



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**SEPTEMBER 16, 2025, 7:00 PM
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Tony Wu
Mayor Pro Tem Letty Lopez-Viado
Councilman Ollie Cantos
Councilwoman Rosario Diaz
Councilmember Brian Gutierrez**

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at a Council meeting, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8am to 5pm Monday through Thursday. Please call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

NOTICE

The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

PUBLIC COMMENTS ADDRESSING THE CITY COUNCIL

Any person wishing to address the City Council on any matter listed on the agenda, excluding any matter set for a public hearing, or on any other matter within their jurisdiction must complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk prior to the commencement of Oral Communications. No speaker cards will be accepted after the commencement of Oral Communications, except at the discretion of the Presiding Officer.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. Comments are limited to three (3) minutes per speaker, unless modified by the Presiding Officer or the City Council.

Any testimony or comments regarding a matter set for a public hearing will be heard during the hearing.

While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the meeting, including, but not limited to, speaking off topic, speaking beyond the speaker's allotted time limit, making slanderous or profane remarks or using loud, threatening, or abusive language which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. The City of West Covina will not tolerate harassment based upon a person's race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, gender, sexual orientation, or age.

RULES OF DECORUM

Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

AGENDA

CITY OF WEST COVINA CITY COUNCIL/SUCCESSOR AGENCY

**TUESDAY SEPTEMBER 16, 2025, 7:00 PM
REGULAR MEETING**

INVOCATION

Led by Chaplin Lisa Mayo

PLEDGE OF ALLEGIANCE

Led by Councilmember Gutierrez

ROLL CALL

REPORTING OUT FROM CLOSED SESSION

PRESENTATIONS

- **West Covina American Little League Baseball Champions**

ORAL COMMUNICATIONS - Three (3) minutes per speaker

Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.

CITY MANAGER'S REPORT

City Manager's report on current City projects.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.

FINANCE DEPARTMENT

- 1) **CONSIDERATION OF LONG-RANGE FINANCIAL FORECAST FOR FISCAL YEARS ENDING 2026 TO 2030**

It is recommended that City Council receive and file the Long-Range Financial Forecast for fiscal years ending 2026 to 2030.

POLICE DEPARTMENT

2) **CONSIDERATION OF MEMORANDUM OF UNDERSTANDING (MOU) WITH COVINA VALLEY UNIFIED SCHOOL DISTRICT (CVUSD) FOR ONE SCHOOL RESOURCE OFFICER AT SOUTH HILLS HIGH SCHOOL, INCLUDING COST-SHARING FOR CROSSING GUARD SERVICES**

It is recommended that the City Council authorize the Acting City Manager execute a new five-year Memorandum of Understanding with the Covina Valley Unified School District (CVUSD) for the School Resource Officer Program at South Hills High School and cost-sharing for crossing guard services.

3) **CONSIDERATION OF PURCHASE OF POLICE VEHICLES**

It is recommended that the City Council authorize the purchase of ten (10) Dodge Durango Patrol vehicles and two (2) Chevrolet Trax CSO (Community Service Officer) vehicles, from National Auto Fleet Group through Sourcewell Master Vehicle Contract # 091521-NAF, for a total of \$621,028.62, including taxes and fees, using previously budgeted federal asset forfeiture funds.

END OF CONSENT CALENDAR

MAYOR/COUNCILMEMBERS REPORTS

AB 1234 Conference and Meeting Report (verbal, if any)

(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)

4) **CONSIDERATION OF CENSURE OF COUNCIL MEMBER BRIAN GUTIERREZ**

It is recommended that the City Council:

1. Provide direction to staff regarding a censure hearing relating to Council Member Brian Gutierrez in response to the complaint submitted by Mayor Pro Tem Lopez-Viado.
2. If the Council directs that a censure hearing be held, schedule the hearing for a regular or special meeting on a future date.
3. Direct that the Acting City Manager serve as the presiding officer of any censure.
4. Authorize the Acting City Manager to engage Buchalter APC as special counsel to represent the City in the *Doe v. City of West Covina* (Los Angeles County Superior Court Case No. 25STCV26419) matter.

CITY COUNCIL COMMENTS

ADJOURNMENT

Next Tentative City Council Meeting

Regular Meeting

, Date October 7, 2025

7:00 PM

RULES OF DECORUM

The following are excerpts from the West Covina Municipal Code:

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

- a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
- b. The city council may establish a limit on the duration of oral communications.
- c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
- d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

- a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
- b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
 - a. Addressing the Mayor and City Council without first being recognized.
 - b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
 - c. Repetitiously addressing the same subject.
 - d. Failing to relinquish the podium when directed to do so.
 - e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
 - f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-52. Persons authorized to be within council area.

No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

The following are excerpts from the Penal Code

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: September 16, 2025

TO: Mayor and City Council

FROM: Milan Mrakich, Acting City Manager

**SUBJECT: CONSIDERATION OF LONG-RANGE FINANCIAL FORECAST FOR FISCAL YEARS
ENDING 2026 TO 2030**

RECOMMENDATION:

It is recommended that City Council receive and file the Long-Range Financial Forecast for fiscal years ending 2026 to 2030.

BACKGROUND:

Local government financial condition analysis consists of defining and measuring financial condition, identifying any warning trends, conducting data analysis, and writing a report of analysis. Beyond the annual budget cycle and multi-year capital plan, governments need to identify long-term financial trends. Long-term financial planning involves projecting revenues, expenses, and key factors that have a financial impact on the organization. Understanding long-term trends and potential risk factors that may impact overall financial sustainability allows staff to proactively address these issues. A long-term financial planning process allows Council to focus on long-term objectives, encourages strategic thinking, and promotes overall awareness for financial literacy in an organization.

Additionally, the State audit recommended the City prepare financial analyses that evaluate both the short-term and long-term financial implications of significant spending decisions. The City's action in regard to this finding was to use a multi-year forecast to quantify the impact of decisions on the City's financial condition. The City originally developed a multi-year forecast in 2020.

As was contemplated in the City's Financial Recovery Plan, annually staff prepares and updates the forecast to include all projected revenue and expenditures, adding information on new assumptions, unanticipated costs, and cost-saving actions.

DISCUSSION:

The purpose of the forecast update is to provide long-term context for annual decisions that will be made with the FY 2025-26 Budget and FY 2026-30 Capital Improvement Plan. This forecast was developed to create a forward-looking, conservative baseline budgetary outlook for the City's General Fund under a given set of revenue and expenditure growth assumptions.

The Long-Range Financial Forecast (Attachment No. 1) is part of the annual budget process.

Staff presented the proposed Long Range Financial Forecast for the fiscal years ending 2026-2030 to

the City Council on May 20, 2025. Staff has revised the Long Range Financial Forecast pursuant to the Council's direction at that meeting.

LEGAL REVIEW:

The City Attorney's Office has reviewed the staff report.

OPTIONS:

The City Council has the following options:

1. Approve staffs recommendation; or
2. Provide alternative direction.

Prepared by: Karen Ogawa, Finance Director

Additional Approval: Roxanne E. Lerma, Assistant City Manager

Fiscal Impact

FISCAL IMPACT:

Based on the revenue and expenditure assumptions, the General Fund is anticipated to have a surplus in Fiscal Year 2025-26 through Fiscal Year 2026-27 and Fiscal Year 2029-30. Fiscal Year 2027-28 and Fiscal Year 2028-29 are projected to have a deficit.

Fund balance reserves are anticipated to decrease from 19% in Fiscal Year 2024-25 to 18% in Fiscal Year 2029-30. The Unassigned General Fund balance of 18% is in compliance with the Fund Balance Policy.

Attachments

Attachment No. 1 - Long-Range Financial Forecast

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability

Long-Range Financial Forecast

FISCAL YEARS ENDING 2026 TO 2030



City of West Covina

WWW.WESTCOVINA.ORG | 1444 W GARVEY AVE, WEST COVINA CA, 91790

09.03.2025

Overview

The purpose of this forecast is to provide long-term context for annual decisions that will be made with the Fiscal Year Ending (FYE) 2026 Budget and FYE 2026-2030 Capital Improvement Plan. This forecast was developed to create a forward-looking, conservative baseline budgetary outlook for the City's General Fund under a given set of revenue and expenditure growth assumptions.

The revenue and expenditure growth assumptions have been updated based on historical trends, actuarial reports, and CPI trends. The base year for this forecast is FYE 2025.

Revenue

The City's major revenue sources include property taxes and sales tax. Each of these revenue sources are driven by the growth of the local economy and the City's population. This is also true of several of the City's other revenue sources including fees and charges for service, franchise taxes, and licenses and permits.

Revenue Growth Assumptions

- Based on historical prior year actuals Property Tax is assumed to increase by 4.9% - the median over the past ten years.
- The Property Tax in Lieu of Vehicle License Fee grows with estimated increase in assessed valuation.
- Sales Tax estimates are provided by the City's sales tax consultant, HdL, and are forecasted to increase by 3.5% in FYE 2026 to 3.0% by FYE 2030.
- The following are assumed to grow with CPI which has average of 3.18% over the past ten years:
 - Business License Tax
 - Transient Occupancy Tax
 - Franchise Fees
 - Charges for service that increase with CPI
 - Rental Income
 - Licenses and Permits
 - Use Of Money/Property

Table 1. Forecasted Revenue Growth Assumptions

Major Revenue Source	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Property Taxes	4.90%	4.90%	4.90%	4.90%	4.90%
Sales And Use Taxes	3.50%	3.20%	3.00%	3.00%	3.00%
Business License Tax	3.18%	3.18%	3.18%	3.18%	3.18%
Transient Occupancy Tax	3.18%	3.18%	3.18%	3.18%	3.18%
Other Taxes	0.00%	0.00%	0.00%	0.00%	0.00%
Fines And Forfeits	0.00%	0.00%	0.00%	0.00%	0.00%
Franchise	3.18%	3.18%	3.18%	3.18%	3.18%
Licenses & Permits	3.18%	3.18%	3.18%	3.18%	3.18%
Use Of Money/Prop	3.18%	3.18%	3.18%	3.18%	3.18%
Charges For Services-CPI	3.18%	3.18%	3.18%	3.18%	3.18%
Charges For Services-Non-CPI	0.08%	0.08%	0.08%	0.08%	0.08%
Rental Income	3.18%	3.18%	3.18%	3.18%	3.18%
Other Revenues	0.00%	0.00%	0.00%	0.00%	0.00%



Expenditure Overview

Expenditures are forecasted for the City's two major funds: General and Debt Service. The baseline forecast presented herein includes expenditures already approved by and/or committed to by the City Council. Rising costs due to inflation, and/or interest rates are also anticipated and included in this forecast through growth factors applied to each forecast category. Miscellaneous

Expenditure Growth Assumptions

- Based salaries have been projected to reflect the increases per current and anticipated memorandums of understanding.
- The forecast assumes recruitment of all budgeted positions with annual estimated vacancy savings within larger staffing groups.
- Projected employer contributions to California Public Employees' Retirement System (CalPERS) are based on the latest Actuarial Valuation.
- Increases in expenditures are based on historical actuals and CPI which has averaged around 3.18%.
- The forecast does not assume increases in contributions to Other Post Employment Benefits (OPEB).
- Workers Compensation and Insurance claims have been based on recent actuarial study. The initial forecast assumes fully funding recurring expenditures but does not address the current liability.

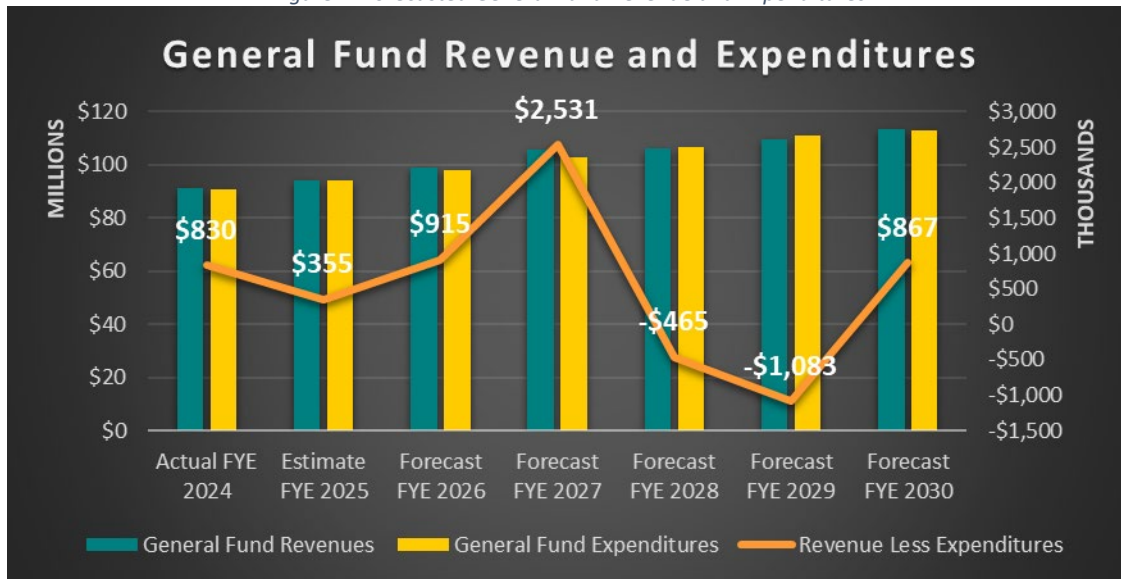
Table 2. Forecasted Expenditure Growth Assumptions

Expenditures	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Salaries & Benefits	11.56%	8.29%	6.30%	5.41%	1.96%
Base Salaries	2.80%	2.80%	2.80%	2.80%	3.00%
Health Plans	4.00%	4.00%	4.00%	4.00%	4.00%
Dental/Vision/Life Plans	2.00%	2.00%	2.00%	2.00%	2.00%
Medicare	2.00%	2.00%	2.00%	2.00%	3.00%
CalPERS Miscellaneous	-8.53%	-1.46%	-2.70%	-1.39%	-1.41%
CalPERS Safety	-8.53%	-1.46%	-2.70%	-1.39%	-1.41%
PERS UAL Payment	61.18%	37.98%	27.53%	21.58%	1.37%
Materials & Services	0.25%	0.46%	0.42%	0.42%	0.42%
Contract/Professional Services	2.00%	2.00%	2.00%	2.00%	2.00%
Fuel	3.18%	3.18%	3.18%	3.18%	3.18%
Legal Services	3.18%	3.18%	3.18%	3.18%	3.18%
Materials & Services	0.00%	0.00%	0.00%	0.00%	0.00%
Miscellaneous	0.00%	0.00%	0.00%	0.00%	0.00%
Repair & Maintenance	0.00%	0.00%	0.00%	0.00%	0.00%
Supplies & Materials	0.00%	0.00%	0.00%	0.00%	0.00%
Training/Conferences/Meetings	0.00%	0.00%	0.00%	0.00%	0.00%
Utilities	3.18%	3.18%	3.18%	3.18%	3.18%
Claim Paid	-5.91%	9.15%	6.16%	6.17%	6.18%

General Fund Projections

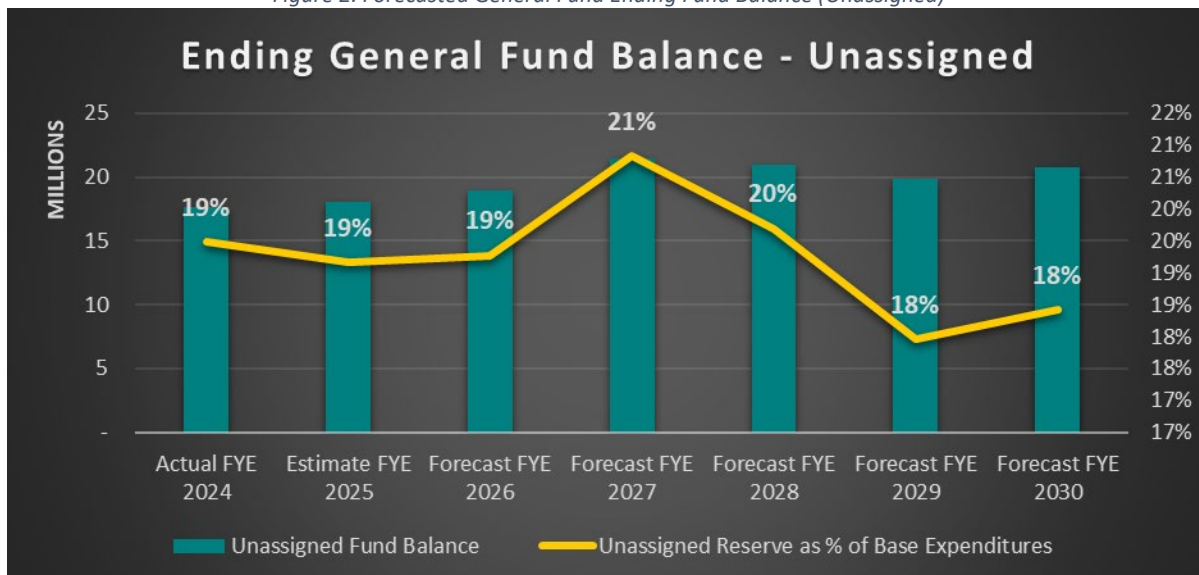
Based on the revenue and expenditure assumptions, the General Fund is anticipated to have surplus, revenue over expenditures, in FYE 2025 through FYE 2027 and FYE 2030. FYE 2028 and FYE 2029 is projected to have a deficit of approximately \$465,000 and \$1.1 million respectively.

Figure 1. Forecasted General Fund Revenue and Expenditures



Fund balance reserves are anticipated to decrease from 19% in FYE 2025 to 18% in FYE 2030. The Unassigned General Fund balance of 18% is in compliance with the Fund Balance Policy.

Figure 2. Forecasted General Fund Ending Fund Balance (Unassigned)



There are several factors contributing to this. The first is unfunded accrued liability (UAL) with CalPERS. The second is projected losses for general liability and workers compensation. Lastly, expenditures are increasing at a faster rate than revenues. The following sections have more on the UAL, general liability and workers compensation.

Future Pension Costs

The City currently has a total of two pension plans administered by CalPERS and two retirement enhancement plans administered by PARS. The pension plans consist of a miscellaneous agent plan and a safety agent plan. The retirement enhancement plan consists of an Employer Paid Member Contribution (EPMC) replacement supplemental retirement plan and a supplemental retirement plan for executive staff and City Council.

The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). In 2020, the City issued taxable Lease Revenue Bonds to provide financing to pay the City's unfunded pension liabilities to CalPERS.

However, as of the latest actuarial report received in 2023, the City's net pension related liability will be over \$39.7 million for the miscellaneous and safety plans – meaning the city reported a liability again as of June 30, 2023.

Table 3. Projected CalPERS Rates.

CalPERS Rates	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Miscellaneous	9.01%	8.90%	8.70%	8.60%	8.50%
Safety	21.87%	21.50%	20.90%	20.30%	19.80%

UAL Payment	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Miscellaneous	1,188,807	1,537,000	1,884,000	2,232,000	2,260,000
Safety	2,586,853	3,481,000	4,374,000	5,268,000	5,343,000
Total UAL	\$3,775,660	\$5,018,000	\$6,258,000	\$7,500,000	\$7,603,000

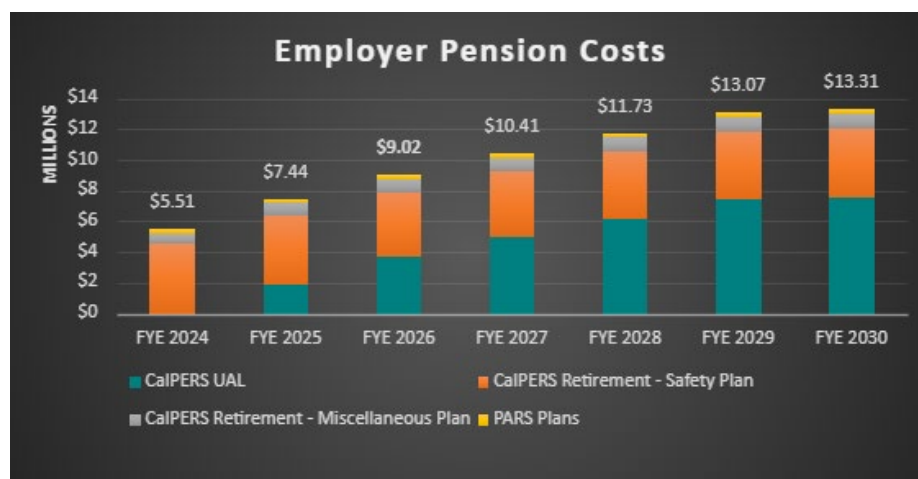


Figure 3. Forecasted Pension Employer Costs

The PARS retirement enhancement plan consists of an EPMC replacement supplemental retirement plan and a supplemental retirement plan for executive staff and City Council. The City makes all contributions to these plans. Participants do not make any contributions. The City is currently only funding the benefit payments payable each year.

Other Post Employment Benefits (OPEB)

The City administers a single employer defined benefit plan which provides healthcare benefits to eligible retirees and their dependents in accordance with various labor agreements. The table below summarizes these costs over the forecast period.

Table 4. Retiree Benefits

Retiree Benefit (\$ Millions)	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Medical	2.22	2.29	2.33	2.38	2.43	2.48	2.53
Health Savings Plan	0.34	0.42	0.42	0.42	0.42	0.42	0.42
Total	\$2.55	\$2.71	\$2.75	\$2.80	\$2.85	\$2.89	\$2.94

Debt Service

The General Fund will generally be responsible for funding the following debt service payments annually:

2018 Lease Revenue Refunding Bonds, Series A and B

On November 20, 2018, the City issued \$19,310,000 of Lease Revenue Bonds, Series A and \$4,855,000 of taxable Lease Revenue Bonds, Series B to provide financing for the advance refunding of the City's 2002 Lease Revenue Bonds Series A, 2004 Lease Revenue Bonds Series A&B, and the 2013 Lease Revenue Refunding Bonds Series A.

2020 Lease Revenue Bonds, Series A

On July 23, 2020, the City issued \$204,095,000 of taxable Lease Revenue Bonds to provide financing to pay the City's unfunded pension liabilities to CalPERS, to establish a reserve fund, and pay issuance costs. The bonds mature annually through August 1, 2044, in amounts ranging from \$3,645,000 to \$16,105,000, with interest rates that range from 1.747% to a maximum of 3.892% over the term of the bonds.

Energy Efficiency Loans Payable

In May 2021, the City entered into two lease-purchase agreements for the acquisition and installation of certain energy conservation equipment and improvements (solar) and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of \$6,602,048.

Table 5. Debt Service Payments

Debt Service (\$ Millions)	FYE 2026	FYE 2027	FYE 2028	FYE 2029	FYE 2030
Principal	\$5,907,696	\$6,295,249	\$6,717,502	\$7,168,788	\$7,633,591
Interest	\$7,714,385	\$7,540,661	\$7,345,261	\$7,127,764	\$6,888,807
Total Debt Service	\$13,622,081	\$13,835,910	\$14,062,763	\$14,296,552	\$14,522,398

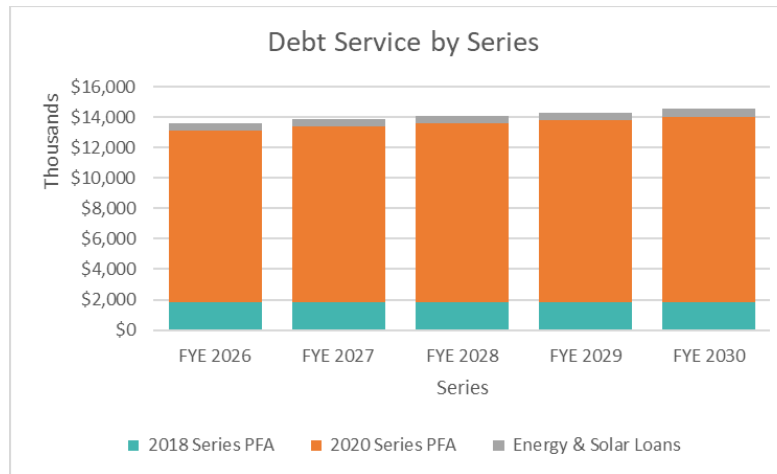


Figure 4. Debt Service Payments

Self-Insured Workers Compensation and Liability

The City is self-insured for workers compensation and liability (automobile, general, and public officials). The City has always purchased excess insurances for workers compensation and liability. In compliance with Governmental Accounting Standards Board (GASB) Statement No. 10, the City has an actuarial study completed every two years.

Based on the latest actuarial study, the estimated outstanding workers compensation losses decreased by \$1.2 million from our prior estimate of \$14.1 million as of June 30, 2023 to \$12.8 as of June 30, 2024. The change consists of:

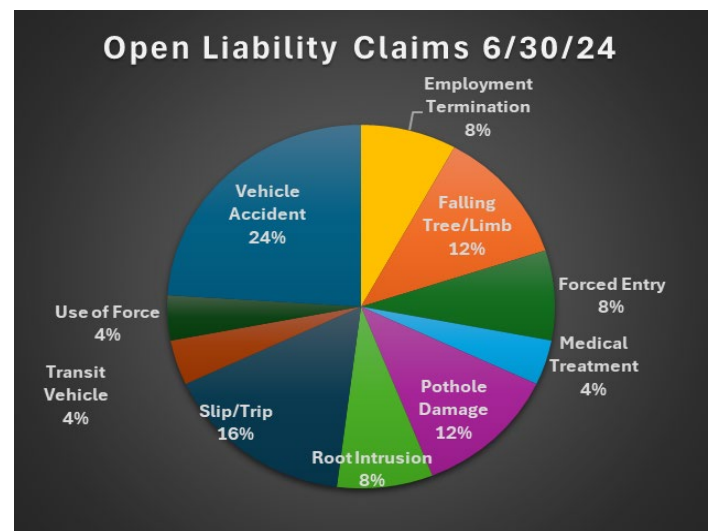
- +\$2.8 million from the additional year (2023/24) of exposure,
- -\$3.7 million for claim payments made during 2023/24, and
- -\$0.2 million due to a change in projected ultimate losses for 2022/23 and prior.

The decrease in outstanding workers compensation losses is mainly due to a decrease in case reserves of \$1.5M.

Additionally, the estimated outstanding liability losses increased by \$5.3 million from our prior estimate of \$8 million as of June 30, 2023 to \$13.2 million as of June 30, 2024. The change consists of:

- +\$5.9 million from the additional year (2023/24) of exposure,
- -\$4.7 million for claim payments made during 2023/24, and
- +\$4.1 million due to a change in projected ultimate losses for 2022/23 and prior.

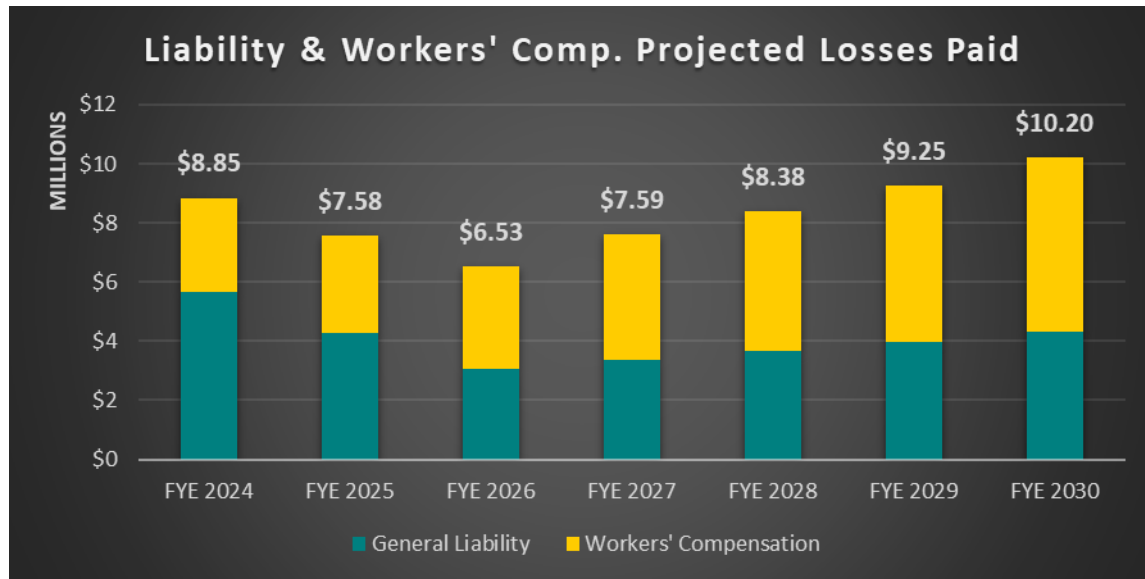
Figure 5. Open Liability Claims



The increase in outstanding liability losses is mainly due to an increase in case reserves of \$4.2 million.

The actuarial study also projected losses over \$8.35 million in FYE 2026 and \$21.29 million in FYE 2030. The cart below outlines these losses.

Figure 6. Liability & Workers' Comp Compensation Projected Losses Paid





AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: September 16, 2025

TO: Mayor and City Council

FROM: Milan Mrakich, Acting City Manager

SUBJECT: CONSIDERATION OF MEMORANDUM OF UNDERSTANDING (MOU) WITH COVINA VALLEY UNIFIED SCHOOL DISTRICT (CVUSD) FOR ONE SCHOOL RESOURCE OFFICER AT SOUTH HILLS HIGH SCHOOL, INCLUDING COST-SHARING FOR CROSSING GUARD SERVICES

RECOMMENDATION:

It is recommended that the City Council authorize the Acting City Manager execute a new five-year Memorandum of Understanding with the Covina Valley Unified School District (CVUSD) for the School Resource Officer Program at South Hills High School and cost-sharing for crossing guard services.

BACKGROUND:

In recent years, City staff explored many cost saving and cost sharing opportunities. These included sharing the costs of School Resource Officers (SROs) and crossing guard services with local school districts. The City's most recent Memorandum of Understanding (MOU) with CVUSD for SRO services and cost-sharing for crossing guard services had a term of August 22, 2022 through June 5, 2025. To continue this arrangement with CVUSD, a new Memorandum of Understanding (MOU) is needed.

DISCUSSION:

The proposed new five-year MOU is attached (see Attachment No. 1), and has been reviewed by City Staff and CVUSD staff. Under this MOU, the City will continue to assign one officer to serve as the SRO at South Hills High School. CVUSD will share the cost for this SRO, and also pay for half the costs of providing crossing guard services at CVUSD schools located in the City of West Covina, through June 2030. CVUSD will reimburse the City for a portion the SRO salary costs, starting at \$100,000 for the 2025-26 school year, and increasing each year, ending at \$113,000 for the 2028-29 school year. Additionally, CVUSD will pay for any SRO overtime hours during the school year.

Staff recommends that the City Council authorize the Acting City Manager to execute the new five-year MOU with CVUSD.

LEGAL REVIEW:

The City Attorney's Office has reviewed the agreement and approved it as to form.

Prepared by: Alex B. Houston, Police Administrative Services Manager

Additional Approval: Karen Ogawa, Finance Director

Additional Approval: Roxanne E. Lerma, Assistant City Manager

Fiscal Impact

FISCAL IMPACT:

Estimated revenue amounts from CVUSD are proposed to start at \$100,000 and be increased every year of the agreement, aligning to the following amounts included in the MOU:

School Year/Fiscal Year	Amount
2025-26	\$100,000
2026-27	\$103,000
2027-28	\$107,000
2028-29	\$110,000
2029-30	\$113,000
Five-Year Total	\$533,000

Additionally, the District will pay 100% of the overtime costs that the City incurs for the SRO to provide services. The fully burdened cost of an SRO ranges from \$180,000 to over \$200,000. The funding received from the district supplements this cost for the City. Estimated revenue is included in the adopted FY 2025-26 General Fund budget for these reimbursements.

Attachments

Attachment No. 1 - CVUSD MOU 2025-2030

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety
Maintain Good Intergovernmental Relations

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF WEST COVINA AND
THE COVINA-VALLEY UNIFIED SCHOOL DISTRICT
FOR THE SCHOOL RESOURCE OFFICER PROGRAM AT
SOUTH HILLS HIGH SCHOOL**

THIS MEMORANDUM OF UNDERSTANDING ("Agreement") is entered into as of July 1, 2025 ("Effective Date") by and between the CITY OF WEST COVINA, a municipal corporation ("City") and the COVINA-VALLEY UNIFIED SCHOOL DISTRICT, a political subdivision of the State of California ("District").

RECITALS

- A. District needs services as part of the School Resource Officer Program ("SRO Program"), as more fully described herein (the "Services").
- B. City employs sworn peace officers specially trained, experienced and competent to provide the Services to District on the terms and in the manner described in this Agreement.
- C. This Agreement is not intended to modify any program or service provided by City to District as of the Effective Date except as expressly provided herein.
- D. City and District are joining together in a collaborative effort to provide one (1) School Resource Officer ("SRO") to work with the South Hills High School ("SHHS") community to help provide a safe and secure environment for all.
- E. City and District desire to have a working relationship between the City and the District to provide a safe and secure learning environment for students, to encourage a positive learning experience, and to promote positive relationships between law enforcement and students.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions set forth herein, City and District agree as follows:

1.0. TERM

The term of this Agreement shall commence on the Effective Date and end on June 30, 2030, unless previously terminated as set forth herein.

2.0. GOALS AND OBJECTIVES

City and District agree that the goals and objectives of this Agreement and the SRO Program are:

- A. The goals of the SRO Program are to assist the District at SHHS in providing a safe learning environment and to improve relationships between law enforcement officers and today's students. The SRO Program should also attempt to promote a better understanding of the law enforcement officer's role in society while educating students, parents, and school personnel, which will build a better community while also providing a role model in the educational system.
- B. The first objective of the SRO is the protection of students and staff from negative influences and to assist in the maintenance of safety in the schools.
- C. The second objective is for the SRO to act as an advisor to school staff in safety matters, violence reduction strategies, and legal aspects of the activities of students.
- D. The third objective is for the SRO to facilitate learning in citizenship and related law education. The SRO will prepare and present specialized lectures on topics discussed by school staff. The SRO will provide students with information about their rights and responsibilities in the school and community.
- E. The fourth objective is for the SRO to assist students through counseling and mediation in law related problems and to assist them by mediating disputes. The SRO will attempt to proactively identify problems with students and provide guidance to them in addressing their problems in a non-violent manner.

3.0. SCOPE OF SERVICES

- 3.1. **Assignment of SRO.** The City will assign one (1) sworn West Covina Police Department officer to act as the SRO, assigned to SHHS. The SRO will work on the school campus on a daily basis in order to reduce and prevent criminal activity, counsel and advise school staff on important safety issues, help teach students about safety, and provide students counseling and mediation specific to issues involving the law. The SRO will work four (4) days a week for ten (10) hours each day ("Normal Work Week"). The SRO will coordinate activities with the SHHS Principal and concerned staff members, and will seek permission, guidance, and advice prior to enacting any program within the school. The SRO will seek District and school input before any activity other than individualized police action is enabled, such as the usage of police dogs and the implementation of facilities/property searches. The SRO will remain an employee of the City.

3.2. Selection and Supervision of SRO. The Chief of Police will determine those individuals best suited for the assignment to the SRO Program in accordance with City's employment procedures and conditions and advise the District of the eligible candidates. The Chief of Police will consider input from the District Superintendent as to the selection of the SRO, but the Chief of Police shall have the sole discretion in the selection of the SRO. The Chief of Police's selections shall be final. The SRO shall perform the Services under the supervision and control of the Chief of Police.

3.3. Duties and Responsibilities of SRO. City and District agree that the SRO's duties and responsibilities shall include:

- A. Act as an effective liaison between school and District personnel, the West Covina Police Department, and elements of the juvenile justice system.
- B. Maintain a high visibility presence in order to deter crime and allow easy availability for students who wish to make contact.
- C. Act as counselor and advisor to students in need of guidance.
- D. Teach short courses for students in areas such as explanation of the law, police procedures, drug abuse, and family violence.
- E. Conduct workshops for teachers in areas such as gang awareness, drug usage, and juvenile law.
- F. Address school assemblies and be involved in programs of an educational nature.
- G. Take action to apprehend persons responsible for any criminal activity on campus.
- H. Assist in and attend meetings of the School Attendance Review Board (SARB).
- I. Provide innovative programs to enhance support and cooperation with the school in a mutual effort to create a better school environment.
- J. Develop expertise in presenting various subjects such as understanding the laws, the police officer and the police mission.
- K. Encourage individual and small group discussions about law enforcement related matters with students, faculty and parents.

- L. Whenever possible, attend meetings of the school parent and faculty groups to solicit their support and understanding of the SRO Program and promote awareness of law enforcement functions.
- M. Whenever possible, be available for conferences with students, parents and faculty members to assist them with problems of a law enforcement or crime prevention nature.
- N. Be familiar with the community agencies which offer assistance to students and their families, such as mental health clinics, drug treatment centers, etc.
- O. May act as an instructor for specialized short-term programs when invited to do so by the Superintendent or designee.
- P. Coordinate all activities with the school administrative staff and seek permission, advice, and guidance prior to enacting any program within the school.
- Q. Assist the Superintendent/Principal in developing plans and strategies to prevent and/or minimize dangerous situations which may result from student unrest.
- R. Should it become necessary to conduct formal police interviews with students, the SRO shall adhere to school board policy and legal requirements with regard to such interviews.
- S. Take law enforcement action as required. As soon as practical, and when legally permissible, the SRO shall make the Superintendent/Principal of the school aware of such action. At the Superintendent's/Principal's request, the SRO may take appropriate law enforcement action against intruders and unwanted visitors who may appear at school related functions, to the extent the SRO may do so under the authority of the law.
- T. Give assistance to other police officers in matters regarding his/her school assignment whenever necessary.
- U. Maintain a detailed and accurate record of the operation of the SRO Program.
- V. The SRO will be expected to participate in school functions such as athletic events, dances, PTA programs, and other school sponsored events when the staff and the SRO agree their attendance is advantageous.

3.4. School Breaks. District acknowledges and agrees that during periods when SHHS is on break, the SRO will be deployed back into police patrol operations for the City, and will be eligible to use leave time.

3.5. Time Off/Leave Time. District acknowledges and agrees that the SRO is eligible to take time off/leave time throughout the year. District acknowledges and agrees that this position will not be backfilled by other West Covina Police Department officers.

4.0. COMPENSATION

4.1. Compensation. For services provided during the Normal Work Week, District shall pay City as follows:

- a. For the period commencing on the Effective Date and ending June 30, 2026 (2025-2026 school year), District shall pay City One Hundred Thousand Dollars (\$100,000.00) for the SRO.
- b. For the period commencing July 1, 2026 and ending June 30, 2027 (2026-2027 school year), District shall pay City One Hundred Three Thousand Dollars (\$103,000.00) for the SRO.
- c. For the period commencing July 1, 2027 and ending June 30, 2028 (2027-2028 school year), District shall pay City One Hundred Seven Thousand Dollars (\$107,000.00) for the SRO.
- d. For the period commencing July 1, 2028 and ending June 30, 2029 (2028-2029 school year), District shall pay City One Hundred Ten Thousand Dollars (\$110,000.00) per SRO.
- e. For the period commencing July 1, 2029 and ending June 30, 2030 (2029-2030 school year), District shall pay City One Hundred Thirteen Thousand Dollars (\$113,000.00) per SRO.

The City will fund the remaining salary and benefits and all equipment costs.

4.2. Overtime Costs. If the SRO provides services outside of the Normal Work Week, District shall pay City one hundred percent (100%) of the costs that the City incurs for the SRO to provide such services, with the understanding that the City is generally required to pay the SRO at least one and one-half (1.5) times their regular rate of pay for overtime.

4.3. Method of Billing. City will invoice the District for Services provided during the Normal Work Week and any overtime costs on a quarterly basis. District shall pay each invoice within thirty (30) days of receipt of the invoice.

5.0. CONTRIBUTION TO CROSSING GUARD SERVICES

In consideration for City's participation in the SRO Program at SHHS, District agrees to pay for fifty percent (50%) of the City's costs for providing crossing guard services at all District schools located within the City. The crossing guard services shall be provided at the following intersections/locations within the City of West Covina:

1. Mesa Elementary (S. Barranca St. / E. Sunset Hill Dr.)
2. Rowland Ave Elementary (E. Rowland Ave. / N. Astell Ave.)
3. Rowland Ave Elementary (E. Rowland Ave. / N. Lark Ellen Ave.)
4. Workman Elementary (E. Workman / N. Phillips Ave.)
5. Traweek Middle School (E. Rowland Ave. / N. Neil St.)

City will invoice District for such costs on a quarterly basis. District will pay each invoice within thirty (30) days of receipt of the invoice.

6.0. PROGRAM EVALUATION

District and City will annually and collaboratively evaluate the performance, success, and effectiveness of the SRO Program. This evaluation may be utilized to determine further continuation of the SRO Program.

If the City enters into a memorandum of understanding or similar agreement during the term of this Agreement with another school district located within the City that contains provisions for payment to the City for a greater or lesser net amount for the same or similar SRO services, the City and the District agree to meet and confer in good faith to determine whether or not to amend this Agreement to adjust payment hereunder. Either the City or the District may initiate this meet and confer process and shall do so by delivering written notification of such request to the other party's representative.

7.0. CONTINUATION

District and City may continue and renew the SRO Program by mutual written agreement, which may be memorialized by an amendment to this Agreement or a new agreement between the parties.

8.0. TERMINATION

District or City may terminate this Agreement at any time, with or without cause, by providing forty-five (45) days' written notice to the other party. In the event of termination, District shall compensate City for services performed through the effective date of the termination. City shall continue to provide services after notice of termination and during the forty-five (45) day notice period unless District, in the notice of termination, requests that City not perform services.

9.0. INDEMNIFICATION

9.1. District Obligations. District agrees to defend, indemnify and hold harmless City, its elected and appointed officials, officers, agents, employees, and volunteers from and against any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, arising out of or in any way connected with the District's negligence or willful misconduct in the performance of this Agreement. District assumes workers' compensation liability for injury or death of its officers, agents, employees, and volunteers, and assumes no workers' compensation responsibility for the elected and appointed officials, officers, agents, employees, and volunteers of the City.

9.2. City's Obligations. City agrees to defend, indemnify and hold harmless District, its officials, officers, agents, employees, and volunteers from and against any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, arising out of or in any way connected with City's negligence or willful misconduct in the performance of this Agreement. City assumes workers' compensation liability for injury or death of its elected and appointed officials, officers, agents, employees, and volunteers, and assumes no workers' compensation responsibility for the officials, officers, agents, employees, and volunteers of the District.

10.0. ASSIGNMENT

This Agreement may not be assigned or transferred by either party without the express written consent of the other party.

11.0. WAIVER

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

12.0. SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

13.0. CONSTRUCTION

The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

14.0. INDEPENDENT CONTRACTOR

The parties understand and agree that in performing the Services under this Agreement, City and any person employed by or contracted with City to furnish labor and/or materials under this Agreement shall act as and be an independent contractor and not an agent or employee of the District.

15.0. NO THIRD PARTY BENEFICIARIES

This Agreement is entered into for the sole benefit of City and District and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

16.0. NOTICES; REPRESENTATIVES

City and District have designated the following representatives to receive notices and act on their agency's behalf in the administration of this Agreement. Notices shall be deemed given when personally delivered to the District or City representative or three (3) days after the date the notice is deposited in the United States mail, first-class postage prepaid, and addressed as set forth below.

CITY: Chief of Police
West Covina Police Department
1444 W. Garvey Ave. S.
West Covina, CA 91790

DISTRICT: Superintendent
Covina-Valley Unified School District
519 E. Badillo St.
Covina, CA 91793

17.0. ATTORNEYS' FEES

In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

18.0. GOVERNING LAW; VENUE

This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles County, California.

19.0. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification.

20.0. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and may be executed by electronic signatures. All counterparts shall be construed together and shall constitute one agreement. Delivery of an executed counterpart of this Agreement by a .pdf data file or other scanned executed counterpart by email shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Each duplicate and counterpart shall be equally admissible in evidence, and each shall fully bind each party who has executed it. The parties waive all right to challenge the admissibility or authenticity of this Agreement in a court of law based solely on the absence of an original signature.

21.0. CORPORATE AUTHORITY

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the dates set forth below.

CITY OF WEST COVINA

Milan Mrakich
Acting City Manager

Antonio Cortina
Chief of Police

Date

Date

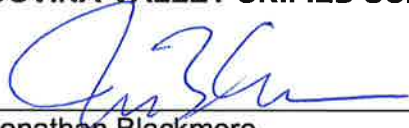
ATTEST:

APPROVED AS TO FORM:

Lisa Sherrick
Assistant City Clerk

Thomas P. Duarte
City Attorney

COVINA-VALLEY UNIFIED SCHOOL DISTRICT



Jonathan Blackmore
Interim Superintendent

8/14/05

Date



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: September 16, 2025

TO: Mayor and City Council

FROM: Milan Mrakich, Acting City Manager

SUBJECT: CONSIDERATION OF PURCHASE OF POLICE VEHICLES

RECOMMENDATION:

It is recommended that the City Council authorize the purchase of ten (10) Dodge Durango Patrol vehicles and two (2) Chevrolet Trax CSO (Community Service Officer) vehicles, from National Auto Fleet Group through Sourcewell Master Vehicle Contract # 091521-NAF, for a total of \$621,028.62, including taxes and fees, using previously budgeted federal asset forfeiture funds.

BACKGROUND:

The patrol vehicle is a basic tool needed by a patrol officer to perform the job of providing police service to residents. For patrol officers, their office space is their vehicle, and they count on those vehicles performing every time they enter them. These vehicles are used in intense pursuits, and often run nonstop supporting multiple patrol shifts round the clock—this greatly reduces these vehicle's useful lifespan in comparison to regular civilian passenger vehicles. In comparison to a standard civilian car, the actual mileage and wear and tear on these units' engines far exceeds the odometer numbers, because these patrol units frequently idle for long periods of time at crime scenes and traffic stops while officers use vehicle-mounted lights, mobile data computers, and communications equipment. Currently, ten (10) high-mileage patrol vehicles have been identified as needing replacement, along with two (2) vehicles for Community Service Officers (CSOs), used to support patrol operations in the field.

DISCUSSION:

National Auto Fleet Group has offered to provide twelve (12) vehicles to West Covina (ten (10) Patrol Durango vehicles, and two (2) CSO Trax vehicles), under the Sourcewell Master Vehicle Contract No. 091521-NAF pricing—see Attachment No. 1. This same multi-year Sourcewell contract (see Attachment No. 2) has been approved by the City Council for previous purchases of Police and Fire vehicles. National Auto Fleet Group has again offered the contract pricing under this contract, totaling \$621,028.62 for all 12 vehicles.

The Sourcewell program is a public agency, member-driven service cooperative that serves over 50,000 members. Sourcewell offers a multitude of contracted products, equipment, and service opportunities to local government agencies. Sourcewell offers its members purchasing contracts that are competitively bid nationally to enable contracted suppliers and member agencies to work smarter and more efficiently and bring considerable value to member agencies. By utilizing the Sourcewell purchasing contract services, local government agencies can expedite and purchase critical equipment much quicker than

using traditional acquisition methods. Sourcewell products and suppliers are already approved by the United States General Service Administration, so no request for proposal or bidding is required. Utilizing the Sourcewell contract to purchase these police vehicles will help deliver these vehicles as soon as possible to the Police Department, and save considerable staff time.

Pursuant to Section 2-335(6) of the West Covina Municipal Code, purchases made through a cooperative purchasing agreement or program like Sourcewell are exempt from the informal and formal competitive procurement requirements of the Municipal Code provided certain requirements are met. As required by Section 2-335(6), the Purchasing Officer has determined that the purchase is in the best interest of the City, is to the City's economic advantage, and that the agreement was competitively awarded using a process that complies with policies, rules, and regulations as approved by the Purchasing Officer.

The price quote for the 10 Patrol Durango vehicles includes a "Maximum Care Service Contract" covering virtually all vehicle components (e.g., drive train, air conditioning, etc.), lasting five years or 100,000 miles with a zero (0) deductible. These service contracts will go into effect after the vehicles are received and equipped. When replaced, the older Police vehicles will be rotated to non-patrol uses, or auctioned.

To pay for these vehicles, the Police Department will utilize Federal U.S. Department of the Treasury asset forfeiture revenue that was previously received, and budgeted by the City Council in the FY 2025-26 adopted budget in Fund 118. The federal asset forfeiture program encompasses the seizure and forfeiture of assets that represent the proceeds of, or were used to facilitate, federal crimes. The primary mission of the program is to employ asset forfeiture powers in a manner that enhances public safety and security. This is accomplished by removing the proceeds of crime and other assets relied upon by criminals and their associates to perpetuate their criminal activity against our society. Asset forfeiture has the power to disrupt or dismantle criminal organizations that would continue to function if we only convicted and incarcerated specific individuals, denying these criminal organizations of their ill-gotten gains and instead channeling those resources to enhance public safety.

The asset forfeiture revenue that was received and included in the FY 2025-26 adopted budget stems from successful law enforcement and prosecution efforts of narcotics cases, involving the Police Department's Special Enforcement Team (SET), in partnership with federal law enforcement agencies. These cases are adjudicated at the federal level, which is often a lengthy process that results in irregular receipts of these funds. The federal government produces a lengthy publication concerning the spending rules and prohibitions associated with federal asset forfeiture funds called the Guide to Equitable Sharing of Federally Forfeited Property for State and Local Governments. Briefly, asset forfeiture funds are approved for supplemental law enforcement uses for the seizing law enforcement agency, must be accounted for separately from other funds to adhere to financial reporting and auditing requirements, and cannot be spent until the funds are actually received as revenue. Moreover, these funds cannot be used to replace (supplant) funding levels for police department items (like police officers, materials, services, supplies and equipment, etc.) previously funded from the City's General Fund. For purchases over \$25,000 made with this funding, the federal government requires that the vendor (seller) have an active registration at Sam.gov, which National Auto Fleet Group has. It is appropriate and allowable to use available federal asset forfeiture funds for these vehicles.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report.

OPTIONS:

The options available to the City Council include:

1. Approve the staff recommendation, or
2. Provide alternative direction.

Prepared by: Alex B. Houston, Police Administrative Services Manager

Additional Approval: Karen Ogawa, Finance Director

Additional Approval: Roxanne E. Lerma, Assistant City Manager

Fiscal Impact

FISCAL IMPACT:

The purchase cost of these vehicles and warranties (totaling \$621,028.62) will constitute no cost to the General Fund. Federal asset forfeiture revenue for these vehicles was previously received and budgeted in Fund 118.

Attachments

Attachment No. 1 - Price Quotes from National Auto Fleet Group

Attachment No. 2 - Sourcewell Contract 091521 NAF

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety



National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

8/13/2025

Quote ID: 32763

Order Cut Off Date: TBA

Mr Eric Street
CITY OF WEST COVINA POLICE DEPARTMENT
1444 W GARVEY AVE S
WEST COVINA, California, 91790

Dear Eric Street,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

Ten (10) New/Unused (2026 Dodge Durango (WDEE75) Pursuit AWD, Maximum Care Service Contract 5YR / 100,000 Mile / 0 Ded) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Extended Unit's (10)	Total Savings
Contract Price	\$52,569.00	\$47,147.00	10.314 %	\$471,470.00	\$54,220.00
Tax (9.7500 %)		\$4,849.07		\$48,490.70	
Maximum Care Service Contract 5YR / 100,000 Mile / 0 Ded		\$4,530.00		\$45,300.00	
Tire fee		\$8.75		\$87.50	
Transportation		\$150.00		\$1,500.00	
Total		\$56,684.82		\$566,848.20	

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell Contract 091521-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Kevin Buzzard
Account Manager
Email: buzzard5150@gmail.com
Office: (626) 457-5590
Fax: (831) 480-8497



GMC

Sourcewell Quote ID: 32763

Name

Mr Eric Street
(626) 201-3906
estreet@wcpd.org

Organization Name

CITY OF WEST COVINA POLICE DEPARTMENT

Address

1444 W GARVEY AVE S
WEST COVINA California
91790

Order Cut Off is TBA

Vehicle Configuration Options

ENGINE	
Code	Description
EZH	Engine: 5.7L V8 HEMI MDS VVT, -inc: 160 mph Primary Certified Speedometer, 3.09 Rear Axle Ratio, Dual Rear Exhaust w/Bright Tips, 230MM Rear Axle, 800 Amp Maintenance Free Battery, 2 Speed On Demand Transfer Case, GVWR: 7,100 lbs
TRANSMISSION	
Code	Description
DFD	Transmission: 8-Speed Automatic (8HP70)
WHEELS	
Code	Description
WBN	Wheels: 18" x 8" Black Steel, (STD)
PRIMARY PAINT	
Code	Description
PXJ	DB Black Clearcoat
SEAT TYPE	
Code	Description
C5X9	Black, Cloth Bucket Seats w/Shift Insert, -inc: cloth rear seat
AXLE RATIO	
Code	Description
DPM	3.09 Rear Axle Ratio
GVWR	
Code	Description
Z6J	GVWR: 7,100 lbs
CPOS PKG	
Code	Description
22Z	Quick Order Package 22Z, -inc: Engine: 5.7L V8 HEMI MDS VVT, Transmission: 8-Speed Automatic (8HP70), maximum speed of 145mph
ADDITIONAL EQUIPMENT	
Code	Description
ADL	Skid Plate Group, -inc: Transfer Case Skid Plate Shield, Front Suspension Skid Plate, Fuel Tank Skid Plate Shield, Underbody Skid Plate

LNF	Black Left LED Spot Lamp
LNA	Black Right LED Spot Lamp
CW6	Deactivate Rear Doors/Windows
GXF	Entire Fleet Alike Key (FREQ 1), -inc: 4 additional / 8 FOBs total

2026 Fleet/Non-Retail Dodge Durango Pursuit AWD

WINDOW STICKER

2026 Dodge Durango Pursuit AWD		
CODE	MODEL	MSRP
WDEE75	2026 Dodge Durango Pursuit AWD	\$44,879.00
OPTIONS		
EZH	Engine: 5.7L V8 HEMI MDS VVT, -inc: 160 mph Primary Certified Speedometer, 3.09 Rear Axle Ratio, Dual Rear Exhaust w/Bright Tips, 230MM Rear Axle, 800 Amp Maintenance Free Battery, 2 Speed On Demand Transfer Case, GVWR: 7,100 lbs	\$3,240.00
DFD	Transmission: 8-Speed Automatic (8HP70)	\$0.00
WBN	Wheels: 18" x 8" Black Steel, (STD)	\$0.00
PXJ	DB Black Clearcoat	\$0.00
C5X9	Black, Cloth Bucket Seats w/Shift Insert, -inc: cloth rear seat	\$0.00
DPM	3.09 Rear Axle Ratio	INC
Z6J	GVWR: 7,100 lbs	INC
22Z	Quick Order Package 22Z, -inc: Engine: 5.7L V8 HEMI MDS VVT, Transmission: 8-Speed Automatic (8HP70), maximum speed of 145mph	\$0.00
ADL	Skid Plate Group, -inc: Transfer Case Skid Plate Shield, Front Suspension Skid Plate, Fuel Tank Skid Plate Shield, Underbody Skid Plate	\$370.00
LNF	Black Left LED Spot Lamp	\$695.00
LNA	Black Right LED Spot Lamp	\$695.00
CW6	Deactivate Rear Doors/Windows	\$95.00
GXF	Entire Fleet Alike Key (FREQ 1), -inc: 4 additional / 8 FOBs total	\$600.00
Please note selected options override standard equipment		
SUBTOTAL		\$50,574.00
Advert/ Adjustments		\$0.00
Manufacturer Destination Charge		\$1,995.00
TOTAL PRICE		\$52,569.00
Est City: 14 (2025) MPG		
Est Highway: 22 (2025) MPG		
Est Highway Cruising Range: 541.20 mi		

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Standard Equipment

MECHANICAL

Engine: 3.6L V6 24V VVT UPG I w/ESS (STD)
Transmission: 8-Speed Automatic (850RE) (STD)
3.45 Rear Axle Ratio (STD)
GVWR: 6,500 lbs (STD)

EXTERIOR

Wheels: 18" x 8" Black Steel (STD)

TIRES

Tires: 255/60R18 BSW On/Off Road

ADDITIONAL EQUIPMENT

50 State Emissions
Transmission w/Sequential Shift Control
Full-Time All-Wheel
Engine Oil Cooler
650CCA Maintenance-Free Battery w/Run Down Protection
220 Amp Alternator
Class IV Towing Equipment -inc: Hitch and Trailer Sway Control
Trailer Wiring Harness
Police/Fire
1250# Maximum Payload
Front And Rear Anti-Roll Bars
Gas-Pressurized Front Shock Absorbers and Nivomat Brand Name Rear Shock Absorbers
Nivomat Suspension
HD Suspension
Electric Power-Assist Speed-Sensing Steering
24.6 Gal. Fuel Tank
Single Stainless Steel Exhaust
Permanent Locking Hubs
Short And Long Arm Front Suspension w/Coil Springs
Multi-Link Rear Suspension w/Coil Springs
4-Wheel Disc Brakes w/4-Wheel ABS, Front And Rear Vented Discs, Brake Assist and Hill Hold Control
Upfitter Switches

Wheels w/Chrome Hub Covers
Steel Spare Wheel
Compact Spare Tire Stored Underbody w/Crankdown
Body-Colored Front Bumper w/Black Rub Strip/Fascia Accent
Body-Colored Rear Step Bumper w/Black Rub Strip/Fascia Accent
Black Side Windows Trim
Body-Colored Door Handles
Chrome Bodyside Insert and Black Wheel Well Trim
Black Power Heated Side Mirrors w/Manual Folding
Fixed Rear Window w/Wiper and Defroster
Deep Tinted Glass
Speed Sensitive Variable Intermittent Wipers
Galvanized Steel/Aluminum Panels
Lip Spoiler
Black Grille
Liftgate Rear Cargo Access
Tailgate/Rear Door Lock Included w/Power Door Locks
Auto On/Off Projector Beam Led Low/High Beam Daytime Running Headlamps w/Delay-Off
Perimeter/Approach Lights
LED Brakelights
Laminated Glass
Radio w/Seek-Scan, Clock, Speed Compensated Volume Control, Aux Audio Input Jack, Steering Wheel Controls, Voice Activation and Radio Data System
Radio: Uconnect 5 Nav w/10.1" Display
6 Speakers
Streaming Audio
Integrated Roof Antenna
Uconnect w/Bluetooth Wireless Phone Connectivity
2 LCD Monitors In The Front
Connected Travel & Traffic Services Real-Time Traffic Display
Front Seats w/Power 4-Way Driver Lumbar
12-Way Power Driver Seat -inc: Power Recline, Height Adjustment, Fore/Aft Movement, Cushion Tilt and Power 4-Way Lumbar Support
4-Way Passenger Seat -inc: Manual Recline, Fore/Aft Movement and Fold Flat
60-40 Folding Split-Bench Front Facing Fold Forward Seatback Rear Seat
Manual Tilt/Telescoping Steering Column
Gauges -inc: Speedometer, Odometer, Voltmeter, Oil Pressure, Engine Coolant Temp, Tachometer, Oil Temperature, Transmission Fluid Temp, Engine Hour Meter, Trip Odometer and Trip Computer
Power Rear Windows and Fixed 3rd Row Windows
4G LTE Wi-Fi Hot Spot (3-month or 3 GB trial included) Mobile Hotspot Internet Access
Leather Steering Wheel

Front Cupholder
Rear Cupholder
Compass
Proximity Key For Doors And Push Button Start
Valet Function
Remote Keyless Entry w/Integrated Key Transmitter, 2 Door Curb/Courtesy, Illuminated Entry and Panic Button
Cruise Control w/Steering Wheel Controls
Voice Activated Dual Zone Front Automatic Air Conditioning
Rear HVAC w/Separate Controls
HVAC -inc: Auxiliary Rear Heater, Headliner/Pillar Ducts and Console Ducts
Illuminated Locking Glove Box
Driver Foot Rest
Interior Trim -inc: Leatherette/Metal-Look Instrument Panel Insert, Metal-Look Door Panel Insert and Chrome Interior Accents
Full Cloth Headliner
Cloth Bucket Seats w/Shift Insert -inc: cloth rear seat
Day-Night Auto-Dimming Rearview Mirror
Driver And Passenger Visor Vanity Mirrors
Partial Floor Console w/Covered Storage, Mini Overhead Console w/Storage and 3 12V DC Power Outlets
Front And Rear Map Lights
Fade-To-Off Interior Lighting
Carpet Floor Trim
Full Vinyl/Rubber Floor Covering
Cargo Area Concealed Storage
Cargo Space Lights
Smart Device Integration
FOB Controls -inc: Keyfob Cargo Access and Keyfob Window Activation
Driver / Passenger And Rear Door Bins
Power 1st Row Windows w/Driver And Passenger 1-Touch Up/Down
Delayed Accessory Power
Power Door Locks w/Autolock Feature
Driver Information Center
Redundant Digital Speedometer
Trip Computer
Outside Temp Gauge
Digital/Analog Appearance
Manual w/Tilt Front Head Restraints and Fixed Rear Head Restraints
Front Center Armrest w/Storage and Rear Center Armrest
#7 Seat Foam Cushion

Sentry Key Immobilizer
3 12V DC Power Outlets
Air Filtration
Electronic Stability Control (ESC) And Roll Stability Control (RSC)
ABS And Driveline Traction Control
Side Impact Beams
Dual Stage Driver And Passenger Seat-Mounted Side Airbags
Dodge Connect Emergency Sos Capability
ParkSense with Stop Rear Parking Sensors
Rear Cross Path Detection
Blind Spot w/Trailer Detection Blind Spot
Tire Specific Low Tire Pressure Warning
Dual Stage Driver And Passenger Front Airbags
Curtain 1st, 2nd And 3rd Row Airbags
Airbag Occupancy Sensor
Driver Knee Airbag
Rear Child Safety Locks
Outboard Front Lap And Shoulder Safety Belts -inc: Rear Center 3 Point, Height Adjusters and Pretensioners
ParkView Back-Up Camera



National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

8/13/2025

Quote ID: **32765**

Order Cut Off Date: **TBA**

Mr Eric Street
CITY OF WEST COVINA POLICE DEPARTMENT

1444 W GARVEY AVE S

WEST COVINA, California, 91790

Dear Eric Street,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

Two (2) New/Unused (2026 Chevrolet Trax (1TR58) FWD 4dr LS,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Extended Unit's (2)	Total Savings
Contract Price	\$24,385.00	\$24,538.92	-0.631 %	\$49,077.84	(\$307.84)
Tax (9.7500 %)		\$2,392.54		\$4,785.08	
Tire fee		\$8.75		\$17.50	
Transportation		\$150.00		\$300.00	
Total		\$27,090.21		\$54,180.42	

- per the attached specifications. Price includes 2 additional key(s).

This vehicle(s) is available under the **Sourcewell Contract 091521-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Kevin Buzzard
Account Manager
Email: buzzard5150@gmail.com
Office: (626) 457-5590
Fax: (831) 480-8497



GMC

Sourcewell Quote ID: 32765

Name

Mr Eric Street
(626) 201-3906
estreet@wcpd.org

Organization Name

CITY OF WEST COVINA POLICE DEPARTMENT

Address

1444 W GARVEY AVE S
WEST COVINA California
91790

Order Cut Off is TBA

Vehicle Configuration Options

EMISSIONS	
Code	Description
YF5	Emissions, California state requirements
ENGINE	
Code	Description
LBP	Engine, ECOTEC 1.2L Turbo DOHC DI with Variable Valve Timing (VVT), (STD)
TRANSMISSION	
Code	Description
MNH	Transmission, 6-speed automatic, (STD)
AXLE	
Code	Description
FJM	Axle, 3.50 final drive ratio
PREFERRED EQUIPMENT GROUP	
Code	Description
1LS	LS Preferred Equipment Group, Includes Standard Equipment
WHEELS	
Code	Description
RSE	Wheels, 17" (43.2 cm) Silver-painted aluminum
PAINT	
Code	Description
GAZ	Summit White
SEAT TYPE	
Code	Description
A50	Seats, front bucket, (STD)
SEAT TRIM	
Code	Description
H5D	Jet Black/Gray with Blue accents, Cloth seat trim
RADIO	
Code	Description

IOR	Audio system, Chevrolet Infotainment 3 system, (STD)
NOTE	
Code	Description
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **
ADDITIONAL EQUIPMENT	
Code	Description
ZFT	LS Convenience Package, includes (BTV) Remote Start, (KA1) heated driver and front passenger seats, (B35) carpeted rear floor mats, (DLF) outside heated power-adjustable mirrors, (DP6) body-color mirror caps and (RSE) 17" Silver-painted aluminum wheels
WPA	Driver Confidence Package, includes (UD7) Rear Park Assist, (UFG) Rear Cross Traffic Alert and (UKC) Lane Change Alert with Side Blind Zone Alert
DLF	Mirrors, outside heated power-adjustable, manual-folding
DP6	Mirror caps, painted body-color
KA1	Seats, heated driver and front passenger
B35	Floor mats, carpeted rear
BTV	Remote Start
UKC	Lane Change Alert with Side Blind Zone Alert
UFG	Rear Cross Traffic Alert
UD7	Rear Park Assist
R9W	Deleted Mobile Service Plus., Delete MobileService+ service conveniences - Mobile Service, Pick-up & Delivery, and Loaner with Drop Off. By selecting R9W, you acknowledge that you are forgoing the margin and the ability to receive MobileService+ allowances

2026 Fleet/Non-Retail Chevrolet Trax FWD 4dr LS

WINDOW STICKER

2026 Chevrolet Trax FWD 4dr LS

CODE	MODEL	MSRP
1TR58	2026 Chevrolet Trax FWD 4dr LS	\$21,600.00
OPTIONS		
YF5	Emissions, California state requirements	\$0.00
LBP	Engine, ECOTEC 1.2L Turbo DOHC DI with Variable Valve Timing (VVT), (STD)	\$0.00
MNH	Transmission, 6-speed automatic, (STD)	\$0.00
FJM	Axle, 3.50 final drive ratio	\$0.00
1LS	LS Preferred Equipment Group, Includes Standard Equipment	\$0.00
RSE	Wheels, 17" (43.2 cm) Silver-painted aluminum	INC
GAZ	Summit White	\$0.00
A50	Seats, front bucket, (STD)	\$0.00
H5D	Jet Black/Gray with Blue accents, Cloth seat trim	\$0.00
IOR	Audio system, Chevrolet Infotainment 3 system, (STD)	\$0.00
**	** FEATURE AVAILABILITY WILL CHANGE THROUGHOUT THE MODEL YEAR. SEE THE WINDOW LABEL OF A SPECIFIC VEHICLE TO DETERMINE ITS CONTENT. **	\$0.00
ZFT	LS Convenience Package, includes (BTV) Remote Start, (KA1) heated driver and front passenger seats, (B35) carpeted rear floor mats, (DLF) outside heated power-adjustable mirrors, (DP6) body-color mirror caps and (RSE) 17" Silver-painted aluminum wheels	\$995.00
WPA	Driver Confidence Package, includes (UD7) Rear Park Assist, (UFG) Rear Cross Traffic Alert and (UKC) Lane Change Alert with Side Blind Zone Alert	\$395.00
DLF	Mirrors, outside heated power-adjustable, manual-folding	INC
DP6	Mirror caps, painted body-color	INC
KA1	Seats, heated driver and front passenger	INC
B35	Floor mats, carpeted rear	INC
BTV	Remote Start	INC
UKC	Lane Change Alert with Side Blind Zone Alert	INC
UFG	Rear Cross Traffic Alert	INC
UD7	Rear Park Assist	INC
R9W	Deleted Mobile Service Plus., Delete MobileService+ service conveniences - Mobile Service, Pick-up & Delivery, and Loaner with Drop Off. By selecting R9W, you acknowledge that you are forgoing the margin and the ability to receive MobileService+ allowances	\$0.00

Please note selected options override standard equipment

SUBTOTAL	\$22,990.00
Advert/ Adjustments	\$0.00
Manufacturer Destination Charge	\$1,395.00
TOTAL PRICE	\$24,385.00

Est City: 14 (2025) MPG
 Est Highway: 22 (2025) MPG
 Est Highway Cruising Range: 541.20 mi

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Notes

Standard Equipment

MECHANICAL

Engine, ECOTEC 1.2L Turbo DOHC DI with Variable Valve Timing (VVT) E85-compatible (137 hp [102 kW] @ 5000 rpm, 162 lb-ft torque [219 N-m] @ 2500 rpm) (STD)
Transmission, 6-speed automatic (STD)
Axle, 3.50 final drive ratio

EXTERIOR

Wheels, 17" (43.2 cm) steel with wheel cover (STD)
--

ENTERTAINMENT

Audio system, Chevrolet Infotainment 3 system 8" diagonal color touchscreen, AM/FM stereo, Bluetooth audio streaming for 2 active devices, voice command pass-through to phone, Wireless Apple CarPlay and Wireless Android Auto compatibility (STD)
--

INTERIOR

Seats, front bucket (STD)

ADDITIONAL EQUIPMENT

Chevy Safety Assist includes (UHY) Automatic Emergency Braking, (UKJ) Front Pedestrian Braking, (UHX) Lane Keep Assist with Lane Departure Warning, (UE4) Following Distance Indicator, (UEU) Forward Collision Alert and (TQ5) IntelliBeam
Engine air filtration monitor
Engine control, stop-start system
Drivetrain, front-wheel drive
Coolant protection, engine
Battery, 70AH, 12V, 760 cold-cranking amps
Alternator, 130 amps
GVWR, 4145 lbs. (1880 kg)
Suspension, Ride and Handling
Suspension, front MacPherson strut
Suspension, rear, compound crank
Steering, power, non-variable ratio, electric
Brakes, 4-wheel antilock, 4-wheel disc
Brake, electronic parking
Brake lining, performance

Brake rotor, FNC
Capless fuel fill
Exhaust tip, turned down, hidden
Mechanical jack with tools
Tires, 225/60R17 all-season, blackwall
Wheel, spare, 16" (40.6 cm) steel
Tire, spare, compact
Spoiler, rear
Moldings, Black, side windows surround
Moldings, body-side, lower, extra wide, molded in Black
Headlamps, LED
Headlamp control, automatic on and off
IntelliBeam, auto high beam (Included with (PED) Chevy Safety Assist.)
Lamp, center high-mounted stop/brake (CHMSL)
Mirrors, outside power-adjustable, manual-folding
Mirror caps, molded in Black
Glass, deep-tinted
Wiper, rear, intermittent
Wipers, front intermittent, variable speed
Glass, tinted windshield
Ornamentation, Trax lettering
Liftgate, manual
Door handles, body-color
Recovery hook, front
Audio system feature, 4-speaker system
SiriusXM Trial Subscription (IMPORTANT: The SiriusXM trial subscription is not provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. Trial subscription is subject to the SiriusXM Customer Agreement and privacy policy, visit www.siriusxm.com which includes full terms and how to cancel. All fees, content, features, and availability are subject to change.)
Antenna, roof-mounted
Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)
Wireless Apple CarPlay/Wireless Android Auto
Active Noise Cancellation
Seat trim, Cloth
Seat adjuster, driver 6-way manual
Seat adjuster, front passenger 4-way manual
Seat, rear 60/40 split-folding
Head restraints, front, 2-way adjustable
Head restraints, rear, height adjustable
Knee bolster, driver and front passenger
Console, floor with armrest

Floor mats, carpeted front (Deleted when LPO floor mats or floor liners are ordered.)
Steering wheel, polyurethane
Steering column, tilt and telescoping
Steering wheel controls, mounted audio, cruise control Driver Information Center, Forward Collision Alert gap adjust and phone interface controls
Driver Information Center, 3.5" diagonal monochromatic display
Vehicle health management
Window, power, front passenger with express down
Window, power, driver with express down
Windows, power rear, express down
Door locks, power
Keys, (2) foldable
Cruise control, electronic with set and resume speed
Theft-deterrent system
Theft-deterrent system, immobilizer
Remote panic alarm
USB ports, 2, one type-A and one type-C, located within the instrument panel
Power outlet, 12-volt, located on instrument panel
Air conditioning, single-zone manual
Defogger, rear-window electric
Air filter, pollutant
Mirror, inside rearview manual day/night
Visors, driver and front passenger vanity mirrors, covered
Assist handle, front passenger
Assist handles, rear outboard
Shift knob, urethane
Lighting, interior, overhead courtesy lamp
Lighting, interior, roof, rear courtesy
Lighting, rear cargo compartment lamp
Automatic Emergency Braking (Included with (PED) Chevy Safety Assist.)
Front Pedestrian Braking (Included with (PED) Chevy Safety Assist.)
Braking control, ECM grade
StabiliTrak, stability control system
Daytime Running Lamps, reduced intensity low beam, LED
Airbags, frontal and seat-mounted side-impact for driver and front passenger; roof rail-mounted head-curtain for all outboard seating positions, and Passenger Sensing System for front passenger (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)
OnStar Services capable (See onstar.com for details and limitations. Services vary by model. Service plan required.)
HD Rear Vision Camera (Rear Vision Camera display is not HD with IOR audio system.)
Forward Collision Alert (Included with (PED) Chevy Safety Assist.)

Following Distance Indicator (Included with (PED) Chevy Safety Assist.)
Lane Keep Assist with Lane Departure Warning (Included with (PED) Chevy Safety Assist.)
Seat belts, 3-point, all seating positions with front tensioners
LATCH system (Lower Anchors and Tethers for CHildren), for child restraint seats
Buckle to Drive prevents vehicle from being shifted out of Park until driver seat belt is fastened, programmable
Rear Seat Reminder
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An in-vehicle report card gives you information on driving habits and helps you to continue to coach your new driver
Tire Pressure Monitor, manual learn
Tire Fill Alert
OnStar Basics (OnStar Fleet Basics for Fleet) Drive confidently with core OnStar services including remote commands, built-in voice assistance, real-time traffic and navigation, and Automatic Crash Response to help if you're in need. (OnStar Basics includes remote commands, Navigation, Voice Assistance, and Automatic Crash Response, for eligible vehicles with compatible software. (Requires (UE1) OnStar. OnStar Basics is standard for 8 years; OnStar plan, working electrical system, cell reception and GPS signal required. OnStar links to emergency services. Service coverage varies with conditions and location. Service availability, features and functionality vary by device and software version. See onstar.com for details and limitations.)



091521-NAF

Solicitation Number: RFP #091521**CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC dba: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a State of Minnesota local government unit 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 eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 8, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased

by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
 - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

- a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. **REQUIREMENTS.** At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

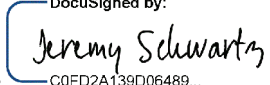
T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

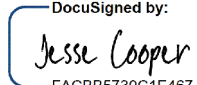
22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

72 Hour LLC dba: National Auto
Fleet Group

DocuSigned by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
11/4/2021 | 1:28 PM CDT
Date: _____

DocuSigned by:

By: FACBB5730C1E467...
Jesse Cooper
Title: Fleet Manager
11/4/2021 | 10:46 AM CDT
Date: _____

Approved:

DocuSigned by:

By: 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
11/4/2021 | 1:34 PM CDT
Date: _____

RFP 091521 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

Vendor Details

Company Name: 72 HOUR LLC

Does your company conduct business under any other name? If yes, please state: National Auto Fleet Group

Address: 490 Auto Center Drive
Watsonville, CA 95076

Contact: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Phone: 951-440-0585

Fax: 831-840-8497

HST#: 263297677

Submission Details

Created On: Tuesday August 24, 2021 16:34:10

Submitted On: Tuesday September 14, 2021 14:10:21

Submitted By: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Transaction #: d2e890de-e761-4f47-9b23-bef3d512bd76

Submitter's IP Address: 76.81.241.2

Specifications**Table 1: Proposer Identity & Authorized Representatives**

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	72 Hour LLC	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	WCAF, LLC WCDJR, LLC Alan Jay Automotive Inc	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	NAFG has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group, Chevrolet of Watsonville, Watsonville Ford Watsonville CDJR Watsonville Fleet Group Alan Jay Chrysler Jeep Inc Alan Jay Chevrolet, Cadillac Alan Jay Buick, GMC Alan Jay Auto Outlet Clewiston Motor Company, Inc Alan Jay Chrysler Dodge Ram Jeep Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
5	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Clarke Cooper Fleet Manager 1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 ClarkeCooper@watsonvillefleetgroup.com	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
-----------	----------	------------	--

9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	National Auto Fleet Group started as a new division of 72 Hour LLC, in the summer of 2010 in the heart of Southern California. We began our network with a single automobile dealership and have now grown our network to encompass numerous dealerships located in and outside of California. We stand by providing opportunities for advancement by hiring and promoting from within our organization. Many of the Fleet Managers who started with us in 2010 are still with us today. Through the years, we have evolved and adapted to the new technology driven trends that are revolutionizing the automotive industry today. However, our brand's fundamental core values have remained unchanged – We are committed to do right for the members. If we take care of them, they will in return take care of us. National Auto Fleet Group's operational blueprint and business philosophy has always been the "4 RIGHT's" for every member: We deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place at the RIGHT price. The integrity of our business stems on our deep family roots in the automotive industry. We are and always will be family owned and operated with our future generations already in their infant stages today. We are committed to pioneering our industry for decades to come.
10	What are your company's expectations in the event of an award?	If awarded, this would be our 5th Sourcewell Contract and we would execute as such. We will continue to serve your members and provide them with excellent customer service while continuing to advance customer satisfaction. Along with implementing new business growth strategies that will ultimately launch us into new heights once again. Furthermore, we will launch our Partner Program detailed in the attached "marketing Plan Compressed" Zip file. This next generation application will give members the power to select upfitters they would like NAFG to partner with in providing satisfactory quotes and service. We see tremendous value in building out these mutually beneficial partnerships, so we can provide 100% satisfactory turnkey solutions to the members.
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	To demonstrate NAFG's financial strength and stability, we have uploaded Bank Commitment letters under the Financial Strength Section of the online application. We have a direct line of credit of \$52,000,00.00 that we are currently utilizing with our current and past Sourcewell Contracts. However, this number is not capped as we have the freedom to extend the cap to accommodate the revolving needs of the members. Referenced below is a short register of some of our market success from awarded government contracts that encompass over \$140,000,000.00 worth of products and goods under our current Sourcewell Contract. A. City of San Diego, CA \$ 72,000,000 contract under our Sourcewell Contract 120716-NAF. B. City of San Diego, CA \$ 55,400,000 contract under our Sourcewell Contract 081716-NAF. C. Government Fleet Article Highlighting our transaction with the City of San Diego, CA procuring over 100 Police vehicles through NAFG Sourcewell Contract 120716-NAF. D. City of Los Angeles World Airports, CA Contract for \$ 24,003,500 under Sourcewell Contract 120716-NAF for the procurement of 400 vehicles. E. City of Los Angeles Harbor, CA Contract Extension to \$ 4,500,000 contract under Sourcewell Contract 120716-NAF. F. City of Los Angeles Harbor, CA Contract for \$1,500,000 under our Sourcewell Contract 120716-NAF. G. City of Los Angeles Harbor, CA Renewal for another \$ 1,500,000 under Sourcewell Contract Class 6, 7 and 8 Contract 081716-NAF. H. City of Costa Mesa, CA Contract \$1,023,220 under our Sourcewell Contract 120716-NAF. I. Blanket Contracts with the State of Maryland, MD off our current Class 6, 7 and 8 Chassis Contract 081716-NAF. J. Blanket Contracts with the State of Maryland, MD off our Current Sourcewell Contract 120716-NAF. We have also attached our Commitment Letter's for unparalleled support from leading nationally recognized upfit suppliers such as The Knapheide Manufacturing Company. Along with regional suppliers such as Brand FX and Phenix Truck Body located in Southern California serve as regional support locations, whom we often work alongside to fulfill all member needs with past, present, and future orders with NAFG. Included are also Upfitter Recommendation letters to illustrate how National Auto Fleet Group has taken a proactive interest in building mutually beneficial relationship with our upfitters. Mutuality and reciprocity relationships between body companies and our dealer's are two of the key components that help members receive what they need in a smooth and efficient fashion. In addition, the adoption of our Class 6, 7, and 8 Contract from Anne Arundel County in the state of Maryland is as an example of how National Auto Fleet Group attracts and retains new clients by demonstrating to them there's a better and more efficient way of finding turnkey solutions. Lastly, we have attached supporting documents that help emphasize and exemplify our growth since our first awarded Sourcewell Contract in 2012. We sincerely hope it helps portray our commitment to building lifelong rapport and trust with our partner upfitters and members.
12	What is your US market share for the solutions that you are proposing?	. Of our respective brands and OEM's we represent, the US market share is estimated to be 60 – 75%.
13	What is your Canadian market share for the solutions that you are proposing?	It is difficult to estimate the market share for the brands and OEM's we represent, however we estimate that it should be the same 60 -75 % of the US share.
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.

15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	National Auto Fleet Group is a dealer network best categorized as "A" - Distributer/Dealer/Reseller and Dealer Partner for (15) OEM Manufacturers including Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac and Volkswagen, All orders are placed with the franchised dealer and ultimately titled directly to the member. All appropriate certification certificates and authorized DMV/Factory licenses may be found in the "Related Certification" section uploaded to this RFP. It should be noted we do not sell used equipment to members.
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Required licenses include a Dealer's License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller's permit license. All which NAFG and Dealer Partner's hold. Please review our attachment documents in section "Related Certification" for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8. CA Certificate of Good Standing 200824810190 State of Florida License Certificates: VF/1000974/4 VF/1000950/1 VF/1046516/1 VF/1024619/2 VF/1024619/1 VF/1018615/1 VF/1021891/1 VF/1000974/3 VF/1105916/1 VF/1020705/1 VF/1000969/1 CA State Seller's Permit 101-135239 CA State Seller's Permit 245364864-00001 Department of Motor Vehicle, Vehicle Dealer/ License Number 97772 Department of Motor Vehicle, Vehicle Dealer License Number 97771 Department of Motor Vehicle, Vehicle Dealer License Number 43609 Bureau of Automotive repair Registration # ARD00296319 123120 CA State Seller's Permit 232781952-00001 City of Watsonville Business License Number 1792 City of Watsonville Business License Number 4358 Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138 California General Resale Certificate Dun & Bradstreet Number: 023680653 Government of The District of Columbia Certificate Government of the District of Columbia Tax Registration # 7815888160711 City of Los Angeles Tax Registration Government of The District of Columbia CLEAN HANDS CERTIFICATION San Diego Freightliner Seller's Permit Commonwealth of Virginia State Corporation Commission Certificate State of Maryland Good Standing Certificate Kansas Department of Revenue for Kansas City Peterbilt New Jersey Department of Treasury Registration Certificate New Jersey Business Registration Notice of Compliance of the Canton City Codified Ordinance Employee Information Report for the State of New Jersey State of Maryland New Sales and Use tax License CA State Seller's Permit 98-037902 00006 South Carolina Department of Motor Vehicles License Number 36133 State of South Carolina Retail License Commonwealth of Kentucky Vehicle Dealer License 1583 20 100 State of West Virginia Dealer License Commonwealth of Kentucky Vehicle Dealer License 1581 20 036 State of Tennessee Vehicle Dealer License
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Not Applicable, none.

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	National Auto Fleet Group's received its most prestigious award for Top Placement within Ford Motor Company as the leading dealership in Government Sales. In addition, our Chevrolet brand was highly ranked and honored 4/5 consecutive years by General Motors.	*
19	What percentage of your sales are to the governmental sector in the past three years	Within our fleet division, 90% of our contracts within the past three years have been with government accounts.	*
20	What percentage of your sales are to the education sector in the past three years	Within the past 3 years 90% of our sales have been to government accounts, 20% of which are within the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	We hold the State of California contract with volumes from 200 to 500 units a year over the past three years. In addition, our Sourcewell Contract's 091219, 081716 and 120716 that we have maintained over the past three years has sold combined north of 400 million of Combined Quarterly Sales.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's focus lies on the Sourcewell Contract. NAFG holds no other GSA contract, Standing Offers, or Supply Arrangements other than the State of California contract. Our annual sales volume is estimated to be north of \$200 million.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Port of Los Angeles, CA	Mr. Dave Comer	310-72-3794	*
County of Venture, CA	Mr. Jorge Brilla	805-672-2044	*
City of Austin, TX	Mr. Matt Sager	512-978-2637	*
County of San Joaquin, CA	Mr. David Myers	209-468-9745	
City of Palo Alto, CA	Ms. Danitra Bahlman	650-496-5920	

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Purchaser	10-15 Vehicles at once, Vans and SUVs	Over 1M	*
Los Angeles Department of Water and Power	Government	California - CA	Purchaser	Over 120 Vehicles, Vans and SUVs	Over 3M	*
Port of Los Angeles	Government	California - CA	Purchaser	Over 80 Trucks, Vans and SUVs	Over 2M	*
Anne Arundel County	Government	Maryland - MD	Purchaser	Over 40 Trucks, Vans and SUVs	Over 1M	*
City of San Diego	Government	California - CA	Purchaser	Over 500 Trucks, Vans, SUV'	Over 15M	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	Our sales force consists of direct and an indirect sales force. Our direct sales force consists of direct employees and partner dealers, which exceeds an employee count of 300 personnel both full time and part time. Many of our sales force are spread across the US and we leverage our relationships with our larger class dealerships to service the members lower class vehicle needs as well. A cross sales force. These individuals help support our dealerships and NAFG Fleet Division directly. On the other hand, our indirect sales force made up of upfitters and partner suppliers consists of over 100 personnel with our partner network and sales force growing annually. With both direct and indirect sales force staff working together, NAFG has been able to successfully grow, maintain and service the demand of the members. As the number of your members grow, we will continuously welcome more staff to not only meet customer demand, but also to exceed customer expectations.	*

26	Dealer network or other distribution methods.	Our franchise network in Canada and the U.S. is fortunately second to none. Our 15 proposed OEMS previously mentioned, all of which have established a presence nationwide with factory stores strategically placed where all members can receive service and complete warranty repairs with their respective products. Simple put the North American and Canadian automobile supply chain network is one of the best in the world. Of the 15 brands we represent, the OEMs have put in place a dealer network across all 50 states that will allow us to best serve all members.	*
27	Service force.	The 15 manufactures we represent have thousands of service locations that would be easily accessible to all your members. Service centers and warranty repair facilities for all 15 OEMs are ample and ready to help service our members and their needs. However, Alaska and Hawaii may be exceptions as they may have farther distances between franchises where members can utilize the repair services.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	The member may order their vehicles by navigating to our website, www.NationalAutoFleetGroup.com and going through the step-by-step process to generate an online quote or by calling one of our representatives at 855-289-6572 or by sending NAFG an email at Fleet@NationalAutoFleetGroup.com . Orders are then processed directly to the manufacturer who will work to supply the vehicle to the ship-to location for upfitting or end user desired delivery location.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	To best demonstrate our Customer Service program, kindly reference the ZIP file "Member Walk Through" that is attached in the Additional Documents folder. Please begin with and review in order that is explained below: How Members Can Get Quotes Online: A member can obtain most quotes by visiting our website www.NationalAutoFleetGroup.com where a simple one step form is needed for registration. This is to protect the price information from nonmembers. Once a member registers they will receive an automated welcome email with a demo video on how to use our site. Members will gain access to there very own dashboard which will house all there quotes in one safe secure login. Member's can select which brand they are looking for and model year. Our site shows all the categories the brand offers such as: Cars, Vans, SUV's Trucks and Chassis Cabs. Members will then be able to drill down for the right selection by picking from the filter menu of what cab there looking for (Regular, Extended or Crew) to 2 wheel or 4 wheel drive down to the bed length there looking for. All factory options are then presented for the member to select from, this will show all current factory orderable options, taking the guess work out for the member. Once a member selects a desire build, they will see there Sourcewell Price report showing the MSRP, there contract price, the saving in real dollars and as a percentage. In the PDF example you can see a saving of \$ 9,175.96 of 22.345% to the member showing a significant savings. Members then can chose to add extra's to there order like extra keys' service manuals, sales tax and even request an upfit to be added to there quote. Lastly they will be given a complete turn key quote package to print which will include there customized Quote ID, Description and Specifications of what they built. How Members and Upfitters can Partner with NAFG: Our dedicated website www.NAFGPartner.com was built to accommodate the member who would like a certain upfitter to upfit there vehicles. It was also built for upfitters to have a place to go where they can find information on how to partner with NAFG to better serve there local members. Example of A Member with Upfit Quote: This is an example of how we use our Cab Chassis and combine them with an upfit to provide a turnkey solution for the member in a simple to follow format. ETA System for Members Walk Through: This is where members can easily come to our website, the same website they built there chassis on and track there order like they would a UPS package. We have a very simple display on our homepage "Track your order" where members can enter one of the following: Purchase Order Number, Quote ID, Upfit Quote ID or vin to easily see there in the process there particular order is in. Courtesy Confirmation Explained: After NAFG receives an order from a Member, we always like to send them a Courtesy Confirmation. This is were the member will double check some particulars on there order like, Color, Quantity, Upfit and Specification's are all correct before order placement. We also like to ask for title information at this point so we can help process the paperwork at delivery promptly. Factory Order Cut Off Notices: Here is were we like to highlight were members can access any upcoming factory order cut off dates. We walk them through the process step by step to ensure everyone knows the upcoming order cut off date, we even print this information (if known at the time) right on the cover page of there quotes. Validation Walk Through Example: To demonstrate a price validation, we show what a member would see when they build a truck on our site. At check out the member would see the Total Configured MSRP of \$ 35,730.00, A Sourcewell Price of \$ 27,331.68, Total Saving of \$ 8,398.32 or 23.505% for a 2020 F-250 followed by the pricing page which shows the Minimum Discount of at least 18.50%. As you see we provided an additional 5% discount on top of the 18.50% contract discount. This would be the case in most instances.	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Our willingness and ability to service members nationwide is unparalleled. We have dedicated staff 5 days a week, from 7am to 7pm standing by ready to assist any member help find the best solution for there needs even if helping assist them to the best Sourcewell Contract that could be a solution. We have a dedicated live chat feature on our online quote generating website in case any member has any trouble at all in building there quotes. NAFG has established a chain of suppliers who are at the ready to serve if called upon by any member. We are here to help.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are willing and eager to soon extend our business model and network into Canada. We believe partnering with local Canadian based dealer groups is key to success in the Canadian market. NAFG's competitive pricing as well as a simple US Dollar to Canadian conversation will help NAFG expand into the Canadian market for participating Sourcewell members.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	National Auto Fleet Group will handle servicing 100% of all geographic areas located in the United States. Although it is unclear what unseen obstacles we may face in Canada, NAFG is committed to building the same model to service Canada and providing the same level of customer satisfaction, service, and care as in the United States.	*

33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	NAFG will continue to service all Sourcewell Members through our 24 hour a day, 7 days a week online portal with the exclusion of Non-Profits. Unfortunately, Non-Profits are often not eligible for the same discount's government entities are qualified for. However, Non-Profits are subject to a different pricing program and will be evaluated on a case to case basis.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only possible logistical constraints we may face is the shipping constraints for shipments arriving in Alaska, Hawaii and US Territories. For example, we often provide members in Alaska or Hawaii with vehicles that often have upfits. To circumvent this potential issue, members allow us to add these extra shipping and port costs to their quotes.	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group encompasses a variety of marketing strategies to promote our products and services to streamline the vehicle purchasing process for government entities. Below are a few strategies used to serve as the gateway between our business and public agencies. Website and Inbound Marketing: The creation of a professional customer-focused website is one of our main features to market our products and services. The NAFG website encourages our members to interact and browse through products offered along with pricing and information about National Auto Fleet Group. Inbound marketing is created when potential members are directed to the company website. With this method, we are able to not only connect with members but to put the purchasing ability into the hands of each member. Our inbound marketing strategy attracts members by creating valuable content and experiences tailored to the needs of each individual. Examples include email campaign flyers on our products, informative and how-to videos, social media and engaging members with top-notch customer service to build brand awareness. Email Marketing: One of the main strategies used to engage current and potential members is Email Marketing. Our emails include different types of flyers that consist of information of the Sourcewell contract, promoting manufacturer brands, holiday themed flyers, discounts offered to first time buyers, important cutoff date reminders and upcoming products and events. The use of marketing campaigns plays a major role in enhancing the growth of our client database. Emails are a big part of our daily lives due to government agency employees utilizing emails as their main source of communication. We use campaigner.com as the emailing platform to reach our target members. Videos and descriptive images are used on all flyers and are compatible with a desktop or mobile device. Messages are short and to the point with links leading to the Sourcewell and NAFG homepage. The Campaigner email system allows the ability to track email activity based on open rate, unsubscribes and link clicks which is beneficial to understanding email effectiveness. Once potential members are directed to our website, they are welcomed with a wide range of options to explore an array of our products and services. They are able to register to become a member, view pricing, explore available in-stock vehicles, view how-to-videos, build a vehicle online to request an immediate quote or use our live chat assistant or call/email for live support. Face to Face Marketing Strategies: This strategy has proven to be successful in generating leads and creating lasting relationships by developing genuine connections with prospective members. National Auto Fleet Group attends several trades shows per year to engage members and put a face to the company. This in person meeting aids to build the brand by nurturing relationships between members and other vendors associated through the process. Trade shows attended include GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO throughout the United States. NAFG has many opportunities to make in person presentations to propose products, services offered and to answer any questions potential members may have. These PowerPoint Presentations include topics on NAFG/Sourcewell process, how to facilitate the vehicle purchasing without bidding, informational videos, and the brands and services we provide. These meetings have been held at local cities, counties, school districts, water districts and ports. Relationship Marketing is a vital strategy used in building and maintaining long-term relationships practiced by National Auto Fleet Group on a daily basis. NAFG strives to create a positive and supportive connection with members by providing personalized and responsive customer service practices. The sales team has worked tirelessly to focus on providing outstanding customer support to create a powerful rapport with existing and new members. By going above and beyond, they have enhanced existing relationships and executed customer loyalty with repeat businesses. They strive to deviate from the "Car Salesperson" mentality which is 100% sales driven to a more product and customer service approach by instilling a sense of confidence in our clients. The goal is to regularly assist clients and address any needs and concerns even after the purchase has occurred. The strive to focus on solution selling vs. product selling develops into a mutually beneficial agreement for members and the business. Below are a few examples on successful relationship marketing from our Fleet Department: We had a member call in to request financing/lease options for a truck needed through our National Auto Fleet Group/Sourcewell vehicle contract. I contacted another Sourcewell vendor, Matt Geiselhart from NCL Gov Capital and he was happy to assist with a financing quote. The member also requested to trade in a current vehicle in their fleet and was directed to Govdeals for assistance in removing the outdated unit through an auction. The member was able to utilize three Sourcewell contracts to complete his transaction which simplified the entire process. The member was very satisfied with the amount of care and ease through his experience and became a repeat customer. By utilizing a cross-selling strategy, National Auto Fleet Group became his one stop shop to fulfill all fleet vehicle purchasing needs. "I had a member call in desperate to obtain a new truck because an employee had gotten into a serious accident and had the truck totaled. Due to covid restrictions, most manufacturers are currently experiencing microchip shortages which relays to production delays at the factory. We were able to direct buyer to our in-stock inventory on the NAFG website and member was ecstatic to locate truck to meet their needs. Instead of having to wait 30 weeks to receive the new vehicle, member was able to obtain the new truck within 3 weeks."

"I once had a member contact us two years after purchasing a vehicle from us. They had a malfunction with the liftgate on the box truck which caused a logistical nightmare. I was able to contact one of our body vendors that upfitted the lift gate installation and a service technician was able to go onsite to resolve the liftgate issue at no additional cost. The member was very impressed with the quality of our customer service even after purchase. "

"I had a member request a ¾ ton truck pricing but was unsure about their budget at the time. I took the time to go through each option with the client to provide a Sourcewell pricing quote through multiple manufacturers from Ram, Chevrolet and Ford. This empowered the member to have multiple pricing options for review to align with their budget as well as eliminating the need to shop anywhere else. "

"We work with many body companies to assist customers with the body upfitting process. One of our members called in a request to expedite a particular vehicle that was held up at one of their local body upfitters. I contacted the body company representative and put in a request to expedite the upfitting per request of the member. The body company was able to comply with the request and delivery was made sooner than expected."

Word-of-Mouth Marketing: The positive quality of service has led to more sales based on previous customers' impressions on their experience. NAFG's goal is to provide exemplary customer service throughout the entire purchasing process to encourage repeat business and advocate services to other members. NAFG has been fortunate to experience multiple instances of leads generated based solely on word-of-mouth marketing through our existing customers.

Cross-promotion: National Auto Fleet Group is currently collaborating with another Sourcewell Vendor, NCL Government Capital to promote each other's products and services. NCL Government Capital specializes in providing competitive equipment financing programs for municipalities and public education entities across the United States. As a team, NCL and NAFG produced a variety of marketing materials such as videos, flyers and info graphs to promote purchasing and leasing opportunities.

Hoglund Bus Company is another cross-promotion vendor NAFG had the opportunity to create a partnership with. Flyers were created to advertise Chassis from NAFG along with a variety of bus bodies from Hoglund Bus Company.

With cross-promotion, companies exchange knowledge and provide endorsements on websites, social media, and email campaigns. This strategy creates an influx of new leads, brand awareness, increased sales and recurrence of customers. National Auto Fleet Group will continue to create new partnerships and facilitate more cross-promotion opportunities in the near future to provide turnkey solutions for a variety of vehicle purchasing needs.

Coming in 2022, National Auto Fleet Group will be launching a NAFG Partner Website to further increase business growth. The website www.nafgpartner.com is expected to launch next year in 2022. The site encourages body upfitting companies throughout the United States to partner up with NAFG to become a preferred member. The benefits of becoming a preferred member include endorsements on website and social media avenues along with word-of-mouth referral for clients with upfitting needs. Our dedicated public relations representative will conduct phone and in person meetings to discuss the advantages of partnering up with NAFG, therefore generating more cross-promotion opportunities.

Members from government agencies are encouraged to go on the site to search for local body upfitting companies they are interested in working with. As a prerequisite in becoming a preferred vendor, they are required to advertise NAFG and the Sourcewell contract on their business website and refer their clients to purchase their cab/chassis needs through NAFG. This establishes a partnership that will generate increased sales all around. We are still currently building the website and interacting with body companies across the United States that would be interested in partnering up with NAFG.

36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Social media plays a crucial element in the way people communicate and connect with each other. LinkedIn is the go-to platform used by NAFG as it offers a variety of ways to expand our network by locating and connecting with relevant professionals in the industry. National Auto Fleet Group has utilized LinkedIn to engage current and potential members through personalized messages and posts. Personalized messages include thanking them for registering on site as well as directing them to our link to the website, LinkedIn, YouTube, Facebook and Instagram company pages. The goal is to unite with people already on our database as well as people that would benefit from our products and services. Current flyers or messages about our company are also posted on the LinkedIn site to generate and attract more business. Time is also spent on reading posts from connections and observe any needs that National Auto Fleet Group may assist with. National Auto Fleet Group has begun utilizing video marketing strategies to further promote and market products by engaging on social media channels and email flyers. Programs such as Vimeo, Video Scribe, Cartoon Animator, Adobe Animate, Illustrate, Captive, Photoshop and Movavi Video Editor Plus are employed to edit and create videos to assist in endorsing our company. The following videos were recently created by our marketing department along with outside video production companies: Explainer Video: The first video created was a 90 second explainer video about National Auto Fleet Group that used animated characters to visualize our products and services along with information on the Sourcewell awarded contract. The video has been incorporated into all our weekly email flyers and social media platforms as an informative video on our products and how to purchase vehicles off Sourcewell Government Contract. How To Videos: National Auto Fleet Group has also created step-by-step How-To videos on the process to purchase both Light Duty and Heavy-Duty vehicles off the contract. In Stock Vehicles: This video showcases our in-stock vehicles available and the process of requesting a quote. ETA Tracking System: This video was created to not only introduce but to encourage clients to self-track their vehicle status. Holiday Themed Videos: These amusing videos were created to celebrate the holidays and add humor and lightness to our company and products sold. Cross Promotion Video: This video markets our relationship with NCL Government Capital and Sourcewell to endorse EV vehicles. Videos for social media: Mini videos were created to advertise new vehicles available, pricing and cutoff date reminders. NAFG has recently introduced a newly built live chat feature on our website for customer convenience as well as improving customer service. Visitors have access to chat with a live sales representative 24 hours a day, 7 days a week. With this feature potential customers are provided with another avenue for assistance in addition to emailing and phone calls. The benefits of a live chat option include quicker response time to assist buyers in reaching a purchasing decision and answer their questions. Improving customer service will also lead to increased sales, customer loyalty and engagement. Many studies have shown a strong correlation between live chat and increase in conversion rates. Potential clients appreciate having their questions answered in real-time when trying to build a vehicle quote online and allowing the user to multi-task different projects.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's mission states: "Our commitment to service and exceeding client expectations." This statement integrates with our relationship marketing strategy with our commitment to go above and beyond for all our members. Sourcewell is a trusted brand that government entities can rely on to access a wide variety of products and services for their everyday needs. With over 40 years of partnerships and relationship building, they are the glue that connects government, education, and nonprofit agencies to companies of all sizes to offer turnkey solutions to their needs. Sourcewell is also a reliable resource for vendors by not only connecting with potential prospects but by providing valuable marketing materials readily available for download on their website. Resources and tools provided include flyers, vendor training videos along with compliance information. The Sourcewell brand integrates a thorough documentation review of all vendors prior to awarding their cooperative contracts to ensure products and services are from reputable vendors. The brand provides a sense of legitimacy of our company name and members recognize that products and services are from reliable sources that will meet their needs. Sourcewell's aim is to simplify the purchasing and procurement process of government entities by eliminating the costly bidding procedure. The process of researching the right vendor is not only stressful and time-consuming but can be expensive as well. Sourcewell has completed the bidding for government entities which simplifies the overall purchasing process by providing access to competitively bid contracts procured by a government agency. Sourcewell has provided NAFG with overwhelming opportunities to work with government agencies across the United States. The Sourcewell name represents a high standard of integrity and ethics which is a dynamic National Auto Fleet Group is proud to be part of. Sourcewell members have access to a contract that is more flexible than the standard bidding process. Sourcewell is an organization that aids government entities to stay competitive without the frustrations and issues involved with the traditional bidding process. This contract can be customized to meet the unique needs of each client. The sales team has incorporated not only this standard of integrity in their sales practice ensuring clients' purchasing needs will always be met. The cost savings and stress-free nature of the cooperative contracts favors that of the traditional bidding process. It enables vendors to work with qualifying government entities in a more efficient manner. We vow to maintain these levels of standards across the board throughout all departments within the company.

38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Our website provides a hands-on empowering approach to ordering vehicles online. Clients can search through many vehicles makes and models with the ability to customize a vehicle tailored to their specific needs of their agency. A personalized quote with pricing can be available in as little as 5 minutes depending on the complexity of the vehicle. If upfitting is needed, the buyer can list the details of the up-fit while building their vehicle on our website to receive a complete quote or a sales representative can be reached through phone, email or our new live chat feature built on our website. We have recently created and uploaded a "How-To Videos" section on the homepage of our website which highlights a step-by-step process on how to build an online quote. This informative video demonstrates how to navigate the website in how to generate a vehicle quote with or without upfitting options. It begins by explaining how to register on our website as a member and then details on how to select vehicle model and type and the factory options needed. Once a customized quote is built, clients have the option to finalize the sales transaction by submitting a purchase order to our sales team via email. This gives complete autonomy to the client to purchase vehicles without the need to speak to a sales rep. If assistance is needed, they can contact sales through email, live chat or phone. If assistance is required to build a quote, our sales rep is also available to walk a client through the e-procurement process step by step. This ensures someone is available to answer any questions if needed and empowering the client to make any future purchases on their own. Clients may also call or email the needs of the company and receive a customized vehicle quote.	*
----	---	--	---

Table 8: Value-Added Attributes

Line Item	Question	Response *	
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends any and all product, equipment, maintenance and operating programs provided by the Manufacturer directly to Sourcewell participating entities during the quoting process. The manufacturer will provide quotes to the member based on the vehicles class and size, and geographic location. NAFG will always pass these quotes onto members and treat them like an upfit to the vehicle.	*
40	Describe any technological advances that your proposed products or services offer.	Technological accomplishments by Manufactures like Ford Motor Company and General Motors serve members by keeping many models available for members to choose from. Additionally, NAFG allows members the ability to choose to electrify their vehicle by opting into the Motive Power Systems we can still help supply this kind of an upfit. For more information, we have attached the product and pricing information within the "Upfits Available" and "All 15 Manufactures" ZIP files under the supporting documents portion of the application.	*
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	. National Auto Fleet Group helped create the Climate Mayor Purchasing Collaborative by partnering with over 400 Mayors nationwide. This initiative was created for the benefit of members who wanted to create and sustain an all-electric fleet. We offer 100% purely electric vehicles your members to choose from. Some popular models include the Chevrolet Bolt, Ford Fusion, Ford Mustang Mach-E, as well as Ford's all electric F-150. We are confident that as more OEM's continue to manufacture new electric vehicles, we will provide them for members to select from. More information about this initiative can be found at www.Driveevfleet.org	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	NAFG has the California Air Resource Board (CARB) Certificate as well as the Ford Qualified Vehicle Modifier Certificate on file with some of our partner suppliers and upfitters hold these certifications and these certifications help illustrate how each vehicle conserves energy and remains energy efficient.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	NAFG holds a current partnership with many suppliers some of which are veteran owned such as Pacific Truck Body located in CA. Our Ford, Chevrolet and Ram,Jeep,Dodge,Chrysler stores are jointly owned and operated by Minorities.	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	. National Auto Fleet Group was not only built on dedication and hard work, but also through quantifiable metrics that directly measure the results of our efforts to ensure real goals are being measured and met. Through measuring results, NAFG takes responsibility in ensuring we deliver only the best customer care to your members. NAFG offers members 24 hour website access to customer support to personally walk members through any questions they may have. No matter what the issue may be, we always think outside the box to help members find a solution.	*

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Each of the 15 manufactures we represent cover their own products, parts, and labor. All warranty information may be found in our attachments under the ZIP File "All 15 Manufactures".	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Prior to purchase, members should be aware of each manufacturer's restrictions. Such as improper use of the vehicle may result in disqualification of coverage under the OEM's warranty. An example of this may be an F-350 being used for a police related pursuit, which may void certain warranties. Although, we always welcome and encourage members to contact us for their particular warranty coverage.	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	In some cases, manufacturers will tow a member's vehicle to the nearest warranty repair facility in case of a breakdown and cover expenses, but prior approval is required.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	This may vary from manufacturer to manufacturer. Thus, we encourage members to call in prior to purchase and inquire about their specific region and how their warranty repairs will be covered with their manufacturer.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranties are typically passed on to the original equipment manufacturer and any upfit warranty will be passed on to the upfitter to perform.	*
50	What are your proposed exchange and return programs and policies?	If a member changes their mind, NAFG will quickly make every effort to change or cancel the order with the factory. However, once the manufacturer begins producing the vehicle, there are no changes, exchanges, or refunds available. The order is then deemed non-cancellable. This includes any upfit equipment an upfitter has ordered for the unit.	*
51	Describe any service contract options for the items included in your proposal.	NAFG offers any and all manufacturer service contracts for all members. There are several parameters in which a service contract may be customizable. These customized service contracts will be treated as add factory options and following the same discount schedule provided in the pricing file.	*

Table 9B: Performance Standards or Guarantees

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	The only guarantee we can ever provide is the guarantee that we will treat and help every member that contacts with respect, integrity and professionalism.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	NAFG and staff uphold high standards with how we provide service to the members, not only holding each other accountable but by embracing member feedback of how we can improve. Then we act upon it and implement improvements.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Standard payment terms are Net 20, with a 10 – day grace period.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	. In order to provide leasing or financing options, NAFG has partnered with National Cooperative Leasing to offer leasing terms for Sourcewell members for all NAFG quotes under the Sourcewell contract. For further review, we have attached a PDF called "NCL Sample Lease" in the "Member Walk Through" Zip file.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	National Auto Fleet Group's transaction process (Purchase Order) is closely tracked, well documented, and neatly organized to monitor each transaction performed through our Sourcewell Contract. This way, NAFG may produce swift and accurate quarterly reporting.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, NAFG accepts up to \$2,500 per vehicle. However, any dollar amount higher than \$2,500 will require a P-card/ Credit Card transactional fee that would be passed onto the member	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *	
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group is offering Line-Item Discounts Off Manufacture Suggested Retail Price for 15 manufacturers that is detailed in the Price File. NAFG will also offer any Upfits to be added to any and all vehicles' that members wish to add. Details are located on the Price Summary Page in the Price File.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	NAFG has an provided offerings from 15 Brands/OEMS and there respective percentage off vary and are detailed in the "Price File" zip Each Manufacture Range is detailed in the tabs below, here is an overview Chevrolet from -.077 to 24.45 % Ford Motor Company from -5.19 to 23.31 % GMC from 6.14 to 22.45 % Ram from 4.99 to 14.23 % Dodge from 3.09 to 9.96 % Jeep from 1.38 to 4.17 % Chrysler from 1.65 to 4.55 % Toyota from .03 to 8.98 % Honda from 1.34 to 4.9 % Nissan from -.085 to 14.61 % Buick from 2.36 to 6.08 Kia from .69 to 8.39 % BMW from 3.8 to 4.77 % Cadillac from 4.22 to 6.77 % Volkswagen from 2.17 to 2.46 %	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	If clients are considering an order of 150 or more units, we encourage members to contact us for any additional discounted quotes.	*
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open Market" products or "Sourced Goods" will be considered and treated as regular upfits. However, they may be quoted up to a 10% mark up, if applicable.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All considerations have already been taken into account in its entirety. The Price Summary Page and Price Table contained in the price file includes all considered costs. Although if a member requested a specialized quote for a unique situation that requires special training, direction, or installation, the additional costs would be added as a part of the upfit and then included inside the member's quote.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufactures charge a standard "Factory Destination Charge". However, that is separate from the freight/destination cost that members may incur to ship a vehicle to and from an installer, if applicable. These subsequent locational movements may bare additional freight costs that will be outlined within the members quote for their review prior to purchase.	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery terms among these regions sometimes carry additional logistical charges for added ferry, port and driver costs from both to and from the mainland. These added costs will be disclosed on the quote for members to review and approve prior to purchase.	*
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group already has a well-established Automobile Franchise Distribution Network that allows for swift and relatively seamless delivery to members and their end users.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	NAFG Strives to offer the best overall value to the member with each and every quote.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Sourcewell participating members are able to obtain proper pricing directly from our website, where they are able to use our user-friendly design to build and price their vehicles. The NAFG is updated daily to reflect updated manufacturer MSRP information. Our system will provide members with an accurate quote 99.99% of the time. In addition, NAFG has a stream line and organized process that calculates administrative fees and allows NAFG to give a turnaround time of 15 – 30 days for quarterly reports.
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One of the internal metrics NAFG uses to track and measure success with the Sourcewell Contract is maintained through our website. Our website keeps a detailed log of quotes that members are generating. We oversee and keep track of how many quotes are being generated and which quotes are met with a purchase order. Every month we evaluate our sales indicators and closely monitor the volume and frequency of sales. One example is by evaluating which members are purchasing from our platform – new members or frequent members to ensure we are growing our member base. We use these metrics to measure our projected growth rate and work to exceed our expectations.
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	NAFG will submit \$ 300 per vehicle purchased through NAFG and \$ 200 per vehicle purchased through our partner dealer Alan Jay Automotive. For the purpose of an admin fee there are no other partner dealer groups considered.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	NAFG has provided a "Model Roll Out" Charts in the "Price File" zip, but of the 15 manufacturers we represent, they have over 100 makes and models for members to choose from that range from Class 1-3 and supporting Class 4 Cab and Chassis trucks. NAFG's platforms can add any upfit of their choosing, ranging from toolboxes to Line Mechanic Bodies. Any and all upfits can be added to any one of our vehicles through one of our upfit partner suppliers or by an upfit supplier of the members choosing. NAFG and the supplier will work together to supply members with turnkey quotes.
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	National Auto Fleet Group lists the makes and models of all 15 manufacturers we represent under the ZIP File "All 15 Manufacturers". These 15 OEMs make up over 100 combined makes, models, and engine combinations for members to select from along with several subtitle "Upfits" detailed for members in the price file.

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Automobiles	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
73	Sport Utility Vehicles	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
74	Vans	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
75	Trucks	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
76	Vehicles described in Lines 72-75 above for Public Safety applications	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
77	Conventional internal combustion models	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
78	Natural gas or propane autogas, hybrid, or alternative fuel models	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models
79	Electric powered models	☒ Yes ☐ No	15 Manufacturers totaling well above 700 makes and models

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 80. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
 3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
 4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Pricing](#) - NAFG Price File for Bid 091521.zip - Monday September 13, 2021 19:29:27
 - [Financial Strength and Stability](#) - Market Success and Financial Stability.zip - Monday September 13, 2021 19:30:12
 - [Marketing Plan/Samples](#) - Marketing Plan Compressed.zip - Tuesday September 14, 2021 11:38:30
 - [WMBE/MBE/SBE or Related Certificates](#) - Insurance and Related Documents.zip - Tuesday September 14, 2021 11:40:18
 - [Warranty Information](#) - Warranties RFP 091521.zip - Tuesday September 14, 2021 11:40:36
 - [Standard Transaction Document Samples](#) - Standard Transaction.zip - Monday September 13, 2021 19:54:48
 - [Upload Additional Document](#) - ALL 15 Makes and Upfits.zip - Tuesday September 14, 2021 11:35:54

Addenda, Terms and Conditions**PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE**

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_6_Autos_SUVs_Vans_Trucks_RFP_091521 Wed September 8 2021 06:27 PM	☒	1
Addendum_5_Autos_SUVs_Vans_Trucks_RFP_091521 Tue September 7 2021 07:28 PM	☒	2
Addendum_4_Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 26 2021 05:55 PM	☒	1
Addendum_3_Autos_SUVs_Vans_Trucks_RFP_091521 Mon August 23 2021 09:47 AM	☒	1
Addendum_2_Autos_SUVs_Vans_Trucks_RFP_091521 Sun August 8 2021 09:02 PM	☒	1
Addendum_1_Autos_SUVs_Vans_Trucks_RFP_091521 Thu August 5 2021 03:58 PM	☒	1



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: September 16, 2025

TO: Mayor and City Council

FROM: Milan Mrakich, Acting City Manager

SUBJECT: CONSIDERATION OF CENSURE OF COUNCIL MEMBER BRIAN GUTIERREZ

RECOMMENDATION:

It is recommended that the City Council:

1. Provide direction to staff regarding a censure hearing relating to Council Member Brian Gutierrez in response to the complaint submitted by Mayor Pro Tem Lopez-Viado.
2. If the Council directs that a censure hearing be held, schedule the hearing for a regular or special meeting on a future date.
3. Direct that the Acting City Manager serve as the presiding officer of any censure.
4. Authorize the Acting City Manager to engage Buchalter APC as special counsel to represent the City in the *Doe v. City of West Covina* (Los Angeles County Superior Court Case No. 25STCV26419) matter.

BACKGROUND:

The City of West Covina has a strong commitment to prohibiting and preventing discrimination, harassment, and retaliation in the workplace and in the conduct of City business. The City's personnel rules reflect that commitment and apply directly to employees. In the California Supreme Court's recent decision in *Brown v. City of Inglewood* ((2025) 18 Cal.5th 33, 57), the Supreme Court held: "We conclude that elected officials such as Brown, the City of Inglewood's treasurer, fall outside the definition of the term 'employee' in section 1106 and cannot assert the protections of section 1102.5." Based on the Supreme Court's decision, it is the City's understanding that its personnel rules do not extend to elected officials because they are not employees of the City. Nevertheless, the City Council remains committed to ensuring a safe and respectful environment for all individuals involved in City government.

This matter is before the City Council following its September 10, 2025 special meeting, at which the Council voted to place on the September 16, 2025 agenda consideration of Mayor Pro Tem Letty Lopez-Viado's request for censure of Council Member Brian Gutierrez.

Key events to date are as follows:

- **September 3, 2025:** Council Member Gutierrez transmitted a cease-and-desist letter to Mayor Pro Tem Lopez-Viado alleging retaliation and intimidation. The letter was transmitted via email and by personal service to her residence.
- **September 3–9, 2025:** Council Member Gutierrez also submitted other correspondence raising complaints concerning Mayor Pro Tem Lopez-Viado's conduct and alleging conflicts of interest.

- **September 9, 2025 (morning):** Mayor Pro Tem Lopez-Viado submitted a written complaint to the City alleging harassment and intimidation by Council Member Gutierrez and requesting that the Council consider a censure.
- **September 9, 2025 (evening):**
 - The City, through special counsel, transmitted a letter to Council Member Gutierrez advising that an independent investigation would be conducted, that interim protective measures were in place, and that the Council would consider in a special open session on September 10, 2025 whether to place an item on the September 16, 2025 agenda regarding the complaint submitted by Mayor Pro Tem Lopez-Viado.
 - The City, through special counsel, transmitted a letter to Mayor Pro Tem Lopez-Viado confirming that the City would move forward with an independent investigation and that interim protective measures were in place.
 - Council Member Gutierrez submitted a request that special counsel recuse himself, as well as a video recording of Mayor Pro Tem Lopez-Viado. It is not clear whether Mayor Pro Tem Lopez-Viado consented to this audio recording or if it violates California Penal Code.
- **September 10, 2025:** In response to the Council's call for a special meeting to address Mayor Pro Tem Lopez-Viado's request for censure, a lawsuit was filed in Los Angeles Superior Court (*Doe v. City of West Covina*, Case No. 25STCV26419) seeking injunctive relief. A hearing on the plaintiff's motion for preliminary injunction is currently scheduled for October 8, 2025.

This factual background may not be all-inclusive, and Council Member Gutierrez, Mayor Pro Tem Lopez-Viado, or other Council Members may have additional information or documents they wish to rely upon if a censure hearing is ultimately requested.

To ensure that the City does not interfere with judicial proceedings and that any process is carried out in compliance with applicable law, this staff report provides the Council with a framework for the censure process, the timing of a hearing, and the procedural requirements that must be observed.

DISCUSSION:

A. Authority to Censure

A city council, as a body, has the authority to express its opinion regarding the propriety of the actions of an individual council member. While a public admonishment is an informal statement of the opinion of one or more council members, a motion to censure is a formal statement of the opinion of the majority of the city council. A censure is generally understood to be "an official reprimand or condemnation; an authoritative expression of disapproval or blame." (Black's Law Dictionary, 10th ed. 2014).

Neither California statutory law nor the West Covina Municipal Code provides an explicit procedure for censure. The recommended procedure is outlined below.

It is also important to note the limits of a censure. A censure does not remove a council member from office or otherwise alter the official's elected status. Its effect is symbolic: an expression of disapproval by the council as a whole. In some cases, censure may be accompanied by actions within the council's discretion, such as removal from committees, assignments, or liaison roles, but it cannot extend to termination of office.

B. Agenda-Setting and Meeting Procedures

Under the Brown Act, agendas must be posted at least 72 hours before a regular meeting and at least 24 hours before a special meeting. A censure hearing may therefore be set at either a regular or special meeting, provided the applicable statutory notice requirements are met.

C. Pending Court Proceedings

On September 10, 2025, a lawsuit was filed in Los Angeles County Superior Court (*Doe v. City of West Covina*, Case No. 25STCV26419) seeking injunctive relief relating to censure. A hearing on the plaintiff's motion for preliminary injunction is currently scheduled for October 8, 2025. Staff recommends that the City Council avoid interfering with judicial proceedings in this censure process.

D. Due Process Considerations

If the Council determines to proceed with a censure hearing, the process should provide Council Member Gutierrez with notice and a fair opportunity to be heard. At the public hearing on a motion for censure, it is recommended that the City Council conduct the proceeding in the following manner:

- The hearing shall begin with a reading of the motion for censure against Council Member Gutierrez.
- After the reading of the motion, members of the public may speak in favor of or in opposition to the motion, subject to City Council policies and the Brown Act.
- After public comment, Council Member Gutierrez must be given the opportunity to present arguments against the motion for censure. Such arguments may be presented either orally or in writing.
- After Council Member Gutierrez's presentation, the remaining City Council Members shall have the opportunity to ask him questions regarding his presentation.
- The City Council shall then openly deliberate on the motion for censure. The City Council shall not recess to closed session for deliberation. Passage of the motion for censure requires a majority vote of the City Council.

E. Presiding Officer

Because this matter involves allegations between Council Members, and to avoid any appearance of bias or conflict, staff recommends that the Acting City Manager serve as the presiding officer for any censure hearing. This approach ensures neutrality in administering the process while leaving the ultimate decision to the City Council as a whole.

F. Engagement of Buchalter APC

Staff recommends that the Council authorize the Acting City Manager to engage Buchalter APC to serve as special counsel in connection with this matter. Buchalter has experience representing the City as well as public entities in similar cases that involved a council member challenging corrective and remedial actions taken by the city. This prior experience positions Buchalter to provide continuity, efficiency, and informed guidance in defending the City should the litigation proceed.

If engaged, the Acting City Manager may also authorize Buchalter to pursue appropriate procedural remedies in the litigation initiated against the City, including the filing of a special motion to strike under California's anti-SLAPP (Strategic Lawsuit Against Public Participation) statute (*See City of Montebello v. Vasquez* (2016) 1 Cal.5th 409, 423 ("The council members' participation in the meeting that preceded the vote was constitutionally protected activity. '[P]ublic meetings, at which council members discuss matters of public interest and legislate, are conduct in furtherance of the council members' constitutional right of free speech in connection with public issues and issues of public interest. "Under the First Amendment, legislators are 'given the widest latitude to express their views' and there are no 'stricter "free speech" standards on [them] than on the general public.")), and to seek recovery of the City's attorneys' fees and costs from the plaintiff to the extent permitted by law.

LEGAL REVIEW:

The City Attorney's Office and special counsel have reviewed this staff report.

Fiscal Impact

FISCAL IMPACT:

There is no direct fiscal impact associated with placing this matter on the agenda or with scheduling a censure hearing. If the City Council determines to proceed with a hearing, staff will support the process as part of their regular duties.

Additional fiscal impacts could arise if further legal proceedings are initiated or if outside services are required in connection with the administration of the hearing. Because a lawsuit has been initiated against the City, costs associated with such representation will depend on the scope of proceedings and any court-ordered deadlines. If special counsel is engaged, the Acting City Manager may also authorize counsel to pursue available remedies in the litigation, including a special motion to strike under California's anti-SLAPP statute. If such a motion is granted, the City would be entitled to recover its attorneys' fees and costs from the plaintiff.
