



City Council Meeting Agenda

February 20, 2024
7:00 PM – Regular Meeting
Council Chambers
400 N. Douty St.

Council Members will meet in-person in the Council Chambers. The meeting will also be lived streamed on the City's website: <http://livestream.hanford.city/>

5:00 PM CALL TO ORDER STUDY SESSION:

ROLL CALL BY THE CITY CLERK:

PUBLIC COMMENT:

*Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

STUDY SESSION:

- A. Presentation of the 2023 Winter Wonderland Final Report; Recognition of Winter Wonderland Staff; and Council consideration of an appropriation of \$106,679.34 to this year's budget to help fund the purchase of a new ice rink, which would save the City in future years.
- B. Presentation and Council direction on proposed amendments to the City of Hanford's Municipal Code aimed at addressing camping in City Parks and Public Rights of Way.

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

John Escalera

FLAG SALUTE:

Hanford West High School Senior Class President Aaliyah Hollis

RECOGNITION:

- A. Finance: Recognition of the City of Hanford for receiving the Government Finance Officers Association "Distinguished Budget Presentation Award" for the fiscal years 2023/2024 and 2024/2025 Budget

COUNCIL REPORTS/GENERAL REPORTS:

Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City expenses (AB1234).

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

- A. Procedural Waiver: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.
- B. City Clerk: Approval of the Minutes of the December 19, 2023 Meeting
- C. City Clerk: Approval of the Minutes of the January 16, 2024 Meeting
- D. City Clerk: Approval of the Minutes of the January 24, 2024 Special Meeting
- E. City Attorney: Approval of a Real Property Parking Covenant with Kings County Area Public Transit Authority and Authorization for the City Manager to sign the Covenant on the City's behalf.
- F. Administration: Authorization for the use of the City Seal and the Mayor's Signature on a letter, from the California Cities Sustainability Coalition, in support of the group's efforts to delay the implementation or rollback provision of recent C.A.R.B. regulations that went into effect on January 1, 2024.
- G. Community Development: Approval of the second reading and Adoption of Ordinance No. 24-02, approving Zone Text Amendment No. 2024-01, a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to comply with free speech requirements and establish a new application process for murals.
- H. Public Works: Award of a contract to the lowest bidder, AdEdge Water Technologies of Duluth Georgia, in the amount of \$244,241.18, for Bayoxide media filtration removal, disposal and replacement at well 50, located on the southwest corner of Hanford-Armona Rd and 9th Ave., and Appropriation of \$244,250 from the Water Fund (0390) and Authorization for the City Manager to execute the contract.
- I. Public Works: Approval of the First amendment to the agricultural lease between the City of Hanford and Phillip Verwey Farms, allowing for Phillip Verwey Farms the right to receive utility services, including but not limited to electrical facilities and apparatus.

- J. Finance: Approval of the Second Reading and Adoption of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

GENERAL BUSINESS:

- A. Finance: Approval of Resolution No. 24-05-R, formally establishing the the City of Hanford Purchasing Policy.
- B. Finance: Approval of one new firefighter position, at an annual cost of approximately \$128,000, to be added to the master personnel budget and funded out of the General Fund in order to support the health and safety of fire personnel.

ITEMS FOR FUTURE AGENDAS:

At this time, any Council Member may ask a question for clarification or may request a matter, which is not otherwise scheduled on a City Council agenda, to be placed on a future agenda. The Council Member referring the item shall provide sufficient information as to the nature of the item. The City Council, by concurrence of a majority, may direct the City Manager to put the item on a future agenda. (GOV. CODE SEC. 54954.2)

- A. Council Future Agenda Items
- B. Upcoming Events and Important Dates:
 - February 24: Free Fitness Court Class at Hidden Valley Park 8:00 a.m. - 9:00 a.m.
 - March 5: Regular City Council Meeting
 - March 19: regular City Council Meeting

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available to public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. Such agendas are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post the agenda before the meeting. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: STUDY SESSION

SUBJECT:

Presentation of the 2023 Winter Wonderland Final Report; Recognition of Winter Wonderland Staff; and Council consideration of an appropriation of \$106,679.34 to this year's budget to help fund the purchase of a new ice rink, which would save the City in future years.

RECOMMENDATION:

Recommendation: The Council receives the Winter Wonderland Final Report and appropriates \$106,679.34 to this year's budget to pay one of two payments to purchase a new 80' x 100' ice rink quoted at \$240,160—the remaining balance to be paid by the fiscal year 24/25 budget.

Recommended Motion:

BACKGROUND:

Appreciation

Winter Wonderland is a big undertaking. Without the many internal and external individuals and organizations working tirelessly to plan, prepare, and execute this event, it would not be possible. Without their efforts, this event would not be possible.

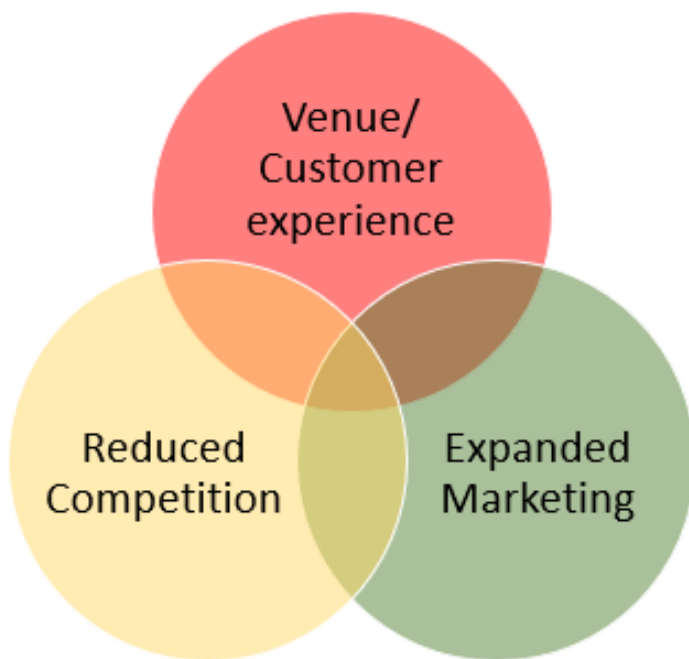
Internally, the frontline staff interacts with our customers daily to provide the best customer service possible, working for eight weeks straight, including holidays. The Parks Division sets up and breaks down the park site. The Facilities Division provides the carpentry skills, and the Refuse Division provides additional waste and recycling containers. Departmental staff answer hundreds of calls and track the daily financials, and the Community Relations Manager leads the marketing efforts.

External partners include the Hanford Chamber of Commerce, which solicited cash sponsorships and reserved the North Pole Lounge. The many business sponsors supported the event through cash and trade sponsorships and our naming rights partners. The entire community supported this event, so it has become a regional holiday destination for many families.

2023 Winter Wonderland In Review

The 2023 Winter Wonderland was a success on many levels, as the event has evolved into a regional holiday destination within the Central Valley. During the eight weeks of operation, the event attracted 110,471 visits and 87,500 unique visitors, with an average dwell time of 88 minutes (see attached Exhibit 1-Event Data). The precise reason for this success is challenging to pinpoint. However, the cumulative synergy of an incredible location/customer experience, expanded marketing strategies, and reduced competition combined for increased revenue and an experience that creates

holiday memories.



Venue/Customer Experience

The historic and scenic Civic Park provides a location unlike any other. Collectively, there is a sense that transports people in time and creates a “Norman Rockwell” moment. This past year, the new Wonderland Village, consisting of eight Tuff Sheds and ten picnic tables, created a centralized location for food vendors, who collectively earned \$270,613 in total revenue and \$47,864.72 in revenue to the City based on the negotiated revenue split.

Donated holiday decorations improved the ambiance, including two large walk-through ornaments, twelve lit Christmas trees, and Santa’s Sleigh with full-sized reindeer. A new commercial fourteen-foot Christmas tree provided the center point for Wonderland Village, and a new twelve-foot star on the south end of the ice rink became a popular photo opportunities.

Providing excellent customer service is always our goal. This year, we surveyed our customers to understand how we performed. We received 431 responses; the survey results are in Attachment 1- Event Data.

Expanded Marketing

Winter Wonderland marketing was handled in-house this year. However, Jeffrey Scott Agency (JSA), a Fresno advertising firm, provided some recommendations to staff as part of a Media Plan before the start of the season. JSA was also hired to handle paid social media marketing on Facebook, Instagram, and TikTok. Additionally, JSA provides advertising services to one of Winter Wonderland’s sponsors, Amtrak San Joaquins. As part of a trade agreement with JSA/Amtrak, Winter Wonderland benefitted from more paid social media marketing and an “influencer night,” where Central Valley social media influencers documented their experience riding the train to Hanford Winter Wonderland and enjoying the event. It’s worth mentioning that staff also created non-paid (organic) social media content throughout the event to keep engagement high and attract more guests.

In addition to social media, print, radio, and television advertising investments were made. Staff hired local videographer Josh Cordero (REMSCAPE) to produce a 15-second commercial that aired 200 times on ABC30 throughout the season. The partnership with ABC30 included both paid and trade advertising, and it's worth noting that more than half of the commercials that aired were part of the trade agreement with the station. All of the TV stations in the market had news coverage of Winter Wonderland, including several morning shows and "live shots" featuring Parks & Community Services Director Brad Albert.

Staff hired All Valley Printing to freshen up the design of the Winter Wonderland posters. These posters were distributed to organizations, businesses, and schools; some were displayed in prominent locations. For example, Hanford Elementary School District put up posters in school offices and promoted the event through direct, digital communications to parents.

More data points will be discussed during the presentation, but overall, marketing efforts were integral to Winter Wonderland's success. Some modifications will be made to next year's marketing plan, but many elements will carry over, and staff will be receptive to new ideas (Please see Attachment 2-Visitor Heat Map).

Reduced Competition

The privately-owned "Christmas on the Farm" ice rink in Visalia did not return this year. This reduced regional competition, and Winter Wonderland became the only outdoor ice rink from Atwater to Bakersfield.

Business Sponsorships

This past year, the City partnered with the Hanford Chamber of Commerce to solicit and secure cash sponsorships within the business community. A total of \$85,400 was secured, with the City receiving \$60,000 based on the written agreement.

In addition to the cash sponsorships, the City leveraged several trade sponsorships involving goods and services for sponsorship recognition. These trade sponsorships included Carvalho Construction, ABC30, J.H. Tackett Marketing, Tuff Shed of Visalia, Champi Fencing, Hanford Tractor Supply, Hanford Elementary School District, and the Lemoore Naval Air Station.

A new revenue-generating strategy started this year is the funding of nameable assets. The naming rights and funding for the new commercial Christmas tree by Poor Man's Poison and the large photo-opportunity star sponsored by Greg Melton Design generated \$13,500.

Lessons Learned

Over the past three years, the staff has learned a great deal about the refinement of the business model. Based on customer surveys and input from staff. The following are recommended moving forward:

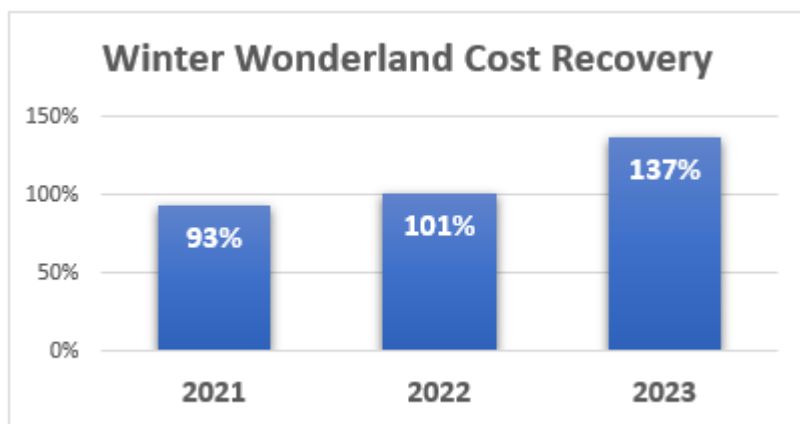
- As the event has grown, greater capacity on the ice rink is warranted. An 80' x 100' ice rink is recommended to solve this issue. This will increase capacity from 120 to 160 ice skaters per session.
- Reduce the skate sessions from 90 to 60 minutes in length and reduce ice resurfacing to every two sessions. In addition, the admission price for adult skaters could be lowered from \$18 to \$16.
- Expand the Wonderland Village, providing the ability to add additional vendors.
- Offer season passes.
- Offer adult-only skate sessions.
- Analyze other online ticketing systems to enhance payment options, reduce service charges,

and enhance customer convenience.

- Increase the size of the staging area and improve the transition of skaters entering and exiting the skating rink.
- Enhance marketing through targeted social media.

Financial Report

The 2023 Winter Wonderland event exceeded budgeted expenses by \$36,402.60; however, it also surpassed budgeted revenue by \$127,403.89, for a net of \$106,679.34 (see Attachment 3 2023 Winter Wonderland Revenue and Expense), which represents a cost-recovery rate of **137%**.



Based on this year's financial report, staff recommends an appropriation of \$106,679.34 to this year's budget to pay one of two payments to purchase a new 80' x 100' ice rink quoted at \$240,160—the remaining balance to be paid by this fiscal year's budget. The purchase is a practical investment into the future of the Winter Wonderland event. It will generate a sizable Return On Investment (ROI) for the next five years and beyond (see Attachment 4- Ice Rink Purchase Analysis). Once the ice rink is purchased, the ongoing chiller unit rental is \$50,500 annually.

FISCAL IMPACT:

Council appropriates \$106,679.34 to the FY23/24 budget to pay one of two payments to purchase a new 80' x 100' ice rink quoted at \$240,160—the remaining balance to be paid by the fiscal year 24/25 budget. This request will not require additional funding based on the FY 24/25 budget.

ATTACHMENTS:

1. Exhibit 1-Winter Wonderland Event Data
2. Exhibit 2-Visitor Heat Map
3. Exhibit 3-Winter Wonderland Revenue and Expense
4. Exhibit 4 Ice Rink Purchase Analysis

Exhibit 1

2023 Winter Wonderland Event Data

- Total number of visits: **110,471**
- Total number of unique visitors: **87,500**
- Average dwell time: **88 minutes**
- Number of skaters: **13,969**
- Number of skate sessions: **204** (average 68.5 skaters per session)
- Number of sold-out skate sessions: **77** (38%)
- Number of Incident Reports documented: **32**
 - 2 requiring emergency medical aid
 - 5 requiring first aid by staff
 - 25 minor, documented with no action taken
- Total vendor revenue: \$270,613

Customer Survey Results (431 respondents)

1. On a scale of 1-5, how would you rate your Winter Wonderland Experience?

Average rating 4.1

2. How did you hear about Hanford Winter Wonderland?

- Word of Mouth 40.1%
- Facebook 32.25%
- Instagram 22.51%
- Other 12.53%
- Television 9.28%

3. Was buying tickets online a smooth experience?

- Yes, I have no complaints 88.63%
- It could have been better 8.82%
- No, it was not a good experience 2.55%

4. What is something you would like to see added next year?

- Too crowded, need a bigger rink, fewer tickets sold
- Create separate ice rink entrance and exit
- More food vendors
- Vendors not open
- No refunds?
- Adults only sessions
- More seating to watch
- Live music

Exhibit 2

Visitor Heat Map

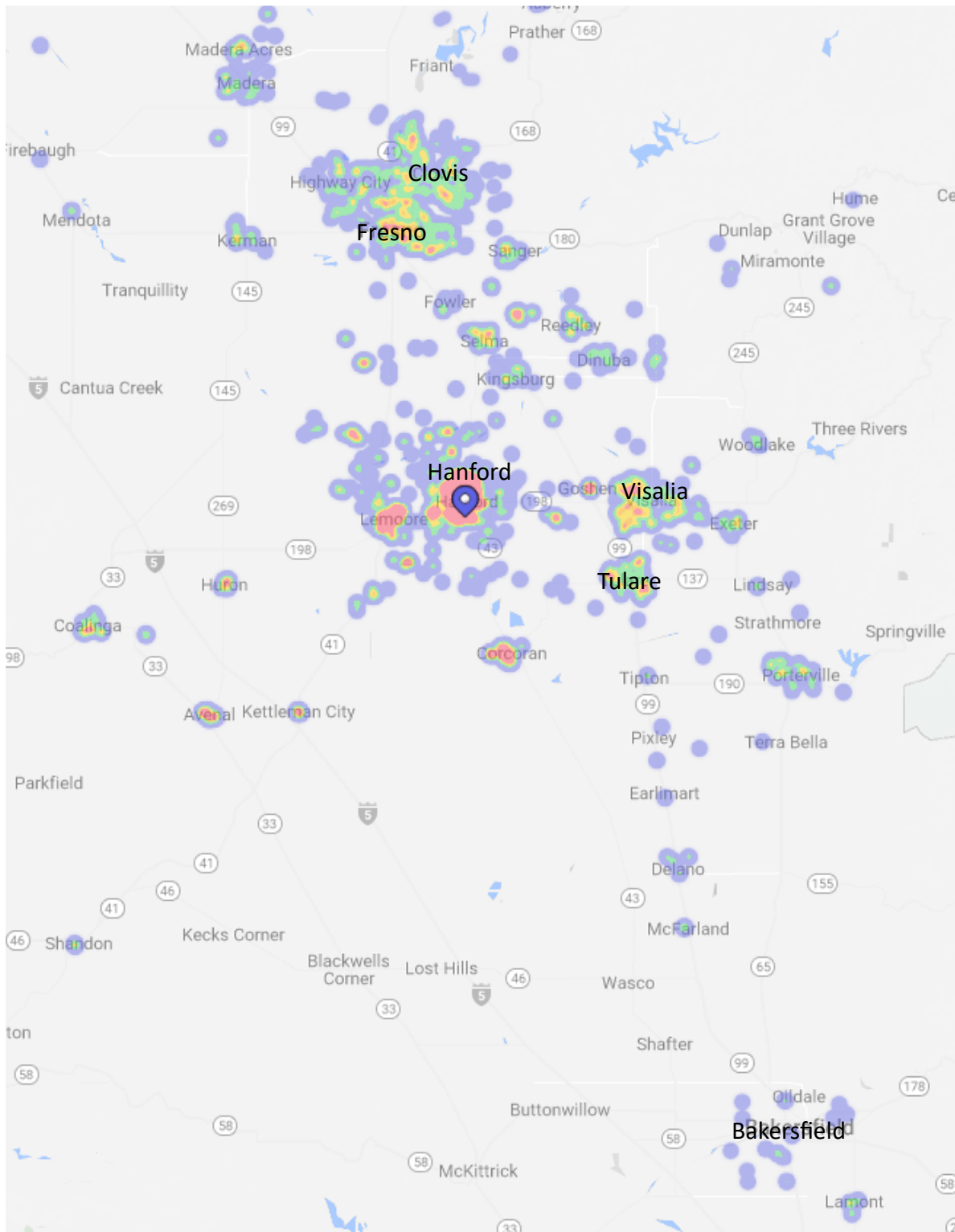


Exhibit 3

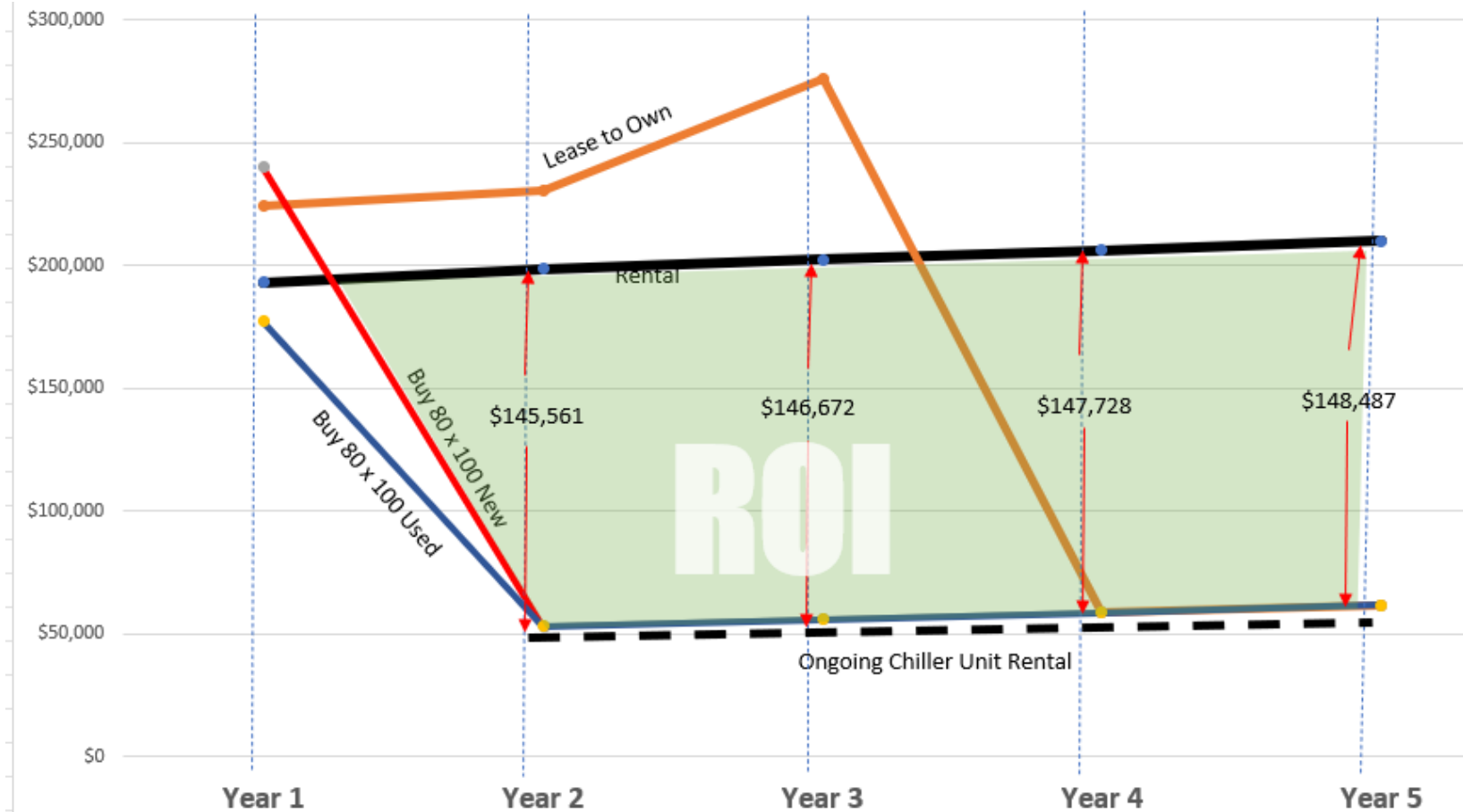
2023 Winter Wonderland Revenue and Expense

EXPENSES	AMOUNT
EMPLOYEES (PART TIME)	\$51,200.15
EVENT SUPPLIES	\$24,815.08
OPERATIONS	\$35,056.98
ICE RINK RENTAL	\$193,249.34
LARGE EXPENSES	\$79,991.40
ACTUAL EXPENSE TOTALS:	\$384,321.95
BUDGETED EXPENSES:	\$347,919.35
DIFFERENCE:	-\$36,402.60

REVENUE	AMOUNT
ONLINE SAFFIRE SALES (TICKETS, SKATE AIDES, ETC.)	\$349,128.45
BOX OFFICE (AT THE GATE) CASH SALES TICEKTS	\$46,667.00
VENDOR SPILTS (FREDDY INCLUDED)	\$47,864.72
SPONSORSHIPS	\$65,162.50
NAMABLE ASSETS	\$13,500.00
ACTIVENET ACTIVITY (LIGHT TOURS, MISC).	\$5,081.22
TOTALS:	\$527,403.89

TOTAL EXPENSES	\$384,321.95
TOTAL REVENUE	\$527,403.89
DIFFERENCE	\$143,081.94
EXPENSE OVERAGE	-\$36,402.60
TOTAL AFTER OVERAGE APPLIED	\$106,679.34

Exhibit 4 Ice Rink Purchase Analysis



Proforma						Capacity Calculations			
	Year 1	Year 2	Year 3	Year 4	Year 5	Width	Length	Sq. Ft.	Capacity
60' x 100' Rental	\$193,249	\$198,796	\$202,569	\$206,420	\$210,104	60	100	6000	120
Lease to Own	\$224,450	\$230,900	\$275,990	\$58,692	\$61,626	80	100	8000	160
80' x 100' New	\$240,160	\$53,235	\$55,897	\$58,692	\$61,626	80	120	9600	192
80' 100' Used	\$177,398	\$53,235	\$55,897	\$58,692	\$61,626				
Chiller Rental		\$53,235	\$55,897	\$58,692	\$61,626	Based on 50 square feet per person			



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: STUDY SESSION

SUBJECT:

Presentation and Council direction on proposed amendments to the City of Hanford's Municipal Code aimed at addressing camping in City Parks and Public Rights of Way.

RECOMMENDATION:

Recommendation: That the City Council receive the presentation and provide direction on proposed amendments to the City of Hanford's Municipal Code aimed at addressing camping in City Parks and Public Rights of Way.

Recommended Motion:

BACKGROUND:

In December of 2020, the City Council adopted Ordinance No. 20-15, which amended the City's Municipal Code and added new rules to govern the use of city parks by all persons. The creation of these additional rules was made necessary by recent court decisions that have allowed for an expanded use of public properties by citizens. The parks were never designed for some of these uses and those uses frequently result in damage to parks and the inability for full enjoyment by all of our residents. At that time, the updates to the ordinance included not only parks, but all City properties, as requested by council during a previous study session on the matter.

Staff, in conjunction with the City Attorney's office, have developed more proposed amendments to the Hanford Municipal Code pertaining to regulation of activities in most City areas and facilities, including public rights of way. The purpose of this amendment is to update the existing code provisions in accordance with current case law and City practices, and to address the impact that the activities of homeless persons are having on city properties and resources.

As a result of the 9th Circuit Court of Appeals decision in the case of Martin v. City of Boise (the "Boise case") and several recent Appellate Court Rulings that have rendered several local ordinances "Unconstitutional", staff and the City Attorney have attempted to modify the existing ordinance to provide the City with more tools to address the impacts of homelessness on the community.

Since its publication, the Boise case has been the source of considerable discussion and speculation as to its reach, mandates, and implications for City staff in trying to address actual problems in the community as part of their daily efforts. Like many court decisions of this nature, its actual discernible mandates are limited and basic, and analysis of implications for real world circumstances and applications is either incomplete or altogether absent.

The core holding in the Boise case is that the courts will not allow municipalities to criminalize the act of a homeless person sitting, lying, or sleeping on public property so long as there is no low barrier shelter available. The court devoted considerable discussion as to why it believes that the "condition of being homeless" should not be criminalized, but did concede generally, in a footnote to that discussion of all places, that municipalities do not have to allow homeless persons to sit, lie, or sleep in public places under all circumstances and that other rules may be enforced (e.g., the City may enforce sidewalk accessibility requirements).

Many cities have adopted ordinances that broadly prohibit camping on public property. However, such regulations usually contain an exception for unhoused individuals to avoid violation of the Boise case. Hanford's ordinance is structured in such manner. Notwithstanding this exception, the City may still enforce other restrictions, including, without limitation, state and federal sidewalk accessibility requirements and health and safety regulations.

Accordingly, attached for Council review are the proposed amendments to the Hanford Municipal code governing regulations in public areas, which address recent court rulings regarding publicly owned property and the public use of that land.

FISCAL IMPACT:

ATTACHMENTS:

1. 2024.02.15 Camping In Parks Ordinance (redline)

Chapter 12.24 ADDITIONAL RULES GOVERNING CITY PARKS AND OTHER CITY PROPERTIES

12.24.010 Purpose and findings.

12.24.020 Definitions.

12.24.030 Camping in parks, recreation areas, and other facilities prohibited.

12.24.040 Storage of personal belongings prohibited.

12.24.050 Tents and other enclosed temporary structures prohibited.

12.24.060 Fires prohibited.

12.24.070 Littering, personal waste, and dumping prohibited.

12.24.080 Resource protection.

12.24.090 Animals and pets.

12.24.100 Severability.

12.24.110 Violation—Misdemeanor.

12.24.010 Purpose and findings.

The purpose of this chapter is to protect the city of Hanford's (city) parks and other public properties and control activities at such facilities that may pose a risk to health or safety, or which may negatively affect the public's enjoyment of parkssuch facilities. The city council of the city of Hanford finds:

A. The city has invested millions of dollars in its park facilities that are designed to be used by the entire population of Hanford.

B. City parks are used for a variety of purposes, including periodic heavy use by families with children. Park usage may be limited by the large number of people that use parks and by other aspects of each park, including shape, location, nature of amenities, and competing uses of facilities.

C. In order to ensure the continued safety of those using city parks and other city-public facilities within the city, activities and the use of equipment or belongings that may be dangerous to the health and safety of others must be limited to designated areas or prohibited altogether.

D. The city's parks and other public facilities within the city are not designed to be used as camping sites and lack the infrastructure necessary to provide a safe and proper camping

experience. ~~All-City~~ parks and other ~~City-public~~ facilities lack, to differing degrees, showers, bathrooms, lighting, electricity, security, washing facilities, burn pits, camping sites, adequate refuse containers, potable water, kitchen facilities, and other facilities needed for safe camping.

E. The lack of these ~~facilities-accommodations~~ and the uncontrolled placement of camping sites in ~~C~~city parks and other ~~public~~ facilities presents a clear danger to persons using, crossing or playing in parks and to persons utilizing other ~~city-public~~ facilities. These dangers include the potential for health hazards, criminal activity, ~~interference with handicapped accessibility~~, and physical injury. These hazards are demonstrated through activity that has occurred ~~within the city and~~ in other communities.

F. The unauthorized use of city parks and other public facilities for the storage of unlimited amounts of personal property interferes with the rights of other members of the public to use such facilities for their intended purposes and create a public health or safety hazard.

~~FG.~~ City parks are designed to facilitate temporary experiences within set hours of operation, in order to ensure the ability of city personnel to properly maintain the grounds. In keeping with this requirement, permanent or overnight encampments would prevent the city from maintaining its parks.

~~HG.~~ These factors associated with camping in city parks ~~or other public facilities~~ constitute an unreasonable interference with the use of ~~city-parks and public facilities~~ by the community and are injurious to health ~~and safety~~, offensive to the senses, create visual blight, and constitute a public nuisance. ~~(Ord. 20-15 § 1, 2021)~~

12.24.020 Definitions.

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section:

“Available shelter” means that a bed is available ~~free of charge~~, at ~~a~~ public and/or private shelters or similar accommodations, ~~including, without limitation, an emergency shelter, as that term is defined in Section 17.96.020 of this Municipal Code~~, to ~~every-an~~ individual experiencing homelessness within the city ~~at no cost~~. A bed shall not be considered available when an individual cannot occupy said space due exhaustion of stay limitations or when religious observance is required as a condition of gaining shelter. Notwithstanding the foregoing, individuals possessing the means to pay for temporary shelter, refusing available shelter, or who otherwise cannot utilize the shelter space due to voluntary actions, including, but not limited to, intoxication, drug use, unruly behavior, or violation of shelter rules, shall not be ~~counted when determining whether available shelter exists~~ ~~considered involuntarily homeless~~.

“Bulky item” means any item that is too large to fit in a sixty (60) gallon trash container with the lid closed, including, but not limited to, a mattress, couch, chair or other furniture or appliance. “Bulky item” does not include a portable, collapsible picnic chair or table.

“Camp,” “camping,” or “camp facilities” means placing, setting up or utilizing camping equipment. Camping does not include use of umbrellas or sunshades during the time ~~the a~~ park is open to the public. An activity shall constitute camping when it reasonably appears, in light of all the circumstances, the participants ~~in~~ conducting these activities are in fact using the area as a sleeping or living accommodation regardless of the intent of the participants or the nature of any other activities in which they may also be engaging. “Camping” shall not include merely sitting, lying, or sleeping outside in a park/recreation area or the use of a blanket, sleeping bag, towel or mat in a ~~public~~ park/recreation area during the time the park is open to the public.

“Camp fire” means an open-air fire in a camp, used for cooking, heating, or as a focal point for social activity.

“Camping equipment” or “camping paraphernalia” means tents, tarpaulins, lean-tos, huts, cardboard boxes, or similar make-shift temporary shelters (whether commercially produced or improvised from random materials), as well as cooking facilities, hammocks, ground cover, bedding, sleeping bags, or other similar equipment used for living in the outdoors.

“City parks” or “parks” means a publicly owned, naturalistic and recreation areas in urban environments. These areas are open to the public to offer recreation and green space to residents and visitors of the city.

“Homeless” means an individual without permanent housing who may live on the street; stay in a shelter, mission, vacant building, or vehicle; or is in other unstable or non-permanent housing situation.

“Park amenities” means any man-made structure, monument, statue, vase, fountain, pole, wall, fence, railing, bench, picnic table, trash receptacle, arbor, shade structure, playground, building, landscaping, natural vegetation, lighting system, sprinkler system, and walking or biking trails, paths or walkways, and waterways.

“Park and recreation facilities” and “park/recreation areas” means all parks and their associated open spaces, trails, park amenities, buildings, and recreation facilities used by the public within the boundaries of the ~~city limits of the~~ city, and which are owned, operated and/or maintained by the city.

“Park personnel” means those people employed by the city and responsible for the maintenance, operation, protection, or management of any city park or facility.

“Personal property” means tangible personal belongings or possessions, which shall include any movable or tangible thing that is subject to ownership; and property or chattels that can be seen, weighed, measured, felt, or touched, including, but not limited to, furniture, appliances, camping facilities, camping paraphernalia, money, and/or books.

“Restroom facilities” means a public toilet that is a small room or small building with toilets and/or urinals, which do not belong to a particular household, and are available for use by the

general public, customers, travelers, etc. Restroom facilities include privately owned portable toilet facilities contracted by the city and temporarily placed at a location for public use.

“Store,” “stored,” or “storage” means to put aside personal property in a ~~public~~ park/recreation area or on other ~~city-publicly~~-owned or ~~city-publicly~~-controlled property or accumulate it for use when needed; to place personal property in a public park/recreation area or on other ~~city-publicly~~-owned or ~~city~~-controlled property for safekeeping; and/or to leave personal property unattended in a public park/recreation area or on other ~~city-publicly~~-owned or ~~city~~-controlled property. Moving personal property from one location to another at a park/recreation area or other publicly-owned or -controlled property or returning personal property to the same block on a daily or regular basis shall be considered storage of such property and shall not be considered removal of the belongings. This definition shall not include any personal property that, pursuant to statute, ordinance, permit, regulation, or other authorization by the city or state, is stored with the permission of the city or the state at a public park/recreation area or other city- or publicly-owned or -controlled property.

“Tent” means a collapsible shelter made of fabric such as nylon or canvas or a tarp stretched and sustained by supports, which is not open on all sides and which hinders an unobstructed view behind or into the area surrounded by the fabric. In order to qualify as a tent for purposes of this chapter, a tent, when deconstructed, must be able to fit within a sixty (60) gallon container with the lid closed.

“Umbrellas or sunshades” means any canopy or cover that is open on all sides, from ground level to the top of the structure, and consists of pliable tent-like material such as canvas, nylon, or other synthetic fabric, and that is held aloft by one or more supporting metal, plastic, or wooden poles. (~~Ord. 20-15 § 1, 2021~~)

12.24.030 Camping in parks, recreation areas, and other public facilities prohibited.

A. It is unlawful and a public nuisance for any person to establish, maintain, or operate a camp or occupy camp facilities, and to utilize camping equipment or camping paraphernalia while camping or occupying camping facilities; ~~(i) in any public park/recreation areas or on other city-publicly-owned or city-controlled property within the city; (ii) within two (2) blocks of any public or private school facility; or (iii) within two (2) blocks of any public or private shelter or similar accommodations that offer services to homeless individuals.~~ “Establish” means setting up or moving camping equipment or camp paraphernalia ~~in park and recreation facilities on such property~~ to camp or operate camp facilities. “Maintain” means keeping or permitting camping equipment or camping paraphernalia to remain in a park/~~or~~-recreation ~~facility~~area or other publicly-owned or -controlled property in order to camp or operate camping facilities. “Operate” means participating or assisting in establishing or maintaining a camp or camping facilities.

B. Notwithstanding the provisions of subsection A. above, Aan individual or family unit experiencing homelessness ~~may not be cited for~~shall not violate ~~ion of~~ subsection A. by camping in a park/recreation area or other publicly-owned or -controlled property unless: ~~(4i)~~ there is available shelter as defined above; ~~or (2ii)~~ they interfere with or impede the performance of

maintenance, repair, or improvement work conducted by a city employee or contractor; (iii) such activity creates a public health or safety risk or violates federal, state, or local laws or regulations, including, without limitation, regulations establishing disabled access requirements.

C. Notwithstanding the exemption provided for in subsection B. above, camping facilities, camping equipment, and camping paraphernalia may not be affixed or attached to, or constructed upon or with, or otherwise located within ten (10) feet of any park amenities or structures.

D. Notwithstanding the exemption provided for in subsection B. above, camping facilities, camping equipment, and camping paraphernalia may not be located or utilized within any waterways or drainage basins.

E. Camping may be permitted in park and recreation facilities in conjunction with any City sponsored and approved event.

F. The use of park restroom facilities shall be available to all patrons. Camping and sleeping in park restroom facilities would interfere with the public's use of such facilities, and, therefore, camping and sleeping in park restroom facilities is prohibited. This chapter shall not be interpreted to allow the public use of city restroom facilities that are normally reserved for the use by city employees.

G. It is unlawful to camp or sleep within the fenced area of a dog park or any area within a park that is reserved for dogs. (Ord. 20-15 § 1, 2021)

12.24.040 Storage of personal belongings prohibited.

A. It is unlawful and a public nuisance for any person to store personal property, whether attended or unattended, in any ~~public~~ park/recreation area or the outdoor portion of other ~~city-~~ publicly-owned ~~or city- or~~ -controlled property, except as otherwise approved in writing by the city manager or designee or by resolution of the city council. Personal property stored in violation of this section may be impounded pursuant to the requirements of this section. Any personal property left in any public park/recreation area during the time the public park/recreation area is closed to the public, whether or not the personal property is unattended, may be impounded pursuant to this section.

1. Notwithstanding these prohibitions, an individual or family unit experiencing homelessness ~~may~~ shall not be ~~cited for~~ in violation of this section and their belongings located within a park/recreation area or the outdoor portion of other publicly-owned or -controlled property may not be impounded ~~the~~ unless: (i) it is confirmed that there is available shelter as defined ~~in Section 12.24.010 above~~; (ii) a belonging violates the restrictions regarding bulky items described in subsection B. below; (iii) all of an individual's personal property located within a park does not fit in a sixty (60) gallon trash container with the lid closed; or (4) the personal property is maintained in a manner that interferes with or impedes the performance of maintenance, repair, or improvement work conducted by a city employee or contractor; or (iv) the personal property or the manner in which it is maintained creates a public health or safety

risk or violates federal, state, or local laws or regulations, including, without limitation, regulations establishing disabled access requirements.

2. This subsection A. shall not be interpreted to allow any individual or family unit experiencing homelessness to leave their personal property unattended in a ~~city park/recreation area or the outdoor area of other publicly-owned or -controlled property~~, and unattended property shall be subject to the impoundment provisions contained below.

B. Unless specifically authorized by the chief of police, the city manager, or their designees, Except as otherwise provided in this chapter, no person shall possess at a park/recreation area or the outdoor portion of any other publicly-owned or -controlled property: (i) possess any bulky item; or (ii) personal property that cumulatively exceeds the amount of property that could fit in a sixty (60) gallon trash receptacle with lid closed in a public park/recreation area or on other city-owned or city-controlled property unless specifically authorized by the chief of police or the city manager. Such limitations shall not, however, apply to the city or other public entity that operates or is responsible for a park/recreation area or other publicly-owned or -controlled property.

C. The provisions of this section shall not apply to abandoned personal property, which ~~shall~~may be disposed of forthwith.

D. The chief of police, ~~or~~ the city manager, ~~or~~ and their designees, are authorized to impound personal property pursuant to the provisions of this section, and shall make provisions for the receipt and safekeeping of personal property coming into his or her possession pursuant to this section. A receipt shall be issued to the person delivering such personal property, unless the personal property was found in the course of employment by an employee of the city. The chief of police, ~~or~~ the city manager, or their designees, shall ~~notify the owner of the personal property in writing if his or her identity is reasonably ascertainable; or, if the identity of the owner is not reasonably ascertainable, and will~~ cause a written notice to be left in a prominent place on or near the location of the personal property for any personal property impounded pursuant to this section, advising that the city is in possession of the personal property and the location where and hours during which it may be claimed.

E. Notice Prior to Impoundment.

1. Stored personal property or personal property violating this chapter may be impounded without notice if there is a reasonable belief that it is abandoned, presents an immediate threat to public health or safety, is evidence of a crime, is evidence in a criminal investigation, or is contraband.

2. In matters in which subsection ~~(E.)(1.)~~ does not apply, personal property unlawfully stored in ~~public~~ parks/recreation areas or on other ~~city~~publicly-owned or ~~city~~-controlled property shall be impounded only after a notice is provided to the owner of the personal property or left at or near the location of the personal property at least seventy-two (72) hours prior to the commencement of abatement efforts, which ~~advises~~ing that the personal property will be

impounded if it is not removed. This notice will specify ~~the following: a time when the personal property will be impounded if it is not removed.~~

You must remove your belongings from the site by _____ a.m./p.m. on _____, 20 ____ . You should not leave behind any belongings you want to keep. All belongings left behind may be removed by the City within forty-eight (48) hours of the time specified above. The City will post an Impound Notice for the belongings that the City takes and stores during the clean-up process.

If you wish to reduce the risk of losing valued belongings, you should try to keep those belongings on your person at all times, in a storage facility, or in visible, sanitary, and safely accessible bags or bins.

Belongings that are hazardous, likely to become hazardous while stored, contraband and stolen items, or which pose a threat to public health and safety will be subject to immediate disposal by the City.

If your belongings are impounded, you can claim them by following the directions on the Impound Notice after the clean-up is completed. Information about how to claim your belongings is also available on the City's website. You may retrieve any impounded belongings without being asked about your criminal background or outstanding warrants.

The chief of police, the city manager, or their designees shall conduct abatement of a site at the time specified in the notice. If abatement is delayed or rescheduled, the chief of police, the city manager, or their designees may conduct abatement within forty-eight (48) hours of the time specified in the notice without posting a new notice. If abatement does not occur within forty-eight (48) hours of the time specified in a notice, the chief of police, the city manager, or their designees shall post a new notice prior to engaging in abatement activities.

3. Notwithstanding the provisions of subsection E.2., the chief of police, the city manager, or their designees may engage in expedited abatement by giving the required pre-impound notice a minimum of three (3) hours prior to the commencement of abatement efforts if: (1) the City receives direction from the County of Kings or other governmental authority that abatement is necessary to preserve public health or safety; or (2) the chief of police, the city manager, or their designees observe or reasonably suspect that personal property creates a significant risk to public health or safety or a significant risk of property damage.

F. If, ~~after~~at the time specified in a ~~any~~ notice required by subsection E. ~~above is given~~, personal property remains unlawfully stored in a ~~public~~-park/recreation area or on other ~~city-~~publicly-owned or ~~city-~~city-controlled property, that personal property may be impounded in accordance with the process identified below. The person impounding the personal property shall ~~leave a notice in a conspicuous place at or near where the personal property was located prior to being impounded, advising where the personal property is being kept and when it may be claimed by its owner~~provide the notices required pursuant to subsection D. above.

1. The chief of police, the city manager, or their designees shall document the abatement and impoundment process as follows:

a. Photograph or video record the site before any abatement begins;

b. Open backpacks, purses, suitcases, and other containers to determine whether they contain items eligible for storage;

c. Set out items in backpacks, purses, suitcases, and other containers and photograph or video record the items;

d. Photograph or video record all items to be stored or which will be subject to immediate disposal;

e. Photograph or video record the cleanup process; and

f. Photograph or video record the site after abatement has concluded.

G. Personal property taken by the city during cleanup occurring pursuant to this chapter shall be stored unless it meets one (1) of the following disqualifying conditions:

1. Hazardous, including, without limitation, explosives, flammables, toxins, weapons, drug paraphernalia, or items contaminated with human waste, animal waste, insects, hazardous liquids, or mold;

2. Likely to become hazardous in storage, including perishables, wet material that may become moldy, and items covered in mud;

3. Contraband or stolen; or

4. Pose a threat to public health or safety.

H. Personal property ~~coming into possession of~~impounded by the city pursuant to this section shall be retained for a period of at least ninety (90) days. If the personal property consists of money, it shall be deposited with the city's finance director or designee for a period of not less than ninety (90) days, unless sooner claimed by its owner. ~~In the event the p~~Personal property ~~or money is~~ not claimed within ninety (90) days ~~of the impoundment date,~~it shall be deemed to be abandoned personal property and will be, subject to disposition as provided in this section.

HI. During the time that any personal property is held by the city, it may be delivered or paid to its owner as follows:

1. The personal property shall be delivered upon proof of ownership satisfactory to the chief of police, ~~or~~ the city manager, or their designees, after ten (10) days' notice by mail to any

other person(s), if any, who has~~ve~~ asserted a claim of ownership at any address given by such person(s).

2. If the personal property consists of money, it shall be paid to the owner upon written order from the chief of police, ~~or~~ the city manager, or their designees~~ss~~, to the director of finance. The chief of police, ~~or~~ city manager, or their designees~~ss~~, shall make such order upon the same proof of ownership and with the same notice as prescribed in the case of other personal property.

3. If ownership cannot be determined to the satisfaction of the chief of police, ~~or~~ the city manager, or their designees~~ss~~, he or she may refuse to deliver the personal property or refuse to order the payment of such money to anyone until ordered to do so by a court of competent jurisdiction.

~~IJ.~~ Upon expiration of the ninety (90) day impoundment period, any personal property ~~received-held~~ by the city and not delivered to the owner may be appropriated for use by the city upon order of the city manager or his or her designee, ~~on his or her~~upon finding that the personal property is needed for a public use, and any personal property not appropriated for city use may be disposed of ~~or sold at public auction to the highest bidder at the discretion of the city manager or his or her designee~~. All unclaimed money received by the ~~chief of police~~city, and not delivered to the owner during the ninety (90) day impoundment period, shall thereafter be deposited in the general fund.

~~—J.— Subject to the provisions of subsection K, any personal property coming into the possession of the chief of police or designee may be disposed of immediately and without notice, in a manner that the chief of police or designee determines to be in the public interest, when such personal property is perishable, contraband, or constitutes an immediate threat to the public health or safety.~~

~~K K.~~ The provisions of this chapter shall not apply to ~~real or~~ personal property ~~or money~~ that is: (1) subject to confiscation pursuant to state or federal law; (2) evidence of a crime; or (3) evidence in an ongoing criminal investigation and/or civil proceeding pursuant to state or federal law. (Ord. 20-15 § 1, 2021)

12.24.050 Tents and other enclosed temporary structures prohibited.

A. Except as otherwise provided in this section, it is unlawful for any person to set up and utilize ~~camp equipment~~, a tent, or similar temporary shelter or improvised make-shift structure from random items in park/recreation areas or on city/publicly-owned and/or city-controlled property, except in conjunction with a city sponsored and approved event. The use of umbrellas or sunshades is permissible in a public park.

~~—B.— With respect to city parks, it is unlawful for any person to set up and utilize camp equipment, a tent, or similar temporary shelter or improvised make-shift structure from random items unless it is open on all sides, except as when in conjunction with any city sponsored and approved event. The use of umbrellas or sunshades is permissible in a public park.~~

EB. Notwithstanding the restrictions contained in subsection **BA.**, an individual or family unit ~~within a park~~ that is experiencing homelessness will not be in violation of this section ~~for utilizing a tent within a city park~~ unless: ~~(i1)~~ it is confirmed that there is available shelter as defined above; ~~(ii2)~~ the tent is located or constructed in such a manner that interferes with the performance of maintenance, repair, or improvement work conducted by a city employee or contractor; ~~(iii3)~~ the tent is inconsistent with the “tent” definition of Section 12.24.020 above; or ~~(iv4) the tent creates a public health or safety risk or violates federal, state, or local laws or regulations, including, without limitation, regulations establishing disabled access requirementsa violation of another provision of this chapter occurs (e.g., attached to a park improvement or structure).~~ A prohibited tent will be subject to citation and to the impoundment procedures of Section 12.24.040. ~~(Ord. 20-15 § 1, 2021)~~

12.24.060 Fires prohibited.

No person shall kindle or build a fire in ~~any park~~ ~~or~~ ~~and~~ recreation facilities ~~iesy~~ or other ~~citypublicly~~-owned or ~~city~~-controlled property, including within any portable fire rings, receptacle, or park amenity for the purpose of creating or containing a fire, unless a fire is allowed by the city in conjunction with any city sponsored and approved event. A fire that is lighted and maintained in a barbeque grill being utilized for cooking purposes only, and only in designated areas, shall, however, be exempt from this prohibition. Installed park grills are designed for charcoal-based cooking, and no other flammable material may be used in them. Grill fires shall be completely extinguished before leaving the park/recreation area. Fires solely for the purpose of personal warmth are not allowed, and park grills shall not be used as a trash receptacle. ~~(Ord. 20-15 § 1, 2021)~~

12.24.070 Littering, personal waste, and dumping prohibited.

A. Receptacles are provided for trash related to park activities. Park users shall deposit their trash in designated receptacles. It is unlawful for any person to enter, occupy, or sleep in any trash receptacle or enclosure.

B. No person shall bring and leave refuse, furniture, or surplus material from another property, including home-based litter and refuse and/or business-related refuse, for the purpose of dumping it in any ~~public~~-park/recreational ~~area~~~~facility~~ or on other ~~citypublicly~~-owned or ~~city~~-controlled property.

C. No person shall deposit or cause to be deposited urine, fecal matter, or other bodily discharges within park and recreation facilities or on other ~~citypublicly~~-owned or ~~city~~-controlled property, with the exception of within the normal use of designated restrooms. Park and recreation facility restrooms and washrooms that are designated single-use, unisex facilities, are to be used by one person at a time for their designated purpose and for a reasonable time period. This rule shall not apply to children under the age of eight (8) years, or persons with special needs, who may be accompanied by a person responsible for that child or person. ~~(Ord. 20-15 § 1, 2021)~~

12.24.080 Resource protection.

A. Natural Features. It is unlawful for members of the public to engage in any of the following acts within any city park or facility:

1. Cut, pick, mutilate, or destroy any vegetation.
2. Introduce any flora or fauna.
3. Pick, dig up, cut, mutilate, destroy, injure, disturb, move, molest, burn, or carry away any tree or plant or portion thereof, including, but not limited to, leaf mold, flowers, foliage, berries, fruit, grass, fern, turf, humus, shrubs, cones, and dead wood.
4. Place upon, attach, or secure to any tree, plant, shrub, rock or other natural feature any rope, wire mark, writing, printing, card, display, placard, or object.

B. Geological Features. It is unlawful for any person-member of the public to engage in the following acts within any city park or facility:

1. Remove, cut, dig, or disfigure any soil, rock, or fossil.
2. Dig up, pick, remove, mutilate, injure, or collect any historical or archaeological artifact or object.
3. Disturb, deface, disfigure, mark on, or destroy any cave, rock formation, or any other naturally occurring feature.
4. Deposit any earth, sand, rock, stone, or other substance, or dig such materials from any area.

C. Water Features. It is unlawful for any person-member of the public to engage in the following acts within any city park or facility:

1. Throw, discharge or otherwise place or cause to be placed into any fountain, pond, basin, or other body of water any substance, matter, or thing, liquid or solid, including, but without limitation to, particles or objects made of paper, metal, glass, styrofoam, garbage, rubbish, rubber, fuel, food matter, wood, fiber, and plastics, human waste, or other polluting substances of any kind.
2. Discharge any wastewater, sewage, or effluents anywhere except in proper receptacles.
3. Receive, bring or cause to be brought into any city park/recreation area any species that poses a threat to the waters of any city parksuch facility.

D. Pesticides and Hazardous Materials. No person, with the exception of park personnel in the normal course of their duties, shall disperse or otherwise apply any pesticide or any other

hazardous material within any city park or facility whether to the air, water, ground, or vegetation.

E. Propagation of Plants and Animals. No person shall receive, bring or cause to be brought into any city park any animals or plants from any place for the purpose of propagation.

F. Animals.

1. No ~~person~~member of the public, shall or attempt to molest, hunt, disturb, injure, trap, take, net, poison, harm, tease or kill any kind of wild or domestic animal, bird, or reptile, or their eggs or nests, or fish.

2. No ~~person~~member of the public shall release or abandon any animal, amphibian, bird, or reptile, dead or alive, within a city park.

G. Climbing. It is unlawful for ~~any person~~the public to climb any trees or structures ~~within any city park~~at any park/recreation area, which were not designed for climbing.

~~H. Attachments to Structures. No person shall camp or attach camping equipment or personal belongings to any play structure, restroom, building, fence, wall, park shelter, or any other improvement located within park and recreation facilities.~~

~~II.~~ Permanent Structures. No person shall erect or cause to be erected at parks and recreation facilities any structure that is not designed to be able to be moved each day. (~~Ord. 20-15 § 1, 2021~~)

12.24.090 Animals and pets.

A. Animals in City Parks. A person may bring a dog or other animal into ~~a city park~~park/recreation areas subject to the following conditions, requirements, and mandates:

1. Dogs and other animals must be controlled by a leash not exceeding six (6) feet in length, or by a bridle, unless in an area specifically designated for such use (dog park). All domesticated dogs and cats are subject to H.M.C. Section 6.08.020 Restraint of Animals.

2. Dogs in a designated off-leash area must be at all times under the control of and visible to the owner or person in control of the dog.

3. It is unlawful to leave an animal unattended or abandoned.

4. It is unlawful to allow an animal to be in any portion of a ~~city park or facility~~park/recreation area where specifically prohibited.

5. It is unlawful to keep or permit to remain in any ~~city park or facility~~park/recreation area any noisy, vicious, or dangerous animal, or an animal that unduly disturbs, bothers, inconveniences, or endangers other persons or animals.

B. Animal Waste. The owner or any person responsible for bringing an animal into any ~~city~~ park or recreation facility shall be responsible for removing any waste or refuse left by that animal and shall deposit it in a proper receptacle. (Ord. 20-15 § 1, 2021)

12.24.100 Severability.

The city council declares that it would have adopted this chapter, sentence by sentence, paragraph by paragraph and section by section, and does hereby declare that the provisions of this chapter are severable, and, if for any reason any sentence, paragraph, or section of this chapter shall be held invalid, such decision shall not affect the validity of the remaining parts of this chapter. The provisions of this chapter shall be enforceable only to the extent they are consist with then-current federal, state, and case law. (~~Ord. 20-15 § 1, 2021~~)

12.24.110 Violation—Misdemeanor.

Any person who violates any of the provisions of this chapter shall be guilty of a misdemeanor. This section shall not be interpreted to limit the remedies available to the city; rather, the city may seek and utilize all remedies available under this code and state law in order to enforce the provisions of this chapter. (~~Ord. 20-15 § 1, 2021~~)



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

1/9/2024

For more information, contact:
Technical Services Center
Phone: (312) 977-9700
Email: budgetaward@gfoa.org

(Chicago, Illinois)—Government Finance Officers Association is pleased to announce that **City of Hanford, California** received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 22,500 members and the communities they serve.



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the Minutes of the December 19, 2023 Meeting

RECOMMENDATION:

Recommendation: That the Council, by motion, approve the minutes from the December 19, 2023, meeting.

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

1. Minutes 12.19.2023



**City Council Regular Meeting
Minutes**

**December 19, 2023 7:00 PM
Council Chambers
400 N. Douty St.**

6:00 PM CALL TO ORDER STUDY SESSION:

Vice Mayor Kairis called the study session to order at 6:00 p.m.

ROLL CALL BY THE CITY CLERK:

Present:	Absent:
Council Member Mark Kairis Council Member Lou Martinez Council Member Kalish Morrow Council Member Diane Sharp	Council Member Travis Paden

PUBLIC COMMENT:

*Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

None.

STUDY SESSION:

- A. Presentation by Greg Burns of Thorn Run Partners, the City of Hanford's contracted federal lobbying firm, with updates on national legislative matters and discussion of possible legislation and actions that Council should be aware of for the coming year.

Greg Burns of Thorn Run Partners provided an update on national legislative matters and discussed activities for the upcoming years. Mr. Burns answered questions from the Council. After a brief discussion, Vice Mayor Kairis thanked Mr. Burns and adjourned the study session at 6:21 p.m.

CALL TO ORDER REGULAR SESSION:

Vice Mayor Kairis called the meeting to order at 7:00 p.m.

ROLL CALL:

Present:	Absent:
Council Member Mark Kairis Council Member Lou Martinez Council Member Kalish Morrow Council Member Diane Sharp	Council Member Travis Paden

INVOCATION:

The invocation was led by Sylvia Gaston.

FLAG SALUTE:

The flag salute was led by retired Navy Master Chief Petty Officer Scott Holwell.

RECOGNITION:

- A. Presentation of the Annual Law Enforcement Officer of the Year Award to Officer Jorge Oroasco, by the American Legion Post 3

Captain Huddleston introduced the members of the American Legion Post 3 and they presented Officer Jorge Oroasco with the 2023 Officer of the Year Award.

COUNCIL REPORTS/GENERAL REPORTS:

Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City expenses (AB1234).

The Council members discussed the events and meetings they attended.

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

Jack Schwartz provided an update about the Hanford Carnegie Museum and answered questions from the Council.

Bob Ramos commented on Longfield Center Winter Day Camp, and he expressed his concerns regarding the kids that can't use it while the camp is in session. He suggested another location for the program.

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

Items C and H were requested to be pulled by Council Member Sharp. Motion to approve except for the items pulled for separate discussion.

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Diane Sharp
SECONDER:	Council Member Lou Martinez
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Lou Martinez
ABSENT:	Travis Paden

- A. Procedural Waiver: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.
- B. City Clerk: Approval of the Minutes of the October 17, 2023 Meeting
- C. Administration: Approval of an "In-Kind" two-year Facility Lease Agreement with State Center Community College District on behalf of Valley Community Small Business Development Center (VCSBDC), for use of office space inside the Amtrak Station in exchange for providing services as the Hanford SBDC Outreach Office.
- D. Administration: Approval of the renewal and Authorization for the City Manager to execute the annual Professional Services Agreement with Thorn Run Partners for federal legislative advocacy services, effective January 1, 2024 through Dec. 31, 2024, for a monthly fee of \$5,000.
- E. IT: Authorization and Award of an agreement to AgreeYa Solutions, Inc. (Folsom, CA) for Microsoft Implementation Services and security assessment for \$59,125
- F. Community Development: Approval of the appropriation of \$36,360, from the Transportation Development Act Fund, for engineering and grant writing services to be provided by Interwest Consulting Group for the purpose of applying for the 2024 RAISE Grant for infrastructure improvements to Downtown Hanford and nearby alleys
- G. Public Works: Public Works Engineering: Approval of Final Map, Subdivision Agreement and acceptance of Easements for Tract No. 881, Unit No. 1 near the Southwest of Hume Ave, and Alpine Ave.
- H. Public Works: Approval of an emergency Purchase Order (PO) 22400418 for emergency well repair at well #35, located at fire station #1, to Valley Pump & Dairy Systems Inc. from Armona, CA in the amount of \$153,279.14 for emergency repairs due to breaks in the well casing.
- I. Public Works: Public Works: Approval of the Notice of Completion for Tract No. 928 Unit No. 3, located near the Southeast corner of Centennial Drive and Fargo Avenue, in the City of Hanford, and Authorization for the Mayor to execute and the City Clerk to attest and file said Notice with the Kings County Recorder's Office.
- J. Finance: Review and Approval of the Annual Report for Development Impact Fees pertaining to City of Hanford Impact Fees for Parks, Circulation, Fire Protection, Police Protection, Storm Water System, Water System, Wastewater System, and Refuse/Recycling for fiscal year ending June 30, 2023.

PULLED CONSENT ITEMS:

- A. City Clerk: Approval of the Minutes of the November 7, 2023, Meeting

[Item C]

Pulled by Council Member Sharp.

City Manager Cifuentez addressed the error in the November 7, 2023, minutes.

Motion to approve as amended.

RESULT: Passed (UNANIMOUS)
MOVER: Council Member Kalish Morrow
SECONDER: Council Member Mark Kairis
AYES: Diane Sharp, Mark Kairis, Kalish Morrow, Lou Martinez
ABSENT: Travis Paden

- B. Police: Acceptance of a grant from the Federal Railroad Administration (FRA) in the amount of \$24,077, to help reduce homelessness along railways, and Amend the Police Department's operating budget by Appropriation of the same amount in the General Fund, and Authorize the City Manager to execute the grant agreement.

[Item H]

Pulled by Council Member Sharp.

Ms. Sharp recused herself.

Motion to Approve.

RESULT: Passed
MOVER: Council Member Mark Kairis
SECONDER: Council Member Kalish Morrow
AYES: Mark Kairis, Kalish Morrow, Lou Martinez
ABSTAIN: Diane Sharp
ABSENT: Travis Paden

COUNCIL REQUESTS/REPORTS:

At this time, any Council Member may ask a question for clarification, make an announcement, or report briefly on their activities. In addition, subject to Council Policies and Procedures, they may request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (GOV. CODE SEC. 54954.2)

A. Council Future Agenda Items

None.

B. Upcoming Events and Important Dates:

December 25 & 26: City offices will be closed in observance of Christmas
January 1 & 2: City offices will be closed in observance of New Year's Day
January 16: Regular City Council Meeting

ADJOURNMENT:

Vice Mayor Kairis adjourned the meeting at 7:32 p.m.

Respectfully submitted,

Natalie Corral
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the Minutes of the January 16, 2024 Meeting

RECOMMENDATION:

Recommendation: That the Council, by motion, approve the minutes from the January 16, 2024, meeting.

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

1. Minutes 1.16.2024



City Council Regular Meeting Minutes

January 16, 2024 7:00 PM
Council Chambers
400 N. Douty St.

4:00 PM CALL TO ORDER STUDY SESSION AND CLOSED SESSION:

Mayor Paden called the study session and closed session to order at 4:00 p.m.

ROLL CALL BY THE CITY CLERK:

Present:	Absent:
Council Member Lou Martinez Council Member Travis Paden Council Member Mark Kairis Council Member Kalish Morrow Council Member Diane Sharp	

PUBLIC COMMENT:

*Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

Dave Ayers thanked the Council and Main Street Hanford for their hard work, and he commented on preserving the downtown area.

Jim Castleman commented on the process of new businesses coming into the city.

STUDY SESSION:

- A. Presentation of the Annual Operations Report by Main Street Hanford and Overview of the Management Plan and proposed Activities and Proposed Improvements as required by the Annual Services Agreement between the City and Main Street Hanford.

Main Street Hanford's Executive Director, Michelle Brown provided an overview of the Management Plan and proposed improvements and activities for the Council's review. She also discussed upcoming facade grant projects. Council Member Sharp questioned the projected budget. Ms. Brown answered questions from the Council. The Council thanked Ms. Brown for her presentation. The presentation was informational only, no action was taken. The Main Street Service Agreement will be presented to the Council at the next regular meeting for their review and approval.

- B. Council review of the elements of the Historic Overlay Zone and Direction on Possible

Changes to Hanford Municipal Code Chapter 17.48.

City Council Member Sharp recused herself from the discussion due to a conflict of interest. Deputy City Manager Jason Waters discussed the background, the historic overlay zone, and the public's concerns about the requirements. Dep. Waters expressed his concerns regarding required staff time to process a Historic Resource Permit. Staff discussed the presented options and answered questions from the Council. The Council provided their feedback. Staff will bring back historic resource permit processing recommendations for the Council's review and direction.

C. Presentation of the City's new logo, tagline, and associated branded materials.

Community Relations Manager Brian Johnson provided a background of the creation of the new city logo and presented the logo and tagline. He also discussed the brand guidelines. Staff answered questions from the Council. After a brief discussion, the Council thanked Mr. Johnson for the presentation.

Mayor Paden adjourned the study session at 5:50 p.m.

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (GC 54956.9)(d)(1))

Darlene Mata v. City of Hanford
Kings County Case No. 22C0077

B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (54956.9 (d)(2))

1 Potential Case.

C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (54956.9 (d)(4))

1 Potential Case.

CALL TO ORDER REGULAR SESSION:

Mayor Paden called the meeting to order at 7:00 p.m.

ROLL CALL:

Present:	Absent:
Council Member Lou Martinez Council Member Travis Paden Council Member Mark Kairis Council Member Kalish Morrow Council Member Diane Sharp	

INVOCATION:

The invocation was led by Adrea Lott.

FLAG SALUTE:

The flag salute was led by Interim Police Chief Jack Amoroso.

RECOGNITION:

- A. Badge Pinning Ceremony and Oath of Office for the promotion of Stephanie Huddleston to Chief of Police, and the promotion of James Lutz to Police Captain

Interim Police Chief Amoroso introduced and congratulated Chief Stephanie Huddleston and Captain James Lutz. City Clerk Natalie Corral administered the oath of office.

Recess 7:20 p.m. - 7:25 p.m.

CLOSED SESSION ACTION REPORT:

None.

COUNCIL REPORTS/GENERAL REPORTS:

Brief information-only reports from City Council and/or Staff, including committee reports and reports by City Council related to meetings attended at City expenses (AB1234).

The Council discussed the meetings and events they attended. The City Manager also provided the Council with a staff update.

PUBLIC COMMENT:

This is the time for citizens to comment on subject matters within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. State law does not allow the Council to discuss or take action on issues not on the agenda, except that members of the Council or staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights (Gov. Code sec. 54954.2). A maximum of three minutes is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.

Larry Faria invited the Council to an upcoming event hosted by the 1776 Sons of Liberty.

Mark Pratter commented on the rezoning of 18 acres at Hidden Valley Park.

Jack Schwartz commented on the money raised for the Carnegie Museum. He also shared the plans for future projects.

Nick Wagner commented on the topics discussed at the Kings County Homeless Collaborative meeting. He questioned the locations zoned for low-income housing. Vice Mayor Kairis responded to his comments.

Bob Ramos commented on the Helena lawsuit. He also commented on the Settlement Agreement on General Business. City Attorney Mizote responded to his comments.

Anna Brookshier questioned the status of the traffic circle project. Mayor Paden responded to her comments.

Rusty Brookshier commented on the settlement agreeemnt on General Business. City Attorney Mizote responded to Mr. Brooksier's comments and clarified the city attorney's role in the settlement.

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

City Attorney Mizote requested to pull item D.

Motion to approve except for the items pulled for separate discussion.

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Mark Kairis
SECONDER:	Council Member Lou Martinez
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez

- A. Procedural Waiver: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.
- B. City Clerk: Approval of the Minutes of the December 5, 2023, Meeting
- C. City Clerk: Approval of the Reappointment of Richard Douglas to the Planning Commission, Carolyn Hudgins and Gregory Kelley to the Parks and Rec Commission, for their second terms, and Jim Nelson to the Parking and Traffic Commission for a full term.
- D. Community Development: Adoption of a separate Commercial Cannabis Business Permit Application for all Non-Retail operations, consistent with previous Council direction.
- E. Public Works: Approval of a Notice of Completion for Tract 922, Unit 2, located at the southeast corner of 13th Avenue and Devon Street.
- F. Police: Acceptance of the 2023 Edward Byrne Memorial Justice Assistance Grant in the amount of \$23,456, amend the Police Department's operating budget by appropriation of the same amount in the General Fund, and authorize the City Manager to execute an MOU between the City of Hanford and the City of Lemoore (Police Department).
- G. Fire: Authorization for the City Manager to execute a sole source purchase of a Pierce Fire Engine from Golden State Fire Apparatus (Sacramento, CA) for \$960,525 and appropriate \$1,000,000 in the General Fund contingent on confirmation of \$1,000,000 in State grant funding

PULLED CONSENT ITEMS:

- A. Community Development: Approval of the second reading and Adoption of Ordinance 23-05 and approving amendments to Hanford Municipal Code - 5.56 Commercial Cannabis Activity and amendments to Hanford Municipal Code - 8.32 Cannabis

[Item D]

Pulled by City Attorney Mizote. Both Mr. Mizote and Council Member Sharp recused themselves.

Motion to Approve.

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Kalish Morrow
SECONDER:	Council Member Mark Kairis
AYES:	Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez
ABSTAIN:	Diane Sharp

PUBLIC HEARING:

A. Public Works: Public Hearing and consideration of approval of Resolution 24-02-R for City of Hanford water rate adjustments effective February 1, 2024 and continue the public hearing for wastewater and stormwater rates until February 6, 2024.

Mayor Paden open the public hearing at 8:04 p.m. and called the staff report. The consultant provided a brief summary of the report for the Council's review and consideration. The consultant and staff answered questions from the Council. City Manager Cifuentez discussed the Council's direction to pursue an impact fee study. After much discussion, Council Member Sharp motion to approve Resolution 24-02-R for the water rate adjustment effective February 1, 2024.

Mayor Paden closed the public hearing at 9:02 p.m.

RESULT:	Passed
MOVER:	Council Member Diane Sharp
SECONDER:	Council Member Kairis
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden
NAYS:	Lou Martinez

IN-FAVOR:
Micheal Quinn commented on the rate increase.

OPPOSED:
Dave Ayers disagrees with the increase.

Liz Toppan stated that she is confused by the report and questioned how it will affect businesses. She disagrees with the increase.

Rusty Brookshier spoke in oppsotion.

Alena Alvarez spoke in opposition.

Karen Roberts spoke in opposition.

Bob Ramos commented on the water needs of the Heroes' park.

Rose Shapley spoke in opposition. She asked to be included in the protest.

Liz Wagner spoke in opposition.

GENERAL BUSINESS:

A. City Clerk: Discussion regarding the list of committees and boards that have City Council representation directly appointed by the Council and Appointment of those members as appropriate.

The Council assigned City Manager Cifuentez to the Kings County Area Disaster Council as the city's representative. No other changes were made to the Council representation on boards, commissions, and committees.

Motion to Approve.

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Travis Paden
SECONDER:	Council Member Kalish Morrow
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez

B. Administration: Council discussion and selection of Council members to be part of the interview panels that are necessary to fill the upcoming City Commission vacancies.

City Manager Cifuentez discussed the past appointment processes for the Council's review and direction. The Council discussed the commissioner interview and selection process. Council Member Sharp suggested two council members and one staff member participate in the process. Vice Mayor Kairis suggested that the participating staff members should not have a vote on selecting a commissioner to be appointed. Mayor Paden shared his experience as a commissioner and with the interview process. After much discussion, Council Member Sharp motioned to designate the Mayor, one (1) council member, and one (1) staff member liaison for each commission to participate in the interview process. The staff member will participate in the interviews for advisory purposes only. The motion was seconded by Council Member Morrow. Each of the commission subcommittees will determine the interview process.

Council Member representation:
Planning Commission: Kalish Morrow
Parks and Rec Commission: Lou Martinez
Parking and Traffic Commission: Mark Kairis

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Travis Paden
SECONDER:	Council Member Kalish Morrow
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez

C. City Attorney: Settlement Agreement Darlene Mata v. City of Hanford, Art Brieno

City Attorney Miztoe discussed the settlement agreement and lawsuit filed by Ms. Mata for the Council's review and direction. Mr. Mizote also clarified the error in the amount on the settlement. Council Member Morrow addressed the public comments regarding the settlement and motioned to approve the settlement.

RESULT:	Passed (UNANIMOUS)
MOVER:	Council Member Kalish Morrow
SECONDER:	Council Member Diane Sharp
AYES:	Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez

COUNCIL COMMENTS AND COMMUNICATIONS:

At this time, any Council Member may ask a question for clarification, make an announcement, or report briefly on their activities. In addition, subject to Council Policies and Procedures, they may request staff to report back to the Council at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (GOV. CODE SEC. 54954.2)

A. Council Future Agenda Items

The City Manager announced upcoming important dates, including the special meeting for the selection of the Revenue Measure Committee members.

Mayor Paden shared his concerns regarding the shopping cart ordinance. City Attorney Mizote addressed his concerns and discussed the state law requirements. City Manager Cifuentez assured the Council that staff would bring back a study session for the shopping cart ordinance along with the camping ordinance.

B. Upcoming Events and Important Dates:

- January 15 through January 31: Dump your Christmas tree at a City Drop-Off Site - Public Works 900 S. 10th Ave. or City Well Site 2288 W. Grangeville Blvd.
- February 6: Regular City Council Meeting
- February 19: City offices closed in observance of Presidents' Day
- February 20: Regular City Council Meeting

ADJOURNMENT:

Mayor Paden adjourned the meeting at 9:43 p.m.

Respectfully submitted,

Natalie Corral
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the Minutes of the January 24, 2024 Special Meeting

RECOMMENDATION:

Recommendation: That the Council, by motion, approve the minutes from the January 24, 2024, Special Meeting.

BACKGROUND:

FISCAL IMPACT:

ATTACHMENTS:

- 1. Minutes 1.24.2024 Sp



City Council Special Meeting Minutes

January 24, 2024 5:00 PM
Council Chambers
400 N. Douty St.

5:00 PM CALL TO ORDER SPECIAL SESSION :

Mayor Paden called the special session to order at 5:00 p.m.

ROLL CALL BY THE CITY CLERK:

Present:	Absent:
Council Member Diane Sharp Council Member Mark Kairis Council Member Kalish Morrow Council Member Travis Paden Council Member Lou Martinez	

PUBLIC COMMENT:

*Study Sessions are considered Special Meetings under the Brown Act. Accordingly, comments from the public are limited to items listed on the agenda (GC 54954.3a). Public Comment will be accepted during each agenda item. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

None.

GENERAL BUSINESS:

- A. Appointment of committee members to the City of Hanford Revenue Measure Committee and Adoption of Resolution 24-01-R establishing the committee for the purpose of making a recommendation to the City Council for a 2024 Ballot Measure.

Finance Director Chris Tavaréz provided a brief background and discussed the policy and meeting schedule for the Council's review. City Manager Cifuentes went over staff's recommendation for selecting applicants. Each of the Council members selected three (3) applicants to be appointed to the committee. The Mayor and Vice Mayor thanked the selected members for their time and willingness to serve the city. They also encouraged the public and the non-selected applicants to attend the meetings.

Mayor Travis Paden	Vice Mayor Mark Kairis	Council Member Kalish Morrow	Council Member Diane Sharp	Council Member Lou Martinez
Christine Leach	Victor Rosa	Anna Brookshier	Nate Ferrier	Brigid Fogg
Lois Bentley	Victor Chavarin	Martin Devine	Valerie Castles	Bob Ramos
Fred Lofy	Cheyne Strawn	Jennifer Bartell	Andrea Barone	Russell Brookshier

Motion to appoint the selected applicants to serve on Revenue Measure Committee and adopt Resolution 24-01-R.

RESULT: (UNANIMOUS)
MOVER: Council Member Mark Kairis
SECONDER: Council Member Lou Martinez
AYES: Diane Sharp, Mark Kairis, Kalish Morrow, Travis Paden, Lou Martinez

ADJOURNMENT:

Mayor Paden adjourned the meeting at 5:24 p.m.

Respectfully submitted,

Natalie Corral
City Clerk



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of a Real Property Parking Covenant with Kings County Area Public Transit Authority and Authorization for the City Manager to sign the Covenant on the City's behalf.

RECOMMENDATION:

Recommendation: It is recommended that the City Council, by motion, approve the Real Property Parking Covenant with Kings County Area Public Transit Authority and authorize the City Manager to sign the Covenant on the City's behalf.

Recommended Motion: I move to approve the Real Property Parking Covenant executed by Kings County Area Public Transit Authority and authorize the City Manager to sign the Covenant on the City's behalf.

BACKGROUND:

In 2014, the City sold real property located at 610 W. 7th Street to the Kings County Area Public Transit Authority (KCAPTA), which is currently utilized by KCAPTA as a transit facility, for four hundred thirty thousand, seven hundred forty-seven dollars (\$430,747.00).

Pursuant to Section 13.1 of the 2014 Purchase and Sale Agreement (PSA) executed by the KCAPTA and the City, KCAPTA agreed to establish and maintain sixty (60) parking spaces at the property for use by the public. The obligation to maintain the parking spaces runs with the land and will be binding on all future owners of the property. Section 13.2 of the PSA gives the City a right of first refusal if KCAPTA desires to sell the property to a third party. A copy of the PSA is attached.

With KCAPTA's development of a new transit facility, it intends to sell the 610 W. 7th Street property in the future. The City informed KCAPTA that the City does not intend to exercise the right of refusal, which will allow KCAPTA to sell the property to another party. In anticipation of a future sale, KCAPTA asked the City to eliminate the PSA requirement that sixty (60) public parking spaces be maintained at the 610 W. 7th Street property. In response, the City requested the parking space requirement be transferred to the property at which KCAPTA's new facility will be constructed.

KCAPTA agreed to the request, and the parties prepared the attached Real Parking Covenant (Covenant), which has been approved and signed by KCAPTA. A copy of the Covenant is attached.

By signing the Covenant, the City will agree that the parking requirement no longer applies to the 610 W. 7th Street property since the requirement is transferred to KCAPTA's new property.

The Covenant requires KCAPTA to create, maintain, and repair at least sixty (60) public parking

spaces at its new facility. This obligation will run with the land and will bind future owners of the property.

FISCAL IMPACT:

There will be no fiscal impact to the City.

ATTACHMENTS:

1. 2014.03.18 Fully Executed Purchase and Sale Agreement
2. 2024.02.01 Real Property Parking Covenant

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made and entered into this 18th day of March, 2014 ("Effective Date"), by and between THE CITY OF HANFORD, a municipal corporation ("Seller"), and the KINGS COUNTY AREA PUBLIC TRANSIT AGENCY, a joint powers authority ("Buyer"). Seller and Buyer are sometimes collectively referred to herein as the "Parties" and singularly as a "Party." This Agreement is made with reference to the following facts:

RECITALS

A. Seller owns that real property more particularly described in the attached Exhibits "A" and "B" which are incorporated herein by reference ("Real Property").

B. Seller currently leases the Real Property to Buyer.

C. Buyer desires to purchase and Seller is willing to sell the Real Property to Buyer.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Purchase and Sale.** Subject to all of the terms, conditions and provisions of this Agreement and for the consideration set forth herein, Seller agrees to sell to Buyer and Buyer agrees to buy at the Closing, as defined in this Agreement, the Real Property. The sale and purchase of the Real Property shall be consummated by means of an escrow ("Escrow") opened at the offices of STEWART TITLE COMPANY ("Escrow Holder") located at 329 W. Eighth Street, Suite 105, Hanford, California. This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. The Parties shall also execute such additional escrow instructions as may be required by the Escrow Holder, but the same shall be consistent with this Agreement and not modify the terms hereof unless specifically approved by the Parties, such approval to be given or withheld in their sole discretion.

2. **Purchase Price.** The purchase price for the Real Property shall be Four Hundred Thirty Thousand, Seven Hundred Forty-Seven and 00/100 Dollars (\$430,747.00) ("Purchase Price"). The Purchase Price shall be paid in full on the Closing Date, as defined below in Section 23 of this Agreement.

3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:

(a) Upon execution of this Agreement hereof by both Parties, Buyer shall deposit Eight Thousand, Five Hundred and No/100 Dollars (\$8,500.00) ("Deposit") with Escrow Holder.

(b) At least one (1) business day before the Closing, Buyer shall deposit the balance of the Purchase Price with Escrow Holder, in cash, by wire transfer or other immediately available funds.

4. **Liquidated Damages.**

LIQUIDATED DAMAGES UPON BUYER'S DEFAULT. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 23 OF THIS AGREEMENT AS A RESULT OF BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER

THIS AGREEMENT, THE DEPOSIT AND INTEREST ACCRUED THEREON SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. RETENTION OF SUCH FUNDS BY SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER'S OFFER TO ACQUIRE THE REAL PROPERTY, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES:

Buyer Initials

Seller Initials

5. **Possession.** Seller shall deliver possession of the Real Property to Buyer at the Closing.

6. **Condition of Title to Real Property.** Seller shall convey fee title to the Real Property to Buyer, subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, and mineral leases, rights and reservations as set forth in a preliminary report of title to the Real Property to be prepared by Escrow Holder ("**Title Report**") promptly after the opening of the Escrow. Upon receipt of the Title Report, and each document shown as an exception or encumbrance in the Title Report, Buyer shall have fifteen (15) calendar days within which to notify Seller and Escrow Holder in writing of any exceptions to title shown therein that Buyer disapproves ("**Objectable Exceptions**") plus any endorsements to title Buyer requires for the subject title policy. If Buyer notifies Seller and Escrow Holder of one or more Objectable Exceptions, Seller shall have fifteen (15) calendar days from receipt of such written notice to (i) remove the Objectable Exception(s), or (ii) refuse to remove the Objectable Exception(s), in which case Buyer may elect to waive its objection(s) and consummate this transaction, or terminate this Agreement and receive a refund of the Deposit and accrued interest, whereupon neither Party shall have any further obligation to sell or purchase the Real Property. Buyer's failure to provide Seller and Escrow Holder with written notice of Objectable Exceptions within said fifteen (15) calendar day period shall constitute Buyer's approval of the Title Report and all exceptions shown therein (collectively "**Permitted Exceptions**"). After Buyer's approval of the Title Report, Seller shall not allow, cause, or permit any additional exceptions to the condition of title to occur without Buyer's approval, other than ongoing real property taxes and assessments already of record.

7. **Title Insurance.** At the Closing, and as a condition to Buyer's obligation to purchase and Seller's obligation to sell the Real Property, Escrow Holder shall commit to issue its CLTA Owner's Policy of Title Insurance and Buyer's requested endorsements (provided, however, Buyer may elect to obtain ALTA extended coverage if Buyer so notifies Escrow Holder prior to the Closing and such election does not delay the close of Escrow) showing title to the Real Property vested in Buyer, subject only to the Permitted Exceptions as determined in accordance with Section 6 of this Agreement (the "**Title Policy**"). The premium for the Title Policy shall be paid as set forth in Section 22 of this Agreement, provided that if Buyer elects to obtain an extended coverage ALTA Owner's Title Policy, it shall pay the difference in premium and other costs for ALTA versus CLTA coverage.

8. Feasibility Period.

(a) During the period commencing on the Effective Date, and terminating at 5:00 p.m. on the day before the Closing Date ("Feasibility Period"), Buyer shall undertake, at Buyer's expense, including (but not limited to): (i) an inspection of the Real Property; (ii) a review of the physical condition of the Real Property, including (but not limited to), inspection and examination of soils, environmental factors, hazardous substances, if any, and archeological information relating to the Real Property; and (iii) a review and investigation of the effect of any zoning, maps, permits, reports, engineering data, regulations, ordinances and law affecting the Real Property. Seller shall reasonably cooperate with Buyer and Buyer's agents in providing documents and access to the Real Property relevant to Buyer's inspection.

(b) If Buyer, in its sole and absolute discretion, and for any reason, approves all, or disapproves the results of any aspect of Buyer's inspection and review, Buyer shall give, prior to 5:00 p.m. on the last day of the Feasibility Period, either (i) its notice of approval, or (ii) its notice of disapproval and termination of this Agreement. If the transaction is disapproved or deemed disapproved, all parties hereto shall be relieved of all further obligations or liabilities hereunder except as is otherwise specifically provided in this subparagraph 8(b) and in subparagraph 8(c) immediately following. If Buyer fails to notify Seller properly and timely of Buyer's approval of this transaction as provided in this subparagraph 8(b), Buyer shall be deemed to be dissatisfied with the results of the inspection and shall be deemed to have disapproved and terminated this Agreement pursuant to this subparagraph 8(b). If Escrow terminates pursuant to this subparagraph 8(b), the Deposit will be released by Escrow Holder to Buyer, and Buyer will provide to Seller at no charge, upon cancellation of Escrow, all reports and material regarding the Real Property that Buyer generates or are generated on Buyer's behalf.

(c) Buyer shall, prior to Closing, indemnify, defend and hold Seller and Seller's officials, officers, employees, representatives and agents and the Real Property harmless from and against any and all loss, cost, damage, expense, claim or liability, including personal injury, loss of life and/or property damage incurred by: (i) Buyer or Buyer's officials, officers, employees, representatives and agents as a result of the condition of the Real Property; or (ii) by any person or entity as a result of the acts or omissions of Buyer or its representatives, employees, contractors, or agents in performing any inspection and/or testing activity on or about the Real Property (provided however, the indemnity of this subsection (c)(ii) shall not apply to any pre-existing environmental condition unless the willful, intentional, or negligent act of Buyer makes the pre-existing condition worse). Buyer shall promptly pay all costs, fees and expenses incurred as a result of or associated with such inspection work done or caused to be done on the Real Property as permitted by this Section 8. Buyer shall keep the Real Property free from any and all mechanics or similar liens or charges resulting from such inspection work.

(d) Should Buyer enter the Real Property during the Feasibility Period, Buyer shall maintain at its own expense: (1) public liability insurance with liability amounts not less than Two Million Dollars (\$2,000,000.00) for the injury or death of one person and Two Million Dollars (\$2,000,000.00) for the injury and death of more than one person in any one incident; and (2) property damage insurance in the amount of Two Million Dollars (\$2,000,000.00). All such insurance shall be carried with competent and reliable insurance companies, reasonably satisfactory to Seller. Buyer's insurance coverage shall be primary with respect to any coverage that may be maintained by Seller. Buyer shall cause its insurers to waive all rights of subrogation against Seller and its elected and appointed officers, officials, employees, agents, and volunteers and each of them. On the Effective Date, Buyer shall furnish to Seller a certificate or certificates of insurance and endorsements from said companies confirming the requirements set forth herein and stating that said insurance is in full force and effect, that the premiums have been paid thereon, and that each insurance company will give Seller at least five (5) calendar days prior written notice of any termination, cancellation or modification of the terms of said insurance. Seller and its elected and appointed officers, officials, employees, agents, and volunteers, and each of them, shall be named as additional insureds on the above mentioned policies.

9. **Condition of Property.** Except for representations made in writing by the Seller prior to the Closing Date:

(a) Buyer expressly acknowledges that Buyer is buying the Real Property in an "AS IS AND WHERE AS" condition, and that it has not relied on any warranties, promises, understandings or representations, express or implied, of Seller or any employee, agent or representative of Seller, or any document relating to the Real Property, except as are specifically set forth in this Agreement. Buyer acknowledges that any and all feasibility or market reports, environmental assessments, engineering studies and other information of any type that Buyer has received or may receive from Seller or its agents are furnished on the express condition that Buyer shall make an independent verification of the accuracy of any and all such information, all such information being furnished without any warranty whatsoever.

(b) Buyer acknowledges and agrees that neither Seller nor any employee, agent or representative of Seller has made any representation or warranty to Buyer concerning the Real Property, including, without limitation, the suitability of the Real Property for Buyer's intended use or its compliance with any statutes, ordinances, rules or regulations. Buyer shall perform and rely solely upon its own independent investigation concerning the Real Property and the Real Property's compliance with any applicable law. Buyer acknowledges that it is acquiring the Real Property subject to all existing laws, ordinances, rules and regulations, and that neither Seller nor any of Seller's representatives, agents or employees have made any warranties, representations or statements regarding any laws, ordinances, rules and regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the use, condition or occupancy of the Real Property.

(c) Buyer shall perform and rely solely upon its own investigation concerning Buyer's intended use of the Real Property, the Real Property's fitness therefore, and the permissibility of such intended use under applicable statutes, ordinances, rules and regulations.

(d) Except as expressly set forth in this Agreement, from and after the Closing, Buyer will indemnify, defend, and will hold Seller harmless and hereby waives, releases, remises, acquits and forever discharges Seller, its elected and appointed officials, officers, employees, and agents, and their respective heirs, successors, personal representatives and assigns, of and from any and all suits, causes of action, legal, equitable or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys fees and expenses of whatever kind and nature, in law or in equity, known or unknown, arising out of or in any way connected with, directly or indirectly, or based upon or arising out of the condition, status, quality, nature or environmental state of the Real Property; provided however, such duty to indemnify, defend, and hold Seller harmless shall not apply with respect to Seller's gross negligence or intentional misconduct. It is the intention of this Agreement that, except for Seller's gross negligence and intentional misconduct and except as otherwise expressly set forth herein, any and all responsibilities and obligations of Seller to Buyer, and any and all rights or claims of Buyer, its successors and assigns and affiliated entities, with respect to, or as against Seller arising by virtue of, the physical or environmental condition of the Real Property are by this release provision declared to be, from and after Closing, null and void and of no present or future effect as to such parties. With respect to the matters released by Buyer pursuant to this Section 9, Buyer waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

10. **Existing Surveys and Reports.** Within ten (10) calendar days after Seller's execution of this Agreement, Seller shall furnish Buyer with copies of all existing surveys, soil reports, engineering studies, environmental audits or reports, site plans, and other information in Seller's possession pertaining to the Real Property.

11. **Covenants, Warranties and Representations of Seller.** Seller hereby makes the following covenants, representations and warranties:

(a) Except as otherwise disclosed herein, Seller's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Seller.

(b) Seller is not a "foreign person" as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. At the Closing, Seller shall provide Buyer Affidavits of Non-Foreign Status made under penalty of perjury, if required by Escrow Holder.

(c) Except as otherwise disclosed herein, there are no liens on title or actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or to the best of Seller's knowledge, threatened against Seller, or the Real Property, and relating to or arising out of the ownership, management, or operation of the Real Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality.

(d) The Real Property is not subject to any third party leases or other use rights, with the exception of those rights, if any, which may be reflected in the Title Report.

(e) Seller will not market the Real Property for sale or disposition to any other party while this Agreement is in effect.

(f) To Seller's current actual knowledge, the Real Property currently is in compliance in all respects with the rules, regulations, ordinances and laws of all governmental authorities having jurisdiction over the Real Property.

(g) Seller shall notify Buyer immediately if Seller becomes aware of any new information or material change concerning the Real Property that affects the representations and warranties of Seller under this Agreement.

12. **Covenants, Warranties and Representations of Buyer.** Buyer hereby makes the following covenants, representations and warranties:

(a) Buyer has the authority to enter into this Agreement, purchase the Real Property, and to otherwise perform as set forth herein. The person executing this Agreement on behalf of Buyer has the full legal authority and is duly authorized to sign this Agreement on behalf of Buyer and to bind Buyer to all of the terms and conditions of this Agreement.

(b) Buyer's execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Buyer.

(c) There are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or, to the best of Buyer's knowledge, threatened against Buyer, in any court or before or by any

federal, state, county or municipal department, commission, board, bureau, agency, or other governmental instrumentality seeking to challenge Buyer's ability to purchase the Real Property.

13.1 Public Parking.

(a) The Parties acknowledge that there are currently sixty (60) vehicle parking spaces on the Real Property that are available for public use.

(b) As a condition of Seller's sale of the Real Property to Buyer, the Parties agree that Buyer will, following the close of escrow, maintain no less than sixty (60) vehicle parking spaces on the Real Property that will be available for public use at all times; provided however, parking spaces may be temporarily taken out of service for purposes of required maintenance, repair, or improvement work.

(c) Buyer will be responsible for the maintenance, repair, and improvement of the parking spaces. Buyer will undertake all necessary maintenance, repair, and improvement work to ensure that the parking spaces remain usable by the public. Seller will have no obligation to reimburse Buyer for any costs associated with such work.

(d) The duty to maintain, repair, and improve the sixty (60) parking spaces shall run with the land and shall be an obligation of all of Buyer's successors-in-interest. The provisions of this Section 13.1 will be set forth in the Grant Deed through which Seller conveys title to the Real Property to Buyer.

13.2 Right of First Refusal.

(a) If Buyer seeks to sell any portion of the Real Property to a third party, Buyer shall notify Seller in writing. Buyer's written notice to Seller will identify the price and terms under which Buyer intends to sell the Real Property to the third party purchaser. Seller will have the right to repurchase the portion of the Real Property that Buyer intends to sell to the third party; the purchase price and terms shall match the price negotiated by Buyer and the third party purchaser, which price and terms will be identified in Buyer's written notice to Seller. If Seller intends to exercise the first right of refusal established in this section, Seller will notify Buyer in writing within thirty (30) calendar days of Seller's receipt of the written notice that Buyer is required to provide pursuant to this section.

(b) If Seller elects not to exercise its right of refusal, Buyer may sell the property to the third party purchaser on the terms set forth in the written notice that Buyer provides to Seller hereunder. If Buyer does not sell the Real Property to the third party purchaser, Seller's first right of refusal will apply when Buyer seeks to sell to other interested parties. Seller's first right of refusal will apply to each proposed sale of the Real Property (or portion thereof) in which Buyer seeks to engage.

(c) The provisions of this Section 13.2 will be set forth in the Grant Deed through which Seller conveys title to the Real Property to Buyer.

14. Survival of Warranties. The satisfaction, truth, accuracy and completeness of each of the representations, warranties and covenants of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer, respectively, hereunder. All representations, warranties, covenants, obligations, responsibilities and agreements set forth herein shall survive the Closing, and Seller and Buyer each agree to indemnify, defend and hold the other harmless from any claim, demand, liability, loss or cost (including without limitation, reasonable attorneys' fees and costs) which the other may sustain arising out of any breach of and provision of this Section 14.

15. **Brokerage Commissions.** Buyer and Seller each represents and warrants to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking which would result in the imposition of liability for the payment of any real estate brokerage commission, finder's fee or otherwise in connection with the transaction described in this Agreement. In the event that any person or entity perfects a claim for a brokerage commission, finder's fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the Real Property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys' fees.

16. **Conditions Precedent to Seller's Obligations to Perform.** Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

- (a) Buyer shall have timely performed each of the acts to be performed by it hereunder.
- (b) Each of Buyer's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.
- (c) Buyer shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

17. **Conditions Precedent to Buyer's Obligations to Perform.** Buyer's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

- (a) Seller shall have timely performed each of the acts to be performed by it hereunder.
- (b) Each of Seller's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.
- (c) Seller shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.
- (d) Escrow Holder is committed to issue the Title Policy as set forth above in Section 7.
- (e) Seller has satisfied all legal requirements for the sale of the Real Property in order to grant clear title to Buyer, subject to those conditions and Permitted Exceptions approved by Buyer.

18. **Establishment of Escrow.** Upon execution of this Agreement by the Parties, a duplicate original of this Agreement shall be deposited with Escrow Holder. The general provisions of Escrow Holder's escrow instructions shall not impose any additional obligations or liabilities on the parties. If any of the general provisions conflict with the provisions of this Agreement, the provisions of this Agreement shall control.

19. **Deposits into Escrow.** The Parties shall make the following deposits into Escrow at or prior to the Closing:

- (a) Seller shall deposit an executed and acknowledged original Grant Deed conveying good and marketable title to the Real Property, subject to all Permitted Exceptions.

(b) Buyer shall deposit all funds when and as required hereby (including without limitation the Purchase Price, all amounts necessary to pay Buyer's share of the closing costs), and such other amounts as Buyer has agreed to pay under this Agreement, or as required by Escrow Holder, and a preliminary change of ownership report for Kings County.

(c) Both Parties shall execute and deliver such additional documents as Escrow Holder reasonably may deem necessary in order to effectuate the transaction set forth in this Agreement and to close the Escrow.

20. **Prorations.** Escrow Holder shall prorate the following items, as of the Closing, using a 365 day year: all real and personal property taxes and all other charges or assessments relating to the Real Property using the latest tax bills. Buyer shall pay any supplemental taxes assessed pursuant to Chapter 3.5 (Section 75) of the California Revenue and Taxation Code resulting from the sale of the Real Property to Buyer. Escrow Holder is not responsible for utility or insurance costs and premiums, all of which shall be prorated outside the Escrow by the Parties.

21. **Title Insurance.** At the Closing, Escrow Holder shall issue, effective as of that date, the Title Policy described in Section 7 of this Agreement.

22. **Costs and Expenses.** Closing costs shall be borne by the Parties as follows:

(a) The Title Policy premium shall be paid by Seller, except that any increase in the Title Policy premium associated with Buyer's acquisition of an ALTA policy, if Buyer desires such policy, or endorsements requested by Buyer shall be paid by Buyer; provided, however, that any endorsements which are requested by Buyer as an accommodation and at the request of Seller shall be paid by Seller;

(b) Documentary transfer taxes and costs of preparing and recording the Grant Deeds shall be paid by Buyer; and

(c) All Escrow fees shall be shared equally between Buyer and Seller.

All other costs of closing the Escrow, including, without limitation, filing fees, other recording fees and otherwise, shall be shared by the Parties equally. Each Party shall bear its own legal fees and costs. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

23. **Closing Date.** Unless otherwise extended by the Parties in writing or as specified herein, the closing of Escrow for the Real Property shall occur as soon as possible on or before the forty-fifth (45th) calendar day following the Effective Date, subject to the prior satisfaction (or waiver) of the conditions precedent to the Closing identified in Sections 16 and 17 of this Agreement ("**Closing**"). The date on which Closing occurs is referred to herein as "**the Closing Date.**" If the Escrow is not in a condition to close by the Closing Date, Escrow Holder, except as otherwise provided herein, shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided, however, that if Escrow is not in a condition to close by the Closing Date due to the failure of only one Party to perform, and such failure to perform constitutes a default under this Agreement, and the other Party has fully performed all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

24. Procedure for Closing. Escrow Holder shall close the Escrow by doing the following:

- (a) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Real Property in the condition set forth in Section 6 of this Agreement;
- (b) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;
- (c) Pay from funds deposited by Buyer (other than the Purchase Price), Buyer's share of closing costs;
- (d) Prorate real and personal property taxes and all other charges or assessments as set forth in Section 20 of this Agreement;
- (e) Record Seller's Grant Deed in the Official Records of Kings County and direct the County Recorder to affix the transfer tax after recording, return the recorded Grant Deed to Buyer with a conformed copy to Seller, and file Buyer's preliminary change of ownership report in Kings County, as appropriate; and
- (f) Unless otherwise instructed by Seller, unilaterally deliver the remaining funds held in Escrow, less payments authorized hereunder, to Seller by Escrow Holder's check.

25. Failure to Close. If Escrow shall fail to close as a result of Buyer's breach of any of its obligations hereunder, then, in accordance with the provisions of Section 4 hereinabove, upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver the Deposit, accrued interest on the Deposit, and all documents that Seller previously deposited into Escrow (collectively "**Seller's Documents**") to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, or upon Buyer's election to terminate in accordance with the provisions of this Agreement, then upon demand of Buyer, Escrow Holder shall terminate the Escrow, immediately cause to be delivered the Deposit and accrued interest to Buyer, deliver Seller's Documents to Seller, deliver Buyer's preliminary change of ownership report to Buyer, and charge Seller for any cancellation charges. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return Buyer's preliminary change of ownership report to Buyer, return Seller's Documents to Seller, return the entire Deposit and accrued interest to Buyer, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller.

26. Attorneys' Fees. Subject to Section 4 of this Agreement, in the event of any action between Buyer and Seller seeking enforcement of any of the terms and conditions of this Agreement, or in connection with the Real Property, the prevailing Party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including, but not limited to, taxable costs and reasonable attorneys' fees. Seller and Buyer agree that any such action shall be venued in Kings County, California or in the Federal District Court in Fresno, California.

27. Indemnification of Escrow Holder. Escrow Holder shall be indemnified and held harmless by Buyer and Seller against any and all costs, damages, attorneys' fees, expenses and liabilities which it incurs or sustains in connection with the Escrow, except for such items as may be caused by Escrow Holder's misconduct or negligence.

28. **Notice.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is acknowledged by the addressee, one (1) business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or five (5) business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

To Buyer: Angie Dow, Executive Director
KINGS COUNTY AREA PUBLIC TRANSIT AGENCY
629 Davis St.
Hanford, CA 93230

To Seller: Darrel Pyle, City Manager
CITY OF HANFORD
319 N. Douty Street
Hanford, CA 93230
FAX: (559) 585-2595

To Seller's Legal Counsel: Ty N. Mizote
GRISWOLD, LaSALLE, COBB,
DOWD & GIN, L.L.P.
111 East Seventh Street
Hanford, CA 93230
FAX: (559) 582-3106

29. **Sole and Only Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Except as is otherwise provided herein, each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

30. **Successors and Assigns.**

(a) Buyer may assign its rights hereunder to an Affiliate of Buyer as long as such successor-in-interest confirms in writing that it shall be bound by the terms of this Agreement and Buyer guarantees in writing the Affiliate's performance hereunder.

(b) The term "**Affiliate**" means any person or entity directly or indirectly Controlling, Controlled by or under common Control with the person or entity to which such term applies. "**Control**," as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies and decision-making of such person or entity, whether through the ownership of voting interests or by contract or otherwise, including, without limitation, the possession of direct or indirect equity or beneficial interests in at least ten percent (10%) of any entity, or voting control of any entity.

(c) The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. Subject, however, to Buyer's rights described in this Section 30, Buyer may not, without the Seller's consent, which consent shall not be unreasonably withheld, assign any duties or responsibilities to a third party as long as Buyer owns the Real Property; however, all duties and

obligations of Buyer will run with the land and Buyer shall guarantee in writing the successors' and assigns' performance hereunder.

31. **Further Action.** The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement.

32. **Waiver.** A waiver of any breach of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.

33. **Choice of Laws.** This Agreement shall be governed by the laws of the State of California and any question arising hereunder shall be construed or determined according to such law.

34. **Headings.** Headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement.

35. **Survival.** All of the provisions of this Agreement shall survive the Closing and shall remain binding upon the Parties.

36. **Time.** Time is of the essence, it being understood that each date set forth herein, particularly the Closing, and the obligations of the Parties to be satisfied by such dates have been the subject of specific negotiations by the Parties.

37. **Counterparts.** This Agreement may be signed by the Parties in different counterparts and the signature pages combined to create a document binding on all Parties.

38. **Nondiscrimination and Non-segregation Provisions.** The Buyer herein covenants by and for itself and its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease or sublease, transfer, use, occupancy, tenure, or enjoyment of the Real Property herein conveyed, nor shall Buyer or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number or use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Real Property herein conveyed. The foregoing covenants shall run with the land and shall be included in the deed transferring title of the Real Property to Buyer.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first hereinabove written.

"SELLER"

CITY OF HANFORD, a municipal corporation

Dated: 4/14/14, 2014

By: 
GARY PANNETT
Mayor

"BUYER"

KINGS COUNTY AREA PUBLIC TRANSIT
AGENCY

Dated: 4-15-, 2014

By: Joe Neves
JOE NEVES
Board Chairperson

EXHIBIT "A"

LEGAL DESCRIPTION

All that portion of the Northwest Quarter of Section 36, Township 18 South, Range 21 East, Mount Diablo Base and Meridian, in the City of Hanford, County of Kings, State of California, according to Government Township Plat approved March 31, 1855, described as follows:

All of Lots 11 through 22, inclusive, together with that portion of the 20 foot wide alley that lies contiguous with the above said Lots, in Block 139 of the Official Map of the City of Hanford, as shown on map recorded in Map Book, Page 11, sheet 2 of 2, of Kings County Records.

EXCEPTING therefrom that portion of Lots 16, 17 and said alley, that lies Easterly of the following described line:

Beginning at the Southeasterly corner of said Lot 16, thence along the Easterly line of said Lot 16, North $10^{\circ}43'34''$ West, being the Basis of Bearings for this description, a distance of 17.41 feet, to the TRUE POINT OF BEGINNING;

Thence North $54^{\circ}30'25''$ West a distance of 6.72 feet;

Thence North $11^{\circ}53'02''$ West a distance of 200.69 feet;

Thence North $45^{\circ}39'00''$ West a distance of 3.99 feet;

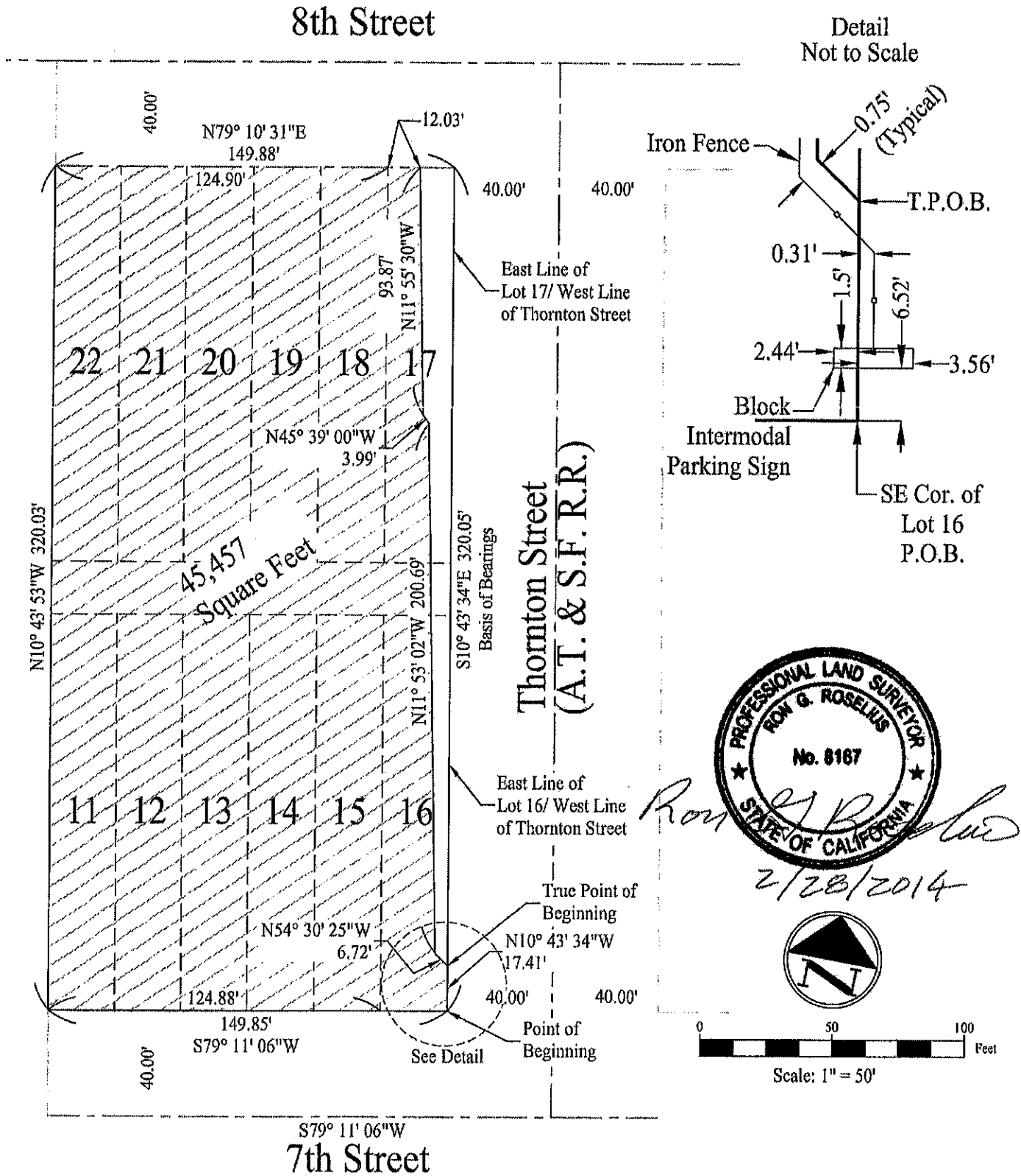
Thence North $11^{\circ}55'30''$ West a distance of 93.87 feet to a point on the Northerly line of said Lot 17, said point bearing North $79^{\circ}10'31''$ East a distance of 12.03 feet from the Northwesterly corner of said Lot 17.

Containing 45,457 square feet, more or less.

Attached hereto is a plat labeled EXHIBIT "B" and by this reference made a part thereof.



"Exhibit B"



FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF HANFORD
319 N. Douty
Hanford, CA 93230

NO FEE FOR RECORDING
PURSUANT TO GOVERNMENT CODE
SECTIONS 6103, 27383, and 27388.1

(Space Above This Line for Recorder's Office Use Only)

REAL PROPERTY PARKING COVENANT

Recitals:

WHEREAS, the CITY OF HANFORD, a municipal corporation (“**City**”), and KINGS COUNTY AREA PUBLIC TRANSIT AGENCY, a joint powers authority (“**KCAPTA**”), executed that Purchase and Sale Agreement and Escrow Instructions (“**PSA**”), dated March 18, 2014, under which KCAPTA acquired real property (“**7th Street Property**”) from City; and

WHEREAS, the PSA is incorporated herein by reference; and

WHEREAS, PSA Section 13.1(b) indicates that, as a condition of the City’s sale of the 7th Street Property to KCAPTA, KCAPTA would maintain no less than sixty (60) vehicular parking stalls at the 7th Street Property for public use; and

WHEREAS, PSA Section 13.1(c) states that KCAPTA is responsible for the maintenance, repair, and improvement of the required parking stalls to ensure that they remain usable by the public; and

WHEREAS, pursuant to PSA Section 13.1(d), the duty to maintain, repair, and improve the required parking stalls to run with the 7th Street Property, and such obligations were to be described in the Grant Deed (“**Deed**”) under which title to the 7th Street Property was conveyed from City to KCAPTA; and

WHEREAS, City and KCAPTA inadvertently omitted the parking provisions from the Deed; and

WHEREAS, KCAPTA intends to sell the 7th Street Property and does not wish to encumber the property with the parking covenants required under PSA Section 13.1; and

WHEREAS, KCAPTA owns that real property (“**Transit Center Property**”) more particularly described in the attached Exhibit “A,” which is incorporated herein by reference; and

WHEREAS, KCAPTA intends to develop the Transit Center Property, which shall include public parking; and

WHEREAS, KCAPTA and City desire to apply the vehicular parking covenants described in PSA Section 13.1 to the Transit Center Property instead of the 7th Street Property.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained herein, the KCAPTA and City agree as follows:

1. ***Parking Stalls for Public Use.***

- a. PSA Section 13.1 is hereby deleted in its entirety and shall have no effect.
- b. KCAPTA shall construct, when it develops the first phase of its transit center project, and will thereafter maintain, repair, and improve, at least sixty (60) vehicular parking stalls ("**Parking Stalls**") at the Transit Center Property. The Parking Stalls will be available for public use at all times; provided however, the Parking Stalls may be periodically taken out of service for required maintenance, repair, and improvement work, which KCAPTA will undertake and complete in a diligent manner.
- c. KCAPTA may, in its sole discretion and without the need to obtain City's consent, modify the Transit Center Property's improvements following the construction of the Parking Stalls. Such right will include, without limitation, construction of a structure above the Parking Stalls or relocation or reconfiguration of the Parking Stalls. KCAPTA must, however, obtain City's consent if KCAPTA intends to modify the Transit Center Property's improvements in a manner that reduces the number of Parking Stalls to less than the number identified in subsection b. above.
- d. KCAPTA will be solely responsible for the construction and subsequent maintenance, repair, and improvement of the Parking Stalls. KCAPTA will undertake all necessary maintenance, repair, and improvement work to ensure that the parking stalls remain usable by the public. City will have no obligation to reimburse KCAPTA for any costs associated with the Parking Stalls.
- e. The duty to construct the Parking Stalls and to subsequently maintain, repair, and improve the Parking Stalls shall run with the land and shall be an ongoing obligation of KCAPTA and its successors-in-interest.

2. ***Miscellaneous.***

- a. In the event of any action between KCAPTA and City seeking enforcement of any of the terms and conditions of this Covenant, the prevailing party in such action shall be awarded, in addition to damages and/or injunctive or

other relief, its reasonable costs and expenses, including, but not limited to, reasonable attorneys' fees. Any such action shall be venued in Kings County, California or in the Federal District Court in Fresno, California.

- b. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, one (1) business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or five (5) business days after being mailed by certified mail, return receipt requested and addressed as follows:

To KCAPTA: Kings County Area Public Transit Agency
 Attn: Executive Director
 610 W 7th Street
 Hanford, CA 93230

To City: City of Hanford
 Attn: City Manager
 319 N. Douty
 Hanford, CA 93230

- c. This Covenant supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the Parking Stalls and contains all of the covenants and agreements between the parties regarding said matters. Except as is otherwise provided herein, each party to this Covenant acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Covenant and no other agreement, statement or promise shall be valid or binding.
- d. The covenants and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.
- e. Amendments to this Covenant shall be effective only if they are in writing and executed by KCAPTA and City.
- f. KCAPTA and City agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Covenant.
- g. A waiver of any breach of this Covenant by either party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Covenant.
- h. Time is of the essence with respect to performance hereunder.

IN WITNESS WHEREOF, KCAPTA and City have executed this Covenant in Hanford, California on the dates identified below.

KCAPTA

**KINGS COUNTY AREA PUBLIC
TRANSIT AUTHORITY**

Date: 1-24-2024

By: Joe Neves
Joe Neves
Board Chairperson

CITY

CITY OF HANFORD

Date: _____

By: _____
TRAVIS PADEN
Mayor

STATE OF CALIFORNIA)
) SS
COUNTY OF KINGS)

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

(SEAL)

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STATE OF CALIFORNIA)
) SS
COUNTY OF KINGS)

EXHIBIT “A”

Legal Description



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Authorization for the use of the City Seal and the Mayor's Signature on a letter, from the California Cities Sustainability Coalition, in support of the group's efforts to delay the implementation or rollback provision of recent C.A.R.B. regulations that went into effect on January 1, 2024.

RECOMMENDATION:

Recommendation: That the City Council, by motion, authorize the use of the City Seal and the Mayor's Signature on a letter, from the California Cities Sustainability Coalition, in support of the group's efforts to delay the implementation or rollback provision of recent C.A.R.B. regulations that went into effect on January 1, 2024.

BACKGROUND:

The Mayor recently received a request from Supervisor Rusty Robinson for the Mayor to sign on to a letter from the California Cities Sustainability Coalition in opposition to recent C.A.R.B. regulations that impact the agriculture and trucking industries.

The impacts of the new regulations will affect the Cities in the following ways:

- Heavy cranes (refuse trucks) will need to phase in 2010 or newer model year engines from 2019 to 2027.
- The phase in schedule provides that as of January 1, 2022, 50% of a heavy crane fleet must meet the upgrade requirements, which increases 10% a year until 2027, at that time it must be 100%
- All heavy trucks and off-road equipment must be registered, and fees paid with Air Resources Board by December 31, 2023
- Effective April 1, 2023, emissions requirements go from once a year to twice a year.
- April 1, 2027, the requirements move to four times a year.

Eventually, there is a requirement for the entire fleet to be 100% Zero Emission Vehicles (ZEV) by 2035. Those 2035 requirements are very strict and essentially amount to an unfunded mandate. To date, the City's Fleet division has registered and gained full compliance for 2024. Registration for on and off-road equipment this fiscal year alone was \$2,728. Additionally, the City had to advance the purchase of three (3) Refuse trucks in order to comply with 2024 standards at a cost of \$1.2 million.

The cost of annual smoke testing on our Fleet will increase from \$2,050.00 to \$4,100.00. When the increased requirement kicks in, that amount will move up to \$8,200.00. The Fleet division is exploring the option to purchase our own equipment and train City staff to perform the smoke testing, but that will also take them away from their core duties to perform vehicle repairs.

Something that is not talked about with the push towards electric vehicles is the increased wear on streets. The impact that the battery-powered buses will have on our local streets will become very evident when they begin operations. Battery operated buses are extremely heavy, and it is nearly equivalent to having big rigs drive in residential areas that are not designed for that type of weight. These operations will increase maintenance and repair costs drastically.

Lastly, the City does not currently have the infrastructure to support many EV type vehicles.

Charging stations are currently limited and costly. With the current budget conditions, it is very unlikely that funding will become available. Fleet staff has already tested an electric refuse truck and it wasn't capable of completing a full refuse route without requiring a recharge. The City would be required to double the size of our fleet in order to complete the routes in the same manner as we do now.

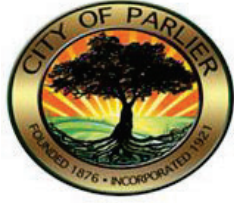
Local elected officials in our area are urging additional and equitable relief as soon as possible.

FISCAL IMPACT:

ATTACHMENTS:

1. Cal Cities Sustainability Coalition Ltr

California Cities Sustainability Coalition



Governor Gavin Newsom

Office of the Governor

State Capitol

Sacramento, CA, 95814

Dear Governor Newsom,

Subject: Collaborative Dialogue with our City Mayors and the Sustainability Coalition

We, the undersigned cities, representing a diverse array of communities from the San Joaquin Central Valley to the bordering cities along the Central Coast and Mojave Desert, are united in our commitment to sustainability and environmental stewardship. Our coalition encompasses both rural and urban areas, each with unique challenges and perspectives on the state's sustainability initiatives.

While we fully support the goals and objectives of the administration's policies, many of which have commenced as of January 1, 2024, we are increasingly uneasy about several critical issues that could impede the successful and complete realization of these initiatives by 2035. Our collective concerns are as follows:

1. **Trucking Industry Challenges:** We are facing an increase in operational costs for our businesses and municipal services, coupled with a decrease in delivery efficiency due to the limited availability of compliant vehicles.
2. **Power Grid and Substation Limitations:** The existing power infrastructure is insufficient to meet the increased demand. The financial burden of equipping every household, business, and facility with necessary connections, along with the escalating electricity costs, poses a significant challenge.
3. **Transportation and EV Infrastructure:** The high cost of compliant vehicles and the lack of Electric Vehicle (EV) charging stations, especially in rural areas, both in residences and at workplaces.
4. **Loss of Jobs:** The transition is expected to lead to a reduction in available jobs, particularly affecting the trucking sector and businesses dependent on current infrastructure capabilities.

To our dismay, there has been no engagement from the California Air Resources Board (CARB) on these matters of grave importance. As mayors and city representatives, it is imperative that we address these concerns promptly to safeguard the interests of our communities and local businesses.

In light of these challenges, we respectfully request a direct meeting with you, Governor Newsom, and members of the sustainability coalition. Our objective is to ensure that while we stride towards sustainable goals, we also safeguard the interests and livelihoods of our residents.

We look forward to a constructive dialogue and thank you in advance for your consideration of this vital matter.

Sincerely,

Mayor Alvaro Preciado, Avenal CA

Mayor Alma Beltrán, Parlier CA

Mayor Diana Guerra, Orange Cove CA

Mayor Victor Martinez, Mendota CA



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Approval of the second reading and Adoption of Ordinance No. 24-02, approving Zone Text Amendment No. 2024-01, a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to comply with free speech requirements and establish a new application process for murals.

RECOMMENDATION:

Recommendation: That the City Council, by motion, waive and adopt the second reading of Ordinance 24-02, approving Zone Text Amendment No. 2024-01, a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to comply with free speech requirements and establish a new application process for murals.

BACKGROUND:

The Hanford City Council directed staff to review the current mural ordinance and evaluate whether changes were necessary to comply with free speech requirements and to create a new application process. Staff review of the ordinance revealed that several design guidelines in HMC 17.56 related to murals are not enforceable, due to content-based restrictions. Except for obscene content and commercial advertisements, the City is not able to deny a mural permit based on the content of the mural.

Zoning Text Amendment 2024-01 removes the content-based requirements from the City's mural ordinance and replace it with criteria that outlines the application process, allows the City to adopt a mural policy, and prohibits murals that are obscene or classified as commercial advertisements.

Due to the need to overhaul the entire ordinance, staff recommends deletion of the existing ordinance and replacement with the following text:

17.56.230 Wall mural placement and design criteria.

The Community Development Director is authorized to implement and administer a city mural policy and application process for private structures, as adopted by the city council by resolution, which establishes requirements for murals on private structures.

A. Allowed Murals. An application which meets all of the following criteria, and which is not otherwise prohibited by this Chapter, will be allowed:

- 1. Submission of a complete mural application;*

2. *Compliance with all the requirements of the adopted mural policy and all requirements of this Code;*

3. *Located within the City's MX-D zone;*

4. *Payment of any fees required for a mural permit.*

B. *Prohibited Murals. The following murals are prohibited:*

1. *Murals containing statements, words, symbols, or characters of an obscene nature.*

2. *Murals that contain commercial advertisements or contain words and/or images which specifically identify or reflect the business, products and/or services provided by any business service or economic activity.*

C. *This ordinance shall not apply to spaces not visible from the street or other public or private property.*

Since content-based restrictions are unenforceable, the mural policy has been revised to eliminate discretionary approval and allow for staff-level approval. Staff will review each application to ensure that the necessary information has been provided, as well as ensure that the application does not propose a mural which is obscene in nature, or proposes commercial speech/depictions.

In taking action on a Zone Text Amendment, the City Council must make the appropriate findings, in accordance with Section 17.86.030 of the Hanford Municipal Code:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That according to General Plan Policy E8, the City of Hanford shall support local arts and cultural activities that can contribute to the local economy, enrich residents' lives, and strengthen a sense of community. The revision of Section 17.56.230 of the Hanford Municipal Code is consistent with the policies of the General Plan, as it continues the support of local arts activities that may enrich residents' lives and strengthen a sense of community.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the revision of Section 17.56.230 of the Hanford Municipal Code is not detrimental to the public health, safety, or welfare of the community.

3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That the amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment pertains to mural regulations, only.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the zone text amendment applies to wall murals in the MX-D Downtown Mixed Use

zone district and will not propose a change in land uses.

The proposed mural policy and mural ordinance are attached. Pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) guidelines, the project is exempt from environmental review.

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. Notice of Exemption 2024-01
2. Mural Policy and Guidelines
3. Ordinance 2401 ZTA 202401 2nd Reading

Notice of Exemption 2024-01

To: ☐ Office of Planning and Research
P.O. Box 3044, Room 212
Sacramento, CA 95812-3044

☒ County Clerk
County of Kings
Kings County Government Center
Hanford, CA 93230

From: City of Hanford
317 North Douty Street
Hanford, CA 93230

Project Title: Zone Text Amendment No. 2024-01

Project Location – City of Hanford

Project Location – City: Hanford

Project Location – County: Kings County

Description of Nature, Purpose and Beneficiaries of Project: Zone Text Amendment No. 2024-01: a request to amend Title 17, Section 17.56.230 of the Hanford Municipal Code in order to remove content-based restrictions on murals and establish a policy for reviewing and approving murals in the City of Hanford

Name of Public Agency Approving Project: City of Hanford, Planning Division

Name of Person or Agency Carrying Out Project: City of Hanford

Exempt Status: **(check one)**

- ☐ Ministerial (Sec. 21080(b)(1); 152698);
☐ Declared Emergency (Sec. 21080(b)(3); 15269 (a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption: State type and section number:
☒ Statutory Exemption. State code number: 15061(b)(3) General Rule

Reasons why project is exempt:

The proposed ordinance is exempt under Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed project is a text amendment that is not associated with a physical development; therefore, there are no physical impacts that will result from the project.

Lead Agency

Contact Person: Jason Waters Area Code/ Telephone: (559) 585-2590

Signature: _____ Date: January 23, 2024 Title: Deputy City Manager

☒ Signed by Lead Agency Date received for filing at OPR: _____
☐ Signed by Applicant

Mural Policy and Guidelines

Thank you for your interest in creating a mural in Hanford. To effectively implement a successful mural program, which will ensure consistency and aesthetic value in the community, it is important that applicants adhere to the following guidelines. The application process and guidelines that follow are intended to provide mural applicants with a reasonable process that will safeguard the interests of the community.

Mural Review Process

Murals which are non-commercial, contain no advertising copy, and which do not function as an advertisement are allowed, subject to review by the Community Development Department.

Design Criteria

The Department will verify that the proposed mural:

1. Conforms with City ordinances that prohibit indecency or obscenity in public;
2. Is not an advertisement or commercial in nature; however, this will in no way limit or restrict the artist's right to include speech and/or artistic expression in a mural that is not commercial as defined above;
3. Is being painted with the written authorization of the property owner; and
4. Is located within the City's MX-D Downtown Mixed Use zone district.

The City's Community Development Department will issue a permit to the applicant if their Mural Application meets the Design Criteria. The Community Development Department may recommend design revisions and require applicants to resubmit if the design criteria are not met.

Appeals

In the event that the applicant fails to receive approval for the submitted mural design they may appeal this decision to the City Council, in accordance with HMC 1.08. (application and fees apply).

Timeframe

In determining the timeframe for the approval process, applicants should allow sufficient time for the mural proposal to be reviewed two times, in the event a recommendation is made by staff for a design revision. Typically, requests for approval should be received no later than 90 days prior to actual implementation of design.

Mural Application

The Mural Application shall contain the following:

1. A rendering or photo of the proposed mural at a 1:12 scale [1 inch = 1 foot] minimum
2. Specifications regarding the mural (location, size, type of paint/media, type of graffiti-proofing);
3. Signed authorization to paint mural from property owner;
4. Expected timeframe for completion;
5. Application for Encroachment Permit and/or Historic Resource Permit, if necessary.

PLEASE NOTE: Once the mural has been approved, the artist may not make additional changes to the design without Community Development Department approval.

ORDINANCE NO. 24-02

AN ORDINANCE APPROVING ZONE TEXT AMENDMENT NO. 2024-01, A REQUEST BY THE CITY OF HANFORD TO APPROVE ZONE TEXT AMENDMENT NO. 2024-01 AND AMEND TITLE 17, SECTION TITLE 17, SECTION 17.56.230 WALL MURAL PLACEMENT AND DESIGN CRITERIA.

The City Council of the City of Hanford does ordain as follows:

SECTION 1: The Hanford Municipal Code Title 17, the Zoning Ordinance contains regulations to ensure the public health, safety, peace, comfort, convenience, prosperity and general welfare of the citizens of Hanford, including zoning categories, allowed uses and development standards.

SECTION 2: The City Council has held a public hearing on the amendment to Title 17, to amend Title 17, Section 17.56.230 – Wall mural placement and design criteria of the Hanford Municipal Code by adding sections in order to remove the content-based requirements from the City's mural ordinance and replace it with criteria that outlines the application process, allows the City to adopt a mural policy, and prohibits murals that are obscene or classified as commercial advertisements. The proposed ordinance changes are attached as **Exhibit A**; the proposed mural policy is attached as **Exhibit B**.

SECTION 3: The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the following section of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3.

- a) The ordinance is exempt under Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 4: The proposed amendment was evaluated for consistency with the General Plan and the Zoning Ordinance in accordance with Sections 17.86.030 and based on the following findings:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That according to General Plan Policy E8, the City of Hanford shall support local arts and cultural activities that can contribute to the local economy, enrich residents' lives, and strengthen a sense of community. The revision of Section 17.56.230 of the Hanford Municipal Code is consistent with the policies of the General Plan, as it continues the support of local arts activities that may enrich residents' lives and strengthen a sense of community.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the revision of Section 17.56.230 of the Hanford Municipal Code is not detrimental to the public health, safety, or welfare of the community.

3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That the amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment pertains to mural regulations, only.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the zone text amendment applies to wall murals in all the MX-D Downtown Mixed Use zone district and will not propose a change in land uses.

SECTION 5: The City Council of the City of Hanford does ordain that Title 17 is hereby amended, as shown in **Exhibit A**.

SECTION 6: That the ordinance shall take effect thirty (30) days after its passage, and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on February 20, 2024, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

Travis Paden
MAYOR of the City of Hanford

ATTEST:

Natalie Corral
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 6th day of February, 2024, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____ day of ____, 2024.

NATALIE CORRAL
CITY CLERK



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT:

Award of a contract to the lowest bidder, AdEdge Water Technologies of Duluth Georgia, in the amount of \$244,241.18, for Bayoxide media filtration removal, disposal and replacement at well 50, located on the southwest corner of Hanford-Armona Rd and 9th Ave., and Appropriation of \$244,250 from the Water Fund (0390) and Authorization for the City Manager to execute the contract.

RECOMMENDATION:

Recommendation:

Staff recommends that City Council appropriate \$244,250 from the Water Fund (0390) and Award and Authorize the City Manager to execute a contract with AdEdge Water Technologies of Duluth Georgia, in the amount of \$244,241.18 for the removal, replacement and disposal of media filtration at Well 50, located at the southwest corner of Hanford-Armona Rd and 9th Ave.

Recommended Motion:

1. I move to approve the appropriation of \$244,250 from Water Reserves (0390) to fund the removal, disposal and replacement of media filtration project at Well 50.

AND

2. Approve and authorize the City Manager to execute the media filtration removal, replacement and disposal contract with AdEdge Water Technologies for the amount of \$244,241.18

BACKGROUND:

Well 50 is located on the southeast corner of Hanford-Armona Rd. and 9th Ave. It was drilled in 2015 and put into city service in 2016. In October 2019, an arsenic treatment plant was installed at well 50, at a cost of \$1.2 million. The Bayoxide media filtration for the treatment plant has a life expectancy of 2 to 4 years, depending on the level of treatment and the time the well is in service. The Well 50 treatment plant is nearing the end of its projected life cycle. As of the last water test, the site was reported at 6.8 parts per million, below the State of California standard of 8 parts per million.

AdEdge Water Technologies is the authorized distributor for the Bayoxide media filtration, which is manufactured in Germany, that is used in the well 50 treatment plant. This fact discouraged other bidders to supply a proper bid since the material used in this project would be required to be purchased from AdEdge Water Technologies directly and dealing directly with the authorized distributor will allow the City to save funds.

With the test results close to, but not exceeding state levels, staff took the measure to request quotes

from various vendors in an effort to expedite the removal, disposal and replacement of the Bayoxide media filtration at well 50 and before the high summer demand began. City staff requested quotes from various vendors, instead of a formal bid process, and received two quotes back. Quote one was from Telstar Instruments, for the amount of \$282,554.00. It should also be noted that Telstar Instruments did not include disposal of the media. The second quote received was from AdEdge Water Technologies for the amount of \$244,241.18. Price includes all applicable tax, material, and labor at the current prevailing wage rate.

FISCAL IMPACT:

The Water Fund (0390) has a fund balance of approximately \$11.3 million and can fully support this project.

ATTACHMENTS:

1. Telstar Quote
2. AdEdge Quote



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Contractor DIR #1000000899

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January 16, 2024

Hanford PW
900 S. 10th Ave.
Hanford, CA 93230
Sent via Email: rwilliams@cityofhanfordca.com

Attn: Bob Williams
Subject: Well 50 Arsenic Media Replacement
Reference: 39252

Drawings: N/A
Specifications: N/A

Dear Bob,

Telstar Instruments ("Telstar") is pleased to provide a quote for the referenced project to the above identified purchaser ("Customer"). Telstar will replace the existing gravel and arsenic filter media for two vessels at the Well 50 site. 192 cubic feet of gravel and 360 cubic feet of arsenic filter media will be replaced in each vessel, and the vessels will be disinfected and put back into service.

By accepting this proposal from Telstar, you agree to treat this as confidential information.

SCOPE OF SUPPLY:

1. Telstar will remove the existing arsenic filter media and gravel from the two filter vessels, and place in disposable sacks. Telstar will clean and disinfect the inside of the vessels. Telstar will install 192 cubic feet of gravel and 360 cubic feet of arsenic filter media into each of the two vessels. Replacement of the gravel and arsenic filter media for both vessels will be performed concurrently. The City will take samples after disinfection for BacT testing of water after vessel is refilled and have them analyzed by local laboratory.
2. The City will test the existing gravel and arsenic filter media to determine the requirements for disposal.
3. Telstar will furnish vacuum truck for gravel and arsenic filter media extraction from two vessels.
4. Telstar will furnish disposal materials (special super sacks) for the existing gravel and arsenic filter media.
5. Telstar will furnish replacement gravel and arsenic filter media for two vessels.
6. Telstar will furnish reach lift for gravel and arsenic filter media installation.

1717 Solano Way, Unit 34, Concord, CA 94520 Phone 925-671-2888, Fax 925-671-9507
4017 Vista Park Court, Sacramento, CA 95834 Phone 916-646-1999, Fax 916-646-1096
202 South Douty Street, Hanford, CA 93230 Phone 559-584-7116, Fax 559-584-8028



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7. Telstar will furnish confined space gear to perform work in vessels.

Lump Sum Price for this Scope.....\$282,554.00

Shipping and Handling for Telstar Supplied Materials IS INCLUDED

Sales Tax IS INCLUDED

Media Disposal: Costs for Media Disposal are not included in this scope of supply. The cost of disposal will be determined by the arsenic media test results.

This quotation is based on Customer's representation that this IS a prevailing wage project.

CLARIFICATIONS, EXCEPTIONS, AND EXCLUSIONS

- a. Material price is valid for seven (7) days from date referenced on this quote (Refer to COVID clause RE: MATERIAL PRICING AND DELIVERY under Terms and Conditions)
- b. This quotation is based on the inclusion of Telstar's standard Terms and Conditions as part of any purchase order, contract or other agreement.
- c. Telstar's quotation includes only those items listed above. Requests for additions/deletions from our scope will require a change in the quoted price.
- d. Telstar assumes no responsibility for performance, applicability, compatibility, start-up, testing, or acceptance of any equipment not furnished by Telstar under this proposal.
- e. Telstar is supplying only equipment specified and noted above.
- f. Please reference the above stated quote number in all correspondence and purchase orders.

TERMS AND CONDITIONS

Base Terms: Quotation is valid for 30 days from the date of Telstar's quotation. Payment is due and payable 30 days from date of invoice. If payment is not received by the 30th day, a .05% daily service charge (18-3/4% per annum) will be charged on all accounts past due. In the event of a dispute concerning payment, attorney's fees, court costs and costs of collection will be paid to the prevailing party. The cost for permits and bonding are excluded unless expressly referenced in Telstar's quotation. Our standard insurance applies unless agreed to in writing by Telstar. Telstar's standard one year parts only warranty applies to this quotation. All other warranties, express or implied, or referenced elsewhere in contract documents are excluded, including but not limited to implied warranties of merchantability or fitness for purpose. Unless expressly stated in Telstar's estimate, this quote is based on standard straight time hours and does not include any prevailing wage rates. The price quoted herein is for the labor and materials specifically listed within the body of this quote. Service calls are charged at a 4-hour minimum per person, excluding travel time. Unless expressly stated in the quotation, training, operation and maintenance manuals, and preparation of as built drawings are excluded from Telstar's scope of work.

Limitation of Liability: (a) In no event shall Telstar, its suppliers or subcontractors be liable for special, indirect, incidental or consequential damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including, but not limited to, loss of profits or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of substitute equipment, facilities or services, downtime costs, delays, and claims of customers of Customer, its officers, directors, members employees or any third parties for any damages. Telstar's liability for any claim whether in contract, warranty, tort, negligence, strict liability, or otherwise for any loss or damage arising out of, connected with, or resulting from this Agreement or the performance or breach thereof, or from the design, manufacture, sale, delivery, resale, repair, replacement, installation, technical direction of installation, inspection,



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Contractor DIR #100000899

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operation or use of any equipment covered by or furnished under this Agreement, or from any services rendered in connection therewith, shall in no case exceed twenty-five percent (25%) of the purchase price allocable to the Equipment, part or Services that is the subject of the claim. (b) All causes of action against Telstar Instruments arising out of or relating to this Agreement or the performance or breach hereof shall be deemed barred unless brought within one year from the date of discovery or other accrual. (c) In no event, regardless of cause, shall Telstar Instruments be liable for liquidated damages, offsets or penalties of any kind or to indemnify, defend or hold harmless Customer, its officers, directors, members, employees or any third party, arising from or related to the Equipment and/or Services provided by Telstar.

Force Majeure: Telstar shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control including but not limited to acts of war (declared or undeclared), Acts of God, fire, strike, labor difficulties, acts or omissions of any governmental authority or of Customer, compliance with government regulations, insurrection or riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of delay due to any such cause, the date of delivery will be extended by period equal to the delay plus a reasonable time to resume production, and the price will be adjusted to compensate Telstar Instruments for such delay.

Cancellation: In the event of cancellation by Customer, Customer agrees to fully reimburse and compensate Telstar for all costs associated with this Quotation or subsequent order, including but not limited to engineering, labor, materials, quote and estimating time, and product return fees, plus a ten percent (10%) markup to compensate for disruption in scheduling, planned production, indirect costs and profit. Payment for cancellation shall be due within ten (10) days from the date of submission of charges by Telstar.

Entire Agreement: This Quotation constitutes the entire agreement between Telstar and Customer. There are no agreements, understandings, restrictions, warranties, or representations between Telstar and Customer other than those set forth herein or herein provided. This Quotation may only be amended, changed or revised by a written amendment signed by an authorized representative of Telstar. No oral or implied agreements shall be of any force or affect.

Precedence: In the event Telstar is issued an authorization for work, Purchase Order, Contract or similar Agreement with conflicting Terms and Conditions than those set forth herein, these Terms and Conditions will take precedence and will supersede any and all other conflicting Terms and Conditions.

Submittals: In the event Telstar receives a Notice to Proceed or a written statement to proceed with submittals, Telstar will be entitled to compensation based on percent of completion of submittal cost to Customer. Telstar will prepare only one set of submittals, and any resubmittals shall be subject to an additional charge for engineering time and other costs in preparing re-submittals.

Prevailing Wages: Telstar relies upon Customer's representations as to whether this Project requires payment of prevailing wages. Customer agrees to defend, indemnify and hold Telstar harmless from and against any and all claims, actions and demands, including but not limited to payment of legal fees, fines, back pay, and any penalties or interest, associated with Customer's inaccurate representation of whether prevailing wages are required to be paid.

TELSTAR'S COVID AND INDUSTRY CLAUSE RE: MATERIAL PRICING AND DELIVERY: Telstar is unable to hold prices on materials for more than 7 days. Prices for plastic, copper, steel, and other commodities fluctuate daily. Our vendors and manufacturers are experiencing unprecedented delays due to COVID-19 staffing, a shortage of containers, port congestion, and raw material shortages that have extended lead times significantly. Telstar reserves the right to amend the delivery date and the price of materials set forth in this quotation. Telstar considers any of the above related changes imposed by our vendors and manufacturers as outside its reasonable control and subject to Force Majeure provisions.



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Contractor DIR #1000000899

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We look forward to working with you on this project. If you have any questions, please contact me at the phone number below.

Sincerely,

Konor Meeks
Hanford Branch Manager
Telstar Instruments
(559)584-7116

1717 Solano Way, Unit 34, **Concord**, CA 94520 Phone 925-671-2888, Fax 925-671-9507
4017 Vista Park Court, **Sacramento**, CA 95834 Phone 916-646-1999, Fax 916-646-1096
202 South Douty Street, **Hanford**, CA 93230 Phone 559-584-7116, Fax 559-584-8028

Page 4 of 4

Project Contract

2055 Boggs Road
Duluth, GA 30096
www.adedgetechnologies.com

Randy Roberts
Phone: 770-912-9731
Fax: 678-835-0057
randy.roberts01@chartindustries.com



Quote # RR-020524-3

Date 2/5/24

Terms See Below

Prices FOB Tempe, AZ

Delivery 1-2 Weeks

Sold To/ Bill To: City of Hanford, California - Bob Williams
1400 West Lacey Blvd. Hanford California 93230
williams@hanford.city

Ship to: City of Hanford - Bob Williams
TBD
williams@hanford.city

PO #

Project: Hanford California MCO (2024)

Cust Phone # (559) 585-2560

Item	Quantity	Description	Unit Price	Total
A	728 cu/ft.	<u>Media</u> Bayoxide E33 GFO Media (MM10033) Packaged in (14) Supersacks 23,296 lbs Media Total	\$255.00 Included	\$185,640.00
B	24 cu/ft.	1/8" X 1/16" Underbedding Gravel (GR10018) 2 in. Layer of underbedding gravel for incidental removal during media extraction Packaged in (48) 1/2 cu/ft. bags 2400 lbs Gravel Total	\$39.75 Included	\$954.00
C	1	<u>Project Supervision</u> AdEdge Project Coordination, Onsite Supervision of the Media extraction and Loading, Media Conditioning and Chlorination, Backwashing of Media, and Recommissioning of the Treatment System	\$6,667.40 Included	
D	1	<u>Media Extraction and Disposal</u> Vac Truck Removal of Exhausted Media, Media Loading Labor and Equipment, Waste Profile, Disposal and Transportation to a Class 1 Landfill for Disposal as a non-hazardous waste Prevailing Wage included	\$33,570.00 Included	
E	1	<u>Required Lab Testing</u> RCRA TCLP Metals 8 & CAL CAM WET 17 Testing for Disposal Sample Collection, Laboratory Testing, and Submit Results for Waste Profile	\$1,140.00 Included	
F	2	<u>Replacement Parts</u> FP00021 GASKET EPDM 20 NPS 1/8 THK	\$68.27	\$136.53
G	2	TG20078 14" X 18" Manway Gasket	\$64.77	\$129.54
H	1	<u>Shipping Freight for Media</u> Contractor delivering Media on day of services	\$1,839.60 Included	
I	1	<u>Taxes</u> Hanford, California Tax Rate 7.25%	\$14,164.11 Included	
Total Quote Cost:			\$244,241.18	
<u>Notes:</u> * Quote is valid for 30 days from date of this proposal				
<u>Terms:</u> * Purchase Order required to hold pricing and proceed * Order is subject to credit approval by Chart Industries * 100% on completion of services (30 day terms on final invoice) * Taxes are not included (Taxes will be included upon determination of final invoice amount) * Late payments subject to 12% interest per annum				

Customer Proposal Authorization:

AdEdge Authorization:

Date:

Date: 2/5/2024

Prices quoted above are current prices in effect and are subject to acceptance within 30 days from the above date and are firm on an order resulting from this quote scheduled to ship within 30 days from date of order entry. All items quoted will be produced in strict accordance to any Government Regulation in effect including Fair Labor Standards Act, OSHA, and Equal Employment Opportunity Executive Orders. Delivery schedules are contingent upon strikes, accidents, fires, availability of materials and all other causes beyond our control.



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the First amendment to the agricultural lease between the City of Hanford and Phillip Verwey Farms, allowing for Phillip Verwey Farms the right to receive utility services, including but not limited to electrical facilities and apparatus.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve the first amendment to the agricultural lease between the City of Hanford and Phillip Verwey Farms and authorize the City Manager to execute the amendment.

Recommended Motion: I move to approve the first amendment to the agricultural lease between the City of Hanford and Phillip Verwey Farms and authorize the City Manager to execute the amendment.

BACKGROUND:

Phillip Verwey Farms and the City of Hanford entered into an agricultural lease agreement for 1600 acres of city property, located outside the city limits in August 2023. In the lease agreement, it is called upon Phillip Verwey Farms to improve the 2 west wells, located on the property. Doing so requires that electrical services be installed and Pacific Gas and Electric is requesting further clarification of Lessee's rights to receive utility services. By approving the first amendment to the lease, those rights would be granted and improvements can begin.

FISCAL IMPACT:

No impact on the City budget

ATTACHMENTS:

1. First Amendment to Agriculture Lease

FIRST AMENDMENT TO AGRICULTURAL LEASE

This First Amendment to Agricultural Lease is effective the 20th day of February, 2024. The CITY OF HANFORD, a municipal corporation (“**Lessor**”), and PHILIP VERWEY FARMS (“**Lessee**”), are parties to that certain Agricultural Lease (“**Lease**”) effective August 1, 2023, the terms of which are incorporated herein by reference.

The parties agree to amend the Lease as follows:

1. The following will be added as Section 9.C:

“Lessor grants to Lessee the right to receive utility services, including, but not limited to, electrical facilities, appurtenances, and associated equipment, and the right of the utility service supplier to excavate for, construct, reconstruct, replace (of initial or any other size), remove, maintain, inspect, and use said utility facilities to serve the water wells and associated facilities that Lessee utilizes at the Premises, together with the right for the utility service provider to ingress and egress from said utility facilities across the Premises. Lessor grants the right for the utility service supplier to trim or cut down any trees or brush within fifteen feet (15’) on each side of the center line of said utility facilities. In addition, Lessor shall not erect or construct any building or other structure, or drill or operate any well within fifteen feet (15’) on each side of the centerline of said utility facilities.”

2. All other terms and conditions of the Lease not otherwise modified by this First Amendment shall remain in full force and effect throughout the term of the Lease.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Agricultural Lease on the dates identified below.

LESSOR:

CITY OF HANFORD, a municipal corporation

Date: February ____, 2024

By: _____
MARIO A CIFUENTEZ, II
City Manager

LESSEE:

PHILIP VERWEY FARMS

Date: February ____, 2024

By: _____
PHILIP VERWEY



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024	AGENDA SECTION: CONSENT CALENDAR
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SUBJECT:

Approval of the Second Reading and Adoption of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

RECOMMENDATION:

Recommendation: That the City Council, by motion approve the second reading and adoption of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

Recommended Motion: I move to approve the second reading and adoption of Ordinance No. 24-01, Amending Municipal Code 2.48 relating to the City's Purchasing System

BACKGROUND:

In order to stay up to date on federal, state or local needs, staff is proposing to amend Municipal Code 2.48 relating to the City's Purchasing System so that the HMC refers to a City Council adopted Purchasing Policy that will allow the City to be timely in implementing necessary changes and make efficient purchasing decisions. The Policy will include more detail than could practically be included in the Municipal Code.

The Purchasing Policy will clarify and update policies and procedures for employees and vendors to readily reference. The Policy will expand on and provide direction in the areas of establishing efficient procedures for positive financial control, clear definition of purchasing authority, and recordkeeping of details for items purchased. The policy is written to promote cost-effective procurement of goods and services and assist in understanding individual responsibilities in the purchasing process by clearly specifying an applicable set of procedures to be used by the City of Hanford employees in obtaining the goods and services necessary in carrying out their responsibilities to the City, community, and its citizens.

There are no substantial procurement changes recommended, and the Policy will clarify processes and provide detail for reference regarding almost all aspects of purchasing. Included below are some highlights of what the proposed Purchasing Policy will have (which is in line with current Municipal Code):

- Identifies the Director of Finance, Purchasing Agent and other staff's authority and responsibilities
- States Purchase Authority Levels:

\$1 - \$9,999 Department Head/Purchasing Agent

\$10,000 - \$49,999	City Manager
\$50,000 or greater	City Council

- Defines formal and informal bid processes
- Retains Uniform Cost Accounting Act requirements for Public Works projects
- Retains a *Local Vendor Preference* to vendors maintaining a fixed business location within city limits giving local vendors award if within 5% of the lowest bid

Council will consider approval of the Purchasing Policy in separate action on February 20, 2024.

FISCAL IMPACT:

This amendment, in conjunction with the adoption of a Purchasing Policy (to be approved by separate resolution), will allow for centralized procurement standards. Future amendments to the Purchasing Policy will be done by City Council Resolution which will enable the City to adjust in a more timely fashion to any potential changes to federal, state or local law that may be required.

The fiscal impact of the Purchasing Policy will be to ensure that the City has done due diligence in obtaining the most cost-effective products and services available, ultimately saving taxpayer dollars.

ATTACHMENTS:

1. 2024.01.08 Purchasing Ordinance Amendment

ORDINANCE NO. _____

**AN ORDINANCE AMENDING HANFORD MUNICIPAL CODE 2.48 RELATING TO
THE CITY'S PURCHASING SYSTEM.**

The City Council of the City of Hanford does ordain as follows:

Section 1: Hanford Municipal Code Chapter 2.48 contains provisions and policies regarding the City of Hanford's (city) purchasing system.

Section 2: The City Council has determined it to be in the city's best interest to update the purchasing system and associated policies.

Section 3: Hanford Municipal Code Section 2.48.010 is hereby deleted in its entirety and restated as follows:

"Except as otherwise provided by state law or policies adopted by City Council resolution and except as to public works projects, the city's Director of Finance shall be the officer in charge of the purchasing function and shall have the general responsibility for purchases of supplies and services for the use of all departments of the City."

Section 4: Hanford Municipal Code Section 2.48.020 is hereby deleted in its entirety and restated as follows:

"A. The duties and responsibilities of the city's Director of Finance and other city personnel under the city's purchasing system shall be established by City Council resolution, the terms of which are incorporated herein by reference.

"B. It shall be the duty of each department to use its best efforts to secure the lowest price for such services and supplies."

Section 5: Hanford Municipal Code Sections 2.48.030 is hereby deleted in its entirety and restated as follows:

"2.48.030 Purchasing System Policies

"Purchasing system policies, including, without limitation, policies regarding purchasing and contract procedures; ethical considerations; purchasing specifications; methods of acquisition, bid requirements and associated procedures; goods and services contracts; contract administration and enforcement; vendor relations and performance; insurance and bond requirements required under city contracts; policies regarding inventory control, fixed assets and surplus items; cost control methods; receiving procedures; payment procedures; federal, state, and local tax requirements; policies regarding public works contracts; and federal procurement policies shall be established by City Council resolution, the terms of which are incorporated herein by reference."

Section 6: Hanford Municipal Code Sections 2.48.035 through 2.48.070 are hereby deleted in their entirety.

Section 7: This ordinance shall take effect thirty (30) days after its passage and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on February 20, 2024, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

TRAVIS PADEN
MAYOR of the City of Hanford

ATTEST:

NATALIE CORRAL
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 6th day of February, 2024, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 20th day of February, 2024.

NATALIE CORRAL
CITY CLERK



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024

AGENDA SECTION: GENERAL BUSINESS

SUBJECT:

Approval of Resolution No. 24-05-R, formally establishing the the City of Hanford Purchasing Policy.

RECOMMENDATION:

Recommendation: That the City Council, by motion, approve Resolution No. 24-05-R, establishing the City of Hanford Purchasing Policy.

Recommended Motion: I motion to authorize the City Council to approve Resolution 24-05-R City of Hanford Purchasing Policy.

BACKGROUND:

In parallel with an amendment to Municipal Code 2.48 related to the City's Purchasing System, Staff has drafted a Purchasing Policy for Council's consideration that will serve as a guide to purchasing procedures for the City as approved by City Council resolution. With respect to purchasing policies and procedures, employees had previously adhered to the minimal guidelines listed in Municipal Code 2.48 and past practices. The Policy will include more detail than could practically be included in the Municipal Code.

The Purchasing Policy provides clarification and updates to current pollices and procedures and expands on and provides direction in areas such as establishment of efficient procedures for positive financial control, clear definition of purchasing authority, and recordkeeping of details for items purchased. The policy is written to promote cost-effective procurement of goods and services and assist in understanding individual responsibilities in the purchasing process by clearly specifying an applicable set of procedures to be used by City of Hanford employees in obtaining the goods and services necessary to carry out their responsibilities to the City, community, and its citizens.

There are no substantial procurement changes recommended, and the Policy will clarify processes and provide detail for reference regarding nearly all aspects of purchasing. Included below are some highlights of the proposed Purchasing Policy:

1. Identifies the Finance Director, Purchasing Agent and other staff's authority and responsibilities
2. Lists purchase authority levels as such:
 - \$1 - \$9,999 Department Head/Purchasing Agent
 - \$10,000 - \$49,999 City Manager
 - \$50,000 or greater City Council
3. Defines formal and informal bid processes
4. Retains Uniform Cost Accounting Act requirements for Public Works Projects

5. Retains the *Local Vendor Preference* for vendors maintaining a fixed business location within city limits and giving local vendors award if within 5% of the lowest bid

If approved, the Purchasing Policy will become active 30 days after the 2nd reading (February 20, 2024) of the Municipal Code 2.48 amendment when it becomes effective March 21, 2024.

FISCAL IMPACT:

The implementation of a Purchasing Policy will allow for centralized procurement standards. The fiscal impact of approval of the Purchasing Policy will be to ensure that Staff has done their due diligence in obtaining the most cost-effective products and services available, ultimately saving taxpayer dollars.

ATTACHMENTS:

1. RESOLUTION 24-05-R
2. 2024.01.27 Purchasing Policy draft exhibit A

RESOLUTION NO. 24-05-R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD APPROVING
PURCHASING POLICY

At a regular meeting of the City Council of the City of Hanford duly called and held on the 20th day of February 2024, it was moved by Council Member _____, seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, Chapter 2.48 of the Hanford Municipal Code provided for the previous procedures for procuring City goods and services; and

WHEREAS, The City Council has determined it to be in the City's best interest to update the purchasing system and associated policies; and

WHEREAS, the Chapter 2.48 amendment of the Hanford Municipal Code was approved on the 6th day of February 2024 by first reading to replace Sections 2.48.010, 2.48.020, and 2.48.030, and to delete Sections 2.48.035 through 2.48.070 in their entirety; and

WHEREAS, the Chapter 2.48 amendment of the Hanford Municipal Code was approved on the 20th day of February 2024 by second reading to replace Sections 2.48.010, 2.48.020, and 2.48.030, and to delete Sections 2.48.035 through 2.48.070 in their entirety; and

WHEREAS, the City of Hanford Purchasing Policy was presented for approval on the 20th day of February 2024; and

WHEREAS, the City Council deems it in the public interest to approve the City of Hanford's Purchasing Policy as set forth in the attached Exhibit "A" known as the City of Hanford Purchasing Policy.

NOW, THEREFORE, BE IT RESOLVED that the policy in Exhibit "A" is approved, effective March 21st, 2024.

PASSED, ADOPTED AND APPROVED this 20th day of February 2024 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Travis Paden
MAYOR of the City of Hanford

Attest:

Natalie Corral
City Clerk

Attachment 'A'



SUBJECT	PURCHASING POLICY
DATE	XX-XX-2024
PREPARED BY	FINANCE DEPT
APPROVED BY	CITY COUNCIL

CITY OF HANFORD PURCHASING POLICY

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A. INTRODUCTION - PURCHASING AND CONTRACT PROCEDURES

1. PURPOSE

The purpose of this manual is to provide a set of policies and procedures that comply with applicable Federal, State, local, and general laws and regulations to promote cost-effective procurement of goods and services. In the event the provisions of this manual directly conflict with Federal, State, or local law, the latter shall govern.

This manual has been compiled to assist employees in understanding their responsibilities in the purchasing process by clearly specifying an applicable set of procedures to be used in obtaining the goods and services necessary to carry out their responsibilities to the City, community, and its citizens.

2. PURCHASING SYSTEM

A purchasing system is used for the purchase of all city goods and services. The system is to aid in establishing efficient procedures for positive financial control, to clearly define authority, and for recordkeeping of the details related to all purchases.

3. PURCHASING AUTHORITY AND RESPONSIBILITY

The Purchasing Agent, under the administrative direction of the Finance Director, shall have delegated authority to oversee general supervision of the Purchasing Division. The Purchasing Agent has the authority and responsibility to carry out and/or delegate applicable procurement laws and develop policies with regard to purchasing and related contractual agreements for goods and services.

The Purchasing Agent has the authority to assist with Public Works projects to contract for various services including construction, alteration and repair and architectural, engineering, and design consulting services.

In summary, the Purchasing Agent processes purchase requisitions for all City departments; obtains and evaluates competitive bids, quotes, estimates and proposals; awards and contracts; creates, distributes and centrally files all purchasing documents; administers purchase orders and contracts and monitors vendor performance.

4. OTHER DUTIES OF PURCHASING AGENT

Additional authority and responsibilities to:

- Redistribute, sell or otherwise dispose of personal property no longer required by the using department, i.e. surplus property.
- Establish standard specifications, with department input, for items commonly used by City departments.
- Coordinate lease-purchase agreements and consultant agreements.
- The Purchasing Agent may organize and establish standards of type, design, quality or brand of purchases. The Purchasing Agent shall receive recommendations from the City Manager, City Council, Department Heads, or any other authorized City employees to purchase goods and services for special needs or particular uses. The Purchasing Agent shall consult with and give consideration to the recommendations received from all City departments regarding their requirements.

5. PURCHASE AUTHORITY LEVELS

Purchasing Agent/Department – \$1 - \$9,999:

City Manager - \$10,000 - \$49,999:

City Council – \$50,000 or greater:

Departments must complete all the necessary required staff reports and any other documentation applicable and secure a scheduled date to be listed on the City Council Agenda.

Architectural, engineering, construction management, land surveying, specialized and design services shall be procured in accordance with the Uniform Public Construction Cost Accounting Act if not subject to other state or federal funding requirements.

6. DELEGATION OF AUTHORITY

The Finance Director may delegate any of the duties listed above to the Purchasing Agent or other City employees. Those individuals shall follow all the requirements of this Purchasing Policy and shall consult with the Finance Director or Purchasing Agent on technical aspects of the purchasing process.

PROCURING GOODS AND SERVICES ON BEHALF OF THE CITY OF HANFORD WITHOUT THE PROPER AUTHORITY CAN RESULT IN THE INDIVIDUAL BEING HELD PERSONALLY RESPONSIBLE FOR CHARGES INCURRED.

7. COORDINATION WITH CITY DEPARTMENTS

While City departments have the primary responsibility for the determination of goods and services, which they requisition, the Purchasing Agent will evaluate quality, quantity and type selected to ensure that the best interests of the City are served. Departments are encouraged to consult with the Finance Director or Purchasing Agent concerning materials specification or other general information. The Purchasing Agent will arrange demonstrations of products and equipment and obtain other information when requested to do so by the departments. Information on new products, services or procedures should be shared with the Purchasing Agent as soon as any purchase is contemplated.

8. GOALS AND OBJECTIVES OF THE PURCHASING DIVISION

Internal management and operation of the Purchasing Division shall, with respect to the purchase or contract for goods and services required by departments, conform to: (i) the purchasing procedures prescribed by Federal, State, and local laws and ordinances; and (ii) other administrative rules and regulations prescribed by the Finance Director and/or the City Manager that contribute to the following objectives:

- To provide City departments with quality and timely service that allows them to fulfill their obligations effectively.
- To ensure that the City receives the best value obtainable for each tax dollar expended.
- To promote free and open competition and equal opportunity for all qualified and responsible bidders. The following are four (4) fundamental elements of the procurement process:
 1. Buying the proper goods and services for the purpose required.
 2. Having material available at the proper time.
 3. Securing the proper amount.
 4. Paying the proper price.

B. ETHICAL CONSIDERATIONS

1. CODE OF ETHICAL CONDUCT

The primary mission of City Government is to serve the citizens of the City of Hanford. To perform its mission effectively, the City must have the trust and confidence of the public it serves. That trust is dependent upon City employees discharging their duties honestly, forthrightly, objectively and with personal integrity.

To secure and maintain the trust and confidence of the public, the City of Hanford is committed to upholding the highest standards of ethical conduct. Of key importance in determining whether a particular action is proper or improper, is how the action is perceived. The full measure of ethical review is not limited to the narrow confines of a specific job, task or department. The review must also determine whether the action gives the appearance of wrongdoing, inequity, impropriety or the perception of misconduct when viewed by the public.

2. ETHICAL CONDUCT

All City employees, including elected officials, shall:

Adhere to the highest moral principles and demonstrate loyalty to coworkers, the public and government departments.

Uphold the Constitution, laws and legal regulations of the United States, Federal, State, local laws and all governments therein and never be a party to their evasion.

Give a full day's labor for a full day's pay: giving to the performance of one's duties, one's earnest effort and best thought carrying out responsibilities.

Seek to find and employ more efficient and economical ways of getting tasks accomplished.

Never discriminate or act unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for oneself or family, favors or benefits under circumstances that might be construed by reasonable persons as influencing the performance of employee governmental duties.

Accept no money, commissions or thing of value of any kind, in exchange for, or as quid pro quo for City services.

Work related gratuities (example - Promotional items/swag, Christmas/holiday gifts) are only to be accepted if they constitute a gesture of goodwill toward the agency or if the primary purpose furthers a legitimate City interest, as opposed to the personal interest of the recipient. These are allowed if given to a division or department and not limited to specific individuals. Any doubts about the propriety of accepting a particular gratuity should be resolved by refusal of the gratuity. Work related gratuities shall, in addition to the terms contained herein, be subject to the California Political Reform Act and associated Fair Political Practices Commission regulations.

Make no promise of any kind binding upon the duties of office, since a city employee has no private word, which may be binding upon public duty.

Engage in no business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of employee's governmental duties and policies. A City employee who seeks to do business with the City is subject to the restrictions and limitations of Government Code Section 1090, *et seq.*, regarding employees contracting with their own agencies.

Never use any confidential or non-public information received in the performance of employee's governmental duties as a means for making private profit.

Treat all individuals encountered in the performance of employee's duties in a respectful and professional manner.

Uphold these principles, ever conscious that a public office is a public trust.

3. PUBLIC PURCHASING STANDARDS

City Employees should endeavor to promote loyalty to your organization, justice to those who you interact with, and faith in your profession by:

- A. Avoiding the intent and appearance of unethical or compromising practice in business relationships, actions and communications. Avoid delivery of goods and services to employee's personal residential address. Regarding all business interactions, communications and practices, City employees are advised to display a professional work attitude, appearance and demeanor.
- B. Conducting international purchasing in accordance with the laws, customs and practices of foreign countries, consistent with federal, state, and local laws and this Policy. Demonstrate loyalty to the employer by diligently following the lawful instructions, rules and policies of the employer, using reasonable care and only authority granted. Acknowledge and obey the letter and spirit of laws governing the purchasing practices and remain alert to the legal ramifications of purchasing decisions. Refrain from reciprocal agreements that restrain competition.
- C. Refraining from any private business or professional activity that would create a conflict between personal interests and the interests of the employer and discourage purchasing involvement in employer-sponsored programs of personal purchases that are not business related. Refrain from soliciting or accepting money, loans, credits or prejudicial discounts and the acceptance of gifts, entertainment, favors or services from present or potential suppliers that might influence or appear to influence purchasing decisions. Encourage all segments of society to participate by demonstrating support for local, small, disadvantaged and minority-owned businesses.
- D. Handling confidential or proprietary information belonging to employers or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations and City policies.
- E. Promoting positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle and avoid favoritism to exclusive vendors and practices, giving all qualified vendors an equal opportunity. Extend vendor representatives professional treatment and being conscious they are important sources of information and assistance with City procurement activities and cooperate with all organizations and individuals engaged in enhancing the development and maintaining the purchasing profession. To conduct ourselves with fairness and dignity and to demand honesty and truth in buying and selling.
- F. Regarding public service as a sacred trust, giving primary consideration to the interests of the governmental unit by whom we are employed. Enhance the proficiency and stature of the purchasing profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behavior.
- G. Purchasing from responsible vendors for the best value obtainable, securing the maximum benefit for each tax dollar expended and cooperate with all organizations and individuals engaged in enhancing the development and maintaining the purchasing profession.

4. CONFLICT OF INTEREST REGULATIONS

Conflicts of interest occur when a conflict exists between the public interest and the private monetary interest of a public official or employee. Conflicts of interest can also occur with regards to individuals who have left government employment, when former public officials are able to exert undue influence over the purchasing process because of their past personal connections inside government.

City employees and officers are prohibited from having any financial interest, direct or indirect, in any City contract.

No member of the Council or of any board, nor any officer or employee of the City shall be or become interested in any contract for which bids are or may be required for the furnishing of labor or materials to or for the City, nor shall any of them receive any gratuity or advantage from any contract or from the contractor furnishing any labor or material under any contract, the cost or consideration of which is payable from the City treasury. Any such contract with the City, in which any such officer or employee is or becomes interested, shall be declared void by the Council.

Generally speaking, an employee should not participate directly or indirectly when the following conditions apply:

- A. The employee or any member of the employee's immediate family has a financial interest in the purchase.
- B. A business or organization, in which the employee or any member of the employee's immediate family has a financial interest, is involved in the purchase.
- C. Any other person, business or organization, with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment, is involved in the purchase.

Regarding Purchasing Bidding process:

No officer or employee of the City shall aid or assist a bidder in securing a contract to furnish labor or materials or supplies at a higher price or rate than that proposed by any other responsible bidder, or shall favor one bidder over another, giving or withholding information, or shall willfully mislead any bidder in regard to the character of the materials or supplies of a quality inferior to that called for by contract, or shall knowingly certify to a greater amount of labor performed than has actually been performed or to the receipt of a greater amount of material or supplies than has actually been received.

5. PURCHASING FOR PERSONAL USE

City of Hanford employees shall not use their official capacity or City time to negotiate or make personal purchases for themselves or others. Employees must act purely in the best interest of the public at all times and avoid the introduction of personal factors. This section shall in no way be interpreted to allow the violation of Government Code Section 1090, *et seq.*

6. GIFTS, GRATUITIES AND KICKBACKS

City of Hanford Council members and other officials or employees are prohibited from accepting any gift or gratuity that may give advantage to any contract or contractor, however, a gift or gratuity is allowed subject to Fair Political Practices Commission (FPPC) rules. This policy is designed to prohibit actions that may tend to unduly and improperly influence officers and employees in the discharge of their duties, or grant, in the discharge of their duties, any improper favor, service or thing of value.

The City recognizes the responsibility of its employees to maintain good relations with all members of the community and believes this can be accomplished in a professional manner without gifts or gratuities interfering and influencing employees. Should a gift be accepted by an employee who is required to file FPPC Form 700, they must disclose on Form 700 gifts from a single source if the cumulative value is \$50 or more (or as otherwise determined by the FPPC) and may not accept gifts from any single source totaling more than \$590 in a calendar year (or as otherwise determined by the FPPC).

As opposed to gratuities, which up to a financial limit are not illegal, kickbacks are always illegal. Kickbacks are "financial payment for receiving a contract".

It shall be illegal for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated with contracting, as an inducement for the award of a subcontract or order.

7. UNETHICAL USE OF CONFIDENTIAL INFORMATION

City employees are frequently made privy to confidential information (information not subject to disclosure under the Public Record Act) in the course of their duties, and the prohibition against the misuse of confidential information is just as fundamental to ethical purchasing as it is to any other sphere of government. It shall be unethical for any employee, or former employee, knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

8. RECOVERY OF KICKBACKS BY THE CITY

Upon showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or an order, it shall be conclusively presumed that the amount discovered was included in the price of the subcontract or order and ultimately borne by the City and will be recoverable from the recipient. In addition, that amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party shall not preclude recovery from other and all offending parties.

9. SANCTIONS FOR ETHICAL VIOLATIONS

Any employee who violates ethical standards may be disciplined in accordance with the City of Hanford disciplinary procedures as outlined in the employee's applicable bargaining group Memorandum of Understanding.

C. SPECIFICATIONS

A specification is a purchase description, and it is at the heart of the procurement process. A specification means any description of the physical or functional characteristics, or of the nature of the goods and services. It may include a description of any requirement for inspecting, testing, or preparing a supply, service or construction item for delivery. It may also include drawings or samples.

A specification identifies what the buyer is to buy, informs prospective suppliers what is specifically required, provides the basis for the resulting purchase order or contract and establishes the standard against which inspections and tests are made.

1. GENERAL SPECIFICATIONS GUIDANCE

All specifications shall seek to promote overall economy and functionality for the purposes intended and to encourage competition in satisfying the City's needs and shall not be unduly restrictive.

In order that the City receive the best quality of goods and services at the most advantageous price, the Purchasing Division will not issue bids for any article of a specific brand, nor any patented apparatus or

appliance, when such requirements would prevent competition on the part of dealers or manufacturers of other articles of equal value, utility or merit. This means simply that Purchasing will not exclude competition by insisting on a particular manufacturer's product when other products of equal quality and functionality are available. Purchasing may ask for bids on approved equals. If a specific product is required, the requisitioning department must justify in writing, using a Sole Source Justification to the Purchasing Agent, that the product desired has significant features which are lacking in other goods or services marketed by competitors.

2. DEPARTMENT RESPONSIBILITIES

It is the responsibility of the requisitioning department to write and justify specifications for goods and services of a technical nature or those requiring engineering. Purchasing has the authority to question any specification which seems unreasonably restrictive, excessive, inordinate, or otherwise inappropriate. Requestors should contact Purchasing if assistance is needed with departmental specifications.

Vendors can be valuable sources of information, but care must be taken not to obligate the City to a particular vendor and not to tailor a specification to a particular vendor's product.

3. TYPES OF SPECIFICATIONS

- A. Standard Specifications are a result of standardization. Standard specifications describe the quality of materials to be purchased and are developed after carefully considering the requirements of the City and the various types of products and supplies purchased by the organization. Examples of items lending themselves to standardization are office supplies, computer supplies, paper towels, toilet tissue and public safety equipment such as ammunition, ballistic vests, light bars, mobile radios and even fire apparatus.
- B. Brand Name Specifications are the most restrictive type of specification. This specification lists trade names, catalog numbers and model numbers of a particular manufacturer. Ideally, more than one brand name should be specified. When listing brand names, vendors should always be given the opportunity to submit bids for "equal" products. Brand name products typically cost more because specifying those limits competition.
- C. Qualified Products Lists can be generated with the help of vendors. During initial specification development, the specifications are sent to several vendors who are asked to comment on the specifications. Adjustments are made to the specifications based on the vendor comments and products are tested to determine suitability. Once a Qualified Products List is generated, additional tests may not be required. Qualified Products Lists are typically used for construction materials.
- D. Design Specifications detail how a project is to be constructed or equipment is to be built. These specifications are typically used in public works construction projects.
- E. Performance Specifications are less concerned with how a product is made and focus more on how well it performs. They describe a product by its capacity or operation, not by its physical characteristics. The vendor must show acceptable performance of his product as demonstrated by testing.

4. SPECIFICATION CHECKLIST

The description of the item should be written out unless it is common industry terminology or if there's a potential for an abbreviation to be interpreted incorrectly. As part of the description, the following should be included:

- A. Size - dimensions, weight, volume, etc.
- B. Color

- C. State an estimate of requirements, i.e., quantity.
- D. If known, a satisfactory make, model and part number. List all necessary features and do not list unnecessary ones. This information will be used to determine "equal" makes, models and part numbers.
- E. Drawings or photographs, when useful.
- F. Packaging - describe how the units are packaged. For instance, case, totes, containers, packages.
- G. Purpose - briefly describe the intended use(s) of the item. For instance, mention the make and model of equipment when buying a supply item for that equipment. Mention other significant information or anything else that may be unique to your use of the item.
- H. Goods and services brochures or literature.
- I. State estimated cost, if applicable.
- J. List known source(s), include company name, address and phone number.
- K. State purchase order number to aid in clarification and reduce mix-ups.

5. SOLE SOURCE JUSTIFICATION

Sole source purchases must be well documented and provide verification that a good faith search for alternatives has been made. Sole source justification shall be provided by the using department and subsequently verified by the Purchasing Division/Finance Department. If a department believes that only a specific vendor, specific make and model of equipment or type of material will meet its needs, it must attach to the requisition, a Sole Source Justification. The justification should explain why it is in the City's best interest to select a vendor without competitive bidding.

If other brands and models have been tested or previously used and determined to be unsuitable, the department should specify the brands and models used, the dates used, and why they are not acceptable.

A contract may be awarded without competition after departments have conducted a good-faith review of the available sources and confirmed that there is only one source for the required goods and services.

Departments may conduct negotiations and secure, as appropriate, as to price, delivery and terms subsequently resulting in a purchase order, contract or agreement. The Sole Source justification shall include the vendor's name, amount, pricing, agenda, staff report, lists of the items, equipment, services, bid or proposal procured under each purchase order, contract or agreement. A record of the sole source procurement process will be maintained in the Purchasing system as a public record and/or audit document.

6. VALUE ANALYSIS

Value analysis involves analyzing the intended function of a product and then specifying only the features that are actually needed.

The goal is to eliminate the purchase of unnecessary features and functions, thereby reducing cost and buying the most basic product capable of doing the job required. For example, if a mid-size automobile meets your requirements, the specifications should not be written for a larger vehicle. The requesting department should employ value analysis when writing specifications.

7. STANDARDIZATION

It is the policy of the City of Hanford Purchasing Division that goods and services may be standardized when the Purchasing Agent has determined that it is the best interest of the City of Hanford or when required for the health, safety or welfare of the public or of the employees of the City of Hanford. Standardization may occur when significant cost savings can be demonstrated. Standardization may limit the purchase to a single brand, trade name or sole source provider.

Standardization involves the creation of a specification through value analysis that will economically perform the needed function for multiple end users and departments of the product.

Standardization can result in cost savings because the purchase of fewer unique type items in larger quantities earns better discounts. Also, by calling for industry standard rather than custom features, availability is increased, and cost is decreased and reduces maintenance and training costs.

Standardization Process

The factors to be taken into consideration in standardization of goods and services are as follows:

- A. Repair and maintenance costs would be minimized if the product does not have an inherent defect.
- B. User personnel training would be minimized.
- C. Supplies or spare parts would be minimized.
- D. Modifications to existing equipment would not be necessary.
- E. Training of repair and maintenance personnel would be minimized.
- F. Match to existing supplies, materials and equipment is needed for efficient operation of a function or program.

Standardization is a collaborative effort between Purchasing and the departments. If standardization is deemed necessary, a department should prepare a memo to the Purchasing Agent requesting standardization, outlining the reasons for such action, based on one or more of the factors listed above.

8. USE OF RECYCLED PRODUCTS

Its purpose is to promote and reach out to markets (when applicable) for recycled products by establishing preferential purchase programs for City departments and contractors resulting in diverting materials from the solid waste organizations and local landfills.

Purchasing shall conform to the state's mandates regarding recycled product procurement and recordkeeping (See Public Contract Code Section 22150, *et seq.*, and California of Regulations Title 14, Sections 18993.3 and 18993.4). Such requirements include, without limitation:

- If fitness and quality are equal, the City must purchase recycled products, as defined in Public Contract Code Section 12200, instead of nonrecycled products, whenever recycled products are available at the same or lesser total cost than nonrecycled items.
- Public Resource Code Section 12209(c) requires that recycled paper products utilized by the City consist of at least thirty percent (30%), by fiber weight, of postconsumer recycled content fiber; provided however, subsection (c)(2) of that statute identifies distinct fiber content requirements for toilet paper, paper towels, facial tissue, toilet seat covers, general purpose paper wipers, and food service ware.
- The City must require all businesses from which it purchases paper products and printing and writing paper to certify in writing the minimum percentage, if not the exact percentage, of postconsumer material in the paper products and printing and writing paper offered or sold to the jurisdiction. The certification shall be furnished under penalty of perjury in a form and manner determined by the City; provided however, the City may waive the certification requirement if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be verified by the product label, catalog, invoice, or a manufacturer or vendor Internet website.

The provisions of this Section 8 shall supplement, and do not supersede, the requirements of state law, including, without limitation, the Public Contract Code and the California Code of Regulations.

The City will also purchase paper products and printing and writing paper that meet Federal Trade Commission recyclability standards as defined in 16 Code of Federal Regulations (CFR) Section 260.12.

Attachment 'A'

Vendors will certify in writing, on invoices or receipts provided, that paper products and printing and writing paper offered or sold to the City are eligible to be labeled with an unqualified recyclable label as defined in 16 CFR Section 260.12.

Buying recycled products benefits the City in the following ways:

- A. Buying recycled products conserves resources by reducing our dependence on virgin raw materials whose cost will continue to climb as sources are depleted. The growth in recycling results in the creation of jobs and economic development opportunities.
- B. Buying recycled products is a proactive, rather than reactive approach to our waste management.
- C. Reflects the City's image as an agency who promotes environmental stewardship.
- D. Many recycled products are competitively priced or less expensive than their non-recycled counterparts.

Definitions:

Recycled Material – Waste material and by-products that have been recovered or diverted from solid waste and that can be utilized in place of raw or virgin material in manufacturing a product. Recycled material may consist of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new products.

Post-consumer Recycled (Recovered) Materials – A material or product that has served its intended use and has been discarded for disposal or recovery by a final consumer. Examples of post-consumer recovered materials include, but are not limited to, used newspaper, office paper, yard waste, plastic bottles, aluminum cans, oil, asphalt, concrete and tires.

Recycled Product Preference –To provide for the purchase of products by the City that, price, and quality being equal, preference shall be given to recycled products or vendors utilizing them.

General Policies:

- A. All City departments shall use recycled products and recyclable products in accordance with state law. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled material.
- B. All departments may, at their option and with Purchasing's concurrence, require procurement of designated recycled products or recyclable products above the levels required by state law and this policy.
- C. The City shall require its contractors and consultants to use and specify recycled products and recyclable products in fulfilling contractual obligations as required by state law, and, if not required by state law, whenever practicable.
- D. The City shall promote the use of recycled products and recyclable products by publicizing its procurement program whenever practicable.



Designated Recycled Primary Products

1. Paper and Products

- A. Paper for printing and writing must be selected and purchased containing at least thirty percent (30%) post-consumer material, if that paper is available at a cost equal to or less than paper made of virgin material and meeting the quality and specifications of the virgin material paper.
- B. Vendors will certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the paper products and printing and writing paper offered or sold to the city. This certification requirement may be waived if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.
- C. City departments and agencies shall use for their letterhead stationery, envelopes and business cards, recycled paper whenever applicable that includes the required post-consumer content.
- D. City departments shall ensure that, for all printing, Invitations to Bid, Requests for Proposals, etc., departments shall:
 - Use recycled paper with required postconsumer recycled content fiber satisfying state requirements for all printed or photocopied material whenever practicable.
 - Use both sides of paper sheets for reports, bids, proposals, etc., whenever practicable.
 - Purchasing shall purchase copiers and printers capable of using recycled paper of the appropriate grade.
- E. Vendors shall provide records to the City's recovered organic waste product procurement record-keeping designee regarding all paper products and printing and writing paper purchases within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by any division or department or employee of the City. Records shall include a copy (electronic or paper) of the invoice or other documentation of purchase, written certifications as required herein for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-recycled content paper products or printing and writing papers are provided, include a description of why recycled-content paper products or printing and writing papers were not provided.

2. Lubricating oil with refined oil content

Oil for use in all City vehicles must be selected and purchased that is re-refined oil, if that re-refined oil is available at a cost equal to virgin oil and meets the quality, performance and specifications of the virgin oil, for intended use and such use does not void manufacturer warranties.

Responsibilities of Departments

Evaluate each designated recycled product regarding its particular application. Determine when to use standard products or required recycled products. Reach out to Purchasing if the recycled products are not achieving necessary performance standard or that the product will negatively impact health, safety or operational efficiency. Ensure that contracts are issued by the City for recycled products whenever required, and, if not required, when practicable, and that vendors and contractors provide recycled product certification.

D. METHODS OF ACQUISITION

1. OVERVIEW

This chapter summarizes the methods and means for procuring goods and services.

Procurements are not approved until all guidelines, procedures and policies are satisfied and approval from the City Council, City Manager, Finance Director, Department Head and other levels is/are obtained.

When a requirement is determined, the item and its purchase price will determine the procurement method that will be used to purchase the City's supplies, services and equipment. The following will assist in determining the procurement method to be used and reach out to Purchasing if assistance is needed.

Is the item available on an existing City contract?

Should petty cash be used for the purchase?

Is the item below the \$2,500 transaction limit of the Purchasing Card (P-Card)?

Is the item above the \$2,500 transaction limit requiring minimum of three (3) competitive quotes and the department to select the lowest quote and attach quotes for claim processing?

Is the item above the \$5,000 and below \$10,000 transaction limit requiring department to generate a requisition for Purchase Order, including three (3) bids or quotes and requiring Department Head approval?

Is the item above the \$10,000 and below \$50,000 transaction limit requiring department to generate a requisition for Purchase Order, including three bids or quotes, requiring City Manager Approval?

Is the item above \$50,000 transaction limit requiring department to generate a requisition for Purchase Order, including three (3) bids or quotes, inclusion on City Council Agenda, staff report, contract or agreement, grant documents, requiring City Manager and City Council Approval?

If none of the above methods are applicable, contact the Purchasing Division for guidance and assistance with the most efficient method to procure the goods or services. Competitive bids or quotations will be secured for all contracts, \$2,500 or over, except Sole Source and Emergency procurement methods.

GENERAL BID REQUIREMENT

Bidding is required at a minimum for purchases of goods and services having a total value of \$2,500 or more. Three (3) quotes or bids are required. Less than three (3) quotes or bids will require documentation of attempt and/or sole source justifications. In most cases, the department shall award to the lowest responsible vendor, however there may be instances where uniqueness of products/service, delivery time, credentials, proprietary goods modify the general bid requirement. Modifications will require documentation and/or sole source justification documenting the necessity to deviate from lowest cost.

2. ACQUISITION PROCESS

The City of Hanford has several methods for acquiring goods and services. The method used is determined by the dollar value of the final award. The following is a list of various purchasing options and thresholds to consider, if applicable, which may require different processes:

Purchases Less Than or Equal To \$2,500

Annual Contract

Informal Bid Process

Formal Bid Process

Purchasing Card

Department Purchase Order

Blanket Purchase Order

Attachment 'A'

Petty Cash

Claim for Purchase less than \$5,000

Purchases Greater than \$2,500

Purchases Greater than \$2,500 but less than \$5,000

Purchases Greater than \$5,000 but less than \$10,000

Purchases Greater than \$10,000 but less than \$50,000

Purchases Greater than \$50,000

The department should obtain bids first and then process a requisition. Departments may secure bids, quotes, proposals and informal estimates via telephone (and subsequently documented), bid invitation, facsimile or by email. A minimum of three (3) vendors are to be contacted when soliciting bids and proposals.

Local and disadvantaged vendors who can supply the commodity requested will be included in solicitations for  and proposals.

The City will notify potential bidders of bid information via the City's Bidnet Website and advertisement in trade journals, newspapers or other media as required. Projects over \$50,000 shall have a notice inviting bids published in a newspaper of general circulation within the city by one or more insertions, the first of which shall be at least seven (7) days before the date for opening bids.

3. REQUISITIONING OF GOODS AND SERVICES

All requirements for goods and services with an estimated cost of \$5,000 or more shall be confirmed within the Purchasing system in the form of a Purchase Requisition. The requisition requires account numbers and hierarchy approvals. The Departmental fund manager and Department Head shall authorize expenditure funds from the account number listed on the requisition. The requisition is a request for an order and originates in the user department. The requisition will identify the goods and services required, provide recommended or potential vendors and will be approved in the Purchasing system's hierarchy of workflow approvals, authorized management or their designated representative. (see Purchase Workflow and Requisition Workflow in appendices)

Purchasing will review the requisitions to see if the information provided is accurate and complete and approve, reject or contact department to add additional information. The Purchasing system provides a feature titled "Notes" where employees may insert justification and clarification of the purchase at the time of entry if the backup information attached is not clear. This feature should be used whenever possible.

Requisitions must have quotes, estimates, proposals, or bids attached, but not an invoice. If an invoice is present, that demonstrates that departments are not following the purchasing policy procedures.

When applicable, include a copy of the Council Agenda item, a Staff Report, a Contract, an Agreement, or Grant documentation. Include any other information or documentation that will assist in clarification, explanation, or justification of purchase.

Special Circumstances – Goods or services related to data processing systems, communications equipment, legal services, grant-funded programs and emergency procedures require special processing as follows:

Data Processing Systems – Departments requesting Information Technology processing systems shall refer such requests to the Information Technology division for assistance with recommendation prior to generating a requisition in the Purchasing system. Information Technology equipment shall describe the hardware or software items and any installation of computer cabling will be managed by the Information Technology Division.

Lease or Rental – Acquiring equipment through lease or rental is not to be used to circumvent purchasing policy and procedures. Lease or rental contracts will be reviewed by Purchasing Agent and subsequent hierarchy of approvals. Leased Equipment is used when there is a long-term need (greater than 12 months) for items and must be appropriately budgeted and approved at the department level. Rental equipment is used when there is a short-term need (12 months or less) for items and must be appropriately budgeted and approved at the department level.

Grant-Funded Programs – State or federally funded grant programs have special requirements covering the acquisition of goods and services. It is the department's grant manager's responsibility to adhere to the grant agreement, to ensure compliance, and to make the Purchasing Division aware of these provisions so any required procedures may be followed.

Federal Grants – All grant procurement and related expenditures must adhere to the procurement guidelines of the Uniform Guidance (UG), formally Code of Federal Regulations (C.F.R.) Title 2-Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Such procurement standards in the UG are covered in paragraphs 200.317 to 200.327.

All City agreements, which expend federal grant award funds, must adhere to Appendix II to CFR Part 200, which outlines contract provisions to be included in agreements expending federal awards.

Emergency Purchases – In the event of a bona fide emergency, the Purchasing Agent shall be contacted (if possible) to discuss the matter. If Purchasing is not available, the department head or designated representative may contact the Finance Director or City Manager for approval regarding making the purchase. In all instances, report the purchase and immediately prepare a requisition. When selecting purchase order type, select emergency. Each emergency purchase shall be submitted on a separate requisition and shall not be mixed with routine items being requisitioned in the regular manner.

An emergency purchase requires the subsequent approval and confirmation of Purchasing. If the purchase is over the specified dollar limits, it may also require the approval of the City Manager. Check with Purchasing as soon as possible after the obligation has been made.

Emergency purchases that are not approved and confirmed by either the Purchasing Agent, Department Head or the City Manager shall be deemed improper and may be subject to further investigation, resulting in suspension of purchasing privileges, reimbursement, disciplinary or legal actions.

Competitive bids or proposals are not required in an emergency when goods or services are immediately necessary for the preservation of the public health, welfare, or safety or for the protection of City property. In such case, the City Manager may determine and declare that the public interest or necessity demands the immediate expenditure of public money to safeguard life, health or property, and thereupon they may proceed, without advertising for bids, to expend or enter into a contract involving the expenditure of any money required in such emergency.

Per Public Contract Code Section 20168, with respect to projects subject to bidding requirements of the Public Contract Code, in the case of emergency, the City Council may pass a resolution by a four-fifths (4/5ths) vote its members declaring that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. Upon adoption of the resolution, the City may expend the sum required in the emergency without complying with statutory bidding requirements; provided however, the City will comply with the emergency contracting procedures of Public Contract Code Section 22050.

4. REQUISITIONING FLEET EQUIPMENT

Vehicles and equipment are crucial to City operations. Consequently, the development of specifications for both should take into consideration the function for which the equipment or vehicle will be operated;

additional aftermarket required equipment and associated acquisition process; operating and maintenance costs; and other relevant factors.

The acquisition of new vehicles or equipment requires review of the Fleet Services Division. Draft specifications including initial operating requirements of the equipment, vehicles and heavy equipment, in most instances, will be prepared by the Fleet Services who may request assistance regarding the initial operating requirements from the department and Purchasing for bid process.

Non-Budgeted Items: Departments requesting additional or mid-fiscal year vehicles or equipment shall identify additional funding for the purchase of the vehicles or equipment. The purchase and/or appropriation may require City Manager or City Council approval prior to purchase.

5. REQUISITIONING COMMUNICATIONS EQUIPMENT

All requests for communications equipment and service, such as mobile and portable phones and pagers, applications, programs, and software that may impact the City's network infrastructure, require Information Technology review, assessments and recommendations prior to purchase.

6. DIRECT PURCHASES BY USER DEPARTMENTS

Nearly all purchases will be reviewed by Purchasing. Purchases can be made from a local merchant within the City limits or nearby such as Home Depot, Lowes, and Chevron. Departments are advised to scan receipt detail with required ORG & OBJ and/or PO and submit copies to the AP email at billing@hanford.city.

Purchasing Card (P-Card): Purchasing Cards facilitate small-dollar purchases while reducing the administrative costs associated with authorizing, tracking, paying and reconciling those purchases. Employees must enter every P-Card transaction receipt into the Purchasing system. If food is bought for a public event, include the event flyer. If a transaction receipt is lost, fill out a Lost Receipt form and include, as an attachment, to the transaction. Habitual lost receipts may result in the suspension, revocation, or termination of the cardholder's purchasing privileges. In addition, noncompliance may further subject the cardholder to disciplinary action, up to and including termination of employment.

Blanket Purchase Order (BPO): The BPO is a multi-purpose contract serving the ordering, receiving and payment functions. The BPO procedure is intended to facilitate the economical, timely and limited procurement of goods and services by City departments for an indefinite period of time. A Blanket Purchase Order number is given to Vendor prior to order. Departments can view vendor Blanket Purchase order in the Purchasing system under Module titled "Purchase Order Central." Particular situations may or may not require bids or quotes. When preparing BPO for next new fiscal year, review expenditures of the previous year to confirm if more or less funds are required and reflected on the next fiscal year BPO to be completed by July 1st. Departments are encouraged to provide justification and to obtain competitive pricing when economically practical.

Purchase Order (PO) – A Purchase Order is a contract serving the ordering, receiving and payment functions. Purchase Orders are intended to facilitate the economical, timely and limited procurement of goods and services by City departments. A Purchase Order number is given to Vendor prior to order. Departments can view vendor Purchase Orders in the Purchasing system under the Module titled "Purchase Order Central." Purchase Orders are to be used for those goods and services having an aggregate value of \$5,000 and above. Purchase Orders must be accompanied by an itemized quote or formal bid that is clear and readable. If applicable, attach Agenda Item, Staff Report, Contract/Agreement, Grant documents and any other information that will assist in explaining, clarifying and justifying the purchase.

Purchase Order Acceptance/Rejection by Vendor– In instances where a purchase for goods or services is over \$5,000 dollars and the vendor does not accept a purchase order, departments are still required to generate a requisition for a purchase order to the vendor prior to making payment with their P-Card.

Finance, by use of the Purchasing system, requires tracking and regulating and, for auditing purposes, must record purchases above \$5,000 and can liquidate a purchase order when purchased and paid with P-Card.

7. CLAIM POLICY

A single purchase below \$5,000 to a vendor may be processed by claim. A Claim form must include ORG & OBJ, authorized department representative signature and printed name.

Authorized payments by claim of \$5,000 and above are membership dues, software/subscription renewals, periodicals, books, conference preregistrations and travel. Another alternate payment option for the items listed is a P-card.

8. INVOICE ENTRY PROCEDURE

After a vendor has completed their contract obligation for goods and/or services, vendors should email invoices and statements to billing@hanford.city or mail to 315 N. Douty St. Hanford, CA. 93230. Invoices may also be emailed or mailed directly to the department.

Invoices without purchase orders will be emailed to the department to research and enter into the Purchasing System. Each department is advised to review invoice entry to verify vendor, amount, remittance address, invoice date, and that the ORG & OBJ are correct. All purchases will include an invoice as an attachment. Confirm the invoice scan is clear and readable, in PDF format or format acceptable to the system.

9. PETTY CASH

Finance maintains a petty cash fund to accommodate purchases of a minor amount (less than \$25) that cannot be effectively made by Purchase Order or Direct Payment (Accounts Payable claim). As authorized, an employee may make a necessary purchase and be reimbursed from petty cash or may draw an advance to cover a purchase. In either instance a receipt from the vendor is required by Finance.

The following conditions apply to utilization of petty cash.

- A. The total item cost of such purchases, including sales tax, does not exceed \$25.
- B. The item represents an unusual or infrequent purchase.
- C. An appropriate department supervisor must approve any such procurements.

E. BID REQUIREMENTS AND PROCEDURES

1. OVERVIEW

This chapter includes policies and procedures for the use of each authorized source selection method. In addition, it states policies and procedures on contracts, appeals, plant inspection, audit of vendor records, reporting suspected antitrust practices and retention of procurement records.

2. FAIR AND OPEN COMPETITION

Healthy competition is at the heart of efficient purchasing. Competition is directly related to the prices the City pays and the quality of the goods and services it obtains.

The foundation for effective, fair, and open competition is equal treatment of each vendor, inclusive of Local Vendor Preference and Disadvantaged Business Enterprise goals. It is imperative that no vendor is given an undue advantage over the others. Therefore, vendor offers will be kept confidential during the bidding process. A vendor is not entitled, nor should they ever be given the opportunity to know the bids

of the competitors that would allow a bidder to undersell its competition. In addition, vendors will not be allowed to dictate the specifications and thereby limit the bidding to only their company's product.

A consultant to the City who makes a needs assessment shall not be allowed to bid on a project except when full disclosure is made to the City and if allowed by state law.

Subject to the provisions of "Exceptions to Competitive Bids", no department shall draft, or cause to be drafted any invitation to bid or request for proposal, in such a manner as to limit the bidding, directly or indirectly, to any one bidder.

3. PROCUREMENT OPPORTUNITIES

The City of Hanford encourages businesses located inside and outside the City of Hanford to participate in the City's procurement process. Any fixed business within City limits may be eligible for local vendor preference.

The City will ensure a wide dissemination of bid information by use of the City's solicitation service via the Bidnet Website, the Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno and advertisements in local newspaper such as the Hanford Sentinel as required.

Bids are normally open for two or more weeks. Potential vendors are encouraged to frequently review the listing of open bids on the City's proposal and bid website. Copies of the specific bids will be made available upon request.

4. BIDDING REQUIREMENTS

Exemptions to Competitive Bids: The City of Hanford requires that competitive bids be secured whenever possible for all contracts for goods and services that are proposed to be acquired by the City except in the following cases:

Goods or services are valued at \$2,499 or less.

In an emergency when goods or services are immediately necessary for the preservation of public health, welfare or safety or for the protection of City property (see Emergency Purchases).

When in unusual or extraordinary circumstances, the City Council or the City Manager determines that the best interests of the City would not be served by securing competitive bids or issuing a request for proposal. In instances which departments or Purchasing does not conduct the competitive bidding process, solicitation of bids or proposals cannot be secured, provided a full explanation with sufficient reasons and detail as to why no bids are required, justification and reasons from department or department head requesting a sole source for goods or service are in the City's best interests and not seek competitive bids or proposals. (see Sole Source Purchases).

5. COMPETITIVE BIDS

The City of Hanford requires that competitive bids be secured for all contracts for goods or services \$2,500 and above. This is done to ensure that the goods or services acquired by the City of Hanford are at the lowest cost to the taxpayers.

There are two types of competitive bids - informal and formal. Informal bids consist of phone and fax quotes e.g. verbal (subsequently documented in writing) and written quotes. Formal bids consist of Requests for Proposals, Requests for Qualifications and Invitations to Bid, to be submitted in sealed envelopes. Normally, goods and services being procured under \$50,000 may utilize informal procedures and goods and services being procured over \$50,000 require formal procedures.

6. INFORMAL BID PROCESS

Purchases from \$2,500 to \$49,999 will be subject to the informal bid process. All requests for quotes, bids, estimates, proposals, offers, oral costs or prices solicited by the Purchasing Agent and departments may be in writing, via facsimile or by phone. They should be documented (in writing) and attached to the requisition when generated in the Purchasing system. Finance and Purchasing will have the ultimate responsibility to verify all price quotation information obtained by other City personnel. If the departments are soliciting the product or price information, they may not commit the City with regard to preference for any product or vendor. In addition, vendor pricing shall not be disclosed to any of the prospective vendors until a decision for award has been made. An award is to be made to the most responsive, responsible bidder via a Purchase Order. If the award is to be made to other than the lowest bidder, a written statement justifying the award must be attached to requisition in Purchasing system. In instances of appeal, City Council may become involved and accept or reject solicited quotes, bids, estimates and proposals.

7. FORMAL BID AND PROPOSAL PROCESS

Purchases \$50,000 or greater shall be subject to the formal bid process which may consist of Requests for Proposal or Requests for Bid. Formal bids include complete specifications, contractual terms and conditions applicable, distinctly describe the project, state the time and place for receiving bids or proposals and submission instructions. The solicitation will be publicized online and as required with the Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno, advertisements in local newspaper at least thirty (30) calendar days before the bid opening date.

The following conditions apply to the formal Bid process:

Formal Sealed Bidding: Formal competitive bidding to the extent consistent with State and Federal law is required for the procurement of supplies, equipment and any item, or group of items and services. Additionally, certain requirements must be met in the formal contract process, including advertising requirements, bid opening procedures and award of contract. Professional Service Contracts are generally exempt from the formal sealed bid process.

Public Notice of Bid Advertisements: Bids that have not closed will be available for public inspection on the City's Bidnet Website.

Public Notice of the Request for Bid shall be a minimum of ten (10) calendar days prior to the date set for the opening of bids. Such notice may include publication in a newspaper, trade publication or other printed matter of general circulation and Bidnet Website. The public notice shall state the bid item and the place, date and time of the bid opening.

Notification of Potential Bidders: The Purchasing Agent shall solicit bids from prospective vendors, companies and firms by written request, facsimile request, online and as required with Tulare-Kings Builders Exchange, Central California Builders Exchange of Fresno, advertised in local newspaper such as the Hanford Sentinel.

The City's online bid management software (BidNet) is the preferred method of solicitation and will forward bids to registered vendors. The Purchasing Agent shall solicit bids from all responsible, prospective suppliers whose names are on the Bidder List. In addition, the use of trade journals, City department email lists forwarded to Purchasing, and website search engines should be used to locate additional vendors to obtain the widest possible circulation of the bid.

Bidding Time and Due Date: The bidding time will be determined by the Purchasing Agent or department, consistent with their requirements, but should be no less than (10) calendar days after the bids are advertised online and as required in the local newspaper. All bid solicitations shall provide sufficient time for bidders to prepare and submit their bids.

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Purchasing may change the bid due date. Such changes will be issued in writing in the form of an addendum to all mediums used to disseminate bid notices inviting bids. Any oral interpretations of contract specifications, terms and conditions shall be confirmed in writing by the Purchasing Agent in the form of an addendum.

Form of Bid – To receive consideration, bids shall be made on the Bid form provided within the bid solicitation. Bids must be signed by an authorized representative of the vendor. Invitations for bids shall state that the City reserves the right to waive any informality or irregularity in the bids and the right to reject all bids.

Bid Bonds and Contract Bonds: Bids for construction work shall be presented with the bidder's security required under the Public Contract Code. For matters in which state law does not require bid security, when deemed necessary, a bidder's security payable to the City may be required. Such a requirement will be included as a part of the Request for Bids. Bid security may be in the form of cash, a certified check payable to the Hanford  Council, cashier's check payable to the Hanford City Council, or surety bond payable to the Hanford City Council. The amount of security shall be not less than ten percent (10%) of the contract price. The bid security will be retained by the City until the related contract is executed. Upon an award to the lowest bidder, the security of unsuccessful bidders shall be returned in a reasonable period of time, but in no event shall the security be held beyond sixty (60) calendar days from the time the award is made. A successful bidder shall forfeit bid security upon refusal or failure to execute the contract within fifteen (15) days after written notice of award of contract. If the successful bidder fails to enter into the contract when offered, the City Council may direct City staff to rebid or may award the contract to the next lowest responsive responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's bid security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. The Purchasing Agent shall require the contractor or consultant to supply the City with bonds covering faithful performance and labor and materials as required by state or federal law, and, if not required by such law, the Purchasing Agent may require such bonds if he or she believes that security is reasonably required to protect the City's interests.

Discussion with responsible responsive competitors, for the purpose of clarification and to assure full understanding of responsiveness to the solicitation requirements, may be entertained through the City's online question and answer tab. During the discussion process, there shall be no disclosure of any information derived from the proposals of the competitors.

Bid Opening: Bid results will be publicly available for viewing soon after the bid opening deadline on the City's Bidnet Website. Bids will be opened publicly in the presence of one or more witnesses at the time and place designated. Online bid viewing is the alternate method currently being used by the City. The amount of each bid and other relevant information, together with the name of each bidder shall be recorded and each bid result shall be viewable and open to public inspection online. After the bid submission deadline, the apparent lowest bid will be viewable.

Late Bids – All bids must be received by the time specified in the bid solicitation. Late bids will not be considered and shall be returned unopened to the bidder.

Tie Bids – All other things being equal, tie bids shall be granted to the responsible local vendor. If tie bids of two responsible bidders are neither local vendors, the bid shall be awarded by the flip of a coin by the Purchasing Agent in the presence of witnesses. 

In accordance with Public Contract Code Section 20167, the City Council may reject any or all bids presented and may, at its discretion, re-advertise for other bids, or the City Council may, after rejecting

bids, determine and declare by a four-fifths vote of all of its members, that the work in question may be more economically or satisfactorily performed by day labor, or the labor and materials purchased at a lower price in the open market, and after adoption of a resolution to that effect.

Notice of Cancellation or Rejection of Bids: In the event of a cancellation of the bid, all participating bidders will be notified. If all bids are rejected, the reason(s) will be documented in the bid file.

Appeals – Because it is essential that bidders, offerors and contractors have confidence in the procurement procedures for soliciting and awarding contracts, it is the policy of the Purchasing Division to offer all bidders, offerors and contractors the opportunity to appeal award of purchases or contracts. The following procedures shall apply with regards to appeals by prospective bidders, offerors or contractors: Any proposer, or contractor who is allegedly aggrieved in connection with the solicitation or award of a contract may protest. Proposers are to be advised that protests of the process, terms, conditions or any other aspect of the solicitation must be made prior to the proposal due date. Proposers may not protest the contents of the specifications of the proposal, nor the award based on the use of the Local Vendor Preference. Protests must be transmitted by facsimile, email or by mail to the attention of the Purchasing Agent.

Award protests must be made immediately, and in no event later than five working days after the close of proposal due date and time. All protests must include the following information:

1. The name, address, telephone number and email address of the protestor.
2. The signature of the protestor or protestor's representative.
3. The solicitation or Proposal number.
4. A detailed statement of the legal and/or factual grounds of the protest and all documentation supporting the proposer's position at the time of the initial protest.
5. The form of relief requested.

In an effort to limit frivolous protests, vendors who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be prohibited from submitting future bids.

Award – The contract shall be awarded by notice with reasonable promptness. Unless bids are rejected, award shall be made to the most responsive, responsible bidder whose proposal meets the requirements and criteria set forth in the Request for Bid. The contract file shall contain a written explanation of the award decision.

A responsible bidder is one who has the capability, financial capacity and integrity to perform the contract. A responsive bidder is one who commits to all the material terms (e.g., price, quantity, quality and delivery) of the Request for Bid.

Request for Proposals (RFP): Detailed procedures for obtaining the services of engineers, architects, land surveyors, planners and other specialized professions. In some cases, the competitive bidding process may not be the best method of acquisition. A viable alternative is the competitive sealed proposal, generally called a Request for Proposals process.

Request For Qualifications (RFQ) - The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and

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reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform and provide other services.

The RFP and /RFQ processes will be utilized when:

- Staff resources are not sufficient to perform these services and when the services are not of an on-going nature that would require a full-time employee
- Staff does not possess the required expertise
- The nature of the services requires third party objectivity
- State or Federal law prohibits assigning such services to staff
- The required services cannot be provided more economically by staff
- There exists an emergency or urgent need for services to preserve public health and safety

Competitive bidding for specialized services is not in the best public interest because it may lead to employment of the least qualified, rather than the best qualified, as should be the objective. The objective of competitive bidding is low cost. Only when services or a product can be described in sufficient detail, where all parties can bid on the same basis for comparison, should bidding be considered. Professional services in engineering, law, architecture, medicine, land surveying, and planning, to name a few, are not recognized as being amenable to detailed specifications.

The RFP process is the process used when the City cannot precisely set forth its needs. The Request for Proposals process is a form of soliciting an offer by one party to another with reference to some unique or technical task or equipment. An RFP is primarily used for professional and specialized services such as engineering and architectural services, or for equipment that is complex or highly technical in nature. Instead of specifications, a statement or scope of work is written, and the vendors are asked to propose solutions. This process may be used as a basis for acquiring goods or services or entering into a contract when specification and price will not necessarily be the predominant award criteria. The process may subject to the competitive sealed bid process and the following requirements:

- When there is no clearly established quantifiable standard associated with the service or asset being requested.
- When evaluation factors involve relative technical or professional ability of the offerors to perform.
- When the evaluation process involves weighing artistic and aesthetic values.
- When price or cost may be a secondary consideration.
- When it is likely to best serve the City's interest if a contract award were made to the most advantageous proposal rather than the lowest price submitted.

The award of the contract shall be subject to City Council approval if the contract resulting from the RFP is expected to exceed \$50,000.

If the RFP process is used for a public project, as defined in Section 20161 of the California Public Contract Code, the proposal shall be subject to City Council approval regardless of the cost of the project.

The "General Conditions" of the RFP details what information vendors are to submit and in what form, the cost of their proposals, how the City will evaluate the proposals, select the vendor and develop the contract.

Under normal conditions, the time for processing an RFP is ninety (90) days. This allows vendors enough time to develop their proposals and City departments enough time to schedule and conduct interviews or demonstrations. Departments shall specify any required time frame less or greater than the ninety (90) day period. Complete and acceptable proposals shall include:

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- A clear description of the specifications or scope of services.
- Specifically identify, in realistic terms, what the proposer is to accomplish.
- Description of the items to be delivered or services to be performed.
- Format and number of copies if any required.
- Established timeline schedules, including dates for award of contract, commencement of service performance.
- Pre-Proposal Conferences and Equipment Demonstrations.
- The relative importance of each evaluation criteria item
- If deemed appropriate, known or estimated budgetary limitations on the specification or service.
- The professional qualifications of the personnel that the firm will commit to the assignment.
- An overall description of the techniques to be used in solving the problem.
- Amount of time and staff to be expended.
- Facilities and equipment to be utilized.
- Description and percentage of work to be performed by subcontractors.
- Indemnification
- Insurance and bonding requirements
- Data security
- Warranties
- Compliance with applicable City, State and Federal laws, rules and regulations
- If grant-related, compliance with applicable rules and regulations as required by the funding source.

If a sample contract is included, RFP disclaimer language will be included stating that it is a sample contract and may or may not reflect final terms and conditions of the contract.

Amendments to the RFP: Amendments allow for any changes to the RFP, i.e. quantity, descriptions, schedules and opening dates, correct defects or ambiguities. Amendments to the RFP shall be identified as such and shall require that the offeror acknowledge all amendments issued.

Evaluation of Proposals: Selection of the evaluation should consist of knowledgeable individuals from the requesting department, representatives from other involved City departments, and, if deemed desirable, a recognized expert from the private sector. The evaluation committee shall compile scores of participating firm(s) or individual(s) submitting the most responsive proposal(s), price and all other factors considered.

Proposals must be evaluated based on the stated proposal criteria. A public agency in response to an RFP is not subject to disclosure under the California Public Records Act until the agency has completed negotiations with proposers. A major component of an RFP includes determining and specifying the evaluation criteria and the process for selection and award. The evaluation criteria should be tailored to the specific services and concerns and should reflect what matters most for a particular procurement. The evaluation criteria should be sufficiently detailed to enable meaningful comparisons. For a major, high-profile procurement, the  may appoint a panel of evaluators that includes experts in the field from outside the City. For more routine, small-scale procurements, City staff can usually handle the evaluation. When the evaluation is complete, the city must rank at least three entities based on a determination of value provided. The award must be made to the responsible consultant whose proposal is determined by the City to have offered the best value to the City and public.

Evaluation Factors  include but are not limited to:

- General quality and responsiveness of the offeror to terms and conditions and times of performance.

- Completeness and thoroughness of the proposal.
- Grasp of the problem or of the work to be performed and of the approach to be used.
- Evidence of good organizational and management practices.
- Qualifications of personnel.
- Experience and past performance
- Financial condition of the offeror.
- Price and cost breakdown, or price range and cost schedule.

Methods of Evaluation: Utilizing a scoring method, proposals shall be reviewed to determine those that meet the RFP requirements. The evaluation committee shall evaluate and score the proposals using the evaluation criteria specified in the RFP and shall prepare a priority list of offerors. The project manager or requesting department representative shall meet with the most responsive offeror to seek a clear understanding of the contract provisions and agreement to a fair and reasonable price. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, specification, work or services. Such revisions may be permitted after submission, yet prior to award, for the purpose of obtaining the best and final offer. The last page of the City's Professional Service Agreement "Exhibit A" is for incorporating negotiated, revised, and modified contract provisions or Scope of Services within the RFP. This process may be repeated until agreement of scope of work, timeline and costs are established with a capable firm or consultant.

Double-tiered proposal: The RFP may require that proposals be submitted with price and/or price breakdown in a separate sealed envelope. The evaluation committee shall review all proposals and score each proposal. After the evaluation committee has decided which vendor best fulfills the proposal requirements, sealed costs for only the chosen vendor will be opened and negotiated to come to an agreed upon contract amount.

8. SOLE SOURCE PURCHASES

Invitations to Bid, Requests for Proposals and Requests for Qualifications shall be secured for all contracts for goods or services acquired by the City which are \$2,500 or greater in value. However, in rare instances where bids or proposals cannot be secured for a unique or particular good or service and/or would not benefit the City, a full explanation shall be included in the requisition or Agenda Item, as appropriate. A Sole Source Justification memo shall be included stating reasons as to why the goods or services should not be subject to bid, or the reasons there is a single source request for the service, or that the City's interests are better served by the exemption. Such recommendation shall contain information in sufficient detail to support and justify the decision not to seek competitive bids or proposals.

Discuss with Purchasing, the specific performance or functional intent that justifies a sole source. Typically, sole source criteria are "match existing in place" or possessing a functional or performance characteristic that is, in the opinion of the requesting department, essential to performance of its mission and available from a single manufacturer or distributor.

The City shall search for alternative sources to ensure equal opportunity is extended to all potential vendors and competition is maximized. Multiple distribution for the identical manufacturer and/or functional equivalents of the requested item as determined by the requesting department or technical expert will not be considered sole source and shall be subject to open competitive bidding.

If a sole source decision is reached, the requesting department shall provide Sole Source Justification as supporting documentation with their requisition, contract/agreement into the Purchasing system. Purchasing will review the Sole Source for approval in the Purchasing system.

9. INSPECTION AND TESTING OF SUPPLIES AND EQUIPMENT

All City departments receiving orders shall inspect supplies and equipment to determine their conformance with the specifications set forth in the Purchase Order. The Purchasing Agent shall have the authority to require chemical and physical tests of samples submitted with bids and samples of deliveries that are necessary to determine their quality and conformance with specifications.

10. COOPERATIVE PURCHASING CONTRACTS

Purchasing may use State of California Cooperative Purchasing Contracts if the item on the state contract meets the City's needs and if it is unlikely that a separate City bid would result in more favorable prices, terms and/or conditions. Contracted buying groups are considered to take the place of competition if, in Purchasing's opinion, it is in the best interest of the City. This shall not, however, be interpreted to exempt the City from bidding requirements of the Public Contract Code.

F. GOODS AND SERVICES CONTRACTS

City employees do not have the authority to procure goods and services or make any purchases on behalf of the City without the proper authorization. Failing to obtain the proper authorization can result in the individual being held personally responsible for the obligation.

1. TYPES OF CONTRACTS

- A. Service Contracts – A contract between the City and a public or private entity that provides for the contracting of municipal services.
- B. Consultant, Professional, Personal Services – A contract between the City and a private firm that provides services of an advisory nature. A service generally provided by individuals or organizations who possess specific knowledge, technical skills or unique abilities not usually available within our City staff or to supplement staff services. The product may include services from attorneys, physicians, architects, engineers, accountants, consultants, specifically anything from answers to specific questions of design of a system or plan and include workshops, seminars, retreats, and conferences for which paid expertise is retained by contract.
- C. Grants – A transfer or irrevocable commitment of money from the Federal Government to State or local government (our City), to be expended on particular programs to for the performance of certain duties under the grant specifications. These duties become contractual obligations once the grant is accepted.
- D. Lease and Lease Purchase Contracts – A contract by which the City (lessee) enters into a contract with a second Vendor (lessor) for possession and use of equipment for a specified period of time at a negotiated cost.
- E. Equipment/Maintenance and Supply Contracts – A contract that outlines the responsibilities the vendor will undertake to ensure the upkeep, repair, and serviceability of equipment listed in the contract. Terms to consider are response time, equipment performance, parts, supplies, reports, networking and consumables.
- F. Capital Project/Public Works Contracts – Contracts for such items as the construction, alteration or repair of public buildings, roads, bridges, or other improvements are considered Public Works contracts and are bound by separate regulations. Public Works contract bidding and award procedures comply with the California Public Contract Code, the Municipal Code, and various State and Federal codes and regulations as indicated by the individual project.

Capital projects threshold of \$10,000 may require obtaining an asset number prior to generating a requisition. Asset numbers may be obtained from the Finance department. Asset numbers are required for items such as equipment, vehicles and capital improvement projects.

- G. Procurement Contracts, Supply Agreements, Annual Contracts – Price agreements for various standard goods and/or services utilized by City departments, executed by the Purchasing Agent and vendor only.
- H. Purchase Orders are contracts for goods and services. Typically, its terms and conditions are very simple in nature and require minimal auditing.
- I. Lease Contracts – A contract for limited use of real or personal property at an agreed price and for a limited term, i.e., specified period or month-to-month.
- J. Blanket Purchase Order – Issued by Purchasing for the purchase of specific goods or services over a set period of time, with general terms and conditions.
- K. Emergency Contracts – Contracts where the item or items to be purchased or rented are immediately necessary. Such contracts must later be approved and confirmed by the Purchasing Agent, or the City Council as provided by law.
- L. Contracts under \$10,000 require signature from the Department Head or Purchasing Agent. If the contract amount is over \$10,000 it will require the City Manager's signature. It is advised to attach a copy of a contract to Requisition, Blanket Purchase Order or Purchase Order and keep the file at department level.

2. GENERAL REQUIREMENTS

- A. Retroactive Contracts – No City contract shall commence prior to approval by the City Council, City Manager, Finance Director or the Purchasing Agent, as required under the Municipal Code and this Policy. Contractors and vendors shall be advised by the responsible department head that performance under the contract may not commence prior to such approval. No payment shall be made prior to this approval. Any variation of this policy must be justified in writing to the Purchasing Agent for approval.
- B. Contract Periods – Contracts for services shall normally cover not more than one to three (1 to 3) years with the option of one (1) extension for a designated timeframe. Normally, multiple-year contracts must include provisions for early termination and must be contingent upon available funding. Unless exempted as provided for above, no contract shall extend, either by original contract or by renewals or amendments, for more than a total period of five (5) years (60 months) unless competitive bids have been sought or an RFP has been processed, or there is a distinct and particular advantage to the City of Hanford to contract for longer periods of time.
- C. Compensation for Contracts – 1) A total lump sum or total fixed price for the total project. This avoids detailed accounting and is a contract for a given result. The City's concern is not with the cost incurred by the contractor, but with the end product. 2) Hourly rate plus cost reimbursement, with a ceiling on the total project or contract amount. The contractor agrees to charge only for the hours utilized at an agreed rate of compensation and reimbursement of costs. This method is also a contract for a given result. Payments by the City in advance are legally permitted, but discouraged and shall be made only when necessary. So that the City may realize income through investment of temporary excess monies, contracts or agreements containing provisions for advance payment by the City shall

provide for small, periodic payments which are tied to deliverable goods or services, rather than total contract price or lump sum advances, whenever it is advantageous for the City to do so.

- D. Contract Splitting – It is never permissible to split a contract or project in order to evade contract dollar limitation or bidding requirements.
- E. Contracts for Approval That Have Not Been Competitively Bid – It is the policy of the City of Hanford that Request for Bid or Requests for Proposals shall be secured for contracts for goods or services which are proposed to be acquired by the City. Any department head who submits a contract to the City Manager or the Purchasing Agent for approval that has not undergone the competitive bid process for selection of a contractor, shall submit with that contract, in a Staff Report a complete explanation of how the recommended vendor was selected. That explanation shall include the names of those prospective contractors contacted and their proposed fee for service; why the negotiated approach for selecting a contractor was used instead of the competitive bid process; and any other comments that support the recommendation.
- F. Contract Award –During the process of obtaining contractor signature of contract, all individuals involved are advised that the contract is of no force and may not commence performance until all required certificates of insurance and endorsements and required binding authoritative signatures are shown on contract and recorded with the City.
- G. Retention of Contract – In all cases, an original copy of the fully executed contract must remain on file in the office of the Purchasing Agent for no less than four (4) years from the date of completion of the work under the contract. In cases of litigation or other special circumstances (i.e., grant requirements), the contract is to remain on file until those special circumstances have been satisfied.

3. CONTRACT/AGREEMENT PREPARATION AND PROCESSING

Negotiation – The successful vendor has been identified and it is necessary to negotiate a contract. A working draft document is necessary. The Professional Services Template containing mandatory clauses may be obtained from the Purchasing Division. Purchasing and the City Attorney are available to assist in contract drafting and negotiations.

All contracts must contain the vendor's name, address, telephone number, Federal Tax I.D. Number or Social Security Number. Should the contract language differ from standard language or alterations be proposed for insurance clauses, the Department Head and Finance Director will be required to review and approve the proposed changes. Contracts may be accepted or rejected by the City Attorney due to incomplete or otherwise unacceptable language, terms, conditions and clauses.

City departments are not contracting entities. Contracts must be issued in the name of the City and service contracts having an aggregate cost exceeding \$2,500 but not to exceed \$9,999 must be approved by the Finance Director or Purchasing Agent. Contracts having an aggregate cost exceeding \$10,000 must be approved by the City Manager and contracts having an aggregate cost exceeding \$50,000 must be approved by City Council. Some or all of the following information is required and must be included with contracts being submitted for approval: the City's Service Agreement, Staff Report, Agenda, Contract, proposal, bid and any pertinent documentation.

4. CITY COUNCIL OR CITY MANAGER APPROVED CONTRACTS

Preparing, processing and monitoring contracts are the responsibilities of the department entering into the contract. Adequate time shall be given to the departments to review, approve and make any necessary changes to the contract. The City Manager or City Attorney may also require changes to be made to the contract or request additional information. Contracts with specific execution or renewal dates shall be

handled in a timely manner to assure approval prior to such dates. No work shall commence prior to the contract.

5. PURCHASING AGENT CONTRACTS

Procurement contracts for various standard goods and or services utilized by the City departments, where conditions are very simple in nature and delivery of that service can clearly be recognized and defined for purposes of knowing when completion has occurred, are executed by Purchasing and the vendor only. Often, the purchase order will substitute as the contract.

Purchasing may require approval by the City Manager, City Attorney, Finance Management or other departmental authority, as deemed necessary. Contracts may be generated at the department level and in conjunction with the assistance of Purchasing. An original copy of the contract will be signed by an authorized City representative, City Manager, City Finance Manager or Purchasing and the duly authorized vendor representative. The original will be digitized and retained by Purchasing and electronic copies will be provided to the department, City Risk Management Division and the vendor.

G. CONTRACT ADMINISTRATION, ENFORCEMENT AND LEGAL REMEDIES

1. OVERVIEW

The procurement process does not end with the award of contract. The contractor's performance must be appropriately monitored. The contract itself may be amended in response to unforeseen problems and the contract must eventually be closed out or terminated, if not renewed. In performing these tasks, departments are requested to assure a mutual understanding of the rights, obligations, and responsibilities of both the contractor and the department under the contractual agreement and initiate any contract changes desired by the department. The goal is to protect the City's interests in the event of default by the contractor or contract termination and evaluate the performance of the contractor for future use by other City departments.

2. CONTRACT MONITORING

Contract monitoring allows the department to diagnose problems that may lead to work change orders, schedule slippages, cost overruns or unacceptable product quality. Departments should designate a Contract Administrator at the department level receiving the goods or services and establish administrative controls, monitor work progress regularly and establish cost controls. Vendor performance monitoring is a joint undertaking, and City personnel are active participants.

3. CONTRACT ADMINISTRATOR

The department head or designee shall formally begin contract negotiations with the consultant and request a Professional Service Agreement from Purchasing as a draft to forward to consultant, firm, contractor, or vendor for authorized signature. The department may also request that Purchasing attach the consultant's proposal to the agreement as Exhibit A of the City's Professional Services Agreement template.

After the contract/agreement is returned by the consultant with authorized signatures, the department may obtain the appropriate City signature resulting in a Fully Executed Contract/Agreement. The Department may keep a copy, if desired, but Purchasing will keep a copy and forward a copy of the Fully Executed Agreement to City Risk Management Division.

4. AMENDING THE CONTRACT

Unforeseen problems, circumstances and events may make a contract amendment necessary. To protect the City's interests, the department head or designee shall supervise all discussion with the contractor regarding

amendment and if assistance is needed, contact Purchasing. All amendments must be in writing and executed in the same manner as the original contract. The dollar amount of the amended contract must not exceed the signatory's limitations. If necessary, obtain appropriate City signatures. For purposes of approval, a copy of the original contract must accompany the proposed amendments. All change orders, amendments to contract and supplemental agreements must be signed by a City representative authorized to bind the City financially (generally the City Manager).

5. RENEWAL OF CONTRACTS

Contract for services shall usually not cover a period of more than one (1) year, although longer periods may be approved. Unless exempted from competitive bidding procedures, contracts for goods and service should not extend, either by original contract or by extension, beyond five (5) years unless competitive bids/proposals have been sought or approval is obtained from the Purchasing Agent.

Contracts shall not be renewed without thorough consideration of contract performance, availability of new or better contractors, changing circumstances and other factors which could affect the existing contract to determine whether its renewal is the most appropriate and cost-effective option.

Any decision to renew a contract must be made prior to the termination date of the existing contract. It is recommended that planning for renewal or a new contract begin no later than sixty (60), nor earlier than one hundred twenty (120) days prior to the existing termination date depending on the complexity of the contract and renewal. Prior to any renewals, department heads or contract managers at the department level may consult with Purchasing. Renewal shall not be used to circumvent any required bidding processes.

6. CLOSING OUT OR TERMINATING THE CONTRACT

All contractual relationships must eventually either be closed out upon completion of all the work or terminated prior to completion. A contract closeout is an administrative procedure involving formal acceptance of all contract deliverables and payment of the contractor's final invoice. A contract termination is generally a unilateral action that stops work on all or part of the contract for cause or convenience; termination for convenience may only occur if allowed under the contract. A contract can also be terminated by mutual agreement in the same way that a contract is executed and/or amended.

Close out of a contract should not occur until the City is satisfied that all contractual obligations have been met by the contractor. Confirmation that the required products or services have been delivered and compliance with corresponding technical specifications or scope of services is required prior to close-out. Where appropriate, the City shall formally notify the contractor, in writing, of the department's final acceptance of the services and the contractor's final invoice can now be processed.

When deemed necessary and appropriate, all or part of the contract may be terminated for cause whenever the contractor refuses or clearly fails to meet contractual performance requirements. Common causes for default include failure to deliver acceptable products or services; failure to meet scheduled delivery dates or contractual milestones; failure to resolve disputes or offer explanations on disputed terms, conditions or requirements; or demonstrated lack of progress that is harmful to the City. Prior to terminating a contract for cause, consult with Purchasing.

7. VENDOR REQUESTS FOR CHANGES OR CANCELLATIONS OF CONTRACT

General Policy is that a vendor's request for a change or cancellation to a purchase order or contract, which will result in additional cost to the city, shall be denied, unless denial of such request for a change or cancellation will cause documented undue hardship to the vendor or unless there is no reasonable alternative. If the vendor refuses to perform according to the original contract, they will be in breach of contract.

8. BREACH OF CONTRACT

Actual breach of contract is defined as a failure to perform on time and in the manner required by the contract. This includes failure to perform at all, as well as delivering the wrong goods or defective goods. In the case of breach, the City must have actual evidence of the breach before employing legal remedies.

A vendor shall be offered the opportunity to remedy a breach of contract. The vendor may notify the City of its intention to remedy delivery within the contract time or have further reasonable time to substitute a conforming requirement.

Departments should notify the vendor and Purchasing if a vendor has breached contract and how the breach has occurred. Reach an understanding with the vendor as to what their process is for remedy. If a vendor intends to remain in default, alert vendor of the City's legal rights, which is the right to obtain comparable goods elsewhere and charge the vendor the difference between the contract price and the comparable goods price that may be higher. The City may obtain this reimbursement for damages by deducting it from any money due the vendor or by accepting another form of vendor payment.

Document the verbal understanding, including a summary of the City's legal rights, as appropriate, in writing, and mail to the vendor. Additionally, send a copy to the Purchasing Department and attach a copy of the contract or agreement. The letter should set forth a date by which the vendor must reply or remedy default in order to avoid legal action by the City. Notice should also state that a failure to resolve this problem may result in removal from the City's Purchasing bid list. Preparation of this letter must be coordinated with Purchasing and must be approved by the City Attorney prior to mailing to the vendor.

If the vendor fails to fulfill contract requirements and has not replied in writing with an alternate proposal which is acceptable under the circumstances, Purchasing shall issue a written cancellation, signed by Purchasing, and approved by the City Attorney citing the vendor's breach of contract and shall proceed to obtain comparable goods elsewhere. It is assumed at this point that the City has exhausted all reasonable expectations of obtaining contract performance and cannot wait any longer for the goods.

9. CONTRACT ADMINISTRATION – FILES

It is imperative, from a legal perspective, that contract files, especially those pertaining to construction projects, are detailed and complete. The following is a list of the types of correspondence and documents that should be kept, as originals or copies depending upon the circumstance. This list is by no means exhaustive and merely reflects those documents that would be critical in the event of litigation or disputes.

Copies of All Contracts Pertaining to the Project

Architect

Construction

Consultants

Interlocal/Cooperative Agreements

Grants

Notice of Award Letters

Copy of the Purchase Order

Requests for Insurance and Bonds

Memos/Letters/Emails/Reports

Field Reports

Meeting Notes

Correspondence

Daily Diaries

Orders of Materials

Copies of Bonds and Insurance Certificates

Change Orders and Changer Order Correspondence
Notices of Breach
Notice of Completion

H. VENDOR RELATIONS AND PERFORMANCE

1. VENDOR RELATIONS

It is essential that a professional, business-like relationship of mutual trust and confidence exist between the City and its suppliers. The primary responsibility for establishing this relationship for the City rests with Purchasing.

All City representatives and employees are to demonstrate business-like professionalism when interacting and speaking with vendors and their representatives.

Vendors soliciting sales are to be received and if deemed necessary, forwarded to Purchasing. Purchasing shall not make, nor be asked to make unreasonable or unnecessary demands on suppliers.

2. UNAUTHORIZED VENDOR CONTACT WITH CITY DEPARTMENTS

Once the bid has been issued, prospective bidders are prohibited from contacting any City department during the bid process unless approval is received from Purchasing. Failure to comply with this policy will be considered cause to reject the vendor's bid. This does not preclude the vendor from contacting City departments concerning other ongoing business.

3. VENDOR VISITS

Visits by appointment are preferred since drop-in visits can lead to inconvenience for both parties. Buyers may be in a meeting or away from the office at the time of the unscheduled visit.

When a using department requires information from a vendor, these requests normally will be handled by department in case technical detail or preliminary information is required. If this occurs, keep copies of all supporting documents, especially correspondence that includes pricing.

Departments are advised to refrain from accepting vendors specific brands, products and supplies when legitimate competitive quotes are required and applicable. Visits with City departments may be made upon the recommendation of Purchasing. Purchasing will direct the vendor to the correct person and phone number. City employees should notify Purchasing if they receive a visit from a vendor with useful products and price information and should also encourage the vendor to contact Purchasing to schedule an appointment with the Purchasing Agent. Purchasing can assist vendors in using their sales time more efficiently by informing them about expiration dates of existing contracts, upcoming bids and where similar products are used throughout the City.

4. VENDOR OFFERS OF FREE TRIALS AND SAMPLES

In some industries it is common for vendors to offer free loaners, demonstrator equipment, trial use, free supplies or other promotional items. These offers are sales tactics and acceptance of such "free" equipment, supplies or services may or may not be in the City's best interest.

Any department that receives a "free" offer should contact Purchasing for assistance. The offer will be evaluated, and other alternatives will be considered which may better meet the department's needs. If the offer is in the best interest of the City, Purchasing will advise the department.

Occasionally, the City requires bidders to submit production samples of products that the City intends to purchase. For example, samples may be required for new, untried products where workmanship might be a

significant factor or in cases when most of the bidders are expected to be distributors who may offer a wide variety of similar products. Failure to comply with a request for submission of a sample may be cause for the bid to be declared non-responsive and subject to rejection.

The most responsive and responsible bidder's sample is retained to compare with the vendor's shipment of the purchased goods. This sample will be returned at the request of the chosen lowest bidder following acceptance of the total shipment. All other bidders wishing to have samples returned must pick them up at Purchasing within thirty (30) days following award of the bid. Samples not claimed within that period become the property of the City to be disposed of as the City sees fit. Bidders desiring to have samples returned by mail or parcel post must furnish return mail cartons, packing, postage, insurance, etc.

5. COMPETITIVE ELECTRONIC UPLOADED BIDS

When electronic bids are used for goods and services, all bids shall be publicly revealed, and the dollar amount of each bid shall be released and displayed on the City's Bidnet Website. It is to be understood that a bid containing irregularity or minor informality may be waived by the Purchasing Agent when it can be determined that such waivers will not adversely affect the bidding process.

6. RELEASING BID RESULTS

During the bidding process, each vendor's bid is kept confidential and is not shared with anyone. However, any vendor or member of the public is entitled to review Bid Results after the bidding process has been completed. Bid Results will become available to all interested parties by registering for an account with Bidnet Website. Bidnet registration is free and after a Bidnet account is established, access to the City's Bidnet Website will become available to review the bid results.

7. LOCAL VENDORS/ LOCAL VENDOR PREFERENCE

The use of vendors who have a fixed business location within the city limits provides certain benefits to the City and its citizens, including, without limitation, the following:

- A. Receipt of sales tax revenue from sales made within the city limits
- B. Cost savings resulting from local maintenance, repair, pick-up and delivery
- C. Use of the local labor force

When multiple bids are received, the Purchasing Agent under the direction of the City Finance Director will determine if a submitted bid is from a "local vendor" and eligible for the Local Vendor Preference. Therefore, any local responsible vendor maintaining a fixed business location within the City limits who submitted a bid within five percent (5%) of the lowest nonlocal bidder will be deemed eligible for local vendor preference and awarded the bid.

The local vendor preference shall not cumulatively be greater than \$150,000 (per Public Contract Code § 2002).

8. VENDOR PROTESTS

The procedures for protesting, both before and after an award, are stated herein. Protests must be made in writing to Purchasing within five (5) working days so that an objective decision can be made by the City and costly delays in the acquisition process can be avoided.

The Purchasing Manager or designee shall respond in writing within five working days to the protestor. If the protestor wishes to appeal the decision rendered by the Purchasing Agent, such appeal must be made in

writing to the City Manager within five (5) working days of the Purchasing Agent's response. The City of Hanford City Manager, Finance Director and Purchasing Agent shall have the authority to settle and resolve a protest of an aggrieved bidder.

Public Records Act (PRA) –All PRA requests shall be forwarded to the City Clerk for processing.

I. INSURANCE AND BONDS

1. OVERVIEW

City policy is to require contractors providing services, materials or construction to the City to indemnify, defend, and hold the City harmless for claims arising from their performance of the contract and supply proof of insurance coverage to the City. The proof the City requires is usually in the form of certificates of coverage and endorsements provided by the contractor's insurance broker or carrier. All insurance requirements made of the contractor must appear in the City agreement, and in the case of a competitive bid, they must also be in the Request For Bid or Request for Proposal.

2. GENERAL INSURANCE REQUIREMENTS

Most agreements require general liability and workers compensation coverage. In addition, automobile liability, professional liability, crime coverage, and/or some form of bond coverage may be required. As a rule, the insurance must be underwritten by a carrier admitted to transact business in California. The carrier must be able to demonstrate sufficient financial strength to provide the protection the City seeks. Generally, insurers with an A rating in A.M. Best's Guide and a financial size designation of VII or higher will meet the City's requirements. If departments need to determine the Best's rating on a carrier, contact the Risk Management Division. Per the requirements of the City's insurer, PRISM, the City must also be named as additional insured on the general liability and automobile liability coverage; the contractor's insurers must waive subrogation rights; the contractor's insurance must be primary and non-contributory with respect to coverage maintained by the City; and the contractor's coverage may not be modified or canceled without prior written notice to the City. This provision must be stated in the Request For Bid or Request for Proposals.

3. LIMITS OF INSURANCE

Purchasing will assist departments obtaining insurance from vendors, firms and contractors and consultants. Purchasing will include Certificates of Insurance and endorsements with Fully Executed Agreements and forward them to our Risk Management Division.

Commercial General Liability – The rule for minimum limits for general liability coverage is \$2 million, per occurrence, combined single limit for bodily injury, personal injury and property damage, with an annual aggregate, if any, of at least \$4 million. Any substantial, ongoing business shall carry insurance with these limits. In some instances, insurance requirements may vary (\$5 million per occurrence and \$10 million aggregate for construction projects with increased risk).

Automobile Liability – Contractors who will drive in the course of performing the service or who deliver and maintain a product must maintain auto liability insurance. The limits must be a minimum of \$1 million per occurrence, combined single limit for bodily injury and property damage. Coverage shall include any autos, owned autos and hired autos.

Professional Liability – Contractors who are required to be licensed by the State of California or by an agency designated by the State to perform their work must maintain professional liability insurance. Examples include doctors, nurses, psychologists, licensed clinical social workers, engineers, architects and attorneys. As a rule, the City requires limits of a minimum of \$2 million per incident and an annual aggregate of at least \$4 million.

Workers Compensation Coverage and Employer's Liability – Insurance with a limit of no less than \$1 million per accident for bodily injury or disease. In accordance with the Labor Code of the State of California, every employer must provide workers compensation coverage for their employees. Therefore, all contracts with individuals or organizations who have employees must require workers compensation coverage. Many contractors are sole providers and have no employees. These contractors are not required to cover themselves with workers compensation.

4. INSURANCE CERTIFICATES

Insurance certificates and endorsements providing evidence of coverage must be provided by the following categories of persons:

- Any individual or non-City organization using a City facility.
- Any individual performing a service or delivering a product under contract to the City.
- Any individual or organization constructing something for the City.
- Any agency required to provide such evidence as a condition of participating with the City in any endeavor, such as a joint powers authority.

Responsibility for obtaining Insurance Certificates and endorsements – The department designated as contract administrator for each agreement is responsible to forward any insurance certificates and endorsements on to Purchasing for review and approval. Utilize the current insurance specifications in all contract agreements. Note the expiration dates of the policies. If any expire during the term of the contract, replacement certificates and endorsements must be obtained to assure continuity of coverage. It's recommended vendor insurance certificates and endorsements are filed with the agreement so they can be available for inspection and to use as evidence of coverage in the event of a loss. Copies should also be placed in the bid file in Purchasing, the department designated as contract administrator, and City Risk Management Division. Notify Risk Management immediately in the event of claims or accidents arising from the work performed under the contract.

5. SUBCONTRACTORS

Vendors shall include all subcontractors as insured under its policies or shall require subcontractors to maintain the coverage required under this Policy. If subcontractors maintain their own coverage, the prime contractor shall provide its subcontractors' certificates and endorsements to the City when the prime contractor submits its certificates of insurance and endorsements.

6. INDEMNIFICATION CLAUSES

Defense and indemnification clauses require the contractor to reimburse the City for any costs the City may incur to defend and/or pay damages to a third party because of the contractor's actions or omissions. The City is not permitted to require the contractor to assume responsibility for the City's actions, but the City can require the contractor to defend it and reimburse it for any loss arising out of the contractor's performance of the contract. Occasionally, a contractor will demand that the City defend and indemnify the contractor against losses arising from the City's acts. Risk Management must be consulted in these instances.

7. BONDS

Bonds are policies issued by surety companies which guarantee that the contractor will meet the stated obligation. Types of Surety Bonds the City may use are:

Fidelity Bond – Reimburses an employer for loss sustained because of dishonest acts of employees covered by the bond.

Bid Bond – Guarantees that a contractor will enter into the contract under consideration if consultant is awarded and consultant will comply with all terms and conditions of the bid or proposal.

Payment or Labor and Materials Bond – Guarantees contractors will pay their subcontractors, employees and suppliers for labor, services and goods provided in performance of contracts for "public projects".

Payment bonds should be required for all contracts involving public works or which are valued at more than \$50,000.

Performance Bond – Guarantees performance by the contractor of all work under the contract, including replacement or repair of any defective materials or faulty workmanship and compliance with all the terms and conditions of the contract or agreement.

J. INVENTORY CONTROL, FIXED ASSETS AND SURPLUS ITEMS

1. OVERVIEW

Disposition of surplus City property will be accomplished through the Purchasing Division. Property will be disposed of by the following methods:

Citywide notice of available surplus items.

Negotiate with vendor to remove non- surplus property.

Trade-in on new equipment.

Sale at public auction.

Sale as scrap.

Donation to non-profit organization.

2. CITYWIDE NOTICE OF AVAILABLE SURPLUS PROPERTY

Each Department shall communicate or e-mail the availability, including necessary details of property designated as surplus, to the Purchasing department. In some instances, Purchasing may send out a citywide announcement that surplus furniture or items have become available. The goal is to repurpose the surplus items by a different City department that may be in need of the surplus items. The disposition or disposal of City property may only be authorized by the City Manager and Finance Director.

3. NEGOTIATE TO REMOVE NON-SURPLUS PROPERTY

In some instances, departments may need to purchase, replace and/or upgrade assets. As a result, the property which is being replaced is classified as surplus . Surplus property that is non-functional or no longer required, cannot be reused, and is no longer considered an asset, may be disposed of at the department level by negotiating with the vendor to include a fee in their quote to remove and dispose of the property.

4. TRADE-INS OF EQUIPMENT

Departments are encouraged to trade in equipment that is being replaced at the time of the new equipment acquisition. Trade-ins earn credits against the purchase of the new item, it minimizes transfer, moving and storage costs and results in faster, less costly disposition of unwanted equipment or auction processes. Trade-ins may be negotiated at the department level and must be processed through Purchasing. To trade in a unit, the department should attach supporting documentation to the requisition for new equipment purchase.

5. SALE AT PUBLIC AUCTION

The Purchasing Agent is responsible for the management of surplus property. Only the City Council, City Manager, City Finance Director and Purchasing Agent have the legal authority to sell or otherwise dispose of personal property owned by the City.

Departments managing surplus property that is no longer useful may notify Purchasing of items, furniture, materials and equipment to determine if it may potentially be sold at a Public Auction. The Department is to also send an email to Purchasing describing the equipment or material, including serial number, location, date available, contact person, their phone number, fixed asset identification number (if applicable) and if Public Works involvement is required for assistance with moving or transportation of item to be sold at public auction. Purchasing will also assist departments with information regarding selling recyclable materials to local scrap dealers.

K. COST CONTROL METHODS

1. PLANNED PURCHASES

Departments are advised to check if funds are available when considering purchases and prior to generating a requisition for purchase order. The department's designated employee should check the ORG & OBJ in the Purchasing system. If the Purchasing system queries an amount that is over budget, contact the Finance Director and Finance Manager for funding alternatives.

Departments are advised to monitor project accounts frequently to ensure it is not going over budget. If the project incurs unexpected or unanticipated costs above the original budget, if the incurred overrun costs are \$10,000 to \$50,000, City Manager approval is required in order to expense the additional unanticipated incurred costs and does not authorize appropriation for additional money.

Departments that do not have enough budget funds to cover a large purchase or are over-budget on a line item may request a budget amendment to transfer money between object lines within the same fund. However, it's not necessary for small purchases or if the overall net budget is anticipated to be positive at the fiscal year end. Department Heads should send budget amendment requests to the Finance Director including the amount and transfer object lines. The Finance Director does not have the authority to transfer money between different funds or transfer money between salary and operating accounts.

The City Manager does have authority to transfer money between different funds and transfer funds between salary and operating accounts.

Planned purchases save money, and departments are advised to receive, evaluate competitive bids, quotes, estimates, proposals and select the lowest bid. There may be case by case circumstances allowing departments to select other than lowest quote or bid with acceptable justification and proper approval.

2. SPECIFICATIONS

Prepare descriptive specifications for material, supplies and equipment that are sufficiently broad enough to promote competitive and uniform bidding and to attract and develop a group of responsible bidders able to offer the best prices consistent with the required quality, delivery and service.

3. COMPETITION

Procurement transactions must be conducted in a manner providing full and open competition. The basic principle of public purchasing is to promote free and open competition and to incorporate a clear and accurate description of the technical requirements for material, product or service to be procured. Competition is enhanced by non-restrictive specifications, by allowing adequate time for bidding and by inviting an adequate number of interested vendors to bid. The bidding process allows each vendor a chance to submit their best price for the item without knowledge of other vendor offers. It's imperative that departments identify all requirements that the offerors must fulfill and all other factors to be used in evaluating quotes, estimates, bids and proposals. Favoritism toward any vendor is strictly prohibited.

4. FREIGHT AND SHIPPING CHARGES

During ordering processes, freight, handling and other related costs incurred to place the purchased item in working order should be included when determining total bid price. In determining freight charges, the cost of transporting an item from its "shipping point" or "point of origin", to the City receiving point or "destination" must be considered during the bid process in order to determine the total actual bid. There are two main methods used in determining freight charges. FOB (Free on Board) Destination and FOB Shipping Point. FOB Destination indicates that title does not pass to the City until we receive the goods at the delivery address stated on the purchase order. FOB Shipping Point indicates that title passes to the City when the vendor delivers the goods to the carrier. Usually, the party holding title bears the risk for loss or damage to the goods and bears the responsibility of filing claims, if any, for such loss or damage.

As a rule, the City requires that materials and equipment purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the seller's dock and assumes the risk of loss during transit.

In the rare case where Purchasing accepts a "price in effect at time of shipment" offer, the purchase order should so state and the quote or bid file should document the necessity of accepting such an offer. If the price increases between the date of order and date of shipment, the vendor should supply the buyer with documentation, generally in the form of old and new published price lists.

If both buyer and vendor have agreed to a specific shipping mode, this should be noted on the purchase order in the description area. The shipping instructions, along with the particulars of the terms, should be included.

L. RECEIVING PROCEDURES

1. AUTHORIZED RECEIVING POINTS

Each department is responsible for receiving goods. Each department is responsible for staff authorized to sign for receipt of delivery. Departments are advised to physically inspect all goods prior to signing for the goods received.

The ordering department is obligated to accept delivery of any merchandise which has been ordered in accordance with purchasing procedures. If there is a change regarding the need for the items, the department should immediately execute a Purchase Order Change Order into the Purchasing system. It should be realized that there may be a restocking charge if the items must be returned through no fault of the supplying vendor. The City's failure to accept and pay for ordered goods is a breach of contract.

2. RECEIVING GOODS FROM THE CARRIER

Avoid accepting delivery of any merchandise until adequate identification from the packaging or delivery tags is obtained. A purchase order number or other suitable identification indicating that the merchandise should be delivered to the department, must be in evidence before the shipment is accepted. Sign only for the number of boxes or parcels which are received from the carrier listed on the delivery tag (carrier's receipt), delivery information on the boxes or parcels, or delivery driver digital handheld computer.

3. INSPECTING GOODS AFTER DELIVERY

Inspect the merchandise promptly after receipt. Inspections of items received and determination of compliance with the ordering description or specifications are the responsibilities of the ordering department. Check merchandise received against the packing slip and the purchase order. Importantly, if copies of invoices are received, they should be immediately forwarded to the person in the department who is authorized to process invoices.

4. LOST AND DAMAGED GOODS

Document any partial deliveries received on a copy of the purchase order. The receiving department should keep all packing materials and merchandise and report damage to the vendor immediately. Importantly, do not destroy damaged item(s) or any packaging materials. In cases of known damage (apparent at the time of delivery), put a note on copies of the delivery tag (carrier's receipt) "case damaged in shipment" and, if the item is visible and the damage is visible, also include "item visibly damaged." Obtain any type of tangible data stating the damage including delivery driver acknowledgement and signature. If possible, take a picture of the damaged box or parcel. Departments may communicate to vendor regarding remedy of damaged shipment. If the department is unsuccessful regarding remedy, forward all pertinent information to Purchasing for assistance. Purchasing will also alert company representative of the damaged shipment and request remedy.

5. INCORRECT GOODS

If the goods shipped do not comply with the purchase order, the receiving department will ask the vendor to bring them into compliance. If the vendor fails to do so within a reasonable time, the receiving department will notify Purchasing. Purchasing will notify the vendor of the breach of contract. It is the receiving department's responsibility to notify Purchasing of the need to charge the defaulting vendor with any additional cost experienced by the City due to the breach of contract.

6. DELIVERY OF GOODS AND SERVICES

Under the Uniform Commercial Code, as a rule, the City requires that goods and services purchased be delivered "FOB Destination". This means the purchase price includes delivery of the item, and the City takes title to it when it is received on City premises. If a seller insists on shipping "FOB Shipping Point" the City takes title to it when it leaves the seller's dock and assumes the risk of loss during transit. Should that occur, Purchasing and/or Risk Management should be consulted to determine the prudence of securing transit insurance.

M. PAYMENT PROCEDURES

1. OVERVIEW

Due to the large number of documents processed by the Finance Department, it is extremely important to promptly verify all goods received at the department level and forward all required information to Finance so they can begin to prepare payment processes as soon as possible. Payment documents that include discounts should be specially handled by both the department receiving the goods and the Finance Department to ensure that payments will be processed in time to receive the discount.

Generally, invoices are sent by the vendor to the ordering department or Finance Department. The requesting department verifies that all goods have been received and compares any packing slips or shipping documents with the purchase order. If the goods received match the purchase order, the department shall approve the invoice in the workflow approval. If there is a problem with the merchandise, i.e., damaged items, an incomplete order, incorrect items received or any other problem, the vendor should be notified, and the problem corrected before the payment document is prepared.

2. VENDOR RESPONSIBILITIES

Packing Slip – A packing slip should be included with each shipment. The related purchase order or contract number and the purchase order line-item numbers should be referenced.

Invoices – Invoices should refer to the purchase order number. Invoices which do not show a valid purchase order number should be directed to the vendor. Invoices may be mailed to the "Billing Address" shown on the purchase order, emailed or downloaded from vendor online portal. Invoice pricing, terms and conditions must be consistent with the purchase order. Incorrect invoices should be credited by the vendor.

in their entirety and re-issued. Contact the Finance Department Accounts Payable Division or Purchasing for assistance.

3. PAYMENT PROCESS

Advance payments by the City are legally permitted and require contacting the Finance Department to coordinate payment process. Contracts or agreements containing provisions for advance payments shall provide for small periodic payments which are tied to delivered goods or services, rather than total contract price or lump sum advances.

4. REGULAR PURCHASE ORDERS

Purchase Orders generated in the Purchasing system serve as contracts for goods and services. After the Purchase order has been printed, departments may mail, email, or call the vendor and communicate the purchase order number over the phone. A Purchase order is a legally binding document for the city financially. It can stand alone or include attachments for clarification purposes. Purchase orders encumber funds and assets. Each department is responsible for verifying quantity, quality and delivery.

Partial Shipments (receipts) - There will be instances when partial shipments are received. In these cases, the department should record the receiving information by attaching it to the purchase order, including any packing and freight slips and invoice.

5. PURCHASING CARD

The Purchasing CAL Card program issues P-Cards to authorized City employees as an alternative method of purchasing and paying for goods and services. Departments are to email Purchasing to request P-Cards for employees. The Department Head should be copied in on the emailed request.

The P-Card is intended for smaller purchases as a convenience and not to be used to circumvent the City's current Purchasing Policies. There are restrictions. The P-Card is currently being used for all purchases under \$2,500 without any additional competitive quotes. Every City employee authorized to possess a P-Card must obtain their activated new card, receive instructions and training for proper use of card and sign documents at the Purchasing department. Card holders will receive a copy of the Purchase Card Policy and are advised to read it and familiarize themselves with P-Card use and responsibilities.

- A. Keep a copy of receipt to scan.
- B. Finance does not need originals. Department may keep them on file.
- C. Receipt should have vendor name and amount.
- D. The general rule for food purchases must list the purpose and who attended. If a group, attach event flyer.
- E. Travel-related charges should have name, destination and travel dates. Attach Travel Approval form and brochure and agenda for trip. All P-Card questions should be directed to Purchasing.

Near the end of the month, (approximately the 26), each departmental P-Card statement approver will receive a statement of P-Card Transactions. It is the P-Card holder's responsibility to provide legible receipts, invoices, or digital electronic proof of payment to be reconciled to the statement in the Purchasing system. The P-Card transactions will be reviewed by a hierarchical approval group in Purchasing and Finance. Departments may be requested to resubmit missing information during review of receipts and backup documentation.

6. TRAVEL CLAIMS

The following are guidelines to assist with management of the P-Card processes. Updates to travel policy may be found in Administrative Regulations.

- A. Must be submitted at least two (2) weeks in advance of the event or within thirty (30) calendar days after.

- B. If entering claim early (such as months in advance), review instructions for early travel claim entry.
- C. If reimbursement, receipts required.
- D. Lodging and registrations should be paid for using P-Card.
- E. Day-only travel requires Supervisor signature.
- F. Overnight travel requires Department Head signature.
- G. Out-of-state travel requires City Manager signature.
- H. Certificates of Completion of training should be forwarded to AP@Hanford.city and Human Resources.

7. BLANKET PURCHASE ORDERS

Departments receiving reoccurring materials or services under the provisions of a Blanket Purchase Order shall obtain, at the time of purchase or delivery, a fully itemized invoice. Submit the invoice as soon as possible to the Finance department referencing the BPO Purchase Order Number.

- A. Monitor the BPO to determine whether account balance will cover purchases to the end of the year.
- B. Should a department project unforeseen new expenditures throughout the year, a purchase order change order should be processed to add more funding to cover the entire year.
- C. To assist in monitoring the account budget throughout the year, enter ORG & OBJ into the Purchasing system to check available funds.
- D. City Council approved ongoing expenditures or a competitive bid process for products or services to continue throughout the fiscal year. Include required collected quotes, estimates, proposals or bids.
- E. A yearly review should occur after the end of each fiscal year to determine the amount necessary to cover expenditures for the following fiscal year.

8. DEPARTMENT PURCHASE ORDERS

Department Purchase Orders are required for all purchases \$5,000 and above. Departments are advised to generate a requisition in the Purchasing system. After the requisition has been submitted by the department into workflow, the requisition will be reviewed to determine all the necessary information and appropriate attachments are included. After all workflow hierarchical approvals have been completed, the requisition will be converted to a Purchase Order and the department will be notified the Purchase Order is ready to be used. The department can notify the vendor of the PO number. The Department may go into the Purchasing system's Purchase Order Central module to print a hard copy of the Purchase Order.

9. EMERGENCY PURCHASES

In rare instances, Departments may have a need to obtain goods or services outside normal working hours, due to an emergency. On the day following the emergency, or at the next available opportunity, a requisition shall be prepared and processed as usual. Include in the requisition stating, "emergency purchase" and a brief report including the date, time and nature of the emergency for Purchasing and Finance to review.

Department shall process the requisition and select "Emergency" as the PO type. This will automatically issue a PO number instead of waiting until the requisition has received all workflow approvals. The following conditions apply.

- A. Department has obtained a single purchase or service from a vendor.
- B. Confirm a condition that poses an immediate threat to the public such as preservation of the public health, welfare, or safety or for the protection of City property.
- C. Quotes and estimates are not required but staff must obtain them when deemed appropriate according to the Purchasing Policy (based on availability and ability).

- D. Emergency purchases must have Department Head or City Manager approval either in writing or verbally prior to purchase. Make sure to include approval and justification for the emergency in your supporting documentation.
- E. On all invoices, indicate emergency purchase, who authorized the required approval, date of approval and a clear reason for the emergency.

10. CHECK RUNS

Currently, check runs occur bi-weekly. However, the schedule is subject to change as outlined on Finance's yearly check run schedule.

Workflow approvals must be completed by noon the day prior to check run day. Unscheduled check runs will not occur unless it's an emergency and is approved by the Finance Director.

N. FEDERAL, STATE AND LOCAL TAX REQUIREMENTS

1. SALES AND USE TAX ON TRANSPORTATION CHARGES

The sales tax rate for City of Hanford purchases is 7.25%. Depending on how freight charges are billed, they may be subject to sales tax. The following charges for freight are not taxable:

Separately stated charges, direct delivery to purchaser by U.S. mail, independent contractor or common carrier and actual freight charges are borne by the purchaser. These charges could be either FOB Destination or FOB Shipping Point as long as transportation costs are not fixed and are the responsibility of the purchaser and are explicitly separate from the cost of goods purchased.

"Delivered Price", but transportation charges are separately stated, shipment is directed to purchaser, and transportation occurs after the seller completes physical delivery per contract requirements, i.e., FOB Shipping Point.

Delivered by seller's own facilities, but transportation charges are separately stated, shipment is directly to purchaser and transportation occurs after title has passed to the purchaser per an explicit written agreement between seller and purchaser, i.e. FOB Shipping Point.

The following charges are taxable:

Transportation charges that are not separately set forth in the purchase order, contract for sale or invoice.
Transportation charges that are "incoming freight" such as shipment to the retailer, to the retailer's agent or the retailer's representative.

Delivered price which is also FOB Destination.

Transportation by seller's own facilities without any explicit written agreement regarding when title passes.

Transportation by seller's own facilities with FOB Destination terms.

2. LIABILITY FOR SALES AND USE TAX

Sales tax is a liability of the seller and is paid for the privilege to sell tangible personal property within the State of California. Sellers who conduct business within California, i.e. have employees, offices, stores or warehouses in California must register with the State of California Department of Revenue to collect sales tax.

Sellers may add sales tax to the selling price or include it in the selling price; either way, the amount must be remitted to the State by the seller. The buyer is not liable to the State for uncollected sales tax unless the

buyer caused the seller to erroneously believe the buyer was exempt from paying sales tax.

Use tax is an excise tax imposed upon the purchaser of goods for storage, use or consumption of goods in California. The City pays use tax directly to the State of California in lieu of paying sales tax whenever it buys tangible personal property from an out-of-state vendor who is not registered to collect California sales tax or whenever an in-state vendor does not charge the proper sales tax rate. Use tax is the liability of the buyer and not of the seller.

3. ITEMS EXEMPT FROM SALES AND USE TAX

Generally, the following items are not taxable. However, frequent changes by the State of California, as a result of court cases, can cause additions or deletions to the list.

- Labor on repairs when stated separately.
- Installation labor, an exception is modular panels from any vendor according to the State of California Franchise Tax Board.
- Parts covered by a maintenance agreement.
- Purchases for resale.
- Professional services.
- Transportation, shipping and freight charges from common carriers when itemized separately from the purchase price.
- Advertising.
- Purchases of property to be resold to the United States Government.
- Subscriptions to newspapers, newsletters, and other periodicals when they are published at stated intervals of at least four times per year but not more than sixty times per year.
- Software downloaded to the City's computer system.

4. MINIMIZING SALES AND USE TAX

Sometimes knowledge of tax laws will allow the City to reduce the amount of sales or use tax which is due and payable. For example, if lubricants are purchased in barrels and the empty barrels are returned to the vendor for credit, tax is only paid on the contents of the barrels and not on the purchase price of the barrels.

Since tax laws are revised frequently, when in doubt as to whether an item is taxable or not, contact the State of California Department of Tax and Fee Administration.

5. SHOWING SALES AND USE TAX ON PURCHASE ORDERS

Purchase orders must specify any applicable state and local taxes or the use tax unless the items are for resale.

If the items on the purchase order are for resale, the City's seller's permit number should be shown on the purchase order.

6. FEDERAL EXCISE TAXES

The City does not pay Federal Excise Taxes (F.E.T.).

O. GENERAL PUBLIC WORKS GUIDELINES

Departments may reach out to Purchasing and Public Works for any additional questions pertaining to their department's projects. Departments may contact Purchasing for assistance with prevailing wage requirements and bid document solicitation of projects on City's Bidnet Website. The City adheres to

several Public Works guidelines listed in the City of Hanford Municipal Code Chapter 2.50 Public Works Projects.

1. ADHERENCE TO PUBLIC WORKS RULES AND REGULATIONS

The City of Hanford adheres to the California Uniform Construction Cost Accounting Act, California Uniform Public Construction Cost Accounting Act and Public Contract Code (PCC) Sections 22001 and 22030.

2. PREVAILING WAGES RATES REQUIREMENT

There exists California Labor codes established by the Department of Industrial Relations (DIR) requiring Awarding bodies to pay prevailing wage rates to contractors. Our City is required to pay prevailing wage rates to contractors. Contractors, vendors or consultants are responsible for including prevailing wage rates in their quotes, estimates, bids and proposals. The State monitors that contractors are paying appropriate labor wages. Wage determination rates are available to any City employee by visiting the Department of Industrial Relations for the State of California.

- A. City departments are advised to ensure prevailing wage rates are included in quotes and bids for public works projects consisting of new construction, alteration, installation demolition, maintenance or repairs. If costs for the work performed is \$1,000 dollars and above, prevailing wages must be included in vendor quotes and bids.
- B. Projects that meet thresholds will be required to be registered with the Department of Industrial Relations (DIR) online system. Purchasing may reach out to departments to assist in obtaining project information.
 - \$25,000 threshold for new construction, alteration, installation, demolition and repair projects.
 - \$15,000 threshold for various maintenance projects include minor repainting, resurfacing streets and highways at less than one inch.
 - Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation, sprinkler systems and disking services.
 - Work performed to keep, operate and maintain publicly owned buildings, structures and ground facilities.

3. CALIFORNIA UNIFORM COST ACCOUNTING BID REQUIREMENTS

- A. If a project is estimated to be \$0.00 to \$60,000:
Work can be done by City Forces.
Receive proposals from a minimum of 3 contractors.
Work may be negotiated with the contractor or paid by Purchase Order.
- B. If project is estimated to be \$60,001 to \$200,000:
May use Informal Bidding procedures which do not require advertising.
Send proposal requests, Notice to Contractors, to contractors on the list that are within the work category.
Send plans and specifications to Exchanges and Plan Houses and post them online.
Three weeks minimum advertisement – four weeks preferred.
- C. If the project is \$200,001 and above:
Must follow Formal bidding procedures.
Advertise in newspaper two (2) times. First advertisement at least 30 days prior to bid opening – second advertisement at least 14 days prior to bid opening.
Send plans and specifications to Exchanges and Plan Houses and post online.

Four weeks minimum advertisement – five weeks preferred.

P. GENERAL FEDERAL PROCUREMENT GUIDELINES

All grant procurement and related expenditures must adhere to the procurement guidelines found in the Code of Federal Regulations (C.F.R.) Title 2-Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Such procurement standards in the Uniform Guidance (UG) are covered in paragraphs 200.317 to 200.327. All City agreements, which expend federal grant award funds, must adhere to Part 200, which outlines contract provisions to be included in agreements expending federal awards.

1. FEDERAL GRANT PROCUREMENT STANDARDS

- A. Departments are to fully comply with all procurement requirements found at 2 CFR 200.318 through 2 CFR 200.327. The regulations require that procurement activities be performed in an equitable and competitive manner to promote equal treatment, efficiency, and economy in federal grant activities. To ensure objective contractor performance and eliminate an unfair competitive advantage, contractors must be excluded from competing for such procurements if they develop or draft grant applications or contract specifications, requirements, statements of work, invitations for bids, and/or requests for proposals. No City department is exempt from these requirements per the Code of Federal Regulations (CFR).
- B. Departments are subject to the following procurement requirements when utilizing Federal Funds for purchase of goods and services, however, the requirements are only summarized and do not cover the entire Uniform Guidance published here at www.ecfr.gov under CFR 200. It is the responsibility of the grantee/department to ensure they follow the guidelines to avoid suspension or revocation of Federal assistance. The Uniform Guidance, or 2 CFR 200, sets strict requirements around procurement and guarding against conflicts of interest that can occur when purchasing goods and services under federally funded grants and contracts.

2. FEDERAL PROCUREMENT METHOD AND THRESHOLDS

 The methods departments must follow are outlined in 2 CFR 200.320, 200.317, 200.318, and 200.319. These regulations mandate the following thresholds related to procurement activities with Federal Grant funds.

- A. Micro-Purchase Method
Transactions where the aggregate dollar amount does not exceed the amount fixed by the Government Publishing Office (GPO), set to \$10,000. To the extent practical, the department must distribute these purchases equitably among qualified suppliers. Micro-purchases may be made with Management approval and with or without a competitive process. May be awarded without soliciting competitive price or rate quotations.
- B. Simplified Acquisition Method
Transactions for goods or services where the aggregate dollar amount is higher than the FAR micro-purchase threshold but does not exceed the simplified acquisition, which is currently \$250,000, requires an informal bidding process with price or rate quotations or proposals solicited from at least three (3) contractors, sources or qualified offers.
- C. Sealed Bids (Typically Construction Projects) And Competitive Proposals.
Transactions that exceed \$250,000, require formal procedures, must be publicized, identify all evaluation factors and their relative importance and the award to the lowest responsive and

responsible vendor/contractor shall be made by the City Council with the recommendation from the department overseer of the project or the Purchasing Manager.

D. Noncompetitive Proposals:

Also known as sole-source procurement, this may be appropriate only when specific criteria are met, and the Purchasing Manager or Finance Director approves. Applicable circumstances are:

- The acquisition of property, goods, and services, the aggregate dollar amount of which does not exceed the micro purchase threshold.
- The item is available only from a single source.
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation.
- The federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the City.
- The competition is determined inadequate after two (2) failed solicitations, failed contracts with a number of contractors, or lack of resources or qualified offers.



AGENDA STAFF REPORT

MEETING DATE: 2/20/2024	AGENDA SECTION: GENERAL BUSINESS
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SUBJECT:

Approval of one new firefighter position, at an annual cost of approximately \$128,000, to be added to the master personnel budget and funded out of the General Fund in order to support the health and safety of fire personnel.

RECOMMENDATION:

Recommendation: Staff recommends approval of one new firefighter position at an annual cost of approximately \$128,000 to be added to the master personnel budget and paid for out of the General Fund in order to assist in the health and safety of personnel.

Recommended Motion: I move to approve one new firefighter position at annual cost of approximately \$128,000 to be added to the master personnel budget paid for out of the General Fund in order to assist in health and safety of personnel.

BACKGROUND:

The Fire Department is currently budgeted for a full staff on all shifts. This includes 1 firefighter, 1 engineer and 1 captain per shift. In addition, a Battalion Chief is on assignment during each shift. The fiscal year 2022/2023 saw five vacancies for most of the year. The year prior there were long-term injuries that also caused vacancies. At full staffing levels, if one firefighter is out for training, vacation or sick, a vacancy is created, which in turn forces other employees into possible overtime (if a shift can't be reassigned).

After financial analysis, staff recommends one measure to counter employee fatigue, forced overtime and significant overtime budget overruns is to 'overhire' for one firefighter position. This will help to bridge the vacancy gap to allow staff to take needed time off for training, vacation and sick. Often times, higher level employees such as an engineer or captain will need to fulfill overtime due to vacancy. When fully staffed, the Fire Department would utilize this position to 'float' to where needed shift vacancies are occurring.

It is not believed that overtime will be eliminated due to this measure, but the cost of one position would achieve some budgetary savings in order to fund this additional position. This position would be paid for within existing budget by utilizing funds that would otherwise be spent on overtime costs. The City would spend this funding regardless, since time off is a necessary occurrence, but the amount to spend would be reduced, which would realize budgetary savings for the City. Considering a full-time firefighter position with all costs at \$128,000, staff's analysis shows a minimum of \$40,000 a year in savings with reduced overtime.

In recommending one position at this time, staff believes this is a conservative approach to mitigating health and safety concerns associated with overtime use and could realize budgetary savings. If this approach proves successful, staff will look for other recommendations for Council to consider.

FISCAL IMPACT:

This will be a future budgetary impact for the City of approximately \$128,000 annually (do go up by agreed upon salary increases) which includes all salary, benefit and equipment costs needed. Fiscal year 2023/2024 the salary for a new firefighter position can be 'absorbed' within existing budget due to vacancies this fiscal year. In future fiscal years this will need to be added, fiscal year 2024/2025 will require an additional appropriation but would have at least partial offset (if all positions full could be more than covered in overtime budget savings) in the department's overtime budget which will be considered at mid-cycle review in May/June 2024.

ATTACHMENTS:

None

Council Future Agenda Items				
Originated Date	Item	Originator	Staff Lead	Date Estimate
2/12/2024	Council review of the 30% Design plans for the Downtown Improvement Project and direction regarding several design elements of the overall project.	Council Direction	Jason Waters	3/5/2024
12/5/2023	Tentative date for a recommendation to the City Council by the City's Revenue Measure Committee	Council Consensus	Various Staff	5/7/2024