



City of San Leandro

Meeting Date: June 3, 2019

Staff Report

File Number: 19-269

Agenda Section: CONSENT CALENDAR

Agenda Number: 8.B.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Jeff Tudor
Chief of Police

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for a City of San Leandro City Council Resolution to Approve a Non-Professional Services Agreement between the City of San Leandro and Priority 1 Public Safety Equipment Not to Exceed \$637,200 for Two Fiscal Years; to Authorize the City Manager to Negotiate and Approve Change Orders Up to a Cumulative Value of 5% of the Original Contract Amount; and to Award a Sole Source Procurement to Match Equipment in Use on Existing Police Vehicles and to Provide Vehicle Maintenance Management, Collision Repair, and Service for the Duration of this Program

SUMMARY AND RECOMMENDATIONS

This contract provides the services necessary to outfit, repair, and maintain the Police Department Fleet through Fiscal Year 2020-21.

Staff recommends the City Council authorize the City Manager to negotiate and approve change orders up to a cumulative value not to exceed 5%, or \$31,860, of the original contract amount. Staff recommends that the City Council approve a sole source procurement California Public Contract Code section 3400, which is justified to match vehicle equipment currently in use on existing vehicles, and authorize the City Manager to execute a non-professional services agreement with Priority 1 Public Safety Equipment Installation, Inc., to outfit, service, and maintain any new and replacement police vehicles through June 30, 2021.

BACKGROUND

Council Resolution No. 2015-075 authorized the outfitting of police vehicles and Resolution No. 2017-104 authorized Priority 1 to be the sole source outfit, service, and maintenance provider to the San Leandro Police Department (SLPD) Fleet Program through Fiscal Year 2018-19.

Analysis

Priority 1 will be responsible for servicing all vehicles in the Police Department's fleet. "Service" means all administrative work associated with the coordination of service providers for outfitting vehicles, recordkeeping, and any other administrative needs related to the fleet program. The service fee shall not exceed \$120,000 per fiscal year. The service rate is \$200 per patrol vehicle per month and \$100 per vehicle per month for unmarked vehicles. Any remaining balance will be carried forward each year to sustain the police fleet program. A sole source procurement is justified under California Public Contract Code section 3400, so that the new equipment will match and be compatible with existing equipment in use on other City police vehicle assets. Priority 1 has agreed to provide the Police Department with an additional service by managing all collision repairs. Priority 1 will not charge any additional fees for providing this service and will instead "pass through" any collision repair costs directly to the City, not to exceed \$75,000 annually. Priority 1 will coordinate repairs with local automobile repair shops in San Leandro. Priority 1 will also be responsible for the regular maintenance of all police fleet vehicles. "Maintenance" means all upkeep of the fleet, mechanical inspections, warranty work, tire repair, oil changes, and any other maintenance required to maintain the Police Department's fleet. Maintenance of the fleet will be conducted with as many local businesses as possible. This same maintenance agreement shall not exceed \$123,600 each fiscal year, with any remaining balance carried forward each year to sustain the police fleet program. Priority 1 will be responsible for outfitting all vehicles to the Police Department's exact specifications. "Outfitting" means procuring all materials and equipment needed to meet state vehicle code requirements for emergency vehicle operation, including lights and sirens, prisoner transport cages, and vehicle push-bars. Outfitting could also include any miscellaneous parts needed to improve the useful life of the vehicle or officer visibility, like protective exterior coatings or decals on the hood of the vehicle. Any additional technology, hardware, or equipment that the fleet manager deems necessary for public safety may be considered "outfitting." The purpose of this proposed police fleet leasing and maintenance program is to update the fleet in a timely manner, replace aging equipment that has been extended beyond its useful life and streamline the purchasing, outfitting and maintenance of police vehicles in an effort to reduce costs long-term.

Previous Actions

- City Council adopted Resolution No. 2014-046 (May 19, 2014)
- City Council adopted Resolution No. 2014-053 (June 2, 2014)
- City Council adopted Resolution No. 2015-074 (April 6, 2015)
- City Council adopted Resolution No. 2015-075 (April 6, 2015)
- City Council adopted Resolution No. 2015-173 (October 5, 2015)
- City Council adopted Resolution No. 2017-104 (July 17, 2017)

Fiscal Impact

This service agreement would require no additional appropriations. Funding would come from appropriations proposed in Fiscal Year 2019-20 and 2020-21 budgets as presented to Council for approval. All funds reside in the Equipment Repair and Maintenance Fund, specifically under Police Vehicle Leasing (690-16-003). Any remaining balance will remain within that account and will be carried forward to sustain the program, per the City Council's prior resolutions listed above.

Budget Authority

The total contract will not exceed \$637,200 through June 30, 2021. Annual funding of \$318,600 for the Police Fleet program exists in the appropriations presented to Council for approval in Fiscal Years 2019-20 and 2020-21 and would be budgeted in account No. 690-16-003.

ATTACHMENT(S)

Attachment(s) to Staff Report

- *2019 0503 - FY2020-21 Priority 1 Non-Professional Services Agreement draft*

Attachment(s) to Related Legislative File

- *2019 0503 - FY2020-21 Priority 1 Non-Professional Services Agreement draft*

PREPARED BY: Scott Koll, Business Manager, Finance Department

NON-PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF SAN LEANDRO AND
PRIORITY 1 PUBLIC SAFETY EQUIPMENT INSTALLATION, INC.
FOR
FLEET MANAGEMENT

THIS AGREEMENT for **FLEET MANAGEMENT** services is made by and between the City of San Leandro ("City") and Priority 1 Public Safety Equipment Installation Inc. ("Contractor") (together sometimes referred to as the "Parties") as of July 1st, 2019 (the "Effective Date").

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on June 30, 2021, the date of completion specified in Exhibit A, and Contractor shall complete the work described in Exhibit A on or before that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Contractor to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as referenced in Section 8.
- 1.2 **Standard of Performance.** Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged.
- 1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Contractor shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 **Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Subsection 1.2 above and to satisfy Contractor's obligations hereunder.
- 1.5 **City of San Leandro Living Wage Rates.** This contract may be covered by the City of San Leandro Living Wage Ordinance (LWO). Bidder's attention is directed to the San Leandro Municipal Code, Title 1, Chapter 6, Article 6. Successful Bidder must submit completed self-certification form and comply with the LWO if covered.
- 1.6 **Section Reserved.**

Section 2. COMPENSATION. City hereby agrees to pay Contractor a sum not to exceed 637,200, notwithstanding any contrary indications that may be contained in Contractor's proposal, for services to be

performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Contractor's proposal, attached as Exhibit B, regarding the amount of compensation, the Agreement shall prevail. City shall pay Contractor for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City in writing, Contractor shall not bill City for duplicate services performed by more than one person.

Contractor and City acknowledge and agree that compensation paid by City to Contractor under this Agreement is based upon Contractor's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Contractor. Consequently, the Parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Contractor and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 **Invoices.** Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing services hereunder;
- The Contractor's signature;
- Contractor shall give separate notice to the City when the total number of hours worked by Contractor and any individual employee, agent, or subcontractor of Contractor reaches or exceeds 800 hours within a 12-month period under this Agreement and any other agreement between Contractor and City. Such notice shall include an estimate of the time necessary to complete work described in Exhibit A and the estimate of time necessary to complete work under any other agreement between Contractor and City, if applicable.

- 2.2 **Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.
- 2.3 **Final Payment.** City shall pay the last 10% of the total sum due pursuant to this Agreement within 60 days after completion of the services and submittal to City of a final invoice, if all services required have been satisfactorily performed.
- 2.4 **Total Payment.** City shall pay for the services to be rendered by Contractor pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Contractor in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.
- In no event shall Contractor submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.
- 2.5 **Hourly Fees.** Fees for work performed by Contractor on an hourly basis shall not exceed the amounts shown on the compensation schedule attached hereto as Exhibit B.
- 2.6 **Reimbursable Expenses.** Reimbursable expenses are specified in Exhibit B, and shall not exceed \$150,000. Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.
- 2.7 **Payment of Taxes.** Contractor is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.8 **Payment upon Termination.** In the event that the City or Contractor terminates this Agreement pursuant to Section 8, the City shall compensate the Contractor for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Contractor shall maintain adequate logs and timesheets to verify costs incurred to that date.
- 2.9 **Authorization to Perform Services.** The Contractor is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.
- 2.10 **Liquidated Damages.** Failure of Contractor to respond to problems referred to it by City within the time limits established in Subsection 1.2 of this Agreement shall result in liquidated damages as set forth in Exhibit A.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Contractor only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein. Contractor shall make a written request to City to use facilities or equipment not otherwise listed herein.

3.1 Safety Requirements. In accordance with generally accepted construction practices and state law, Contractor shall be solely and completely responsible for conditions on the jobsite, including safety of all persons and property during performance of the work. This requirement shall apply continuously and not be limited to normal working hours.

Contractor shall take all necessary precautions and provide all necessary safeguards to prevent personal injury and property damage. Contractor shall provide protection for all persons including, but not limited to, its employees and employees of its subcontractors; members of the public; and employees, agents, and representatives of the City and regulatory agencies that may be on or about the work.

The services of the City in conducting review and inspection of Contractor's performance is not intended to include review of the adequacy of Contractor's work methods, equipment, bracing or scaffolding, or safety measures, in, on, or near any Contractor jobsite.

All work and materials shall be in strict accordance with all applicable state, city, county, and federal rules, regulations and codes, with specific attention to the United States Department of Labor Occupational Health and Safety Administration (OSHA) requirements. Contractor shall be solely responsible for compliance with all city, county, and state explosive transport, storage, and blasting requirements and for any damages caused by such operations.

Contractor is hereby informed that work on City property could be hazardous. Contractor shall carefully instruct all personnel working on City property that all conditions of the property are potentially hazardous work areas as to potential dangers and shall provide such necessary safety equipment and instructions as are necessary to prevent injury to personnel and damage to property. Special care shall be exercised relative to work underground.

In addition to complying with all other safety regulations, Contractor shall abide by any and all other City requirements contained in any specifications, special conditions or manuals, which shall be made available by City upon request.

Contractor shall provide and maintain all necessary safety equipment such as fences, barriers, signs, lights, walkways, guards, and fire prevention and fire-fighting equipment and shall take such other action as is required to fulfill its obligations under this section. It is the intent of the City to provide a safe working environment under normal conditions. CONTRACTOR IS ADVISED THAT CITY'S OPERATIONS AND PROPERTY ARE

INHERENTLY HAZARDOUS BECAUSE OF CONDITIONS SUCH AS CONFINED SPACES, POTENTIALLY EXPLOSIVE ATMOSPHERES, AND POSSIBLE EXPOSURE TO PATHOGENS.

Contractor shall maintain all portions of the jobsite in a neat, clean, and sanitary condition at all times. If required by the City, toilets shall be furnished by Contractor where needed for use of its employees and their use shall be strictly enforced. Contractor shall not use the City's existing sanitary facilities, unless previously authorized by the City.

Contractor shall keep adequate first aid facilities and supplies available and instruction in first aid for its employees shall be given.

City reserves the right to require that Contractor bring onto the project or engage the services of a licensed safety engineer at any time during the term of this Agreement. If Contractor does not have a licensed safety engineer on staff, then City may require that Contractor engage a subcontractor or subconsultant as the project's safety engineer. Contractor shall bear all costs in connection with meeting the requirements of this section.

Section 4. INSURANCE REQUIREMENTS. Before fully executing this Agreement, Contractor, at its own cost and expense, unless otherwise specified below, shall procure the types and amounts of insurance listed below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor and its agents, representatives, employees, and subcontractors. Consistent with the following provisions, Contractor shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects, and that such insurance is in effect prior to beginning work. Contractor shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Contractor's bid. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence to City that such insurance is in effect. VERIFICATION OF THE REQUIRED INSURANCE SHALL BE SUBMITTED AND MADE PART OF THIS AGREEMENT PRIOR TO EXECUTION. Contractor shall maintain all required insurance listed herein for the duration of this Agreement.

4.1 Workers' Compensation.

4.1.1 General Requirements. Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than \$1,000,000 per accident. In the alternative, Contractor may rely on a self-insurance program to meet these requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a

self-insurance program meets the standards of the California Labor Code shall be solely in the discretion of the Contract Administrator.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents, and subcontractors.

4.1.2 Submittal Requirements. To comply with Subsection 4.1, Contractor shall submit the following:

- a. Certificate of Workers' Compensation Insurance in the amounts specified in the section; and
- b. Waiver of Subrogation Endorsement as required by the section.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General Requirements. Contractor, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than \$1,000,000 and automobile liability insurance for the term of this Agreement in an amount not less than \$1,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum Scope of Coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001, Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 Additional Requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The Insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- b. City, its officers, officials, employees, and volunteers are to be covered as additional insureds as respects: liability arising out of work or operations

performed by or on behalf of the Contractor; or automobiles owned, leased, hired, or borrowed by the Contractor.

- c. Contractor hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Contractor agrees to obtain any endorsements that may be necessary to affect this waiver of subrogation.
- d. For any claims related to this Agreement or the work hereunder, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

4.2.4 Submittal Requirements. To comply with Subsection 4.2, Contractor shall submit the following:

- a. Certificate of Liability Insurance in the amounts specified in the section;
- b. Additional Insured Endorsement as required by the section;
- c. Waiver of Subrogation Endorsement as required by the section; and
- d. Primary Insurance Endorsement as required by the section.

4.3 All Policies Requirements.

4.3.1 Acceptability of Insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.3.2 Verification of Coverage. Prior to beginning any work under this Agreement, Contractor shall furnish City with complete copies of all Certificates of Liability Insurance delivered to Contractor by the insurer, including complete copies of all endorsements attached to the policies. All copies of Certificates of Liability Insurance and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf. If the City does not receive the required insurance documents prior to the Contractor beginning work, it shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete copies of all required insurance policies at any time.

4.3.3 Deductibles and Self-Insured Retentions. Contractor shall disclose to and obtain the written approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers,

employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

4.3.4 **Wasting Policies.** No policy required by this Section 4 shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

4.3.5 **Endorsement Requirements.** Each insurance policy required by Section 4 shall be endorsed to state that coverage shall not be canceled by either party, except after 30 days’ prior written notice has been provided to the City.

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

4.4 **Submittal of Proof of Insurance Coverage.** All certificates of insurance and original endorsements effecting coverage required in this Section 4 must be electronically submitted through the City’s online insurance document management program, PINS Advantage. Contractor shall comply with all requirements provided by City related to the PINS Advantage program.

4.5 **Remedies.** In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Contractor’s breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONTRACTOR’S RESPONSIBILITIES. Contractor shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, expenses, and costs (including without limitation, attorney’s fees and costs and fees of litigation) (collectively, “Liability”) of every nature arising out of or in connection with Contractor’s performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the sole negligence or willful misconduct of City.

The Contractor's obligation to defend and indemnify shall not be excused because of the Contractor's inability to evaluate Liability or because the Contractor evaluates Liability and determines that the Contractor is not liable to the claimant. The Contractor must respond within 30 days, to the tender of any claim for defense and indemnity by the City, unless this time has been extended by the City. If the Contractor fails to accept or reject a tender of defense and indemnity within 30 days, in addition to any other remedy authorized by law, so much of the money due the Contractor under and by virtue of this Agreement as shall reasonably be considered necessary by the City, may be retained by the City until disposition has been made of the claim or suit for damages, or until the Contractor accepts or rejects the tender of defense, whichever occurs first.

Notwithstanding the forgoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code Section 2782, as may be amended from time to time, such duties of Contractor to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONTRACTOR.

- 6.1 **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee of City. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subsection 1.3; however, otherwise City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.
- 6.2 **Contractor Not an Agent.** Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

- 7.2 **Compliance with Applicable Laws.** Contractor and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Contractor and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 7.4 **Licenses and Permits.** Contractor represents and warrants to City that Contractor and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Contractor represents and warrants to City that Contractor and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Contractor and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.
- 7.5 **Nondiscrimination and Equal Opportunity.** Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement. Contractor shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Contractor thereby.

Contractor shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** City may cancel this Agreement at any time and without cause upon written notification to Contractor.

Contractor may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Contractor shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Contractor delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Contractor or prepared by or for Contractor or the City in connection with this Agreement.

- 8.2 **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Contractor understands and agrees that, if City grants such an extension, City shall have no obligation to provide Contractor with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Contractor for any otherwise reimbursable expenses incurred during the extension period.
- 8.3 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 8.4 **Assignment and Subcontracting.** City and Contractor recognize and agree that this Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.
- 8.5 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Contractor shall survive the termination of this Agreement.
- 8.6 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, City's remedies shall included, but not be limited to, the following:
- 8.6.1 Immediately terminate the Agreement;
 - 8.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;
 - 8.6.3 Retain a different contractor to complete the work described in Exhibit A not finished by Contractor; or
 - 8.6.4 Charge Contractor the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Contractor pursuant to Section 2 if Contractor had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications,

records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Contractor hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Contractor agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both Parties.

- 9.2 **Contractor's Books and Records.** Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that Subsection 9.2 of this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of 3 years after final payment under the Agreement.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Alameda or in the United States District Court for the Northern District of California.
- 10.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

- 10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 10.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Section 1090 *et seq.*

Contractor hereby warrants that it is not now, nor has it been in the previous 12 months, an employee, agent, appointee, or official of the City. If Contractor was an employee, agent, appointee, or official of the City in the previous 12 months, Contractor warrants that it did not participate in any manner in the forming of this Agreement. Contractor understands that, if this Agreement is made in violation of California Government Code Section 1090 *et seq.*, the entire Agreement is void and Contractor will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Contractor will be required to reimburse the City for any sums paid to the Contractor. Contractor understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of California Government Code Section 1090 *et seq.*, and, if applicable, will be disqualified from holding public office in the State of California.

- 10.7 **Solicitation.** Contractor agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.8 **Contract Administration.** This Agreement shall be administered by the Police Business Manager ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 10.9 **Notices.** Any written notice to Contractor shall be sent to:
 Priority 1 PSE
 Attn. Marc Farber
 425 Harbor Boulevard, Ste. 6
 Belmont, CA 94002
 Email: marc@priority1pse.com

Any written notice to City shall be sent to:
 San Leandro PD
 Attn. Police Business Manager
 901 East 14th Street

San Leandro, CA 94577

With a copy to:
City of San Leandro
Department of Finance
c/o Purchasing Technician
835 East 14th Street
San Leandro, CA 94577

10.10 **Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.

Exhibit A Scope of Services (A.1 through A.7)

Exhibit B Compensation Schedule & Reimbursable Expenses (B.1 through B.7)

10.11 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.12 **Certification per Iran Contracting Act of 2010.** In the event that this contract is for one million dollars (\$1,000,000.00) or more, by Contractor's signature below Contractor certifies that Contractor, and any parent entities, subsidiaries, successors or subunits of Contractor are not identified on a list created pursuant to subdivision (b) of Section 2203 of the California Public Contract Code as a person engaging in investment activities in Iran as described in subdivision (a) of Section 2202.5, or as a person described in subdivision (b) of Section 2202.5 of the California Public Contract Code, as applicable.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the Effective Date. The persons whose signatures appear below certify that they are authorized to sign on behalf of the respective Party.

CITY OF SAN LEANDRO

CONTRACTOR

Jeff Kay, City Manager

Marc Farber, President

Attest:

Not Applicable
Contractor DIR Registration Number

Leticia I. Miguel, City Clerk

Approved as to Fiscal Authority:

David Baum, Finance Director

690-16-003
Account Number

Approved as to Form:

Richard D. Pio Roda, City Attorney

3008127.1

EXHIBIT A

SCOPE OF SERVICES

Contractor has been the sole source of outfitting City police vehicles since 2011. Contractor is the only vendor that has the ability to perform all aspects of the fleet management program detailed herein. Contractor shall perform the following services as part of the fleet management program:

A.1 Contractor will manage and maintain the City police department fleet of vehicles, including all scheduled preventative maintenance and unscheduled repair service, with pre-approval from the police department for unscheduled repair service.

A.2 Contractor will shuttle police vehicles to and from maintenance and/or service locations or shall arrange transportation of vehicles to and from service providers in a mutually agreed upon manner.

A.3 Contractor will provide vehicle up-fitting, decommissioning and disposal services for vehicles identified as part of the fleet management program. Up-fitting includes the installation and customization of police vehicles by adding specialty or emergency equipment necessary for the performance of law enforcement duties.

A.4 Contractor is an authorized dealer, reseller, and/or installer for many different vendors of specialized law enforcement equipment, including Federal Signal, Code 3, Datalux and 3M. Contractor shall maintain, service, and/or replace the emergency equipment within the police fleet when deemed necessary as the result of damage, equipment failure, or other cause that renders the equipment inoperable.

A.5 Contractor will provide and maintain an electronic notification system that tracks the status of the police vehicle in the fleet and alerts Contractor when staff reports a deficient condition for a vehicle. Contractor shall maintain a 24-hour response time, excluding weekends and holidays, for reported vehicle deficiencies.

A.6 Contractor may coordinate the procurement of new or replacement vehicles as part of the monthly fleet management fee. Procurement includes the bidding process for government purchase, identifying funding/leasing sources, ordering, receiving, up-fitting, painting, application of decals, and delivery.

A.7 Contractor shall provide copies of all sub-contractor agreements to the City.

EXHIBIT B

COMPENSATION SCHEDULE & REIMBURSABLE EXPENSES

B.1 Contractor will charge a fleet management service fee of \$200 per month for each marked police vehicle and specialty police vehicle being maintained under the program. This fee includes, but is not limited to, all activities related to the care and maintenance of routine marked police vehicles—managing the administrative and logistical parts of the department's fleet, transfer of vehicles for related services, managing sub-contractor services, and also sub-contractor payments or reimbursements of all vehicles in this program.

B.2 Contractor will charge a fleet management service fee of \$100 per month for each unmarked police vehicle assigned to administration or criminal investigations. This fee includes, but is not limited to, all activities related to the care and maintenance of routine unmarked police vehicles—managing the administrative and logistical parts of the department's fleet, transfer of vehicles for related serving, managing sub-contractor services, and also sub-contractor payments or reimbursements of all vehicles in this program. Contractor will charge the same service rate of \$100 per month for any police vehicle designated as part of a reserve vehicle fleet or identified as an extremely low use vehicle. This fee will only be charged for the month when the vehicle actually received service or maintenance.

B.3 Contractor will charge a fleet management service fee of \$200 per month for each police motorcycle assigned to the traffic unit. This fee includes, but is not limited to, all activities related to the care and maintenance of routine police motorcycles—managing the administrative and logistical parts of the department's fleet, transfer of vehicles for related serving, managing sub-contractor services, and also sub-contractor payments or reimbursements of all vehicles in this program.

B.4 City hereby agrees to pay Contractor annually a sum not to exceed \$75,000 for reimbursable expenses related to service, collision repair, and maintenance. Contractor will invoice the City monthly for reimbursement of actual expenses from vendors as a result of service, collision repairs, and/or maintenance incurred as part of fleet management. Contractor shall provide copies of all service, collision repair, and maintenance receipts to support the amount of reimbursement requested. Receipts provided should indicate payment has been made or other proof of payment may be provided, including copies of checks or statements showing receipt of payments made.

B.5 Contractor will invoice the City for any emergency equipment purchased and installed into a City vehicle as part of fleet management and outfitting of vehicles. Invoices shall be detailed and include a list of equipment installed and services performed. Contractor agrees to invoice the City for the following labor and installation costs: a) marked patrol supervisor vehicles at a flat-rate of \$3000 per vehicle to outfit; b) police canine vehicles at a flat-rate of \$2800 per vehicle to outfit; c) marked patrol vehicles, including police service vehicles for professional staff field personnel, at a flat-rate of \$2700 per vehicle to outfit; d) unmarked investigations and administrative vehicles at a flat-rate of \$1500 per vehicle to outfit. The contractor shall provide detailed invoices that include a list of services performed. Equipment shall be invoiced based on actual costs.

B.6 City hereby agrees to pay Contractor annually a sum not to exceed \$120,000 for direct services, \$123,600 for maintenance of the fleet, as defined in Exhibits A and B, notwithstanding any contrary

indications that may be contained in Contractor's proposal, for services to be performed and reimbursable costs incurred under this Agreement. Sub-contractor costs identified in Exhibit B, sections B.4 and B.5, shall be treated as pass-through payments from the City to the Contractor to sub-contractors and shall not be counted against the cumulative not to exceed amount of \$637,200. However, at no time shall these pass-through payments exceed \$637,200 annually without further Council approval. Additionally, work requiring the use of sub-contractors, which would generate pass-through payments shall first be approved by a designated City official before commencing. The City will not reimburse the Contractor for pass-through payments that did not receive approval prior to work commencing.

B.7 City will be provided Net 30 billing terms and shall pay the Contractor within 30 days of any undisputed amounts filed under this agreement.



City of San Leandro

Meeting Date: June 3, 2019

Resolution - Council

File Number: 19-270

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Jeff Kay
City Manager

BY: Jeff Tudor
Chief of Police

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION of the City of San Leandro City Council to Approve a Non-Professional Services Agreement between the City of San Leandro and Priority 1 Public Safety Equipment Not to Exceed \$637,200 Through Fiscal Year 2020-21; to Authorize the City Manager to Negotiate and Approve Contract Amendments Up to a Cumulative Value of 5% of the Original Contract Amount; and to Make a Finding under California Public Contract Code section 3400 Justifying a Sole Source Procurement to Match Equipment in Use on Existing Police Vehicles and to Provide Vehicle Maintenance, Collision Repair, and Fleet Services for the Duration of this Program

WHEREAS, an agreement between the City of San Leandro and Priority 1 Public Safety Equipment Installation Incorporated, a copy of which is attached, was presented to this City Council; and

WHEREAS, the City Council is familiar with the contents thereof; and

WHEREAS, the City Council previously made a finding in Resolution No. 2017-104 to justify a sole source procurement under California Public Contract Code section 3400 with Priority 1 Public Safety Equipment Installation Incorporated through Fiscal Year 2018-19; and

WHEREAS, the City annually replaces police vehicles according to a replacement schedule; and

WHEREAS, staff has identified a service provider that can outfit to police specifications, maintain, repair, and service all Police Department vehicles; and

WHEREAS, a sole source procurement is justified under California Public Contract Code

section 3400 for Priority 1 Public Safety Equipment Installation, Incorporated because the equipment and services provided by the vendor must match the equipment on the City's existing vehicles; and

WHEREAS, the City Manager recommends approval of said agreement.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That in accordance with California Public Contract Code section 3400, the City Council makes a sole source justification to procure from Priority 1 Public Safety Equipment Installation Incorporated; and

That the City Manager or his designee is authorized to negotiate and approve change orders up to a cumulative total not to exceed \$31,860; and

That said agreement is hereby approved and execution by the City Manager is hereby authorized.