the Court.

SECTION 4.3 RESPONSIBILITY FOR PAYMENT OF THE CONTRACT RATE, AND OTHER AMOUNTS DUE.

(A) Payment by City. In the event and to the extent (1) the City uses municipal collection forces directly for the haulage of Controllable Waste to the Waste Infrastructure System or (2) the City uses non-municipal Franchise Haulers for collection but nonetheless elects to pay the Contract Rate and other amounts due from City revenues, the City, as its own Franchise Hauler, shall have direct responsibility for payment of the Contract Rate and other amounts due, and shall take all such budgetary, appropriation and other action as may be necessary to provide for the timely payment of the Contract Rate and other amounts due. Such action may include, depending upon the means authorized by the City to provide for such payment, the levy and collection of general or special taxes, the imposition of benefit assessments, or the collection of user fees, generator charges or other similar impositions for municipal solid waste disposal. The City shall use best efforts in accordance with Applicable Law to levy and impose all such taxes, assessments, fees or charges, and will take all steps, actions and proceedings for the enforcement, collection and payment of all such amounts which shall become delinquent, to the full extent permitted by Applicable Law.

(B) Payment by Franchise Haulers. With respect to Controllable Waste delivered by Franchise Haulers on behalf of City other than City municipal collection forces, the obligation to pay the Contract Rate and other amounts due shall rest with such Franchise Haulers. Franchise Hauler shall pay the Contract Rate or other amounts due or any portion thereof when due. In the event of any such failure by Hauler, the County and the City shall cooperate with each other and use their best efforts to obtain timely payment from Franchise Hauler. Such efforts by the County may include, as appropriate, requiring cash payments for disposal rights from such Franchise Hauler and bringing a legal proceeding for payment and damages. Such efforts by the City may include, as appropriate, legal proceedings to suspend, revoke or terminate the Franchise Hauler's franchise, permit or license rights.

(C) Disputes. If the City or the Franchise Hauler disputes any amount billed by the County in any Billing Statement, the City or the Franchise Hauler shall nonetheless pay the billed amount and shall provide the County with written objection within thirty (30) days of the receipt of such Billing Statement indicating the amount that is being disputed and providing all reasons then known to the City or the Franchise Hauler for any objection to or disagreement with such amount. If the City or the Franchise Hauler and the County are not able to resolve such dispute within thirty (30) days after the City's or the Franchise Hauler's objection, either party may pursue appropriate legal remedies.

SECTION 4.4 BILLING OF THE CONTRACT RATE OR OTHER AMOUNTS DUE. The County shall continue to bill Contract Rates and other amounts due after the Commencement Date, in the same manner as it has customarily billed tipping fees. Subject to the other provisions of this Agreement, the County shall have the right to modify or amend such manner of billing on reasonable notice to affected parties.

SECTION 4.5 RESTRICTED RESERVES. For purposes of this Agreement, "Restricted Reserves" means cash and other reserves of the Waste Infrastructure System which are restricted to specific uses or are otherwise being reserved by the County to meet its obligations hereunder throughout the term of the Agreement with respect to the Waste Infrastructure System pursuant to any Applicable Law, contract, adopted budget, budgetary policy of the County with respect to the Waste Infrastructure System, or other arrangement. Such cash and other reserves are not required to be deposited in separate accounts or funds in order to constitute "Restricted Reserves" hereunder, and may be commingled with Unrestricted Reserves or other funds of the County attributable to the Waste Infrastructure System. "Restricted Reserves" shall include, but not be limited to, the following:

(i) reserves for closure of components of the Waste Infrastructure System to the extent required by Applicable Law;

- (ii) amounts reserved by the County for funding of post closure maintenance and monitoring with respect to components of the Waste Infrastructure System;
- (iii) reserves established to protect the Waste Infrastructure System against the adverse financial impact of potential decreases in waste deliveries pursuant to Section 4.2(B);
- (iv) amounts reserved to pay the costs of capital improvements with respect to the Waste Infrastructure System;
- (v) amounts funded from revenues during the early years of the term of the Agreement reserved to enable the County to provide disposal services for the Contract Rate during the later years of the Agreement;
- (vi) amounts temporarily held by the County prior to payment to the State or other Governmental Bodies pursuant to Applicable Law (including any fees or charges payable to CalRecycle);
- (vii) reserves required to meet bond covenants pursuant to financing agreements for Waste Infrastructure System assets to the extent such amounts must be legally separate and distinct from other reserves identified in this Section;
- (viii) security deposits from landfill deferred payment program users;
- (ix) amounts held by the County in the Environmental Fund (provided, however, that such amounts in the Environmental Fund will be made available and used by the County if required to pay costs relating to environmental remediation or other related costs);
- (x) AB 939 surcharges;
- (xi) amounts held by the County in the Corrective Action Fund held pursuant to CCR Title 27 to demonstrate financial assurance to pay for potential groundwater contamination; and
- (xii) an amount equal to three (3) months of budgeted expenses for the Disposal System for the current fiscal year, representing working capital of the Disposal System.

SECTION 4.6 AUDITED FINANCIAL STATEMENTS. The County shall annually, on or before January 1 each year, prepare or cause to be prepared and have on file for inspection an annual report for the preceding Contract Year, accompanied by a certificate of an independent public accountant or of the County Auditor and Controller as to the examination of the financial statements therein (describing such statements as fairly presenting the information therein in conformity with generally accepted accounting principles) relating to the Waste Infrastructure System, services, and the fiscal activities of the OC Waste Disposal Enterprise Fund, and including statements in reasonable detail of the financial condition of the OC Waste Disposal Enterprise Fund as of the end of the Contract Year and revenue and expenses for the Contract Year.

SECTION 4.7 ANNUAL UPDATE OF TEN-YEAR FINANCIAL PROJECTION. The County shall annually, on or before May 1 of each year, prepare or cause to be prepared, an updated Ten-Year Financial Projection for the Waste Infrastructure System. Said Financial Projection shall include at least two full years of prior actual data and ten years of future projections including the following elements:

1. County Acceptable Waste, in tons;
2. Imported Acceptable Waste, in tons;
3. Revenues and expenditures;
4. Cash fund balances, including all monies in the County Solid Waste Enterprise Fund, with specific delineation of monies in the Environmental Fund, Restricted Reserves, Unrestricted Reserves, and all other funds of the System; and
5. Projected liabilities for closure and post closure as well as reasonable reserves for

other environmental costs.

The purpose of the Ten-Year Financial Projection is to keep the City fully informed about the future financial condition of the Waste Infrastructure System. The County shall cause a copy of the Ten-Year Financial Projection to be delivered to the City Manager/General Manager of the City no later than May 1 of each year. Upon request, the County shall make available to the Cities supporting information related to the ten-year financial projection

Within thirty (30) calendar days of finalizing each annual update of the Ten-Year Projection, County shall transmit the Ten-Year Projection via email to the City and OCCMA. If requested by the City or OCCMA, the County shall reasonably respond to requests from the City and/or OCCMA for additional information including, but not limited to, requests to meet and discuss the updated Ten-Year Projections at the next regularly scheduled OCCMA meeting or other forum mutually agreed to by the County and OCCMA.

ARTICLE V BREACH, ENFORCEMENT AND TERMINATION

SECTION 5.1 BREACH. The Parties agree that in the event either Party breaches any obligation under this Agreement or any representation made by either Party hereunder is untrue in any material respect, the other Party shall have the right to take any action at law or in equity (including actions for injunctive relief, mandamus and specific performance) it may have to enforce the payment of any amounts due or the performance of any obligations to be performed hereunder. Neither Party shall have the right to terminate this Agreement except as provided in Section 5.2 and Section 5.3 hereof or as otherwise provided in this Agreement.

SECTION 5.2 CITY CONVENIENCE TERMINATION. The City shall have the right to terminate this Agreement in its sole discretion, for its convenience and without cause at any time during the Term hereof upon ninety (90) days' written notice to the County. If the City exercises its rights to terminate the Agreement pursuant to this Section, the City shall pay the County a termination fee equal to the Contract Rate in effect at the time of such termination (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2) multiplied by the number of tons of City Acceptable Waste delivered to the Disposal System during the preceding twelve (12) months (or, if the City had been in breach of the Waste Disposal Covenant during such prior months, such amount as would have been delivered if the City had complied with the Waste Disposal Covenant), multiplied by the number of years remaining in the Term of the Agreement.

SECTION 5.3 TERMINATION.

(A) By City. Except as expressly provided herein, the City shall have no right to terminate this Agreement for cause except in the event of the failure or refusal by the County substantially to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the City the right to terminate this Agreement for cause under this subsection unless:

(1) The City has given prior written notice to the County stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the County and which will, in its opinion, give the City the right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The County has neither challenged in an appropriate forum (in accordance with Section 5.5) the City's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than ninety (90) days from the date of the notice given pursuant to clause (1) of this subsection (but if the County shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the County is continuing to take such steps to correct such breach).

(B) By County. Except as expressly provided herein, the County shall have no right to terminate this Agreement for cause except in the event of the failure or refusal by the City or its Franchise Hauler to substantially perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the County the right to terminate this Agreement for

cause under this subsection unless:

(1) The County has given prior written notice to the City stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the City and which will, in its opinion, give the County right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The City has neither challenged in an appropriate forum (in accordance with Section 5.5) the County's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than ninety (90) days from the date of the notice given pursuant to clause (1) of this subsection (but if the City shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the City is continuing to take such steps to correct such breach).

SECTION 5.4 NO WAIVERS. No action of the County or the City pursuant to this Agreement (including, but not limited to, any investigation or payment), and no failure to act, shall constitute a waiver by either Party of the other Party's compliance with any term or provision of this Agreement. No course of dealing or delay by the County or the City in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or otherwise prejudice such Party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the County or the City under this Agreement shall preclude any other or further exercise thereof of the exercise of any other right, power or remedy.

ARTICLE VI TERM

SECTION 6.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2036, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the Parties, on or before June 30, 2036 for an additional term of ten (10) years (the "Renewal Term") on the same terms and conditions as are applicable during the Initial Term hereof or on amended terms as may be mutually agreed to by the Parties. The City shall give the County written notice of its election to renew this Agreement on or before June 30, 2035. If the parties do not execute a renewal of this Agreement prior to June 30, 2036 it shall expire.

(C) Contract Rate During Renewal Term. In connection with the parties' right to renew this Agreement for an additional ten-year term pursuant to Section 6.1(C), the parties shall, on or before January 31, 2036 negotiate an applicable change in the Contract Rate for such renewal term. In determining any revisions to the Contract Rate to be applicable during any renewal period, in addition to the circumstances described in Section 4.2(A), the parties may take into consideration the following parameters, including but not limited to:

- (i) actual cost of operations;
- (ii) population growth;
- (iii) increase or decrease in available tonnage;
- (iv) economic and disposal market conditions in the Southern California region;
- (v) new regulatory requirements;
- (vi) Changes in Law;

- (vii) changes in transportation and technology;
- (viii) closure and expansion of nearby landfills;
- (ix) capacity of the Disposal System;
- (x) provision of new and/or expanded services; and
- (xi) available reserves which are in excess of the amount reasonably required as reserves.

(D) Survival; Accrued Rights. The rights and obligations of the parties hereto pursuant to Sections 3.1(E)(2), 5.1, 5.3, 7.2, 7.3, 7.6, 7.7, 7.8, and 7.9 hereof shall survive the termination or expiration of this Agreement, and no such termination or expiration shall limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination or expiration. At the end of the Term of this Agreement, all other obligations of the parties shall terminate.

SECTION 6.2 COMMENCEMENT DATE.

(A) Obligations of the Parties Prior to the Commencement Date. The Parties acknowledge that the Agreements may be executed and delivered on different dates and that, except as provided in this subsection, neither the County nor the City shall be obligated to perform its obligations hereunder until the Participation Threshold provided herein has been met and the other conditions to the occurrence of the Commencement Date have occurred. Prior to the Commencement Date, each Party hereto shall at its own expense exercise good faith and due diligence and take all steps within its reasonable control in seeking to satisfy the conditions to the Commencement Date set forth herein as soon as reasonably practicable. The County and the City, each at its own expense, shall cooperate fully with each other and the other Participating Cities in connection with the foregoing undertaking. Until the Commencement Date occurs, the Original WDAs shall remain in full force and effect until they expire or are terminated.

(B) Condition to the Commencement Date. The Commencement Date for the Agreement shall be the date on which Participating Cities reach the Participation Threshold. Unincorporated County is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with this Section 6.2(b) and Appendix 1 of this Agreement.

(C) Satisfaction of Condition and Commencement Date. Upon the satisfaction or waiver of the condition to the Commencement Date, the County shall give written notice thereof to the Cities which have theretofore executed Agreements. The parties shall thereupon hold a formal closing acknowledging the satisfaction or waiver of the condition to the Commencement Date, certifying that the Commencement Date has occurred and designating the Participating Cities. Copies of all of the documents or instruments constituting or evidencing satisfaction of the Commencement Date conditions shall be furnished to each party prior to or on the Commencement Date.

(D) Newly Incorporated Cities. Any city within Orange County which becomes incorporated after the Commencement Date shall upon request be offered the opportunity by the County to become a Participating City on substantially the same terms and conditions as this Agreement.

(E) Failure of Condition. If by June 30, 2026, or such later date as the County may agree, the condition to the Commencement Date specified in this Section is not satisfied, either party hereto may, by notice in writing to the other party, terminate this Agreement. Neither party shall be liable to the other for the termination of this Agreement pursuant to this subsection, and each of the parties shall bear its respective costs and expenses incurred in seeking to satisfy the condition to the Commencement Date.

ARTICLE VII GENERAL PROVISIONS

SECTION 7.1 OPERATION AND MAINTENANCE OF THE WASTE INFRASTRUCTURE SYSTEM.

The County, at its cost and expense through the County Solid Waste Enterprise Fund, shall at all times operate, or caused to be operated, the Waste Infrastructure System in accordance with Applicable Law and the operating rules and regulations of the Department and other applicable regulatory agencies.

SECTION 7.2 UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused. Except as otherwise specifically provided in this Agreement, neither the County nor the City shall be liable to the other for any failure or delay in the performance of any obligation under this Agreement (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The Party experiencing an Uncontrollable Circumstance shall notify the other Party by telecommunication or telephone and in writing, on or promptly after the date the Party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within fifteen (15) days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be delayed, (3) the estimated amount, if any, by which the Contract Rate may need to be adjusted as a result of such Uncontrollable Circumstance, (4) its estimated impact on the other obligations of such Party under this Agreement and (5) potential mitigating actions which might be taken by the County or City and any areas where costs might be reduced and the approximate amount of such cost reductions. Each Party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the Party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use its best efforts to eliminate the cause therefor, reduce costs and resume performance under this Agreement. In addition, with respect to Changes in Law, the County shall diligently contest any such changes the imposition of which would have a material adverse impact on the Waste Infrastructure System. While the delay continues, the County or City shall give notice to the other Party, before the first day of each succeeding month, updating the information previously submitted.

(C) Impact on Contract Rate. If and to the extent that Uncontrollable Circumstances interfere with, delay or increase the cost to the County of meeting its obligations hereunder and providing Waste Infrastructure Services to the Participating Cities in accordance herewith, the County shall be entitled to an increase in the Contract Rate as provided in Section 4.2 herein or an extension in the schedule for performance equal to the amount of the increased cost or the time lost as a result thereof. The proceeds of any insurance available to meet any such increased cost shall be applied to such purpose prior to any determination of cost increases payable under this subsection. Any cost reductions achieved through the mitigating measures undertaken by the County pursuant to subsection 7.2(B) hereof upon the occurrence of an Uncontrollable Circumstance shall be reflected in a reduction of the amount by which the Contract Rate would have otherwise been increased or shall serve to reduce the Contract Rate to reflect such mitigation measures, as applicable.

SECTION 7.3 INDEMNIFICATION. To the extent permitted by law, the County agrees that, it will protect, indemnify, defend (with counsel selected by County) and hold harmless the City from and against all Loss-and-Expense arising from the City's activity as an "arranger" (for purposes of and as such term is defined under CERCLA or comparable State statutes) of municipal solid waste disposal pursuant to this Agreement. In the event the City shall determine for any reason, other than a disabling conflict of interest, that it wishes to be defended by legal counsel other than the legal counsel provided by the County, the cost of providing such legal counsel shall be the City's sole responsibility. Any costs incurred by the County pursuant to this Section shall be considered an Uncontrollable Circumstance cost and the County shall be entitled to adjust the Contract Rate as provided in subsection 4.2(A) herein. The County shall not, however, be required to indemnify or defend the City from and against all Loss-and-Expense arising from any willful, knowing, illegal or negligent disposal of hazardous waste (other than incidental amounts of Household Hazardous Waste commonly found in municipal solid waste and permitted to be disposed in Class III landfills under RCRA) which violates the County's landfill permits or Applicable Law. The parties agree that this provision constitutes an indemnity under CERCLA (to the extent of the specific provisions of this Section). The parties acknowledge that this subsection is not intended to and does not create any obligation on the part of the County to provide any indemnification or defense to any Franchise Hauler, whether franchised or not, or any Independent Hauler or Transfer Station, under any circumstances. The City acknowledges the County's legitimate interest in actively participating in any defense, litigation or settlement, whether the County or the City provides legal counsel and shall, as a condition to County's provision of this indemnity, coordinate and cooperate fully with the County in the defense of any claims to which this Section applies.

SECTION 7.4 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the

other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 7.5 LIMITED RECOURSE.

(A) To the City. No recourse shall be had to the general funds or general credit of the City for the payment of any amount due the County hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the City's obligations hereunder. If the City maintains a City Solid Waste Enterprise Fund with at least one year's anticipated costs for disposal and processing of City Acceptable Waste the sole recourse of the County for all such amounts shall be to the funds held in any such City Solid Waste Enterprise Fund. All amounts held in any City Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the County. The City shall make adequate provision in the administration of any City Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

(B) To the County. No recourse shall be had to the general funds or general credit of the County for the payment of any amount due the City hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the County's obligations hereunder. The sole recourse of the City for all such amounts shall be to the funds held in the County Solid Waste Enterprise Fund in accordance with the terms of this Agreement. All amounts held in the County Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the City. The County shall make adequate provision in the administration of the County Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

SECTION 7.6 PRE-EXISTING RIGHTS AND LIABILITIES. Nothing in this Agreement is intended to affect, release, waive or modify any rights, obligations or liabilities which any Party hereto may have to or against the other Party as of the Contract Date relating to the receipt of Acceptable Waste in the Waste Infrastructure System or any other related matter.

SECTION 7.7 NO VESTED RIGHTS. The City shall not acquire any vested property, license or other rights in the Waste Infrastructure System by reason of this Agreement.

SECTION 7.8 LIABILITY FOR COLLECTION, TRANSPORTATION AND PROCESSING. Any liability incurred by the City as a result of collecting, transporting or processing of Acceptable Waste, or as a result of causing, franchising, permitting, licensing, authorizing or arranging any of the foregoing, shall be the sole liability of City, except as expressly otherwise provided herein.

SECTION 7.9 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either Party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 7.10 AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly authorized and executed by both Parties.

SECTION 7.11 NOTICE OF LITIGATION. Each Party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Agreement executed by the City or the County or any Legal Entitlement issued in connection herewith.

SECTION 7.12 FURTHER ASSURANCES. At any and all times the City and the County so far as may be authorized by law shall pass, make, do, execute, acknowledge and deliver any and every such further resolutions, acts, deeds, conveyances, instruments, assignments, transfers and assurances as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 7.13 ASSIGNMENT OF AGREEMENT.

(A) Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party hereto without the prior written consent of the other Party, which may be withheld in the other Party's sole discretion. Notwithstanding the foregoing, either Party may assign this Agreement to another public entity, subject to the reasonable consent of the other party. In such circumstances the Party not requesting the assignment shall have the right to demand assurances of the financial, technical and legal ability of the proposed assignee to undertake the responsibilities and obligations of the assigning Party.

(B) Sale. The County shall not enter into any agreement for the sale of the Waste Infrastructure System which provides for an effective date for such sale prior to the termination of this Agreement.

SECTION 7.14 INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenue or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 365-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due, as accrued.

SECTION 7.15 BINDING EFFECT. This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 7.13 hereof.

SECTION 7.16 NOTICES. Any notice or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective Parties set forth on the cover page of this Agreement. Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by notice to the other Party.

Section 7.17 ATTORNEYS FEES. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear their own attorney's fees, costs and expenses.

Signature Page to Follow

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

Date _____

By _____
Leo Medrano, Mayor
City of Cypress

APPROVED AS TO FORM:

By _____
William Wynder, City Attorney

Date _____

APPENDIX 1

ESTIMATED ANNUAL TONNAGE

APPENDIX 1

PERCENTAGE OF COUNTY ACCEPTABLE WASTE ATTRIBUTABLE TO PARTICIPATING CITIES FOR PURPOSE OF SECTIONS 3.6(F) AND 6.2(b)

<i>Jurisdiction</i>	<i>Percentage of County Acceptable Waste</i>
Aliso Viejo	0.82%
Anaheim	14.78%
Brea	2.62%
Buena Park	1.02%
Costa Mesa/Costa Mesa Sanitary District (2)	3.41%
Cypress	0.85%
Dana Point	1.33%
Fountain Valley	1.63%
Fullerton	4.08%
Garden Grove Sanitary District (Garden Grove)	4.74%
Huntington Beach	5.91%
Irvine	9.64%
La Habra	1.72%
La Palma	1.27%
Laguna Beach	1.18%
Laguna Hills	0.89%
Laguna Niguel	1.44%
Laguna Woods	0.28%
Lake Forest	2.14%
Los Alamitos	0.33%
Midway City Sanitary District (Westminster)	2.47%
Mission Viejo	2.33%
Newport Beach	3.58%
Orange	5.25%
Placentia	1.39%
Rancho Santa Margarita	1.03%
San Clemente	2.43%
San Juan Capistrano	2.93%
Santa Ana	9.45%
Seal Beach	0.52%
Stanton	1.47%
Tustin	2.04%
Unincorporated Orange County (1)	3.19%
Villa Park	0.16%
Yorba Linda	1.68%
Total	100%

(1) Unincorporated County Area is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with Section 6.2(b) of this Agreement. For the distribution of Net Import Revenues, the County of Orange shall receive 50% of any Net Import Revenues received in accordance with Section 3.6(F)(2)(i) of this Agreement. The County of Orange shall also receive the Unincorporated Area distribution set forth in this Appendix 1, as periodically modified in accordance with Section 3.6(F)(2)(ii) of this Agreement.

(2) The City of Costa Mesa and the Costa Mesa Sanitation District have separate WISE Agreements. Costa Mesa Sanitation District Acceptable Waste tonnage is based on City of Costa Mesa Acceptable Waste tonnage and Importation Revenue is calculated based on City of Costa Mesa Acceptable Waste tonnage delivered to the Waste Infrastructure System.

(3) NOTE: A participating City will only be included for purposes of determining the Commencement Date upon (i) execution of a WISE Agreement by that Participating City and (ii) execution of a Hauler Acknowledgement(s) by the Franchise Hauler(s) operating within such Participating City.

APPENDIX 2

CUMULATIVE TONNAGE

APPENDIX 2

Cumulative County Acceptable Waste Tonnage Target to be Used for Purposes of Section 4.2(B)

<i>Fiscal Year (Ending June 30)</i>	<i>County Acceptable Waste Tonnage</i>	<i>Cumulative County Acceptable Waste Tonnage</i>
2026	3,343,282	3,343,282
2027	3,278,595	6,621,877
2028	3,029,924	9,651,801
2029	2,982,454	12,634,255
2030	2,411,983	15,046,238
2031	2,261,201	17,307,439
2032	2,225,152	19,532,591
2033	2,181,838	21,714,429
2034	2,187,041	23,901,470
2035	2,219,362	26,120,832
2036	2,224,792	28,345,624

APPENDIX 3

CUMULATIVE CAPITAL COSTS

APPENDIX 3

**CUMULATIVE CAPITAL COSTS
to be Used
for Purposes of Section 4.2(A)vi**

<i>Fiscal Year (Ending June 30)</i>	<i>Annual Capital Costs</i>	<i>Cumulative Capital Costs</i>
2026	\$72,599,664	\$72,599,664
2027	\$79,950,000	\$152,549,664
2028	\$155,135,000	\$307,684,664
2029	\$136,185,000	\$443,869,664
2030	\$41,171,500	\$485,041,164
2031	\$16,745,000	\$501,786,164
2032	\$18,165,000	\$519,951,164
2033	\$36,605,000	\$556,556,164
2034	\$30,100,000	\$586,656,164
2035	\$1,510,000	\$588,166,164
2036	\$25,000,000	\$613,166,164

APPENDIX 4

FRANCHISE HAULER ACKNOWLEDGMENT

FRANCHISE HAULER ACKNOWLEDGMENT

THIS FRANCHISE HAULER ACKNOWLEDGMENT, dated as of APRIL 28, 2026 (the "Acknowledgment"), and between the CITY OF CYPRESS (the "City") and VALLEY VISTA SERVICES, INC., a California corporation, doing business as Valley Vista Services of Orange County (the "Franchise Hauler").

WITNESSETH

WHEREAS, the City and the Franchise Hauler have heretofore entered into an agreement entitled AN EXCLUSIVE FRANCHISE AGREEMENT FOR THE PROVISION OF SOLID WASTE & RECYCLING SERVICES dated as of SEPTEMBER 22, 2014 (the "Franchise"); and

WHEREAS, the City has issued to the Franchise Hauler a permit, license, approval or other authorization the "Authorization") which allows the Franchise Hauler to provide solid waste collection services within the City; and

WHEREAS, the Franchise provides for the collection and disposal of certain municipal solid waste as described therein ("Franchise Waste") generated within the City; and

WHEREAS, the County of Orange (the "County") owns, manages and operates a Waste Infrastructure System that is permitted to accept or process Acceptable Waste for disposal or diversion; and

WHEREAS, the City and the County have heretofore entered into a Waste Infrastructure System Enterprise Agreement (the "WISE Agreement"), dated as of APRIL 28, 2026; and

WHEREAS, the WISE Agreement details responsibilities for disposal of municipal solid waste and may include processing of identified Organic Waste for diversion, generated within the boundaries of the City, and determine that the execution of the WISE Agreement will serve the public health, safety and welfare of the residents of the City and County, by maintaining public ownership and stewardship over the Waste Infrastructure System and providing disposal rate stability, predictable and reliable long-term disposal service, enhanced organics processing to assist the City in meeting its organics diversion requirements, and the continuation of sound environmental management; and

WHEREAS, under the WISE Agreement, the County has agreed to provide long-term disposal of all municipal solid waste generated within the City and may also provide for Organic Waste processing under an OSA and the City has agreed to exercise all legal, and contractual power which it possesses from time to time to deliver or cause the delivery of such waste to the Waste Infrastructure System; and

WHEREAS, the provisions of the WISE Agreement guarantee capacity for the long term disposal and processing of waste at specified rates generated in the City provide significant benefits to the Franchise Hauler;

WHEREAS, notwithstanding any Franchise provisions to the contrary, the Franchise Hauler explicitly acknowledges the aforementioned benefits to the City, the County and the Franchise Hauler in providing for the disposal of all Franchise Waste to the Waste Infrastructure System; and

WHEREAS, the City and the Franchise Hauler desire to enter into this Acknowledgment to assure that the City and the Franchise Hauler will be entitled to the benefits of the WISE Agreement and to assure conformity with the waste delivery obligations which have been agreed to by the City under the WISE Agreement through the delivery of waste by the Franchise Hauler to the Waste Infrastructure System; and

WHEREAS, the Franchise Hauler's agreement to deliver Franchise Waste to the Disposal System under this Acknowledgment is given in consideration of the Franchise Hauler's right to receive the Contract Rate for such disposal and processing as provided in the WISE Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Capitalized terms used and not otherwise defined herein are used as defined in the WISE Agreement.

2. The Franchise Hauler hereby waives any right which it may possess under applicable law to contest on any ground, constitutional, statutory, case law, administrative or otherwise, (a) the right, power or authority of the County or the City to enter into or perform their respective obligations under the WISE Agreement, (b) the enforceability against the County or the City of the WISE Agreement, or (c) the right, power or authority of the City to deliver or cause the delivery of all Controllable Waste to the Disposal System in accordance with this Acknowledgment.

3. The City and the Franchise Hauler each hereby represent that this Acknowledgment has been duly authorized by all necessary action of their respective governing bodies.

4. The Franchise Hauler shall deliver or cause to be delivered all Controllable Waste (including all Residue from the processing by any means, wherever conducted, of Controllable Waste), to the Designated Facility in the Waste Infrastructure System/Disposal System, and shall otherwise assist the City in complying with its obligations under the Waste Disposal Covenant in Section 3.1 of the WISE Agreement.

5. Unless expressly authorized by the Department, the Franchise Hauler shall only haul Controllable Waste to the Designated Facility.

6. The Franchise Hauler shall not haul Controllable Waste to any materials recovery facility, composting facility, intermediate processing facility, recycling center, transfer station or other waste handling or management facility unless the contract or other agreement or arrangement between the Franchise Hauler and the operator of such facility is sufficient in the opinion of the County to assure that the Residue from such facility constituting City Acceptable Waste (or Tonnage equivalencies) and the City Acceptable Waste transferred by such facility shall be delivered to the Disposal System in compliance with the Waste Disposal Covenant.

7. The Franchise Hauler shall pay the Contract Rate imposed by the County for the disposal of all Controllable Waste, which rate shall be subject to potential adjustment necessary to reflect the circumstances set forth in the Agreement.

8. Nothing in this Acknowledgment is intended to restrict any right or responsibility explicitly given the Franchise Hauler in any City Franchise Agreement to recycle City Acceptable Waste, except as provided in paragraph 5 above with respect to Residue from any such recycling operations.

9. The obligations of the Franchise Hauler under this Acknowledgment shall apply notwithstanding any provision of the Franchise which may conflict herewith.

10. This Acknowledgment may be enforced by the City by any available legal means. In any enforcement action by the City, the burden of proof shall be on the Franchise Hauler to demonstrate compliance herewith.

11. This Acknowledgment shall be in full force and effect and shall be legally binding upon the City and Franchise Hauler from the date hereof and shall continue in full force and effect until the earlier of (i) the end of the term of the Franchise or (ii) the end of the Term of the WISE Agreement.

12. The City and Franchise Hauler agree that the County shall be an express third-party beneficiary of this Acknowledgment, and shall be entitled to independently enforce the obligations of the Franchise Hauler hereunder. There shall be no additional third party beneficiaries under this Acknowledgment.

13. The Franchise Hauler agrees to assist the County in verifying tonnage collected by the Franchise Hauler and providing information required by the County. The Franchise Hauler will provide upon request refuse tonnage collected within the County, and outside the County (if relevant to confirming tonnage origination), separated by jurisdiction, by load type (residential, commercial, roll-off box, etc.), and by facility to which it was delivered (specify which landfill or transfer station). Hauler will provide customer service levels and route lists. The Franchise Hauler will cooperate with County audits to verify reported origin of tonnage by making records and personnel available to the County and/or its auditors.

IN WITNESS WHEREOF, the parties have caused this Acknowledgment to be executed by their duly authorized officers or representatives as of 28th day of APRIL, 2026.

CITY OF CYPRESS

Signature: _____

Printed Name: LEO MEDRANO

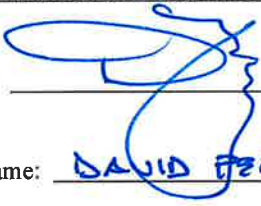
Title: MAYOR

APPROVED AS TO FORM:

By _____
William Wynder, City Attorney

Date _____

VALLEY VISTA SERVICES, INC.

Signature: _____


Printed Name: DAVID PEREZ

Title: PRESIDENT

Appendix 5

ORGANIC SERVICES AGREEMENT

Appendix 5

ORGANIC SERVICES AGREEMENT

Between

THE COUNTY OF ORANGE, CALIFORNIA

and

Dated_____, 2025

County Authorization Date:

City Authorization Date:

County Notice Address:

City Notice Address:

Director
OC Waste & Recycling
601 N. Ross Street 5th Floor
Santa Ana, CA 92701

ORGANIC SERVICES AGREEMENT

THIS ORGANIC SERVICES AGREEMENT (“Organics Agreement” or “OSA”) is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the “County”), and the City designated on the cover page of this Agreement (the “City”). County and City may hereinafter be referred to singularly as “Party” or collectively as “Parties.”.

RECITALS

The County owns, manages and operates a Waste Infrastructure System to manage municipal and solid waste generated within the County of Orange or imported from outside the County pursuant to contractual agreements. The Waste Infrastructure System collectively includes active Class III sanitary landfills (“County Landfills”), resource recovery, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

County Landfills are used for the management of municipal solid waste pursuant to legislation including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the “Act”) and the Short-lived Climate Pollutants Reduction Act (“SB 1383”). County Landfills are also subject to other State and federal regulations designed to ensure that landfill operations minimize the impacts to public health and safety and the environment.

Pursuant to Resolution, the County established the Waste Management Enterprise Fund pursuant to Government Code §25261 to ensure that all costs associated with the operation and management of the Waste Infrastructure System are financed by charges imposed for services provided by the Department and are not funded by tax revenue or the County General Fund.

The City, in the exercise of its police power, its powers under the Act, and other Applicable Law, has entered into a franchise or other agreement with or issued permits or licenses to one or more private haulers for the collection, recycling, diversion and disposal of municipal solid waste generated within the City.

A significant portion of municipal solid waste generated within the City historically has been and currently is delivered by such hauler or haulers to the County for disposal in the Disposal System.

Since 1997, the City and the County have provided for the management of municipal solid waste through Waste Disposal Agreements (“WDAs”), wherein the County agreed to provide disposal capacity for waste generated in the City, and the City agreed to deliver or cause the delivery of waste generated in the City to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of the WDAs.

Starting in approximately 2014, the Legislature of the State of California passed several pieces of legislation (“Organics Legislation”) that require significant reductions in the disposal of Organic Waste. The purpose of the Organics Legislation is to mandate organics recycling and curtail the impacts of climate change by reducing greenhouse gas emissions such as methane. In this regard, the decomposition of organic material in the State’s landfills was identified as a significant source of methane that could be reduced.

Prior to the passage of Organics Legislation, Processed Green Material (“PGM”) could be utilized as Alternative Daily Cover (“ADC”) for landfill operations and qualified for diversion credit. However, passage of Assembly Bill 1594 resulted in PGM used as ADC no longer being eligible for diversion credit starting on January 1, 2020.

In addition to the loss of diversion eligibility for PGM used as ADC, SB 1383 requires a 50% reduction in the disposal of Organic Waste by January 1, 2020 and a 75% reduction of Organic Waste by January 1, 2025. In addition, the law requires 20% of edible food waste be recovered by 2025.

On April 23, 2019, the Orange County Board of Supervisors passed Resolution 19-031 to respond to the State’s increasing landfill diversion requirements and identified the need for additional organic processing infrastructure in the County and directed the Department to develop additional organics recycling infrastructure to support the region in meeting State organic recycling mandates. (See Attachment 4)

To respond to Organics Legislation requirements, the County has developed an Organics Infrastructure that is comprised of organic processing facilities to receive and process Organic Waste to support the State's Organic Legislation goals, promote local recycling, assist local jurisdictions in meeting their organic diversion requirements and correspondingly conserve capacity in the Disposal System.

In their effort to continue the concepts and purposes outlined in the WDAs and respond to Organics Legislation, the City and the County desire to enter into this Organics Agreement, on the terms and conditions set forth herein.

With the exception of the terms and organic specific provisions found in this Organics Agreement, the Parties intend that the provisions of the currently operative WDA and the replacement WISE Agreement that is being negotiated between the County and City are anticipated to become operative on July 1, 2026, be applied to this OSA.

The City has determined that the execution of this Organics Agreement by the City will serve the public health, safety and welfare of the City by providing enhanced organics processing to assist in the City in meeting its Organics Legislation diversion requirements, and the continuation of sound environmental management.

The County has determined that the execution by the County of this Organics Agreement will serve the public health, safety and welfare by providing a stable, predictable and reliable supply of organic material and the resulting service payment revenue to the Organics Infrastructure, thereby enabling the County to plan, manage, operate and finance improvements to the Organics Infrastructure System on a prudent and sound long term, businesslike basis consistent with its legal and regulatory obligations to the State and Federal government.

Official action approving this Organics Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Organics Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS. The definitions provided in the WDA and yet to be executed WISE Agreement shall be incorporated into this Agreement. The following terms shall be added and have the meanings set forth below.

"Acceptable Organic Waste" means Residential Organic Waste that consists of Green Material/Wood Waste, Agricultural Material, Manure, Vegetative Food Material, Food Waste and other organic material as may be authorized under the County's Compostable Material Handling Permits.

"Attachment" means an attachment to this OSA, as the same may be amended or modified from time to time in accordance with the terms hereof.

"CalRecycle" means the California Department of Resources Recycling and Recovery, which is a branch of the California Environmental Protection Agency. CalRecycle oversees the State's waste management and waste reduction programs. CalRecycle was established in 2010 to replace the California Integrated Waste Management Board and is responsible for the enforcement of legislation and regulations and diversion requirements applicable to the Waste Infrastructure System.

"City Acceptable Organic Waste" means all Acceptable Organic Waste which was originally discarded by the first generator thereof within the geographical limits of the City and Residue Waste from the foregoing wherever produced, whether withing or outside the City.

“City Organic Tonnage Limit” the maximum amount of Controllable Organic Waste that County is committed to accept under the Organic Service Covenant as provided in Attachment 3.

“Commencement Date” means the date on which the obligations of the parties hereto commence.

“Contract Date” means the first date on which this OSA has been executed by both parties hereto.

“Controllable Organic Waste” means all City Acceptable Organic Waste with respect to which the City has the legal or contractual ability to determine the processing location and procurement requirements as they relate to the City’s Organics Legislation compliance requirements.

“Consumer Price Index” or “CPI” means the Consumer Price Index published by the Bureau of Labor Statistics for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG). In the event the forgoing index is no longer published during the term of this Agreement, such other index identified by the Bureau of Labor Statistics as a replacement or otherwise generally accepted as a replacement shall be used for purposes of this Agreement; and, in the absence thereof, the County Board of Supervisors shall select an index that it determines most closely reflects the forgoing and best implements the intent of this Agreement.

“Initial Term” has the meaning specified in Section 5.1(A) hereof.

“Manure/Stable Bedding Program” means the programs used by the County to mix source separated uncontaminated horse manure and stable bedding into its Organic Infrastructure to create organic product. Current permit requirements set a maximum percentage of 20% manure/stable bedding (“Material”) by weight of total incoming feedstock. County agreement to accept Material is subject to payment of the Organic Contract Rate, available capacity, and compliance with the terms found in Attachment 2.

“Organic Contract Rate” has the meaning specified in Section 4.2 hereof.

“Organic Diversion Credit” means credit provided to a local jurisdiction or entity for implementing the diversion of Organic Waste from landfilling through specific activities recognized by the Department of Resources Recycling and Recovery (CalRecycle) including composting, anaerobic digestion, or other methods to meet the State’s waste diversion goals and statutes such as Assembly Bill 939, Assembly Bill 341, Assembly Bill 1594, Assembly Bill 1826, and SB 1383 through waste prevention, reuse, and recycling.

“Organic Infrastructure” means the County’s organics processing facilities and programs used to recycle and promote the processing and diversion of Organic Waste into compost or other material that qualifies as diversion under Applicable Law as described in more detail in Attachment 1.

“Organics Legislation” means organics recycling legislation including Assembly Bill 1594, Assembly Bill 1826, SB1383 and any future legislation pertaining to the management and diversion of Organic Waste.

“Organic ROWP Procurement Credit” means credit provided to a jurisdiction to meet their Recovered Organic Waste Procurement Target under SB 1383 by procuring Recovered Organic Waste Products as permitted by CalRecycle.

“Organics Agreement” means this Organic Services Agreement (“OSA”) between the County and the City as the same may be amended or modified from time to time in accordance herewith.

“Organic Take-Back Goal” means the programs that City and County will work toward to create City programs that have the goal of City taking back its Proportional Share of finished compost or other Recovered Organic Waste Product for local application.

“Organic Waste” means solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges as defined in Title 14 of the California Code of Regulations, Section 18982(a)(46).

“Processed Green Material” (“PGM”) as defined in Title 27, California Code of Regulations §20690(b)(3) means any plant material that is either separated at the point of generation, or separated at a centralized facility that employs methods to minimize contamination. Green material includes, but is not limited to, yard trimmings, untreated wood wastes, paper products, and natural fiber products. Green material does not include treated wood waste, mixed demolition or mixed construction debris, manure, or plant waste from the food processing industry, alone or blended with soil. Processed green material may include varying proportions of wood waste from urban and other sources and shall be ground, shredded, screened, source separated for grain size, or otherwise processed. This PGM standard is the standard that Controllable Organic Waste must meet in order to be accepted at County’s Organic Infrastructure under the OSA.

“Proportional Share” means 60% of the weight of Controllable Organic Waste City delivered by City to County’s Organics Infrastructure.

“Recovered Organic Waste Product” or “ROWP” means compost, mulch, renewable energy (transportation fuel, electricity, and gas for heating) from anaerobic digestion, and electricity from biomass conversion.

“Recycled City Organic Waste” means any otherwise Controllable Organic Waste which is separated from Acceptable Organic Waste by the generator thereof and composted by generator at home, community gardens or other processing and which is not placed in Franchise Hauler bin for collection.

“Renewal Term” has the meaning specified in Subsection 5.1(C) hereof.

“Residential Organic Waste” means Acceptable Organic Waste normally disposed of by or collected from residential (single family and multi-family) residences.

“Residual Waste” means any contaminants, inert materials, overs, or Acceptable Organic Waste that could not be processed at the Department’s Organic Infrastructure that required to be disposed within the Disposal System.

“Waste Disposal Agreement” (“WDA”) means the currently operative agreement between the Parties for the disposal of municipal solid waste that is currently set to expire on June 30, 2026. **With the exception of specific or conflicting provisions provided in this Organics Agreement, the Parties agree that the terms found in the WDA shall be applied to the interpretation of this OSA. For the purpose of interpretation of this OSA, the Parties also intend that the WDA be read to include terms such as Controllable Organic Waste, where appropriate.**

“Waste Infrastructure System” or “Disposal System” means active Class III sanitary landfills (“County Landfills”), closed landfills managed by the County, resource recovery operations, Organics Infrastructure, recycling and organics programs, infrastructure and operations, and regional household hazardous waste collection centers and other waste management related systems as may be deemed necessary by the County.

“Waste Infrastructure System Enterprise Agreement” or “WISE Agreement” means each of the agreement between the parties that is expected to replace the current WDA that is set to expire on June 30, 2026.

SECTION 1.2 INTERPRETATION. In this Agreement, unless the context otherwise requires:

References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder”, “herewith”, and any similar terms refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the Contract Date.

Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

No Third Party Beneficiaries. Nothing in this Agreement is intended to confer on haulers or any other person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

Applicable Law and Venue. This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

Severability. If any clause, provision, subsection, Section or Article of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist, unless such invalidity frustrates the underlying primary purpose of the Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1 REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence. The City is a general law or charter city or a Special District or Sanitary District validly existing under the Constitution and laws of the State.

(B) Due Authorization. The City has duly authorized the execution and delivery of this Organics Agreement, and this Organics Agreement has been duly executed and delivered by the City.

SECTION 2.2 REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants that:

(A) Existence. The County is a political subdivision of the State of California validly existing under the Constitution and laws of the State.

(B) Due Authorization. The County has duly authorized the execution and delivery of this OSA, and this OSA has been duly executed and delivered by the County.

ARTICLE III DELIVERY AND ACCEPTANCE OF ORGANIC WASTE AND PROVISION OF ORGANIC PROCESSING SERVICES

SECTION 3.1 DELIVERY OF ORGANIC WASTE.

(A) Organic Waste Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this OSA, and subject to available Organic Infrastructure capacity, the City shall exercise all legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Organic Waste (up to City's Organic Tonnage Limit as provided in Attachment 3) to the Waste

Infrastructure System in accordance with the terms of this OSA.

(B) Recycled City Organic Waste.

1. Non-Mandatory Organic Waste City Programs: The parties hereto acknowledge the responsibility of the City to meet its own recycling and landfill diversion goals contained in the Act and Organics Legislation. Nothing in this Agreement is intended or shall be interpreted to prohibit or impair the ability of the City to meet such responsibilities, or to restrict the right of the residents, businesses or organizations in the City to practice source separation, recycling, composting or other materials recovery activities, or to restrict the right of the City to conduct, sponsor, encourage or require such activities in any form. No reduction in the amount of Controllable Organic Waste generated in the City and delivered to the Organic Infrastructure by or on behalf of the City which may result from any such source separation or recycling program shall cause the City any liability hereunder (other than potential adjustment to the Organic Contract Rate as may be negotiated by the Parties as authorized under this OSA, and shall not constitute a breach of this Agreement.)
2. Mandatory Organic Waste City Collection Programs: City shall provide data and information to County regarding City's mandatory Organic Waste collection programs including but not limited to the tonnage of organics collected by the City for diversion under this OSA. The information will be used to provide education and outreach for participation with the goal of minimizing contamination and increasing diversion.

(C) Organic Diversion Credit. City shall receive Organic Diversion Credit for City's Controllable Organic Waste minus any Residual Waste delivered by City and accepted by County and processed into Recovered Organic Waste Product at the County's Organic Infrastructure.

(D) Organic ROWP Procurement Credit. City shall receive Organic ROWP reports for finished recovered organics waste products procured from County that meets the procurement requirements of Title 14 of the California Code of Regulations, Section 18993.1 et seq. City shall receive Organic ROWP Procurement Credit as follows:

1. County will assist City in developing local City programs and opportunities designed to enable the City to meet its own ROWP requirements.
2. City shall be entitled to "take back" its Proportional Share of SB 1383 compliant, STA Certified compost, mulch or other ROWP products from County Organics Infrastructure and used as ROWP Procurement Credit.
3. County will provide reports and allocate credit associated with City resident ROWP pickup as well as commercial landscapers from City that collect ROWP from County Organic Infrastructure.
4. City will be eligible to receive ROWP Procurement Credit for excess Acceptable Recovered Organic Waste Product that County is able to market beyond that needed for the County unincorporated areas or that is not otherwise committed. (*County makes no guarantees that it will provide City with 100% ROWP Procurement Credit.)

(E) Organic Take-Back Goal. City is not required to "take back" its Proportional Share of STA Certified finished compost, mulch, or other ROWP from the County's Organic Infrastructure, however City and County will work toward creating City programs that have the goal of City taking back its Proportional Share of finished compost or other Recovered Organic Waste Product for local application ("Organic Take-Back Goal") to meet City's ROWP procurement requirements.

(F) Procurement of Additional ROWP. Pursuant to terms agreeable to both Parties, City may request to procure Recovered Organic Waste Product in addition to its Proportional Share within the same Contract Year.

(G) OSA Conditions. As a condition of participating in the County's Organics Infrastructure,

City agrees to the following terms:

1. All Controllable Organic Waste delivered to the County's Organics Infrastructure shall meet the standards as set forth in Attachment 2;
2. City or its Franchise Hauler shall pay the Organics Contract Rate for all Organic Waste delivered to the County's Organic Infrastructure for processing into Recovered Organic Waste Product;
3. City shall provide information to County on a quarterly basis that identifies where Controllable Organic Waste being delivered to the County's Organic Infrastructure originated and shall ensure that the organic material being delivered meets the definition of City Acceptable Organic Waste.
4. Bulk ROWP: City shall be entitled to arrange for the Take Back (at City cost) from County Organic Infrastructure compost, mulch and other Recovered Organic Waste Product in bulk form free of charge.
5. Non-Bulk ROWP: County may establish separate fees for provision of non-bulk material including but not limited to bagged material or compost wattles. City shall be entitled to arrange for the Take Back of Non-Bulk ROWP at City cost.
6. City's Proportional Share shall be calculated as 60% of the weight of Controllable Organic Waste City delivers to County's Organics Infrastructure by City.

(H) No Right of Organic Waste Substitution. Nothing in this Agreement shall authorize or entitle the City to deliver, or cause the delivery to the County's Organic Infrastructure, Acceptable Organic Waste originating from or generated outside the jurisdiction of the City, nor obligate the County to receive or dispose of any such Acceptable Organic Waste into the Waste Infrastructure System. The City shall not assign in whole or in part its right to deliver or cause to be delivered Controllable Organic Waste to the County hereunder, and shall not permit any Acceptable Organic Waste originating from or generated outside the jurisdiction of the City to be substituted for Controllable Organic Waste for any purpose hereunder.

SECTION 3.2 PROVISION OF ORGANIC PROCESSING SERVICES BY THE COUNTY.

(A) Organic Service Covenant. Commencing on the Commencement Date, the County shall provide or cause the provision of the service of receiving and processing of City's Controllable Organic Waste (up to the City Organic Tonnage Limit provided in Attachment 3) at the County's Organics Infrastructure as described in more detail in Attachment 1. The County shall exercise all reasonable efforts to minimize the costs incurred in complying with the Organic Service Covenant consistent with prudent solid waste management practice and environmental considerations and under Applicable Law.

(B) Receipt of Controllable Organic Waste. Upon acceptance of the Controllable Organic Waste that meets the PGM standards provided in Attachment 2, County shall process the Organic Waste into compost, mulch or other ROWP as specified in Title 14 of the California Code of Regulations Section 18993.1

(C) Education and Outreach. The Department will assist the City and its hauler in their efforts on Organic education and outreach with the goal of the City meeting its organic diversion and ROWP procurement requirements.

(D) Designated Facilities. County and City will coordinate in determining the primary organic processing facilities and tonnages (as reflected in Attachment 1) used for receiving and processing of Controllable Organic Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Organic Waste at any particular County Organics Infrastructure within the Waste Infrastructure System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within twenty four (24) hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the Organics Infrastructure primarily used by the City as soon as possible. In the event a situation, event or circumstance results in the partial or complete inability of the County to receive Controllable Organic Waste at any particular County Organics Infrastructure within the Waste Infrastructure System the County shall have the right to redirect Controllable Organic Waste to another landfill or County Organics Infrastructure within the Waste Infrastructure System for the duration of the situation, event or circumstance; In no event shall the County be required to accept Controlled Organic Waste if it does not have sufficient permitted organic processing capacity

within the Waste Infrastructure System.

(E) Compliance with Service Covenant Not Excused for any Reason. Commencing on the Commencement Date, and subject to the terms of this Agreement, the obligations of the County to duly observe and comply with the Organic Service Covenant, in accordance with Applicable Law, shall apply continuously and without interruption for the Term of this OSA. In the event that any Change in Law, situation, event or other Uncontrollable Circumstance impairs or precludes compliance with the Organic Service Covenant by the means or methods then being employed by the County, the County shall use best efforts to implement alternative or substitute means and methods to enable it to satisfy the terms and conditions of the Service Covenant. In the event that a Change in Law precludes the County from complying with such covenants with the means or methods then being employed and from utilizing any alternate or substitute means or methods of compliance, the County shall continuously use all reasonable efforts to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the County lawfully to resume compliance with such covenants as soon as possible following the Change in Law.

County failure to duly observe and comply with the Organic Service Covenant due to its efforts to comply with Applicable Law, shall not constitute a breach under this Organics Agreement, and shall excuse County performance to the extent necessary to comply with Applicable Law.

If the alternative or substitute means and methods proposed for the County to observe and comply with the Organic Service Covenant are more costly than the previously used means and methods, the Parties shall negotiate a mutually agreeable new Organic Contract Rate. If the Parties are unable to agree on a new Organic Contract Rate, the Parties may terminate this agreement without penalty with ninety (90) days notice.

SECTION 3.3 COUNTY RIGHT TO REFUSE ORGANIC WASTE.

(A) Right of Refusal. Notwithstanding any other provision hereof, the County may refuse delivery of:

- (1) Hazardous Waste;
- (2) Acceptable Organic Waste delivered by City but originating from or generated outside the jurisdiction of the City;
- (3) Acceptable Organic Waste delivered in excess of the City Organic Tonnage Limit listed in the Attachment 3;
- (4) Acceptable Organic Waste in excess of permitted limits;
- (5) Acceptable Organic Waste that would result in County violating Applicable Law;
- (6) Controllable Organic Waste that does not meet the requirements found in Attachment 2;

SECTION 3.4 COUNTY PROVISION OF OTHER ORGANIC WASTE DIVERSION SERVICES.

(A) Food Waste Processing and Diversion. County is in the process of evaluating the options and feasibility of development of a Commercial Food Waste Processing Infrastructure. If developed, City will be provided an opportunity to participate in this service on terms separately agreed to by the Parties.

(B) Edible Food Recovery Programs. County is in the process of evaluating the options and feasibility of development of regional County-wide edible food recovery programs to assist Cities in meeting State mandated goals. The intent of Edible Food Recovery to address the food hierarchy and wasted food scale on a regional level through collaboration of all jurisdictions, key local, State and federal stakeholders, the non-profit sector and business sector. City agrees to cooperate with County efforts and collaborate on data analysis and reporting to provide jurisdictions reports for compliance under SB1383.

(C) Separate City -County Diversion Service Agreements. Nothing in this Agreement is intended to limit the right of the County to enter into a separate agreement with the City or any other person, jurisdiction, or entity to provide source reduction, materials recovery, recycling, composting or other waste diversion services.

ARTICLE IV ORGANIC CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF ORGANIC CONTRACT RATE.

The City acknowledges that the County shall have the right to charge and collect an Organic Contract Rate for the acceptance and processing of Controllable Organic Waste delivered to the Organic Infrastructure by City or its Franchise Hauler. City acknowledges that the County shall have the right to establish as part of the operating rules and regulations reasonable measures to secure the payment of all Organic Contract Rates.

SECTION 4.2 ORGANIC CONTRACT RATE.

(A) Establishment of Contract Rate. The Organic Contract Rate payable by each City or Franchise Hauler shall be \$67/Ton up to the City Organic Tonnage Limit.

(B) Special Charges. Notwithstanding Section 4.2(A), the County shall have the right to impose special charges for items such as bagged material or compost wattles; new or expanded services; or receipt of hard to handle materials, such as bulky materials, construction and demolition debris, tree stumps, biosolids and sludge. Such special charges shall be calculated to reflect the reasonable incremental costs to the County of providing the new or expanded services or accepting such hard to handle materials.

(C) Escalation.

1. Annual CPI Adjustment: The Organics Contract Rate shall be adjusted each July 1, beginning 2027. The change will be equal to the percentage change in the Consumer Price Index - Consumer Price Index for All Urban Consumers: Water and Sewer and Trash Collection Services in U.S. City Average (CUSR0000EHG) as measured from the October twenty one (21) months prior to the rate adjustment to the October immediately preceding the rate adjustment. In the event that the change in the change in CPI as described above is negative rather than positive, no rate adjustment will be made for that year.

Organic Contract Rate True-up: County will notify City prior to April 30, 2029 (and every three (3) years thereafter) and advise whether actual inflation rate since execution should be frozen for a period of time (in circumstances where Department revenues exceed Department Full Cost Recovery needs) or to determine whether the Organic Contract Rate should be increased beyond CPI as described above (in circumstances where Department costs exceed CPI) to ensure that Department revenues meet Full Cost Recovery.

2. Adjustment Resulting from Increased Fees: In addition to the other adjustments specified herein, the Organic Contract Rate shall be automatically adjusted to reflect the imposition of new fees or increases in existing fees relating to the County's processing of Controllable Organic Waste imposed by State, federal or other agencies. The County shall provide notice of any increase pursuant to this Section as soon as practicable after becoming aware of the imposition of any fees described above.

ARTICLE V TERM

SECTION 5.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Organic Services Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2036, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Bi-Annual Opener. In light of the significant changes in law by the California Legislature to address climate change, the Parties agree to meet at least bi-annually or earlier at the request of County to review the Organic Contract Rate and discuss the need for additional investment into the Organic Infrastructure to respond to existing or new legislative requirements, diversion requirements, provision of new services, or other matters of mutual concern to the Parties.

(C) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the Parties, on or before June 30, 2036 for an additional term of 10 years (the "Renewal Term") on the same terms and conditions as are applicable during the Initial Term hereof or on amended terms as may be mutually agreed to by the Parties. The City shall give the County written notice of its election to renew this Agreement on or before June 30, 2034. If the parties do not execute a renewal of this Agreement prior to June 30, 2036 it shall expire.

ARTICLE VI GENERAL PROVISIONS

SECTION 6.1 NOTICES. Any notice or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective Parties set forth on the cover page of this Agreement. Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by notice to the other Party.

SECTION 6.2 ATTORNEYS FEES. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear their own attorney's fees, costs and expenses.

SECTION 6.3 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 6.4 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either Party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non- performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 6.5 AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly authorized and executed by both Parties.

SECTION 6.7 NOTICE OF LITIGATION. Each Party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Agreement executed by the City or the County or any Legal Entitlement issued in connection herewith.

SECTION 6.8 FURTHER ASSURANCES. At any and all times the City and the County so far as may be authorized by law shall pass, make, do, execute, acknowledge and deliver any and every such further resolutions, acts, deeds, conveyances, instruments, assignments, transfers and assurances as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 6.9 ASSIGNMENT OF AGREEMENT. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party hereto without the prior written consent of the other Party, which may be withheld in the other Party's sole discretion. Notwithstanding the foregoing, either Party may assign this Agreement to another public entity, subject to the reasonable consent of the other party. In such circumstances the Party not requesting the assignment shall have the right to demand assurances of the financial, technical and legal ability of the proposed assignee to undertake the responsibilities and obligations of the assigning Party.

SECTION 6.10 BINDING EFFECT. This Agreement shall bind and inure to the benefit of the Parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 6.9 hereof.

Signature Page to Follow

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date _____

By _____
Director, OC Waste & Recycling

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____

Date _____

Date _____

By _____
[NAME]
City Representative
City of XX

Date _____

By _____
[NAME]
City Representative
City of XX

APPROVED AS TO FORM:

By _____
City Attorney

Date _____

Attachment 1

COUNTY OF ORANGE ORGANIC INFRASTRUCTURE

Attachment 1

COUNTY OF ORANGE ORGANIC INFRASTRUCTURE

The County of Orange owns and operates a network of three commercial organic processing facilities co-located at each of the active landfills. Each of the organic processing facilities have the ability to receive organic material and to produce organic products for cities to meet their Take-Back requirements specified within this agreement. Products produced at the organic processing facilities meet CalRecycle's SB 1383 procurement requirement and are certified under the US Composting Council's Standard of Testing Assurance (STA) Program. Product offerings include compost and composted mulch. Additional products may be offered as determined by the County.

A summary of each of the organic processing facilities is listed below:

Valencia Greenery (Co-Located at Olinda Alpha Landfill)

1942 N. Valencia Avenue

Brea, CA 92823

Permitted Maximum Tonnage (Open Windrow): 94 tons per day

Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 228 tons per day

Permitted Hours of Operation: Monday through Saturday 6:00 am to 4:00 pm

Ancillary Operation Hours: 24 hours per day/7 days a week

Bee Canyon Greenery (Co-Located at Frank R. Bowerman Landfill)

11002 Bee Canyon Access Road

Irvine, CA 92602

Permitted Maximum Tonnage (Open Windrow): 210 tons per day

Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 876 tons per day

Permitted Hours of Operation: Monday through Saturday 7:00 am to 5:00 pm

Ancillary Operation Hours: 24 hours per day/7 days a week

Capistrano Greenery (Co-Located at Prima Deshecha Landfill)

32250 Avenida La Pata

San Juan Capistrano, CA 92675

Permitted Maximum Tonnage (Open Windrow): 204 tons per day

Proposed Permitted Maximum Tonnage (Covered Aerated Static Pile): 536 tons per day

Permitted Hours of Operation: Monday through Saturday 7:00 am to 5:00 pm

Ancillary Operation Hours: 24 hours per day/7 days a week

This list may be modified/expanded at the discretion of the County.

Attachment 2

**SPECIFICATIONS FOR CONTROLLABLE ORGANIC WASTE AS PROCESSED GREEN WASTE
MATERIAL (PGM) AT COUNTY ORGANIC INFRASTRUCTURE**

Attachment 2

SPECIFICATIONS FOR CONTROLLABLE ORGANIC WASTE AS PROCESSED GREEN WASTE MATERIAL (PGM) AT COUNTY ORGANIC INFRASTRUCTURE

DESCRIPTION

Processed Green Material (PGM) consists of yard waste, grass clippings, leaves, tree trimmings and plant-based materials which have been sorted to remove contamination and processed by shredding or grinding. PGM should not contain manure, stable waste or pet waste, which can create odors.

Processed Green Material is defined as following (California Code of Regulations, Title 27, Division 2, Subdivision 1, Chapter 3, Subchapter 4, Section 20690 [b] [3]):

- **Processed Green Material** – means any plant material that is either separated at the point of generation or separated at a centralized facility that employs methods to minimize contamination. Green material includes, but is not limited to, yard trimmings, untreated wood wastes, paper products, and natural fiber products. Green material does not include treated wood waste, mixed demolition or mixed construction debris, manure, or plant waste from the food processing industry, alone or blended with soil. Processed green material may include varying proportions of wood waste from urban and other sources and shall be ground, shredded, screened, source separated for grain size, or otherwise processed.

CONTAMINANT DEBRIS

The PGM should be free from all contaminant debris (glass, plastic, film plastic, metals, etc.) as well as salt and deleterious material such as clods, coarse objects, rocks, inert debris, and Material Recovery Facility (“MRF”) fines. County personnel visually inspect the PGM loads as they come in, making sure that the specifications are met and to determine if the loads are contaminated (i.e., mixed with paper, plastics and other trash.) If the loads appear to have unacceptable contamination in excess of 0.5% either by weight or volume, the PGM loads will not be allowed into the Organic Infrastructure and the City and/or hauler will be notified that contaminated PGM loads are unacceptable. The PGM will be deemed as municipal solid waste and the City and/or hauler will have the option to take the material to the landfill for disposal or be returned to the hauler’s facility for additional processing. For material that is physically dumped at the unloading area and is deemed unacceptable by OC Waste & Recycling staff, the material will be re-loaded into the transfer vehicle for reprocessing at hauler’s processing facility or sent to the landfill for disposal. Hauler will be charged the current “Hard-to-Handle” fee for re-loading services and disposal of unacceptable material.

SIZE

The particle size of the PGM acceptable is between ½-inch and 3 inches in length between ½-inch and 1 inch in width and between ½-inch and 1 inch in thickness. No particle should exceed 3 inches in any dimension.

MOISTURE CONTENT

The moisture content of the PGM should be in the range of 50-60 percent. If the PGM’s moisture content is unacceptable and cannot be received for processing at the County’s Organic Infrastructure Facilities, the material will be re-loaded into the transfer vehicle for reprocessing at hauler’s processing facility or sent to the landfill for disposal. The hauler will be charged the current “Hard-to-Handle” fee for re-loading services and disposal of unacceptable material.

FOOD WASTE

Residential food waste mixed with PGM as part of a city organic collection program is acceptable provided that the food waste is free of contaminant debris (glass, plastic, food packaging, non-compostable silverware, soiled napkins,

etc.). No commercial or source-separated food waste will be accepted except for cases where the County has entered into an agreement with a City to accept specific source separated organic material as Additional Feedstock as described below.

SOURCE SEPARATED MANURE

Subject to available capacity, City and/or Hauler may bring non-residential, source separated manure and stable bedding pursuant to the following Manure/Stable Bedding Program requirements:

1. **Material Quantity:** manure/stable bedding must be uncontaminated which means free of any hazardous materials, food waste packaging, plastics, glass, and any large bulky items and inert materials that need to be further sized or removed for composting. (“Material”)
2. **Material Volume:** County and City/Hauler will determine the anticipated volume of Material to ensure that the County’s Organic Infrastructure has sufficient capacity to manage the proposed amount of Material.
3. Material will be load checked to determine if it meets the established quality standards. If contaminants exceed 0.5% (by weight or volume), the load is deemed contaminated and not meeting quality standard for use in the Manure/Stable Bedding Program.
4. Material that is deemed unacceptable will be subject to the fees established by OCWR for this material type. Material that does not meet the established quality standards will be charged as follows:
 - a. If determined not to meet quality standards before Material is unloaded, standard disposal rates will apply.
 - b. If determined not to meet quality standards after Material is unloaded (or partially unloaded), hard-to-handle disposal rates will apply.
5. **Material Delivery:**
 - a. All Material deliveries will be scheduled and coordinated with OCWR prior to delivery. Any changes to material delivery quantities or days will be coordinated with OCWR prior to making the change.
 - b. While OCWR will remain as flexible as possible on timing of deliveries, material deliveries will be limited to Monday through Friday between 8:00 am and 2:00 pm and subject to holiday schedules. Should the delivery times change, then OCWR shall give two (2) days prior notice of the delivery time change.
 - c. Upon delivery, OCWR staff will record exact tonnage, name of hauler/transporter provider, and note distinguishing characteristics of feedstock and other pertinent information.
 - d. Deliveries made without OCWR prior approval may be refused or charged at the established rate.
 - e. OCWR reserves the right to deny a request to deliver for any reason. (i.e., OCWR does not guarantee that it will accept manure/stable bedding under this program. Instead, OCWR will accept Material based on its operational need and will make every effort to accommodate City’s/hauler Material except when a reduction or stoppage is needed.)

ADDITIONAL FEEDSTOCK

The County at its discretion may accept additional material types such as food waste and manure based on availability and permitting conditions at each of the County’s organic processing facilities. The County will work with City to identify the specifications for accepting the material types including scheduling of deliveries and quantities.

CHANGES TO SPECIFICATIONS

County reserves the right to modify the Specifications found in this Appendix due to a change in law or regulation or in consideration of operational or Organic Processing Infrastructure needs. County shall provide 90 days notice regarding changes to this Appendix.

Attachment 3

CITY ORGANIC TONNAGE LIMIT

Attachment 3

CITY ORGANIC TONNAGE LIMIT

The City Organic Tonnage Limit listed in the Attachment is the maximum amount of Controllable Organic Waste that County is committed to accept under the Organic Service Agreement.

Jurisdiction	Designated Greenery	City Organic Tonnage Limit		
		Daily Limit¹	Monthly Limit²	Annual Limit
TBD		_____ tons	_____ tons	_____ tons
TBD				
TBD				
TBD				

1. Daily Limit includes up to 20% by weight of source separated manure and stable bedding.
2. In the event City delivers less than their monthly limit, County may allocate unused City capacity at its discretion.

Attachment 4

ORGANIC INFRASTRUCTURE RESOLUTION

RESOLUTION NO. 19-19-031

RESOLUTION OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA DIRECTING OC WASTE & RECYCLING TO UTILIZE EXISTING COUNTY RESOURCES TO RESEARCH OPPORTUNITIES AND DEVELOP STRATEGIES TO ACHIEVE STATE IMPOSED ORGANICS RECYCLING MANDATES.

WHEREAS, in 1989 the State of California enacted AB 939 (Sher), The Integrated Waste Management Act, requiring jurisdictions to divert a minimum of 50% of waste then going to landfills;

WHEREAS, in 2014 the State of California enacted AB 1594 (Williams, Chapter 719, Statutes of 2014), mandating that as of January 1, 2020, the use of green material as alternative daily cover will no longer constitute diversion through recycling and will instead be considered disposal in terms of measuring a jurisdiction's annual 50% per capita disposal rate;

WHEREAS, in 2018, Orange County cities delivered approximately 513,000 tons of processed green material to Orange County landfills accepted for free to be used as alternative daily cover, saving the residents of Orange County more than \$17,000,000 over the comparable cost of disposal;

WHEREAS, beginning in 2020, due to the new influx of previously diverted processed green material several Orange County cities will have difficulty meeting the mandated 50% diversion rate due to a lack of organics processing infrastructure within Orange County;

WHEREAS, in 2016 the State of California enacted SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets, to be achieved via even greater diversion of organics from landfills, in a statewide effort to reduce emissions of short-lived climate pollutants;

WHEREAS, the state continually increases the type and volume of organics that must be diverted from landfills and recycled;

WHEREAS, transportation is the most significant cost component to managing any waste stream, and the County Landfill system is well suited to receive and process organic material;

WHEREAS, the Orange County Board of Supervisors has considered the needs of Orange County and the need for additional organic recycling infrastructure;

WHEREAS, the Orange County Board of Supervisors supports protecting consumers via the creation of an organics recycling infrastructure within Orange County;

WHEREAS, the Orange County Board of Supervisors is committed to fulfilling its legal obligations to meet state mandates in a manner that is least burdensome to taxpayers;

NOW, THEREFORE BE IT RESOLVED, the Orange County Board of Supervisors acknowledges that the County has an interest in utilizing County resources to support the region in developing additional organics recycling infrastructure. The Board **HEREBY ORDERS** as follows:

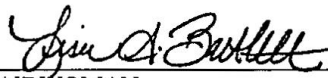
SECTION 1. OC Waste & Recycling (OCWR) shall research opportunities and use available county resources to develop strategies and programs to achieve state-imposed organics recycling mandates for County unincorporated areas and where feasible leverage and extend similar opportunities to serve other public agencies and incorporated portions of Orange County.

SECTION 2. OCWR shall work transparently with all stakeholders to achieve the above-stated goals.

SECTION 3. Authorize OCWR to seek opportunities for organics recycling grants to help offset the costs of organics recycling research, program implementation and other related expenses. OCWR shall comply with County policies in applying for and accepting grants.

The foregoing was passed and adopted by the following vote of the Orange County Board of Supervisors, on April 23, 2019, to wit:

AYES:	Supervisors:	LISA A. BARTLETT, ANDREW DO, MICHELLE STEEL DONALD P. WAGNER, DOUG CHAFFEE
NOES:	Supervisor(s):	
EXCUSED:	Supervisor(s):	
ABSTAINED:	Supervisor(s):	



CHAIRWOMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Board of Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange County Board of Supervisors

IN WITNESS WHEREOF, I have hereto set my hand and seal.





ROBIN STIELER
Clerk of the Board
County of Orange, State of California

Resolution No: 19-031
Agenda Date: 04/23/2019
Item No: 48



I certify that the foregoing is a true and correct copy of the Resolution adopted by the Board of Supervisors, Orange County, State of California

Robin Stieler, Clerk of the Board of Supervisors

By. _____
Deputy



Valley Vista Services

Waste Disposal and Recycling Division

17445 East Railroad Street • City of Industry, California 91748 • (626) 961-6291 • Fax (626) 961-1105

Recovering the Earth's Resources

March 12, 2026

Mr. Nick Mangkalakiri
Director of Public Works
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Re: Annual Rate Adjustment under the terms of "An Exclusive Franchise Agreement for the Provision of Solid Waste & Recycling Services" dated September 22, 2014 – **Amended November 22, 2021.**

Dear Mr. Mangkalakiri,

In reference to the above, the agreement allows for the annual application for rate adjustment effective July 1, 2016 and each year thereafter.

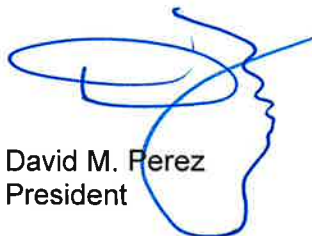
This letter shall serve as Valley Vista Services, Inc.'s (VVS) formal application for rate adjustment as per the terms of the agreement with implementation of the new rates effective July 1, 2026.

The Agreement provides for rate adjustments based upon provisions detailed in Article 49, Section 9.02, and Subsections 9.02.1, 9.02.2, 9.02.3, 9.02.4, 9.02.5 and Section 9.03.

The Automatic Adjustment is based upon the change in the Consumer Price Index (CPI) for the period ending February 2026 including the expected changes in Orange County landfill gate rates as a result of the new WISE agreement. Included in this letter are work papers requesting rate increases based on the February 2026 CPI index. This is based on computations without any extraordinary increase factors.

We look forward to discussing the proposed rate adjustments with you at your earliest opportunity.

Sincerely,



David M. Perez
President

CART SERVICE		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/ Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2	Disposal ⁽²⁾	42.65	67.00	57.09%	
3	Green Waste ⁽¹⁾	338.438	348.361	2.93%	
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
4	Collection Service ⁽⁴⁾	2.93%	46.00%	1.35%	
5	Disposal	57.09%	37.00%	21.12%	
6	Green Waste ⁽⁵⁾	2.93%	17.00%	0.50%	
6.5	Discretionary Rate Adjustment			0.00%	
7	Total Residential Cart Percentage Rate Adjustment			22.97%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 7, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
8	RESIDENTIAL CART SERVICE – One 96-gallons capacity each: refuse, recycling, and green waste carts – weekly collection; billing provided by City billing Agent.	25.25	22.97%	5.80	31.05
9	Additional Refuse Cart(s) – Each.	7.45	22.97%	1.71	9.16
10	Additional Green Waste Cart(s) – Each after first 2.	37.29	22.97%	8.57	45.86
11	First Additional Green Waste Cart and All Additional Recycling Carts will be free of charge.	n/c	n/a	n/a	n/c
12	Cart Delivery (addition, removal or exchange) beyond two (2) per type per customer.	37.29	22.97%	8.57	45.86
13	Cart Replacement Due to Customer Damage.	74.55	22.97%	17.12	91.67
14	On-Call Bulky Waste / E-Waste (Up to two (2) items per year.)	n/c	n/a	n/a	n/c
15	On-Call Bulky Waste / E-Waste (beyond two (2) per year.)	74.55	22.97%	17.12	91.67
16	Annual Holiday Tree Collection	n/c	n/a	n/a	n/c
17	Cart Roll-Out Service – Incremental Charge (in addition to base charge in line 8).	37.29	22.97%	8.57	45.86
(1) Consumer price index - All Urban Consumers, All Items, Los Angeles - Riverside - Orange County, CA CUURS49ASA0 replaces CUURA421SA0 as of February prior to July 1 when the rate change will take effect. The Initial index will be 241.059.					
(2) Disposal gate fee for solid waste at Orange County Landfills as per Waste Disposal Agreement in effect as of March 15 prior to July 1 when the rate change will take effect. Initial index will be 32.36.					
(3) N/A					
(4) Maximum allowed percentage change not to exceed 3.5%, above this is 85% of change over 3.5%					
(5) Maximum allowed percentage change not to exceed 5% for Greenwaste, above this is 85% of change over 5%					

BIN/COMPACTOR SERVICE		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/ Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2	Disposal ⁽²⁾	42.65	67.00	57.09%	
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Collection ⁽⁴⁾	2.93%	80.00%	2.34%	
4	Disposal	57.09%	20.00%	11.42%	
4.5	Discretionary Rate Adjustment			0.00%	
5	Total Commercial Service Percentage Rate Adjustment			13.76%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 5 or 1, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	Refuse 2 Cu Yards 1 x WK	161.44	13.76%	22.22	183.66
7	Refuse 2 Cu Yards 2 X Wk	278.49	13.76%	38.33	316.82
8	Refuse 2 Cu Yards 3 X WK	371.88	13.76%	51.18	423.06
9	Refuse 2 Cu Yards 4 X Wk	465.28	13.76%	64.03	529.31
10	Refuse 2 Cu Yards 5 X Wk	555.67	13.76%	76.47	632.14
11	Refuse 2 Cu Yards 6 X Wk	647.17	13.76%	89.06	736.23
12	Refuse 3 Cu Yards 1 x Wk	174.20	13.76%	23.97	198.17
13	Refuse 3 Cu Yards 2 X Wk	288.22	13.76%	39.66	327.88
14	Refuse 3 Cu Yards 3 X Wk	394.33	13.76%	54.27	448.60
15	Refuse 3 Cu Yards 4 X Wk	495.69	13.76%	68.22	563.91
16	Refuse 3 Cu Yards 5 X Wk	593.89	13.76%	81.73	675.62
17	Refuse 3 Cu Yards 6 X Wk	696.82	13.76%	95.90	792.72
18	Refuse 4 Cu Yards 1 x Wk	238.70	13.76%	32.85	271.55
19	Refuse 4 Cu Yards 2 X Wk	389.61	13.76%	53.62	443.23
20	Refuse 4 Cu Yards 3 X Wk	473.32	13.76%	65.14	538.46
21	Refuse 4 Cu Yards 4 X Wk	555.44	13.76%	76.44	631.88
22	Refuse 4 Cu Yards 5 X Wk	639.13	13.76%	87.96	727.09
23	Refuse 4 Cu Yards 6 X Wk	747.00	13.76%	102.80	849.80
24	Extra Dump Refuse	63.36	13.76%	8.72	72.08
25	Locking Bin Fee 1x	23.92	13.76%	3.29	27.21
26	Locking Bin Fee 2x	31.89	13.76%	4.39	36.28
27	Locking Bin Fee 3x	39.85	13.76%	5.48	45.33
28	Locking Bin Fee 4x	47.81	13.76%	6.58	54.39
29	Locking Bin Fee 5x	55.80	13.76%	7.68	63.48
30	Locking Bin Fee 6x	63.77	13.76%	8.78	72.55
31	96 Gallon Cart	31.67	13.76%	4.36	36.03
32	96 Gallon Cart Extra Dump	15.83	13.76%	2.18	18.01
33	Compactor 2 Cu Yards 1 x WK	316.74	13.76%	43.59	360.33
34	Compactor 2 Cu Yards 2 X Wk	554.30	13.76%	76.28	630.58
35	Compactor 2 Cu Yards 3 X WK	744.32	13.76%	102.43	846.75
36	Compactor 2 Cu Yards 4 X Wk	950.20	13.76%	130.77	1,080.97
37	Compactor 2 Cu Yards 5 X Wk	1,108.58	13.76%	152.56	1,261.14
38	Compactor 2 Cu Yards 6 X Wk	1,266.95	13.76%	174.36	1,441.31
39	Compactor 3 Cu Yards 1 x Wk	348.40	13.76%	47.95	396.35
40	Compactor 3 Cu Yards 2 X Wk	570.13	13.76%	78.46	648.59
41	Compactor 3 Cu Yards 3 X Wk	791.84	13.76%	108.97	900.81
42	Compactor 3 Cu Yards 4 X Wk	989.80	13.76%	136.22	1,126.02
43	Compactor 3 Cu Yards 5 X Wk	1,187.76	13.76%	163.46	1,351.22
44	Compactor 3 Cu Yards 6 X Wk	1,393.64	13.76%	191.79	1,585.43
45	Compactor 4 Cu Yards 1 x Wk	380.09	13.76%	52.31	432.40
46	Compactor 4 Cu Yards 2 X Wk	585.96	13.76%	80.64	666.60
47	Compactor 4 Cu Yards 3 X Wk	839.34	13.76%	115.51	954.85
48	Compactor 4 Cu Yards 4 X Wk	1,029.39	13.76%	141.66	1,171.05
49	Compactor 4 Cu Yards 5 X Wk	1,266.95	13.76%	174.36	1,441.31
50	Compactor 4 Cu Yards 6 X Wk	1,520.33	13.76%	209.23	1,729.56

OTHER SERVICES		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2					
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Collection ⁽³⁾	2.93%	100.00%	2.93%	
4					
4.5	Discretionary Rate Stabilization			0.00%	
5	Total Commercial Service Percentage Rate Adjustment			2.93%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 5, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	On-Call Bulky Waste – Commercial Premises	80.01	2.93%	2.34	82.35
7	On-Call Bulky Waste / E-Waste – Multi-Family Premises (Up to two (2) items per year.)				
8	On-Call Bulky Waste / E-Waste – Multi-Family Premises (Beyond two (2) items per year.)	80.01	2.93%	2.34	82.35
9	On-Call E-Waste & U-Waste Collection & Recycling – Commercial & Multi-Family Premises	80.01	2.93%	2.34	82.35
10	Household Hazardous Waste Collection – Multi-Family Premises	80.01	2.93%	2.34	82.35
11	Emergency Service	80.10	2.93%	2.35	82.45
12	Maximum Late Fee	7.66%	2.93%	0.22%	7.89%
13	Bin Washing Service beyond Once a Year				

BIN SERVICE - RECYCLING		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2					
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Collection ⁽⁴⁾	2.93%	100.00%	2.93%	
4					
4.5	Discretionary Rate Stabilization			0.00%	
5	Total Commercial Service Percentage Rate Adjustment			2.93%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 5, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	Recycling 3 Cu Yards 1 x Wk	130.65	N/A	75% of Bin Rate	148.63
7	Recycling 3 Cu Yards 2 X Wk	216.17	N/A	75% of Bin Rate	245.91
8	Recycling 3 Cu Yards 3 X Wk	295.75	N/A	75% of Bin Rate	336.45
9	Recycling 3 Cu Yards 4 X Wk	371.77	N/A	75% of Bin Rate	422.93
10	Recycling 3 Cu Yards 5 X Wk	445.42	N/A	75% of Bin Rate	506.72
11	Recycling 3 Cu Yards 6 X Wk	522.62	N/A	75% of Bin Rate	594.54
12	96 Gallon Cart Recycling	23.75	N/A	75% of Bin Rate	27.02
13	Extra Dump Recycling - Bin	48.01	2.93%	1.41	49.42
14	Extra Dump Recycling - 96 Gal Cart	16.00	2.93%	0.47	16.47

BIN GREEN WASTE SERVICES		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/ Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2	Disposal ⁽¹⁾	338.438	348.361	2.93%	
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Collection ⁽⁴⁾	2.93%	80.00%	2.34%	
4	Disposal ⁽⁵⁾	2.93%	20.00%	0.59%	
4.5	Discretionary Rate Adjustment			0.00%	
5	Total Commercial Service Percentage Rate Adjustment			2.93%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 5 or 1, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	Green Waste 2 Cu Yards 1 x WK	108.28	2.93%	3.17	111.45
7	Green Waste 2 Cu Yards 2 X Wk	134.57	2.93%	3.94	138.51
8	Green Waste 2 Cu Yards 3 X WK	225.54	2.93%	6.61	232.15
9	Green Waste 2 Cu Yards 4 X Wk	324.82	2.93%	9.52	334.34
10	Green Waste 2 Cu Yards 5 X Wk	378.95	2.93%	11.10	390.05
11	Green Waste 2 Cu Yards 6 X Wk	433.08	2.93%	12.69	445.77
12	Green Waste 3 Cu Yards 1 x Wk	119.09	2.93%	3.49	122.58
13	Green Waste 3 Cu Yards 2 X Wk	180.44	2.93%	5.29	185.73
14	Green Waste 3 Cu Yards 3 X Wk	270.67	2.93%	7.93	278.60
15	Green Waste 3 Cu Yards 4 X Wk	360.89	2.93%	10.57	371.46
16	Green Waste 3 Cu Yards 5 X Wk	406.01	2.93%	11.90	417.91
17	Green Waste 3 Cu Yards 6 X Wk	469.17	2.93%	13.75	482.92
18	Green Waste 4 Cu Yards 1 x Wk	162.40	2.93%	4.76	167.16
19	Green Waste 4 Cu Yards 2 X Wk	270.67	2.93%	7.93	278.60
20	Green Waste 4 Cu Yards 3 X Wk	324.82	2.93%	9.52	334.34
21	Green Waste 4 Cu Yards 4 X Wk	396.97	2.93%	11.63	408.60
22	Green Waste 4 Cu Yards 5 X Wk	451.12	2.93%	13.22	464.34
23	Green Waste 4 Cu Yards 6 X Wk	496.22	2.93%	14.54	510.76
24	Locking Bin Fee 1x	24.48	2.93%	0.72	25.20
25	Locking Bin Fee 2x	32.63	2.93%	0.96	33.59
26	Locking Bin Fee 3x	40.80	2.93%	1.20	42.00
27	Locking Bin Fee 4x	48.96	2.93%	1.43	50.39
28	Locking Bin Fee 5x	57.13	2.93%	1.67	58.80
29	Locking Bin Fee 6x	65.29	2.93%	1.91	67.20
30	96 Gallon Cart	95.15	2.93%	2.79	97.94

BIN ORGANICS SERVICES		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2	Disposal ⁽¹⁾	338.438	348.361	2.93%	
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Collection ⁽⁴⁾	2.93%	80.00%	2.34%	
4	Disposal ⁽⁵⁾	2.93%	20.00%	0.59%	
4.5	Discretionary Rate Adjustment			0.00%	
5	Total Commercial Organics Service Percentage Rate Adjustment			2.93%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 5, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	Organics 2 Cu Yards 1 x Wk	219.93	2.93%	6.44	226.37
7	Organics 2 Cu Yards 2 X Wk	379.35	2.93%	11.11	390.46
8	Organics 2 Cu Yards 3 X Wk	506.59	2.93%	14.84	521.43
9	Organics 2 Cu Yards 4 X Wk	633.77	2.93%	18.57	652.34
10	Organics 2 Cu Yards 5 X Wk	756.90	2.93%	22.18	779.08
11	Organics 2 Cu Yards 6 X Wk	881.56	2.93%	25.83	907.39
12	Organics 3 Cu Yards 1 x Wk	237.31	2.93%	6.95	244.26
13	Organics 3 Cu Yards 2 X Wk	392.61	2.93%	11.50	404.11
14	Organics 3 Cu Yards 3 X Wk	537.15	2.93%	15.74	552.89
15	Organics 3 Cu Yards 4 X Wk	673.05	2.93%	19.72	692.77
16	Organics 3 Cu Yards 5 X Wk	808.97	2.93%	23.70	832.67
17	Organics 3 Cu Yards 6 X Wk	949.18	2.93%	27.81	976.99
18	Organics 4 Cu Yards 1 x Wk	325.16	2.93%	9.53	334.69
19	Organics 4 Cu Yards 2 X Wk	530.70	2.93%	15.55	546.25
20	Organics 4 Cu Yards 3 X Wk	644.74	2.93%	18.89	663.63
21	Organics 4 Cu Yards 4 X Wk	756.60	2.93%	22.17	778.77
22	Organics 4 Cu Yards 5 X Wk	870.60	2.93%	25.51	896.11
23	Organics 4 Cu Yards 6 X Wk	1,017.52	2.93%	29.81	1,047.33
24	96 Gallon Cart	114.16	2.93%	3.34	117.50
24	70 Gallon Cart	108.62	2.93%	3.18	111.80

ROLL-OFF SERVICES		A	B	C	
Row	Rate Component	Old Index	New Index	Percent Change in Index ((Column B/Column A)-1)	
1	Collection ⁽¹⁾	338.438	348.361	2.93%	
2	Disposal ⁽²⁾	42.65	67.000	57.09%	
STEP TWO: Determine Weighted Change		D	E	F	
Row	Rate Component	Maximum Allowed Percentage Change	Component Weighting	Total Weighted Change (Column D x E)	
3	Total Roll-Off Collection & Other Services Percentage Rate Adjustment ⁽³⁾	2.93%	100.00%	2.93%	
4	Roll-Off Disposal ⁽³⁾	57.09%	100.00%	57.09%	
4.5	Discretionary Rate Adjustment			0.00%	
STEP THREE: Apply Percentage Change to Rates		G	H	I	J
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 3 & 4, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
5	MRF C&D Service Component ⁽⁴⁾	30.86	2.93%	0.90	31.77
6	Disposal Component	42.83	57.09%	24.45	67.29
7	Per Ton C&D MRF Processing Fee for C&D (Row 5 + Row 6) ⁽⁵⁾	73.69	34.41%		99.05
Row	Rate Category	Current Rate	Total Weighted Percentage Change (from Row 3 or 4, Column F)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
8	Roll-Off Or Compactor Service Up to 6 Tons	661.11	2.93%	19.37	680.48
9	Roll-Off C&D Service Up to 6 Tons	854.32	2.93%	25.03	879.35
10	Roll-Off Daily Rental (after 7 days with no dump)	14.61	2.93%	0.43	15.04
11	Roll-Off Dead Run	43.83	2.93%	1.28	45.11
12	Overloaded Container	55.35	57.09%	31.60	86.95
13	3-Yard Clean up Bin: Includes one dump	175.32	2.93%	5.14	180.46
14	3-Yard Clean-up Bin (each dump)	73.05	2.93%	2.14	75.19
15	3-Yard Clean-up Bin Dead run	14.61	2.93%	0.43	15.04
16	3-Yard Clean-up Bin Rental (after 7 days with no dump)	7.31	2.93%	0.21	7.52

Series Id: CUURS49ASAO replaces CUURA421SAO																
Not Seasonally Adjusted																
Area: Los Angeles-Riverside-Orange County, CA																
Item: All Items #VALUE!																
Base Period: 1982-84=100 0																
Download:																
	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
	2016	-	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
	2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
	2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
	2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
	2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.560	278.567	277.303	279.832
	2021	280.178	281.347	282.648	285.808	287.620	289.218	290.890	291.333	292.209	294.961	296.790	297.925	289.244	284.470	294.018
	2022	301.209	302.164	306.679	308.302	310.649	314.072	313.415	313.608	315.033	317.014	314.633	312.601	310.782	307.179	314.384
	2023	318.591	317.571	317.873	320.089	320.514	322.055	321.931	324.050	324.984	324.545	323.341	323.456	321.583	319.449	323.718
	2024	326.640	328.232	330.671	332.572	332.956	332.357	332.928	333.359	334.123	334.242	333.718	334.531	332.194	330.571	333.817
	2025	337.508	338.438	340.648	342.565	343.010	343.024	343.624	344.503	345.865	-(X)	345.650	344.602	342.676	340.866	344.849
	2026	347.690	348.361													
COLLECTION	CHANGE															
	PERCENT			9.923												
	CAP TIER ONE		2.93%													
	ALLOWABLE 100%		3.90%													
	ALLOWABLE OVER CAP:		2.93%													
	85%	-0.57%														
	TOTAL CPI		2.93%													
GREENWASTE/ ORGANICS	CHANGE															
	PERCENT		9.923													
	CAP TIER ONE		2.93%													
	ALLOWABLE 100%		5.00%													
	ALLOWABLE OVER CAP:		2.93%													
	85%	-2.07%														
	TOTAL CPI		2.93%													
DISPOSAL	CHANGE															
	PERCENT															
	CAP TIER ONE															
	ALLOWABLE 100%															
	ALLOWABLE OVER CAP:															
	85%															
	TOTAL CPI															
OTHER SERVICE	CHANGE															
	PERCENT															
	CAP TIER ONE															
	ALLOWABLE 100%															
	ALLOWABLE OVER CAP:															
	85%															
	TOTAL CPI															
https://data.bls.gov/limeseries/CUURS49ASAO																
UPDATE WITH ORANGE COUNTY VERIFICATION																
NEW RATE IS EXPECTED WISE INCREASE																
CART SERVICE																
OTHER SERVICES																
BIN SERVICE GW																
BIN SERVICE GW																

MAXIMUM RESIDENTIAL			MAXIMUM RATES
A.	RESIDENTIAL CART SERVICE – One 96-gallons capacity each: refuse, recycling, and green waste carts – weekly collection; billing provided by City billing Agent.		Per Month
B.	Additional Refuse Cart(s) – Each.		Per Month
C.	Additional Green Waste Cart(s) – Each after first 2.		Per Month
D.	First Additional Green Waste Cart and All Additional Recycling Carts will be free of charge.	No Charge	
E.	Cart Delivery (addition, removal or exchange) beyond two (2) per type per customer.	45.86	Per Trip
F.	Cart Replacement Due to Customer Damage.	91.67	Per Event
G.	On-Call Bulky Waste / E-Waste (Up to two (2) items per year.)	No Charge	
H.	On-Call Bulky Waste / E-Waste (beyond two (2) per year.)	91.67	Per Item
I.	Annual Holiday Tree Collection	No Charge	
J.	Cart Roll-Out Service – Incremental Charge (in addition to base charge in line A).	45.86	Per Month

Container Size

Container Size

ITEM	MAXIMUM COMMERCIAL ROLL-OFF BOX & COMPACTOR SERVICE	MAXIMUM RATES
A.	Roll-Off Box or Compactor Service up to 6 Tons	680.48 Per Pull
B.	Roll-Off C&D Service Up to 6 Tons	879.35 Per Pull
C.	C&D MRF Fee	99.05 Per Ton
D.	Daily Rental (After 7 days with no dump)	15.04 Per Day
E.	Dead Run	No Charge
F.	Overload Container	86.95 Per Ton

0

ITEM	MAXIMUM TEMPORARY BIN SERVICE	MAXIMUM RATES
A.	3-Yard Bin: Delivery and Removal (1 st Dump included)	180.46
B.	3-Yard Bin: Additional Dump	75.19 Each Dump
C.	Dead Run	15.04
D.	Daily Rental (After 7 days with no dump)	7.52 Per Day

ITEM	OTHER SERVICES	MAXIMUM RATES
A.	On-Call Bulky Waste – Commercial Premises	82.35 Per Item
B.	On-Call Bulky Waste / E-Waste – Multi-Family Premises (Up to two (2) items per year.)	No Charge
C.	On-Call Bulky Waste / E-Waste – Multi-Family Premises (Beyond two (2) items per year.)	82.35 Per Item
D.	On-Call E-Waste & U-Waste Collection & Recycling – Commercial & Multi-Family Premises	82.35 Per Item
E.	Household Hazardous Waste Collection – Multi-Family Premises	82.35 Per Item
F.	Emergency Service	82.45 Per Hour
G.	Maximum Late Fee	7.89% Per Annum
H.	Bin Washing Service beyond Once a Year	No Charge

MAXIMUM MONTHLY COMMERCIAL & MULTI-FAMILY SOLID WASTE SERVICE RATES							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	Extra Dump
2 Cubic Yards	183.66	316.82	423.06	529.31	632.14	736.23	72.08
3 Cubic Yards	198.17	327.88	448.60	563.91	675.62	792.72	72.08
4 Cubic Yards	271.55	443.23	538.46	631.88	727.09	849.80	72.08
Locking Bin Fee	27.21	36.28	45.33	54.39	63.48	72.55	72.08
96 Gal Cart	36.03	n/a	n/a	n/a	n/a	n/a	18.01

MAXIMUM MONTHLY COMMERCIAL SOURCE-SEPARATED RECYCLING SERVICE RATES							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	Extra Dump
1 Cubic Yards							
2 Cubic Yards							
3 Cubic Yards	148.63	245.91	336.45	422.93	506.72	594.54	49.42
4 Cubic Yards	27.02	n/a	n/a	n/a	n/a	n/a	16.47

MAXIMUM MONTHLY COMPACTOR SERVICE RATES							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	360.33	630.58	846.75	1,080.97	1,261.14	1,441.31	
3 Cubic Yards	396.35	648.59	900.81	1,126.02	1,351.22	1,585.43	
4 Cubic Yards	432.40	666.60	954.85	1,171.05	1,441.31	1,729.56	
Locking Bin Fee	27.21	36.28	45.33	54.39	63.48	72.55	

MAXIMUM MONTHLY COMMERCIAL & MULTI-FAMILY GREEN WASTE SERVICE RATES							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	111.45	138.51	232.15	334.34	390.05	445.77	
3 Cubic Yards	122.68	185.73	278.60	371.46	417.91	482.92	
4 Cubic Yards	167.16	278.60	334.34	408.60	464.34	510.76	
Locking Bin Fee	27.21	36.28	45.33	54.39	63.48	72.55	
96 Gal Cart	97.94	n/a	n/a	n/a	n/a	n/a	

MAXIMUM MONTHLY COMMERCIAL & MULTI-FAMILY ORGANIC WASTE SERVICE RATES							
Container Size	Pickups per Week						
	1 X	2 X	3 X	4 X	5 X	6 X	
2 Cubic Yards	226.37	390.46	521.43	652.34	779.08	907.39	
3 Cubic Yards	244.26	404.11	552.89	692.77	832.67	976.99	
4 Cubic Yards	334.69	546.25	663.63	778.77	896.11	1,047.33	
96 Gal Cart	117.50	217.39	317.26	417.14	517.02	n/a	
70 Gal Cart	111.80	207.84	302.93	398.04	493.14	n/a	



COUNTY OF ORANGE

Waste & Recycling

Our Community. Our Commitment.

TRASH RATE SURVEY

2025

CITY		RESIDENTIAL RATE	COMMERCIAL RATE	HAULER
Aliso Viejo		\$ 25.51	\$ 149.89	CR&R
Anaheim		\$ 29.47	\$ 218.73	Republic Services
Brea		\$ 31.27	\$ 192.44	Republic Services
Buena Park		\$ 26.11	\$ 186.52	EDCO
Costa Mesa		\$ 29.88	Franchise Hauler List	Costa Mesa Sanitary District
Cypress		\$ 25.25	\$ 174.20	Valley Vista Services
Dana Point		\$ 26.13	\$ 185.72	CR&R
Fountain Valley		\$ 29.35	\$ 249.82	Republic Services
Fullerton		\$ 27.97	\$ 239.73	Republic Services
Garden Grove		\$ 29.74	\$ 238.37	Republic Services
Huntington Beach		\$ 29.06	\$ 233.05	Republic Services
Irvine		\$ 24.82	\$ 188.47	Waste Management
La Habra		\$ 30.10	\$ 182.75	CR&R
La Palma		\$ 26.32	\$ 169.61	EDCO
Laguna Beach		\$ 27.00	\$ 229.42	CR&R
Laguna Hills		\$ 25.02	\$ 154.00	CR&R
Laguna Niguel		\$ 24.81	\$ 165.59	CR&R
Laguna Woods		\$ 24.88	\$ 172.31	CR&R
Lake Forest		\$ 25.02	\$ 174.79	CR&R
Los Alamitos		\$ 14.54	\$ 151.70	Universal Waste
Midway City Sanitary District		\$ 17.30	\$ 146.37	Midway City Sanitary District
Mission Viejo		\$ 26.84	\$ 184.78	Waste Management
Newport Beach		\$ 25.49	Franchise Hauler List	CR&R
Orange		\$ 25.36	\$ 187.93	CR&R
Placentia		\$ 44.86	\$ 222.66	Republic Services
Rancho Santa Margarita		\$ 26.21	\$ 169.14	CR&R
San Clemente		\$ 26.78	\$ 178.90	CR&R
San Juan Capistrano		\$ 28.15	\$ 178.38	CR&R
Santa Ana		\$ 27.71	\$ 226.40	Republic Services
Seal Beach		\$ 24.56	\$ 208.28	Republic Services
Stanton		\$ 27.09	\$ 196.11	CR&R
Tustin		\$ 20.66	\$ 151.16	CR&R
Villa Park		\$ 40.81	\$ 199.88	Republic Services
Westminster		\$ 17.30	\$ 146.37	Midway City Sanitary District
Yorba Linda		\$ 34.18	\$ 206.51	Republic Services
Unincorporated OC: Area				
Unincorporated Rossmoor	FA1	\$ 24.41	\$ 189.27	CR&R
Unincorporated BP & YL Islands	FA2	\$ 30.27	\$ 214.74	Republic Services
Unincorporated Orange Islands	FA3	\$ 23.29	\$ 189.27	CR&R
Unincorporated OPA/Canyons	FA5 CA-1	\$ 26.40	\$ 302.89	Waste Management
Unincorporated El Modena Islands	FA5 CA-2	\$ 23.29	\$ 189.27	CR&R
Unincorporated North Tustin	FA6	\$ 27.79	\$ 302.89	Waste Management
Unincorporated Emerald Bay	FA7-B	\$ 34.07	\$ 302.89	Waste Management
Unincorporated South County	FA8	\$ 23.88	\$ 219.01	Waste Management
Unincorporated Rancho Mission Viejo	FA9	\$ 24.41	\$ 189.27	CR&R

Residential Rates are based on Single Family standard sets of refuse, recycling, and green waste carts (Monthly fee)

Commercial Trash Rates are based on 3 cubic yard bins (Monthly Fee for 1X/weekly pickup)

*Costa Mesa residential waste collection services are administered by the Costa Mesa Sanitary District

*Newport Beach residential refuse collection is provided by the City and no disposal fees are collected; however, a recycling rate of \$6.39/month per residential unit is included in their municipal bill

*Seal Beach Utility Services provides water and trash collection for residences, the fee for trash collection is included with the water bill

*Westminster residential waste collection services are administered by the Midway City Sanitary District

*BP = Buena Park; YL = Yorba Linda