



**Agenda  
City of Vernon  
Special City Council Meeting  
Wednesday, December 15, 2021, 8:45 AM  
Remote Location Via Zoom**

**Melissa Ybarra, Mayor  
William Davis, Mayor Pro Tem  
Leticia Lopez, Council Member  
Crystal Larios, Council Member  
Judith Merlo, Council Member**

**MEETING ATTENDANCE PROTOCOLS**

Assembly Bill 361 (AB 361) authorizes public meetings to take place via teleconference because State and Local officials are recommending measures to promote social distancing. This meeting will be conducted via Zoom participation.

The public is encouraged to view the meeting at <https://www.cityofvernon.org/webinar-special> or by calling (408) 638-0968, Meeting ID 828-3737-2984#. You may address the Council via Zoom or submit comments to [PublicComment@ci.vernon.ca.us](mailto:PublicComment@ci.vernon.ca.us) with the meeting date and item number in the subject line

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**APPROVAL OF THE AGENDA**

**PUBLIC COMMENT**

Members of the public interested in addressing the City Council during this Special Meeting may address any item which has been described in the notice of this Special Meeting before or during consideration of that item in accordance with Government Code Section 54954.3(a). For Closed Session matters members of the public shall be provided an opportunity to address the City Council before the Council recesses into Closed Session.

**PUBLIC HEARINGS**

**1. Public Works**

[Permanent Local Housing Allocation Application to the Department of Housing and Community Development](#)

Recommendation:

Adopt Resolution No. 2021-45 approving and authorizing the submittal of a Permanent Local Housing Allocation (PLHA) Program application to the California Department of Housing and Community Development and adopting the PLHA plan for the Permanent Local Housing Program.

- [1. Resolution No. 2021-45](#)
- [2. PLHA - Notice of Public Hearing](#)

3. [Appendix C of PLHA NOFA](#)
4. [PLHA PLAN](#)
5. [PLHA Program Application](#)

## **CONSENT CALENDAR**

All matters listed on the Consent Calendar are to be approved with one motion. Items may be removed from the Consent Calendar by any member of the Council. Those items will be considered immediately after the Consent Calendar.

### **2. Public Utilities**

#### [Labor and Materials Contract with Nalco Company LLC](#)

Recommendation:

Approve and authorize the City Administrator to execute a Labor and Materials Contract with Nalco Company LLC, in substantially the same form as submitted, to provide water treatment chemicals and equipment necessary to sustain reliable operation of the Malburg Generating Station for a six-month term, in an amount not-to-exceed \$200,000.

#### [1. Labor and Materials Contract with Nalco Company LLC](#)

## **NEW BUSINESS**

### **3. Public Utilities**

#### [Amendment No. 1 to the Services Agreement with Jacobs Engineering Group, Inc., for Environmental Compliance Support Services](#)

Recommendation:

Approve and authorize the City Administrator to execute Amendment No. 1 to Services Agreement with Jacobs Engineering Group, Inc. (Jacobs), in substantially the same form as submitted, to amend the scope of work for as-needed environmental compliance support services and increase the agreement value by an additional \$404,909, for a grand total not-to-exceed amount of \$744,822.

#### [1. Amendment No. 1 - Jacobs Engineering Group, Inc.](#)

## **ORAL REPORTS**

City Administrator Reports on Activities and other Announcements.

City Council Reports on Activities (including AB1234), Announcements, or Directives to Staff.

## **CLOSED SESSION**

### **4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Government Code Section 54956.8

Property: Malburg Generating Station, 2715 East 50<sup>th</sup> Street, Vernon, California

Agency negotiator: Carlos Fandino, City Administrator

Negotiating parties: Bicent (California) Malburg LLC

Under negotiation: Consideration of Price and Terms of Payment

### **5. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation

Government Code Section 54956.9(d)(2)

Number of potential cases: 1

## CLOSED SESSION REPORT

### ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted in accordance with applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours prior to the meeting. Special meeting agendas may be amended up to 24 hours prior to the meeting.

Dated this 13th day of December, 2021.

By:   
Lisa Pope, City Clerk

### Guide to City Council Proceedings

**Meetings** of the City Council are held the first and third Tuesday of each month at 9:00 a.m. and are conducted in accordance with Rosenberg's Rules of Order (Vernon Municipal Code Section 2.1-1).

**Copies** of all agenda items and back-up materials are available for review in the City Clerk Department, Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California, and are available for public inspection during regular business hours, Monday through Thursday, 7:00 a.m. to 5:30 p.m. Agenda reports may be reviewed on the City's website at [www.cityofvernon.org](http://www.cityofvernon.org) or copies may be purchased for \$0.10 per page.

**Disability-related services** are available to enable persons with a disability to participate in this meeting, consistent with the Americans with Disabilities Act (ADA). In compliance with ADA, if you need special assistance, please contact the City Clerk department at [CityClerk@ci.vernon.ca.us](mailto:CityClerk@ci.vernon.ca.us) or (323) 583-8811 at least 48 hours prior to the meeting to assure arrangements can be made.

The **Public Comment** portion of the agenda is for members of the public to present items, which are not listed on the agenda but are within the subject matter jurisdiction of the City Council. The City Council cannot take action on any item that is not on the agenda but matters raised under Public Comment may be referred to staff or scheduled on a future agenda. Comments are limited to three minutes per speaker unless a different time limit is announced. Speaker slips are available at the entrance to the Council Chamber.

**Public Hearings** are legally noticed hearings. For hearings involving zoning matters, the applicant and appellant will be given 15 minutes to present their position to the City Council. Time may be set aside for rebuttal. All other testimony shall follow the rules as set for under Public Comment. If you challenge any City action in court, you may be limited to raising only those issues you or someone else raised during the public hearing, or in written correspondence delivered to the City Clerk at or prior to the public hearing.

**Consent Calendar** items may be approved by a single motion. If a Council Member or the public wishes to discuss an item, it may be removed from the calendar for individual consideration. Council Members may indicate a negative or abstaining vote on any individual item by so declaring prior to the vote on the motion to adopt the Consent Calendar. Items excluded from the Consent Calendar will be taken up following action on the Consent

Calendar. Public speakers shall follow the guidelines as set forth under Public Comment.

**New Business** items are matters appearing before the Council for the first time for formal action. Those wishing to address the Council on New Business items shall follow the guidelines for Public Comment.

**Closed Session** allows the Council to discuss specific matters pursuant to the Brown Act, Government Code Section 54956.9. Based on the advice of the City Attorney, discussion of these matters in open session would prejudice the position of the City. Following Closed Session, the City Attorney will provide an oral report on any reportable matters discussed and actions taken. At the conclusion of Closed Session, the Council may continue any item listed on the Closed Session agenda to the Open Session agenda for discussion or to take formal action as it deems appropriate.

# City Council Agenda Item Report

Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: December 15, 2021

## **SUBJECT**

Permanent Local Housing Allocation Application to the Department of Housing and Community Development

## **Recommendation:**

Adopt Resolution No. 2021-45 approving and authorizing the submittal of a Permanent Local Housing Allocation (PHLA) Program application to the California Department of Housing and Community Development and adopting the PLHA plan for the Permanent Local Housing Program.

## **Background:**

On May 3, 2021, the Department of Housing and Community Development (HCD) released the Permanent Local Housing Allocation (PLHA) Program Entitlement and Non-Entitlement Formula Component Notice of Funding Availability (NOFA). Under this formula, the City of Vernon's funding allocation (FA) is \$392,000 of the total \$304 million available to local jurisdictions (Applicants). The PLHA program was established to assist local governments fund housing-related projects and programs to address the unmet housing needs in their communities. The application is due December 31, 2021.

The Vernon Housing Commission at its December 8, 2021 meeting voted to recommend the City Council approve and authorize the submittal of a Permanent Local Housing Allocation (PHLA) Program application to the California Department of Housing and Community Development.

## Eligible Activities

HCD has identified a wide range of activities eligible under this program and requests that the applicant provide a plan (Plan) outlining their intended eligible activities.

1. Predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing;
2. Predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, which includes accessory dwelling units (ADUs);
3. Matching funds to be placed local or regional housing trust funds;
4. Matching funds for the Housing Asset Fund;
5. Capitalized reserves for services connected to the preservation and creation of new permanent supportive housing;
6. Assisting person who are experiencing or at risk of homelessness via Rapid Rehousing, rental assistance, street outreach, and supportive services;
7. Accessibility modifications for lower-income owner-occupied housing;
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments;
9. Homeownership opportunities (i.e. down payment assistance); and
10. Fiscal incentives in the form of a grant or low-interest loan

If awarded, the City plans to use this funding towards homeownership opportunities including, but not limited to, a down payment assistance program.

#### Threshold Requirements

HCD communicated that this is a low-barrier funding opportunity. As such, Applicants will generally receive their funding allocations so as long as they submit a complete application that meets threshold requirements. Applicants must have submitted their updated Housing Element by the application deadline and have subsequently determined to follow state Housing Element law. Applicants must also submit to HCD the Annual Progress Report (APR). The completed application must include authorization from the governing body (via Resolution) to submit an application. In addition to the Plan detailing how allocated funds will be used for eligible activities, a description of the methods by which the applicant will prioritize investments that will increase housing stock for households with an income at or below 60% area median income (AMI) is also required. The Plan should also demonstrate consistency with the applicant's Housing Element.

The Plan shall be in effect for five (5) years. Plan years are based on the year during which the funds were accrued by the state (2019-2023). After Applicants have been awarded their first year FA, they must demonstrate all threshold requirements continue to be met in subsequent years. HCD approval will be required for any amendments during the term.

The City of Vernon has a funding allocation under this grant and can adequately demonstrate its ability to undergo projects that are considered eligible activities. If awarded, the City of Vernon plans to use this funding towards homeownership opportunities. Next steps include deliberating with necessary stakeholders to design a program to provide homeownership opportunities. Resolution No. 2021-45 will approve and authorize the Director of Public Works to apply for PLHA funding and, if awarded, will allow the Director to enter into, execute, and deliver a Standard Agreement with the State of California and any and all other documents required to evidence and secure PLHA Program funds.

Pursuant to the PLHA Program Final Guidelines Section 302 (4)(D), on November 25, 2021, the public hearing notice was posted at City Hall and published in the Los Angeles Wave (Huntington Park Bulletin) (Attachment 1).

#### **Fiscal Impact:**

There is no fiscal impact associated with this report. If the City's PLHA application is accepted, Vernon will be awarded a funding allocation of \$392,000.

#### **Attachments:**

1. [Resolution No. 2021-45](#)
2. [PLHA - Notice of Public Hearing](#)
3. [Appendix C of PLHA NOFA](#)
4. [PLHA PLAN](#)
5. [PLHA Program Application](#)

RESOLUTION NO. 2021-45

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON APPROVING AND AUTHORIZING THE SUBMITTAL OF A PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND ADOPTING THE PLHA PLAN FOR THE PERMANENT LOCAL HOUSING PROGRAM

SECTION 1. Recitals.

- A. On December 8, 2021, the Vernon Housing Commission voted to recommend the City Council approve and authorize the submittal of a Permanent Local Housing Allocation (PLHA) Program application to the California Department of Housing and Community Development.
- B. The State of California Department of Housing and Community Development (HCD) is authorized to provide up to \$304 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code Section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).
- C. HCD issued a Notice of Funding Availability (NOFA) dated May 3, 2021, under the PLHA.
- D. The City of Vernon (City) is an eligible local government that intends to apply for program funds to administer one or more eligible activities.
- E. HCD may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between HCD and PLHA grant recipients.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 2. The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 3. If the City receives a grant of PLHA funds for HCD pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, and regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts the City may have with HCD.

SECTION 4. The City Council hereby authorizes and directs the City to apply for

a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA.

SECTION 5. The City hereby agrees to use the PLHA funds for eligible activities as approved by HCD and in accordance with all Program requirements, Guidelines, other rules, and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the City and HCD.

SECTION 6. In accordance Section 302(c)(4) of the Guidelines, the City Council hereby adopts the City's PLHA Plan for the 2019-2023 Allocations and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.

SECTION 7. The City shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB2 Guidelines published by HCD.

SECTION 8. The City Council hereby authorizes the Director of Public Works to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modification thereto, as well as any other documents which are related to the Program to the PLHA grant awarded to the City, on behalf of, the City of Vernon and the City Clerk is hereby authorized to attest thereto, as HCD may deem appropriate.

SECTION 9. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 15<sup>th</sup> day of December, 2021.

---

MELISSA YBARRA, Mayor

ATTEST:

---

LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

---

ZAYNAH N. MOUSSA,  
Interim City Attorney





## NOTICE OF CITY COUNCIL PUBLIC HEARING

The City Council of the City of Vernon will conduct a public hearing, which you may attend, at Vernon City Hall, City Council Chamber, 4305 Santa Fe Avenue, Vernon, CA 90058, on **Tuesday, December 7, 2021, at 9:00 a.m.** (or as soon thereafter as the matter can be heard), to:

**Consider adoption of a resolution approving and authorizing the submittal of a Permanent Local Housing Allocation Program (PLHA) application to the California Department of Housing and Community Development and adopting the PLHA Plan for the Permanent Local Housing Program.**

The proposed resolution will be available for public review on the City's website once the agenda for the meeting is posted or from the City Clerk at [CityClerk@ci.vernon.ca.us](mailto:CityClerk@ci.vernon.ca.us) or 323-583-8811, ext. 546.


Please send your comments or questions to:

Daniel Wall, Director of Public Works  
City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
(323) 583-8811 Ext. 305  
Email: [dwall@ci.vernon.ca.us](mailto:dwall@ci.vernon.ca.us)

If you challenge adoption of the proposed resolution or any provision thereof in court, you may be limited to raising only those issues you or someone else raised at the hearing described in this notice or in written correspondence delivered to the City of Vernon at, or prior to, the meeting.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811 ext. 546.

The hearing may be continued, adjourned, or cancelled and rescheduled to a stated time and place without further notice of a public hearing.

  
\_\_\_\_\_  
Lisa Pope, City Clerk

Posted: November 22, 2021  
Publish: November 25, 2021

**Appendix C**  
**Estimate of Five-Year PLHA Allocation for Entitlement and**  
**Non-Entitlement Local government**

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Alameda	\$3,352,590	Alpine County	\$408,390
Alhambra	\$2,793,768	Alturas	\$475,835
Aliso Viejo	\$715,062	Amador City	\$395,168
Anaheim	\$12,931,710	Amador County	\$805,115
Antioch	\$2,365,410	American Canyon	\$704,612
Apple Valley	\$1,725,366	Anderson	\$622,622
Bakersfield	\$10,385,412	Angels	\$487,737
Baldwin Park	\$2,929,068	Arcata	\$1,056,372
Bellflower	\$3,081,744	Artesia	\$814,372
Berkeley	\$7,761,504	Arvin	\$831,563
Buena Park	\$2,215,452	Atwater	\$949,257
Burbank	\$2,863,092	Auburn	\$719,158
Camarillo	\$812,124	Avenal	\$627,912
Carlsbad	\$1,635,492	Benicia	\$848,754
Carson	\$2,488,380	Biggs	\$424,261
Cathedral City	\$1,699,338	Bishop	\$502,283
Cerritos	\$655,278	Blue Lake	\$409,715
Chico	\$2,342,088	Brawley	\$906,940
Chino	\$1,496,190	Butte County	\$2,000,572
Chino Hills	\$1,063,710	Calaveras County	\$1,238,865
Chula Vista	\$6,356,898	Calexico	\$1,222,996
Citrus Heights	\$1,876,554	Calimesa	\$532,699
Clovis City	\$2,193,654	Calipatria	\$462,611
Compton	\$4,618,320	Calistoga	\$511,540
Concord	\$2,932,710	Capitola	\$630,557
Corona	\$3,492,018	Carmel-by-the-Sea	\$491,704
Costa Mesa	\$3,171,486	Chowchilla	\$662,295
Cupertino City	\$993,060	Clearlake	\$875,203
Daly City	\$3,070,926	Coalinga	\$618,655
Davis	\$1,817,544	Colfax	\$432,196
Delano City	\$1,950,744	Colusa	\$515,507
Downey	\$3,121,674	Colusa County	\$500,961
El Cajon	\$3,872,292	Corcoran	\$683,453
El Centro	\$1,475,988	Corning	\$555,180
Elk Grove	\$2,638,722	Crescent City	\$485,092
El Monte	\$5,083,752	Del Norte County	\$844,787

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Encinitas	\$936,264	Dinuba	\$889,749
Escondido	\$5,057,466	Dixon	\$692,710
Fairfield	\$2,345,460	Dorris	\$399,135
Fontana	\$5,886,732	Dos Palos	\$496,994
Fountain Valley	\$867,648	Dunsmuir	\$432,196
Fremont	\$3,846,960	El Centro	\$1,297,051
Fresno	\$20,445,618	El Dorado County	\$2,879,974
Fullerton	\$4,130,712	Etna	\$403,103
Gardena	\$1,979,262	Eureka	\$1,125,138
Garden Grove	\$5,966,058	Exeter	\$586,917
Gilroy City	\$1,465,554	Farmersville	\$589,562
Glendale	\$5,202,150	Ferndale	\$426,906
Glendora City	\$781,548	Firebaugh	\$572,371
Goleta	\$564,090	Fort Bragg	\$641,136
Hanford	\$1,772,808	Fort Jones	\$415,004
Hawthorne	\$3,676,914	Fortuna	\$651,715
Hayward	\$3,910,410	Fowler	\$486,414
Hemet	\$2,415,216	Glenn County	\$641,136
Hesperia	\$3,034,662	Grass Valley	\$813,049
Huntington Beach	\$3,290,970	Greenfield	\$839,497
Huntington Park	\$3,910,068	Gridley	\$555,180
Indio City	\$2,735,772	Grover Beach	\$727,093
Inglewood	\$4,414,656	Guadalupe	\$606,754
Irvine	\$4,547,862	Gustine	\$441,452
Laguna Niguel	\$920,484	Hidden Hills	\$428,228
La Habra	\$2,333,202	Hollister	\$1,081,498
Lake Forest	\$1,326,420	Holtville	\$495,671
Lake Elsinore	\$1,491,162	Humboldt County	\$2,066,693
Lakewood	\$1,625,082	Huron	\$597,497
La Mesa	\$1,132,854	Imperial	\$548,568
Lancaster	\$4,169,130	Imperial County	\$1,043,148
Livermore	\$1,251,240	Indian Wells	\$532,699
Lodi	\$2,017,590	Industry	\$393,581
Lompoc	\$1,362,162	Inyo County	\$622,622
Long Beach	\$17,560,704	Ione	\$452,032
Los Angeles	\$157,317,438	Jackson	\$524,764
Lynwood	\$3,788,322	King City	\$805,115
Madera	\$2,533,914	Kings County	\$980,995
Menifee	\$1,509,624	Lake County	\$1,450,450
Merced	\$3,112,314	Lakeport	\$475,835
Milpitas City	\$1,431,570	Lassen County	\$612,043
Mission Viejo	\$1,240,098	Lemoore	\$871,235

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Modesto	\$5,818,482	Lincoln	\$1,219,029
Montebello	\$1,900,548	Lindsay	\$703,289
Monterey	\$698,514	Live Oak	\$537,988
Monterey Park	\$1,913,226	Livingston	\$653,038
Moreno Valley	\$6,178,854	Loomis	\$490,382
Mountain View	\$1,539,306	Los Banos	\$1,129,105
Napa City	\$1,909,260	Loyalton	\$405,747
National City	\$2,359,146	Madera County	\$1,643,522
Newport Beach	\$1,017,678	Mammoth Lakes	\$490,382
Norwalk	\$3,556,572	Maricopa	\$400,458
Oakland	\$22,226,850	Marina	\$945,290
Oceanside	\$3,894,906	Mariposa County	\$770,732
Ontario	\$5,520,108	Marysville	\$662,295
Orange	\$3,644,898	McFarland	\$676,841
Oxnard	\$6,950,574	Mendocino County	\$2,099,753
Palmdale	\$4,674,384	Merced County	\$1,865,687
Palm Desert	\$1,027,836	Modoc County	\$458,644
Palm Springs	\$1,153,422	Mono County	\$462,611
Palo Alto	\$1,388,976	Montague	\$412,359
Paradise	\$561,576	Mount Shasta	\$539,311
Paramount City	\$2,629,182	Napa County	\$859,334
Pasadena	\$5,616,456	Nevada City	\$473,190
Perris City	\$2,799,192	Nevada County	\$1,837,916
Petaluma	\$1,106,142	Orange Cove	\$608,076
Pico Rivera	\$2,033,838	Orland	\$555,180
Pittsburg	\$1,906,098	Oroville	\$822,306
Placentia	\$1,288,644	Pacific Grove	\$712,546
Pleasanton City	\$906,534	Palos Verdes Estates	\$580,305
Pomona	\$6,410,670	Parlier	\$801,148
Porterville	\$2,056,524	Pismo Beach	\$597,497
Rancho Cordova City	\$1,712,196	Placer County	\$2,730,542
Rancho Cucamonga	\$2,702,856	Placerville	\$664,940
Rancho Santa Margarita	\$608,376	Plumas County	\$727,093
Redding	\$2,020,884	Plymouth	\$404,425
Redondo Beach	\$784,980	Point Arena	\$404,425
Redwood City	\$2,086,314	Portola	\$452,032
Rialto	\$3,586,716	Rancho Mirage	\$1,032,569
Riverside	\$9,732,750	Red Bluff	\$744,284
Rocklin City	\$807,828	Rio Dell	\$474,513
Rosemead	\$2,059,428	Rio Vista	\$577,661
Roseville	\$1,880,196	Riverbank	\$732,382
Sacramento	\$14,142,402	San Benito County	\$727,093

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Salinas	\$6,041,082	San Joaquin	\$471,868
San Bernardino	\$9,732,162	San Juan Bautista	\$455,999
San Clemente	\$1,134,240	San Juan Capistrano	\$1,418,712
San Diego	\$34,741,098	Sand City	\$402,838
San Francisco	\$52,308,210	Santa Cruz County	\$3,395,713
San Jose	\$26,091,876	Scotts Valley	\$622,622
San Leandro	\$2,099,760	Shasta County	\$1,721,544
San Marcos City	\$1,915,068	Shasta Lake	\$613,366
San Mateo	\$2,051,364	Sierra County	\$405,747
Santa Ana	\$16,822,236	Siskiyou County	\$852,722
Santa Barbara	\$2,718,654	Solano County	\$769,410
Santa Clara	\$2,876,946	Soledad	\$725,770
Santa Clarita	\$3,529,554	Sonora	\$548,568
Santa Cruz	\$1,588,464	South Lake Tahoe	\$994,219
Santa Maria	\$4,400,826	St. Helena	\$534,021
Santa Monica	\$3,285,096	Suisun City	\$928,099
Santa Rosa	\$4,165,950	Susanville	\$559,147
Santee	\$806,244	Sutter County	\$698,000
Seaside	\$1,158,744	Sutter Creek	\$471,868
Simi Valley	\$1,742,142	Taft	\$543,278
South Gate	\$4,327,920	Tehama	\$393,581
South San Francisco	\$1,307,880	Tehama County	\$1,120,113
Stockton	\$10,268,580	Trinidad	\$396,491
Sunnyvale	\$3,198,138	Trinity County	\$729,738
Temecula	\$1,640,358	Truckee	\$627,912
Thousand Oaks	\$1,776,240	Tulare County	\$3,501,506
Torrance	\$2,666,244	Tulelake	\$411,037
Tulare	\$1,910,598	Tuolumne County	\$1,453,095
Turlock	\$1,859,124	Ukiah	\$778,667
Tustin	\$2,313,270	Vernon	\$392,259
Union City	\$1,523,610	Wasco	\$813,049
Upland	\$1,667,022	Weed	\$459,966
Vacaville	\$1,443,000	Westmorland	\$436,163
Vallejo	\$3,032,214	Wheatland	\$432,196
San Buenaventura	\$2,144,634	Williams	\$485,092
Victorville	\$3,796,620	Willits	\$553,857
Visalia	\$3,784,890	Willows	\$561,792
Vista	\$2,453,292	Winters	\$532,699
Walnut Creek	\$830,694	Woodlake	\$539,311
Watsonville	\$2,175,090	Yolo County	\$819,661
West Covina	\$2,332,578	Yountville	\$486,414
Westminster	\$3,063,462	Yreka	\$612,043

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
West Sacramento	\$1,420,074	Yuba County	\$1,634,265
Whittier	\$2,299,140		
Woodland	\$1,493,934		
Yorba Linda	\$639,174		
Yuba City	\$1,866,840		
Alameda County	\$5,603,190		
Contra Costa County	\$13,021,068		
Fresno County	\$9,860,088		
Kern County	\$12,962,064		
Los Angeles County	\$66,150,756		
Marin County	\$4,353,426		
Monterey County	\$3,890,280		
Orange County	\$7,632,984		
Riverside County	\$23,977,026		
Sacramento County	\$16,324,956		
San Bernardino County	\$20,754,846		
San Diego County	\$11,879,796		
San Joaquin County	\$7,861,158		
San Luis Obispo County	\$5,235,012		
San Mateo County	\$7,257,300		
Santa Barbara County	\$3,418,722		
Santa Clara County	\$4,420,398		
Sonoma County	\$5,396,358		
Stanislaus County	\$6,929,892		
Ventura County	\$5,158,494		

<b>§302(c)(4) Plan</b>		Rev. 5/14/21
<b>§302(c)(4)(A)</b>	Describe the manner in which allocated funds will be used for eligible activities.	
	<p>With this funding, the City of Vernon plans to implement a first-time homebuyers' downpayment assistance program. Staff will develop eligibility criteria, which will include income and credit threshold requirements. Funds secured through this grant will be disbursed to qualifying individuals that are first-time homebuyers who meet eligibility criteria. With this funding, the City will provide and require that applicants undergo a first-time homebuyer educational program to learn the details of the homebuying process, including but not limited to real estate and mortgage terminology, financial readiness, and fair housing policy.</p>	
<b>§302(c)(4)(B)</b>	Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).	
	<p>The City of Vernon will develop a comprehensive application for its down payment assistance program. The application will apply additional weight to applications for households with incomes at or below 60 percent of Area Median Income to increase housing supply for this demographic. Additionally, the City will continue to seek out additional financial resources that can be leveraged with this funding to assist households within this demographic.</p>	
<b>§302(c)(4)(C)</b>	Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.	
	<p>The City of Vernon owns much of the housing within the City. Program 18 of the City's draft Housing Element calls for a City-owned Housing Disposition Study. A first-time homebuyers' down payment assistance program would be an important component in the disposition of city-owned housing. The Housing Element contemplates diversified home ownership, and a first-time homebuyers' down payment assistance program would help ensure that ownership opportunities are available to a broad cross section of the population in the region.</p>	
<b>Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))</b>		
<b>§301(a)(1)</b>	The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.	
<b>§301(a)(2)</b>	The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	
<b>§301(a)(3)</b>	Matching portions of funds placed into Local or Regional Housing Trust Funds.	
<b>§301(a)(4)</b>	Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.	
<b>§301(a)(5)</b>	Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.	
<b>§301(a)(6)</b>	Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.	
<b>§301(a)(7)</b>	Accessibility modifications in Lower-income Owner-occupied housing.	
<b>§301(a)(8)</b>	Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.	
<b>§301(a)(9)</b>	Homeownership opportunities, including, but not limited to, down payment assistance.	

**§301(a)(10)** Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.





# California Department of Housing and Community Development

Division of Financial Assistance

Please review your submission. Your submission is not complete until you press the "Submit" button!

[Home](#)

## PLHA Formula Allocation Application: Preview

1	2	3	4	5	6	7
Start	Local Govern ment	Contact s	Require ments	Verificat ion	<b>Previe w</b>	Comple t e

6 of 7

▼ Start

### Available Services

---

#### Select the process you want to complete today

New Applicant (Did not receive an award for the 2020 Formula Allocation NOFA)

### Did not receive an award for the 2020 Formula Allocation NOFA

---

Please, make your selection

I want to submit a new PLHA application. Did not receive an award letter for the 2020 Formula Allocation NOFA.

▼ Local Government

## Local Government

---

### Jurisdiction

Non-entitlement Local Government

### Local Government (Non-Entitlement)

[Vernon](#)

**Check if Local Government is delegating their PLHA allocations to another Local Government**

No

## Applicant Address

---

### Address lookup tool (optional)

: 4305 South Santa Fe Avenue, Vernon, CA, USA

**Latitude:** 34.0047215

**Longitude:** -118.2308703

**Location:** 34.004722,-118.23087

**Formatted Address:** 4305 S Santa Fe Ave, Vernon, CA 90058, USA

**Street Number:** 4305

**Suite/Apt/Division/Department:** Public Works Department

**Zip Code:** 90058

**City:** Vernon

**State/Province:** California

**Country:** United States

**Country Code:** US

▼ Contacts

## Authorized Representative

---

### Authorized Rep. Printed Name

Daniel S. Wall

### Authorized Rep. Title

Director of Public Works

### Authorized Rep. Phone Number

(323) 583-1811

**Authorized Rep. Email**

[dwall@ci.vernon.ca.us](mailto:dwall@ci.vernon.ca.us)

**Use same address from Applicant**

Yes

## Primary Contact

---

**Check here if Primary Contact is the same as Authorized Rep.**

No

**Primary Contact Full Name**

Jazmine Hooks

**Primary Contact Title**

Administrative Analyst

**Primary Contact Phone**

(323) 583-8811

**Primary Contact Email**

[jhooks@ci.vernon.ca.us](mailto:jhooks@ci.vernon.ca.us)

**Use same address from Applicant**

Yes

▼ Requirements

## PLHA Application

---

**PLHA Excel Application**

[PLHA Application 2021 \(revDW\).xlsm](#)

**Attach signed PLHA Application**

[2021 PLHA Resolution Template.pdf](#)

## Application and Adopting the PLHA Plan (2019-2023 Allocations) Resolution

---

**Attach Application and Adoption the PLHA Plan Resolution**

[2021 PLHA Resolution Template\\_o.pdf](#)

## Program Income Reuse Plan

---

**Check if applicant is/will be using any PLHA allocation for making loans or depositing into an interest-bearing account.**

No

## **App1 TIN**

---

**Attach App1 TIN (20 mb max)**

[GOV ITIN Form.pdf](#)

## **Legally Binding Agreement**

---

**Check if Applicant is delegated by another Local government to administer on its behalf its formula allocation of program funds.**

No

## **Other Documentation**

---

**I want to attach other documentation**

No

< Previous

Submit

# City Council Agenda Item Report

Submitted by: Adriana Ramos  
Submitting Department: Public Utilities  
Meeting Date: December 15, 2021

## **SUBJECT**

Labor and Materials Contract with Nalco Company LLC

### **Recommendation:**

Approve and authorize the City Administrator to execute a Labor and Materials Contract with Nalco Company LLC, in substantially the same form as submitted, to provide water treatment chemicals and equipment necessary to sustain reliable operation of the Malburg Generating Station for a six-month term, in an amount not-to-exceed \$200,000.

### **Background:**

On November 16, 2021, City Council adopted Resolution No. 2021-41 approving a Purchase and Sale Agreement (PSA) with Bicent (California) Malburg LLC (Bicent) for the acquisition of the Malburg Generating Station (MGS). In order to be able to operate MGS on or after December 15, 2021, without unnecessary disruptions, Staff is seeking approval of a short-term contract with Nalco Company LLC (Nalco), the current vendor utilized by Bicent for water treatment chemicals and related services.

Nalco is an existing critical Bicent vendor that currently provides water treatment chemicals and services to MGS. Any adverse changes to the water chemistry utilized at MGS can lead to significant deterioration of vital system components. To avoid any damage to crucial equipment, and to avoid any operational disruptions, Vernon Public Utilities must leverage the services of a contractor with the expertise and ability to provide the chemicals and equipment to produce the exact water chemistry needed at MGS, in accordance with all applicable laws and regulations. Establishing a short-term agreement with Nalco, for the period of December 15, 2021 through June 30, 2022, will allow sufficient time for staff to conduct its own analysis to determine how to best meet the needs of MGS operations in the long-term, and work through the City procurement process to secure a vendor with the appropriate competency to maintain proper water chemistry at the power plant.

The proposed Labor and Materials Contract has been reviewed and approved as to form by the City Attorney's Office.

### **Fiscal Impact:**

The estimated cost of a six-month term contract is \$200,000. Funds for this contract were not included in the FY 2021-22 budget, however, this cost will become part of the adopted budget with the acquisition of MGS. Funds for this action will be drawn from Vernon Public Utilities MGS Division Account No. 055.9190.500230.

### **Attachments:**

1. [Labor and Materials Contract with Nalco Company LLC](#)

LABOR AND MATERIALS CONTRACT BETWEEN THE CITY OF VERNON AND NALCO  
COMPANY LLC

COVER PAGE

Contractor:	Nalco Company LLC
Responsible Principal of Contractor:	Scott K. Isherwood, District Manager
Notice Information - Contractor:	Nalco Company LLC 1601 W. Diehl Road Naperville, IL 60563-1198 Attention: Industrial Sector General Counsel
Notice Information - City:	City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058 Attention: Abraham Alemu, General Manager of Vernon Public Utilities Telephone: (323) 583-8811 ext. 250
Commencement Date:	December 15, 2021
Termination Date:	June 30, 2022
Consideration:	Total not to exceed \$200,000 (includes all applicable sales tax); and more particularly described in Exhibit C
Records Retention Period	Three (3) years, pursuant to Section 7.3

LABOR AND MATERIALS CONTRACT BETWEEN THE CITY OF VERNON AND NALCO  
COMPANY LLC

This Contract is made between the City of Vernon (City), a California charter City and California municipal corporation, and Nalco Company LLC, a Delaware corporation, with headquarters located at 1601 W. Diehl Road (Contractor).

The City and Contractor agree as follows:

1.0 Contractor shall furnish all necessary and incidental labor, material, equipment, transportation and services for water treatment chemicals and equipment during the contract term, as more fully set forth in the Scope of Work, attached hereto and incorporated herein by reference as Exhibit "A".

2.0 All work shall be done in a manner satisfactory to the City's General Manager of Vernon Public Utilities (General Manager) acting reasonably, or the General Manager's designee, in writing, and shall be of highest quality with respect to the contract specifications.

In the event Contractor fails to perform satisfactorily the City shall advise Contractor in writing, and Contractor shall have thirty (30) days to cure such failure to satisfactorily perform. If Contractor fails to so cure its performance within said 30 days, the City may, at its option, terminate this Contract for default without further liability, other than payment to Contractor for work performed satisfactorily prior to the date of termination.

3.0 Contractor shall commence work upon the execution of this contract.

4.0 In consideration of satisfactory and timely Performance of requested services and equipment pursuant to the Schedule set forth in Exhibit "B," which is attached hereto and incorporated herein by reference, the City shall pay Contractor as follows:

The bid amounts, according to the requested and accepted price set forth in the Contractor's quote, attached hereto and incorporated herein by reference as Exhibit "C". The total amount to be paid to Contractor during the term of this contract shall not exceed two-hundred-thousand Dollars (\$200,000.00) without the prior approval of the City Council and without a written amendment of this contract.

5.0 GENERAL TERMS AND CONDITIONS.

5.1 INDEPENDENT CONTRACTOR.

5.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent or employee of City and shall furnish such services in its own manner and method except as required by this Contract. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment

of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

5.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

5.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors, if any, shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

5.3 OWNERSHIP OF WORK. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets and other documents prepared by Contractor in furtherance of the work exclusively for the City shall be the sole property of City and shall be delivered to City whenever requested. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

5.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy or incompleteness.

5.5 WAIVER. The City's waiver of any term, condition, breach or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived.

5.6 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors and/or assigns.

5.7 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion; provided however, that Contractor may assign this Contract to a wholly-owned direct or indirect subsidiary of Ecolab, Inc. (its publicly-traded parent corporation), upon written notice to City. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties or otherwise constitute a novation.

5.8 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, resolutions, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof.



5.9 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

## 6.0 INTERPRETATION.

6.1 APPLICABLE LAW. This Contract, and the rights and duties of the parties hereunder (both procedural and substantive), shall be governed by and construed according to the laws of the State of California, without regards to its conflict of laws rules.

6.2 ENTIRE CONTRACT. This Contract, including any Exhibits attached hereto, constitutes the entire contract and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).

6.3 WRITTEN AMENDMENT. This Contract may only be changed by written amendment executed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

6.4 SEVERABILITY. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

6.5 ORDER OF PRECEDENCE. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail.

6.6 CHOICE OF FORUM. The parties hereby agree that this Contract is to be enforced in accordance with the laws of the State of California, is entered into in the City of Vernon and that all claims or controversies arising out of or related to performance under this Contract shall be submitted to and resolved in a forum within the County of Los Angeles at a place to be determined by the rules of the forum.

6.7 TIME OF ESSENCE. Time is strictly of the essence of this Contract and each and every covenant, term and provision hereof.

6.8 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

6.9 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having

jurisdiction thereof. This clause shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

6.10 INDEMNITY.

6.10.1 Contractor agrees to indemnify, hold harmless and defend, to the maximum extent permitted by law, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives ("the Indemnitees"), from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) for third party claims against the Indemnitees: (a) arising out of any personal injury, death or tangible property damage to the extent caused by any negligent or wrongful acts, errors or omissions (including, without limitation, professional negligence) of Contractor, its employees, representatives, subcontractors, or agents in connection with the performance of this Contract; or (b) patent, copyright, trade secret or trademark infringement related to the Products or Services to the extent used in accordance with Contractor's instructions.

6.11 RELEASE. Contractor agrees to release and covenants not to sue the City, its City Council and each member thereof, and its officers, employees, commission members and representatives for any damage or injury (including death) to itself, its officers, employees, agents and independent contractors damaged or claiming to be damaged from any performance under this Contract.

6.12 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary coverage to the extent of the liabilities assumed by Contractor in this Contract.

6.12.1 Automobile Liability with minimum limits of at least \$1,000,000 combined single limit including owned, hired, and non-owned liability coverage.

(1) To the extent of the liabilities assumed by Contractor in this Contract, Contractor agrees to subrogate automobile liability coverage.

6.12.2 General Liability with minimum limits of at least \$1,000,000 per occurrence and \$2,000,000 in aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis.

Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents and volunteers must be endorsed on the policy as additional insureds as respects the liabilities assumed by Contractor in this Contract.

- A. If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.
  - B. Blanket Contractual Coverage.
    - A. Products/Completed Operations coverage.
    - B. Contractor agrees to subrogate General Liability policy to the extent of the liabilities assumed by Contractor in this Contract.
- 6.12.3 Errors and Omissions coverage in a sum of at least \$1,000,000, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such coverage for at least one (1) year after the termination of this Contract.
- 6.12.4 Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:
  - A. Provide copy of permissive self-insurance certificate approved by the State of California; or
  - B. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or
  - C. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.
- 6.12.5 Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.
- 6.12.6 Insurance shall be placed with insurers reasonably acceptable to the City.
- 6.12.7 Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. City may require complete copies of any or all policies at any time.
- 6.12.8 Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately

notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due Contractor, at City's option; (b) immediately terminate this Contract; or (c) self insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due Contractor.

6.13 NOTICES. Any notice or demand to be given by one party to the other shall be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City: City of Vernon  
Attn: Abraham Alemu, General Manager of Vernon Public Utilities  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor: Nalco Water Company  
Attn: Industrial Sector General Counsel  
1601 W. Diehl Road  
Naperville, IL 60563-1198

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

6.14 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

6.15 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than thirty (30) days after the date of the notice.

Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently

performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance.

6.16 ASSIGNMENT OF ANTITRUST CAUSES OF ACTION. Contractor hereby agrees to assign to the City all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under Chapter 2 of the Cartwright Act (commencing with Section 16700) or part 2 of Division 7 of the California Business and Professions Code, or any similar or successor provisions of Federal or State law, arising from purchases of goods, services or materials pursuant to this Contract or any subcontract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgment by the parties.

#### 7.0 ADDITIONAL ASSURANCES

7.1 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, the Contractor and any other parties with whom it may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "D".

7.2 VERNON BUSINESS LICENSE. Contractor shall obtain, and pay any and all costs associated therewith, any Vernon Business License which may be required by the Vernon Municipal Code.

#### 7.3 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least 3 years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals and overhead.

7.4 CONFLICT. Contractor hereby represents, warrants and certifies that no member, officer or employee of the Contractor is a director, officer or employee of the City of Vernon, or a member of any of its boards, commissions or committees, except to the extent permitted by law.

7.5 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work with respect to hourly workers. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Contract by the respective Contractor or subcontractor for each calendar day during which the hourly worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by hourly employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

7.6 PAYMENT. Payment terms are 30 days from the date of invoice.

7.7 LEGIONELLA, WARRANTY AND CONSEQUENTIAL DAMAGES DISCLAIMER. The goods and services do not cover, and Contractor makes no warranties with respect to, water system biohazards from waterborne pathogens, including but not limited to Legionella bacteria. Contractor shall not be liable for any failure caused by City's failure to follow Contractor's written instructions. CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR OTHERWISE, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL OR INDIRECT DAMAGES.

7.8 CONTRACTOR-OWNED EQUIPMENT TERMS. The additional terms and conditions applicable to Contractor-owned equipment provided to City on a rental or usage basis and the additional terms applicable to Contractor's digital programs are set forth in Exhibit F.

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have executed this Contract as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

Nalco Company LLC, a Delaware limited liability Company

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa,  
Interim City Attorney

EXHIBIT A  
SCOPE OF WORK



## Scope of Work and Pricing

### Nalco Company

Customer Name:	City of Vernon (Malburg Generating Station)
Address:	4963 Soto St
	Vernon, CA

Nalco will provide a Program consisting of the services, products and equipment listed below for the System(s) described. This Program is designed to meet mutually agreed upon objectives based upon maintenance of key operating conditions and control parameters.

#### Term of Agreement

Effective: Start: December 15, 2021 End: June 30, 2022

#### Chemical Program Description

Nalco will provide chemical treatment and services for the following systems:

##### **Cooling Tower Water System:**

Consulting Service Visits – 2 times per month by Nalco Engineer Representative

3D Trasar Technology & Controller for Cooling Tower Water System

Nalco will provide the following treatment chemicals and services:

##### Cooling Towers

Cooling Tower:	3DT487	(Scale and Corrosion Inhibitor)
	Sodium Hypochlorite	(Oxidizing Biocide)
	Sulfuric Acid	(pH Adjustment)
	Nalco 90005	(Low Foam Biocide)
	Nalco 73551	(Deposit Penetrant)

##### **Steam System:**

Consulting Service Visits – 2 per month by Nalco Engineer Representative

Steam:	BT-4000	(Phosphate and Alkalinity)
	Nalco 356	(Amine Steam Treatment)

<b>RO System:</b>	Nalco 2581	(Alkalinity and pH Control)
	PC-191T	(RO Anti-Scalant)
	7408	(Chlorine Scavenger Sodium Bisulfite)
	Sodium Hypochlorite	(Oxidizing Biocide)

**Chemical Feed and Control Equipment**

Nalco will service the following Nalco Equipment:

Nalco 3D Trasar for Cooling Water Controller – 1
Nalco PortaFeeds for hands free delivery – remains the property of Nalco

Nalco Water Management Consulting Services:

<ul style="list-style-type: none"><li>- Service visits will be documented and communicated with a computer generated Personal Service Report</li><li>- Implementation of Nalco 6 Service Standards</li><li>- Inspections of opened equipment with pictures and reports</li><li>- Quarterly Legionella Testing</li><li>- Use Nalco 360 and MyNalco customer site</li></ul>
---

Services – The following services are available upon request outside of the normal annual agreement. <ul style="list-style-type: none"><li>- Annual Disinfection</li></ul>
--

Nalco Company agrees to provide the chemicals, equipment, and services listed above for the specified systems based on the system load and water quality at the Ship and Bill prices in the table below

Product	Application	Price (\$/lb)
Nalco BT-4000	Boiler Phosphate and Alkalinity	\$5.30
Nalco 356	Steam Treatment	\$11.93
Nalco 90005	Tower Low Foam Microbiocide	\$11.38
Sulfuric Acid	Cooling Tower pH control	\$0.39
Sodium Hypochlorite	Tower Oxidizing Biocide	\$0.34
Nalco 4DT487	Tower Scale and Corrosion Inhibitor	\$3.65
Nalco 73551	Deposit Penetrant	\$4.87
Nalco 7408	RO Chlorine Scavenger	\$4.64
Nalco 2581	RO Alkalinity and pH Control	\$4.84
PC-191T	RO Anti-Scalant	\$6.46
Nalco 7468	Tower Anti-Foam	\$2.34

Estimated Total Spend for the 6 month period is estimated to **be less than \$200,000**

TERMS:

- Standard payment terms are net 30 days of invoice date.
- Prices exclude any applicable sales, use, excise, VAT, export and import taxes, and similar fees.

**Scott K. Isherwood**

DISTRICT MANAGER, HEAVY INDUSTRIAL WATER

**Nalco Water | An Ecolab Company** 1601 W. DIEHL ROAD, NAPERVILLE, IL 60563

T 509 431 5062 M 509 431 5062 E [skisherwood@ecolab.com](mailto:skisherwood@ecolab.com)

EXHIBIT B  
SCHEDULE

## Scope of Work and Pricing

### Nalco Company

Customer Name:	City of Vernon (Malburg Generating Station)
Address:	4963 Soto St
	Vernon, CA

Nalco will provide a Program consisting of the services, products and equipment listed below for the System(s) described. This Program is designed to meet mutually agreed upon objectives based upon maintenance of key operating conditions and control parameters.

#### Term of Agreement

Effective: Start: December 15, 2021 End: June 30, 2022

#### Chemical Program Description

Nalco will provide chemical treatment and services for the following systems:

##### **Cooling Tower Water System:**

Consulting Service Visits – 2 times per month by Nalco Engineer Representative

3D Trasar Technology & Controller for Cooling Tower Water System

Nalco will provide the following treatment chemicals and services:

##### Cooling Towers

Cooling Tower:	3DT487	(Scale and Corrosion Inhibitor)
	Sodium Hypochlorite	(Oxidizing Biocide)
	Sulfuric Acid	(pH Adjustment)
	Nalco 90005	(Low Foam Biocide)
	Nalco 73551	(Deposit Penetrant)

##### **Steam System:**

Consulting Service Visits – 2 per month by Nalco Engineer Representative

Steam:	BT-4000	(Phosphate and Alkalinity)
	Nalco 356	(Amine Steam Treatment)

<b>RO System:</b>	Nalco 2581	(Alkalinity and pH Control)
	PC-191T	(RO Anti-Scalant)
	7408	(Chlorine Scavenger Sodium Bisulfite)
	Sodium Hypochlorite	(Oxidizing Biocide)

**Chemical Feed and Control Equipment**

Nalco will service the following Nalco Equipment:

Nalco 3D Trasar for Cooling Water Controller – 1
Nalco PortaFeeds for hands free delivery – remains the property of Nalco

Nalco Water Management Consulting Services:

<ul style="list-style-type: none"><li>- Service visits will be documented and communicated with a computer generated Personal Service Report</li><li>- Implementation of Nalco 6 Service Standards</li><li>- Inspections of opened equipment with pictures and reports</li><li>- Quarterly Legionella Testing</li><li>- Use Nalco 360 and MyNalco customer site</li></ul>
---

Services – The following services are available upon request outside of the normal annual agreement. <ul style="list-style-type: none"><li>- Annual Disinfection</li></ul>
--

EXHIBIT C

QUOTE

Nalco Company agrees to provide the chemicals, equipment, and services listed above for the specified systems based on the system load and water quality at the Ship and Bill prices in the table below

Product	Application	Price (\$/lb)
Nalco BT-4000	Boiler Phosphate and Alkalinity	\$5.30
Nalco 356	Steam Treatment	\$11.93
Nalco 90005	Tower Low Foam Microbiocide	\$11.38
Sulfuric Acid	Cooling Tower pH control	\$0.39
Sodium Hypochlorite	Tower Oxidizing Biocide	\$0.34
Nalco 4DT487	Tower Scale and Corrosion Inhibitor	\$3.65
Nalco 73551	Deposit Penetrant	\$4.87
Nalco 7408	RO Chlorine Scavenger	\$4.64
Nalco 2581	RO Alkalinity and pH Control	\$4.84
PC-191T	RO Anti-Scalant	\$6.46
Nalco 7468	Tower Anti-Foam	\$2.34

Estimated Total Spend for the 6 month period is estimated to **be less than \$200,000**

TERMS:

- Standard payment terms are net 30 days of invoice date.
- Prices exclude any applicable sales, use, excise, VAT, export and import taxes, and similar fees.

**Scott K. Isherwood**

DISTRICT MANAGER, HEAVY INDUSTRIAL WATER

**Nalco Water | An Ecolab Company** 1601 W. DIEHL ROAD, NAPERVILLE, IL 60563

T 509 431 5062 M 509 431 5062 E [skisherwood@ecolab.com](mailto:skisherwood@ecolab.com)



## EXHIBIT D

### EQUAL EMPLOYMENT OPPORTUNITY

#### PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Contract, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Contract, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Contract shall be construed in any manner as to require or permit any act which is prohibited by law.

## EXHIBIT E

### PRICE INCREASE

In addition to any periodic price adjustment provided for in this Agreement Contractor may increase the prices for the Products or Services if, at any time during the term of this Agreement, an Extraordinary Inflationary Disruption occurs. Extraordinary Inflationary Disruption is defined as an increase in delivered costs beyond the control of Contractor of at least seven (7%) percent and sustained over a three-month period. In case of such an Extraordinary Inflationary Disruption, Contractor may increase the price of the Products up to the full amount of the percent increase in its costs (raw materials, freight, labor or energy) by giving City at least thirty (30) days written notice. The baseline for determining such increase shall be on an individual product basis. If Contractor's costs decline back to a baseline level, Contractor is allowed to maintain product prices at the elevated level for the same period of time Contractor previously maintained pricing prior to the hardship price increase.

If the charges under the Contract reach 80% of the Total allowed and it is likely the Total will be exceeded before the end of the Term, City and Contractor will discuss additional funding, subject to City Council approval. If additional funding is not approved, Contractor will cease billing and performing once the total is reached.

## EXHIBIT F

### Contractor-Owned Equipment Terms

For equipment (including Porta-Feed units, 3D TRASAR, OMNI, Purate, and Pareto equipment and other proprietary equipment of Contractor and any associated computer hardware or software) furnished to City on a rental or use basis (the "Equipment"), the following terms and conditions shall also apply.

1. Equipment shall remain the sole personal property of Contractor even though City may attach Equipment to realty. Contractor may cause such Equipment to be marked to indicate its ownership, and City agrees to provide reasonable cooperation by executing any financing statements Contractor files with respect to the Equipment. City shall take no action which is inconsistent with Contractor's title to the Equipment, and shall not move, encumber or alter the Equipment without Contractor's written authorization. City shall be responsible for any personal property or use taxes associated with the Equipment.
2. City shall not use the Equipment with any materials or products other than those recommended or approved by Contractor. The proper functioning of the Equipment is conditioned upon City operating it in accordance with Contractor's recommendations.
3. City shall install and provide the utilities necessary for the Equipment, and will provide a suitable location for the Equipment, including but not limited to shelter, tank pads, spill protection, foundations, etc., as appropriate. City shall receive, unload, place and remove Equipment at no cost to Contractor and should be responsible for procuring any necessary permits or licenses for such actions. With respect to Porta-Feed units, City agrees to provide access for a standard truck (min. 40 feet end-to-end, 14 feet high) to be driven safely to an area (e.g. loading dock) in the vicinity of the base tank to offload refill units.
4. City shall not alter the Equipment without Contractor's written authorization. City assumes all risk of loss or liability arising from or pertaining to its possession, operation or use of the Equipment, and shall indemnify, defend and hold Contractor harmless from all losses, claims, damages and expenses arising from City's possession and use of the Equipment except to the extent damage to the Equipment is caused by Contractor's negligence or willful misconduct. City shall obtain and maintain for the term of this Contract all risks property insurance against loss or damage to the Equipment.
5. City shall allow Contractor to subcontract portions of work to be performed under this Contract with respect to Equipment including but not limited to data-hosting, transmission of data through internet service providers and use other service providers. Contractor shall have the right to inspect and service Equipment during normal business hours.
6. Upon termination of this Contract by either Contractor or City, City shall return Equipment to Contractor at City's sole expense in the same condition as received, ordinary wear and tear excepted. In the event Equipment is lost, damaged or destroyed, City shall pay to Contractor the cost of replacement, or of repair at Contractor's standard charges then in effect. During the term of this Contract, the Equipment will remain the exclusive property of Contractor.
7. City shall promptly notify Contractor of any material change in City's status, including, but not limited to, change of address, desired Equipment location, close of business.

8. Contractor reserves the right to use non-union labor for supervised, installation, testing and service of Equipment.
9. City agrees to inform Contractor of any special or unusual safety precautions that should be taken because of conditions in City's plant or process.
10. Notwithstanding anything in any Contract or otherwise to the contrary, all data generated or collected by the Equipment that is transmitted to Contractor (or to a Contractor third-party provider) is owned by City but City hereby grants to Contractor a perpetual, non-exclusive, royalty-free license to use that data (and that license will survive the termination or expiration of this Contract). City agrees to maintain reasonable measures to ensure the security of its information, computer and internet systems, including data security, and will hold Contractor and its affiliates harmless from claims relating thereto including, without limitation, third-party actions in connection therewith, excluding only damages to the extent caused by Contractor's willful misconduct or fraud.

# City Council Agenda Item Report

Submitted by: Adriana Ramos  
Submitting Department: Public Utilities  
Meeting Date: December 15, 2021

## **SUBJECT**

Amendment No. 1 to the Services Agreement with Jacobs Engineering Group, Inc., for Environmental Compliance Support Services

## **Recommendation:**

Approve and authorize the City Administrator to execute Amendment No. 1 to Services Agreement with Jacobs Engineering Group, Inc. (Jacobs), in substantially the same form as submitted, to amend the scope of work for as-needed environmental compliance support services and increase the agreement value by an additional \$404,909, for a grand total not-to-exceed amount of \$744,822.

## **Background:**

On June 16, 2020, City Council approved an agreement with Jacobs (Contract No. LP-0543) to provide environmental support services that address air quality, potable and recycled water, industrial wastewater, hazardous materials, and greenhouse gas in relation to Vernon Public Utilities (VPU) operations. As the City moves forward with the re-purchase of the Malburg Generating Station (MGS), following the City Council's approval of the Purchase and Sale Agreement on November 16, 2021, VPU will require additional environmental compliance support from Jacobs: 1) to identify the MGS's exact environmental compliance needs; and 2) to support ongoing compliance.

Accordingly, VPU is requesting to amend the agreement with Jacobs (Contract No. LP-0543) to revise the scope of work to include the added necessary tasks and costs. The attached change order proposal from Jacobs presents a brief discussion of Jacobs' technical approach, deliverables, and budget. MGS currently receives environmental compliance support from a Bicent (California) Malburg LLC employee, however that employee is not transitioning over to the City with the acquisition. Since that position will not be filled, Jacobs can assist with the environmental compliance support at MGS.

For reference, the City currently has a separate agreement (Contract LP-0643) with this vendor for environmental compliance support for identification and transfer of MGS' existing environmental permits related to the purchase of MGS, which is separate and distinct from this agreement and proposed amendment. Revising the scope of work in Contract LP-0543 is more consistent with the work that is needed at MGS for ongoing support in environmental regulatory compliance whereas Contract LP-0643 is limited to the transfer of environmental permit ownership.

Staff is seeking approval of Amendment No. 1, considering the urgent need for environmental compliance support related to the City's acquisition of MGS. The proposed amendment has been reviewed and approved as to form by the City Attorney's Office.

## **Fiscal Impact:**

Approval of this action would require an appropriation of \$404,909 for this Amendment,

increasing the total contract value not-to-exceed \$744,822. This appropriation will become part of the adopted budget of the plant acquisition in the Public Utilities MGS Division Account No. 055.9190.595200.

**Attachments:**

1. [Amendment No. 1 - Jacobs Engineering Group, Inc.](#)

**AMENDMENT NO. 1 TO THE SERVICES AGREEMENT BETWEEN THE CITY OF  
VERNON AND JACOBS ENGINEERING GROUP INC. FOR ENVIRONMENTAL  
COMPLIANCE SUPPORT SERVICES**

This Amendment (Amendment No. 1) to that certain Agreement for environmental compliance support services dated July 1, 2020, (Agreement), is made as of December 15, 2021, by and between the City of Vernon, a California charter city and municipal corporation (City), and Jacobs Engineering Group Inc. (Contractor), a Delaware corporation.

WHEREAS, the City and Contractor are parties to a written Agreement dated July 1, 2020, under which Contractor provides environmental compliance support services to Vernon Public Utilities; and

WHEREAS, the City and Contractor desire to amend the Agreement to amend the scope of work as described in the proposal by Contractor dated December 9, 2021, is attached hereto as Exhibit A.

WHEREAS, in light of additional services needed, the City and Contractor desire to amend the Agreement to increase the total not to exceed amount by an additional \$404,909.

NOW, THEREFORE, the parties to this Amendment No. 1 agree as follows:

1. Effective as of December 15, 2021, the scope of work is hereby amended as described in the proposal by Contractor attached hereto as Exhibit A.
2. Effective as of December 15, 2021, the total amount not to exceed for the period of July 1, 2020 through June 30, 2023 shall not exceed a total amount of \$744,822.
3. Except as expressly modified by this Amendment No. 1, all provisions of the Agreement shall remain in full force and effect.
4. The provisions of this Amendment No. 1 shall constitute the entire agreement of the parties with respect to the subject matter included in this Amendment No. 1 and shall supersede any other agreement, understanding, or arrangement, whether written or oral, between the parties with respect to the subject matter of this Amendment No. 1, with the exception of joint representation and/or conflict waiver agreements related to matters handled by Associate Counsel.
5. The person or persons executing this Amendment No. 1 on behalf of each of the parties warrants and represents that he or she has the authority to execute this Amendment No. 1 on behalf of that party and has the authority to bind that party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have signed this Amendment No. 1 as of the date stated in the introductory clause.

[SIGNATURES FOLLOW ON NEXT PAGE]

CITY OF VERNON, a California charter city  
and municipal corporation

Jacobs Engineering Group Inc., a Delaware  
corporation

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa,  
Interim City Attorney





1737 N First Street  
Suite 300  
San Jose, CA 95112  
702.354.2648  
www.jacobs.com

December 9, 2021

Lisa Umeda  
Utilities Compliance Administrator | Safety & Regulations  
Vernon Public Utilities  
4305 Santa Fe Avenue  
Vernon, CA 90058

**Subject:** Proposal for an Amendment to the Services Agreement Between the City of Vernon and Jacobs Engineering Group Inc. for Environmental Compliance Support Services

Dear Ms. Umeda:

Jacobs Engineering Group Inc. (Jacobs) is pleased to present this proposal to amend the existing Services Agreement Between the City of Vernon and Jacobs for Environmental Compliance Support Services (Contract No. LP-0543). This amendment is to add a task to support the City of Vernon's purchase of the Malburg Generating Station (MGS). This task would include support for the transition of environmental compliance from the site's existing consultant (Heorot) to the Jacobs team as well as ongoing environmental compliance support for the remaining duration of the contract. Below is a brief outline of the scope of services and associated level of effort to support these compliance activities.

## Scope of Services

The City of Vernon, Vernon Public Utilities (VPU) will have possession of MGS beginning on December 15, 2021. This proposal is for Jacobs to provide Environmental Compliance Support to the VPU for MGS' operations from January 2022 through June 2023. While Jacobs has supported VPU with identification and transfer of MGS' existing environmental permits, the site's exact environmental compliance needs will be evaluated during the first quarter of 2022. Therefore, this proposal is based on the information provided by VPU and Heorot employees on December 2, 2021 and is proposed as a time-and-materials contract with a not-to-exceed value. The scope includes two main efforts: the transition period and ongoing environmental compliance.

## Transition Period

During the first quarter of 2022, Jacobs anticipates that VPU will need additional support to facilitate continued implementation of MGS' environmental compliance programs. It is assumed that staff currently responsible for day-to-day operations at MGS will continue to conduct these day-to-day compliance activities, now with oversight and support from the Jacobs team. During the transition phase, Jacobs has planned two onsite mobilizations. Jacobs assumes there will be one initial onsite transition with existing Heorot staff. Up to three Jacobs staff may participate in this initial transition, which is expected to last up to two days; if needed, one Jacobs staff will remain onsite for up to one additional day. During the first quarter of 2022, in order to effectively manage the site's environmental compliance activities, Jacobs staff will again plan to have two staff onsite for up to one week each, with the Jacobs Project Manager being present for one day during the first of those week-long visits. This initial onsite presence will enable the Jacobs team to integrate with VPU staff, transition, and, as needed, modify established working procedures.

During this transition period, Jacobs assumes that daily support will be required to effectively implement the existing data gathering, quality control and assurance, reporting, and notification procedures. These procedures are predominately associated with the Continuous Emissions Monitoring System (CEMS) and reporting required by the South Coast Air Quality Management District (SCAQMD). As a part of this transition period, Jacobs will update and/or prepare written instructions that outline the procedures transitioned.

Jacobs has been supporting VPU with the initial transfer of ownership for many of MGS' existing environmental permits. Jacobs will use the knowledge and permit applicability determinations completed during this pre-sale transition, along with MGS' existing compliance calendar, to develop an integrated MGS/VPU compliance calendar in the first quarter of 2022. As a part of the compliance calendar, coordination with external contractors and regulatory agencies may be required. It is assumed that Jacobs will coordinate scheduling and development of appropriate technical protocols with the external contractors and agencies previously engaged by Heorot, and that VPU will contract directly with required contractors/suppliers and pay permit fees, as required.

## Assumptions

- Initial Heorot Transition Meeting: Two days, supported by Jacobs Staff: (1) Senior Compliance, (1) Project Manager, and (1) CEMS expert. CEMS expert to remain onsite for up to three (3) days total.
- VPU and Jacobs Transition: Two Jacobs technical staff onsite for one week each, with Jacobs Project Manager onsite for one day during the first of the week-long visits.
- VPU will provide all technical resources to enable Jacobs' staff to remotely connect and access data on the existing Data Acquisition System (DAS), servers, and other data collection systems that are used by MGS personnel for environmental reporting.

## Deliverables

- Updated data transfer and quality control procedures in the form of Standard Job Instructions. These procedures are considered living documents and will be modified as required to stay accurate with the work procedures used onsite. (One – Working File, provided electronically)
- Integrated MGS/VPU Compliance Calendar (Draft and Final, provided electronically)

## Ongoing Environmental Compliance

MGS' operations are governed by several permitting agencies. Specifically, MGS has an air permit issued by the SCAQMD, an industrial wastewater discharge permit administered by the Sanitation Districts of Los Angeles County (LACSD), and has coverage under the State's General Permit for Storm Water Discharges Associated with Industrial Activities administered by the Los Angeles Regional Water Quality Control Board (LARWQCB). As the new owner/operator of MGS, VPU will be responsible for these permits as they regulate industrial activities occurring at the facility. Other agencies requiring reporting and/or permits for environmental issues include, but are not limited to, the California Energy Commission (CEC), California Air Resources Board (CARB), the U.S. Environmental Protection Agency (EPA), the California EPA, the California Department of Toxic Substances Control (DTSC), the City of Vernon Health and Environmental Control Department (HECD), the California Department of Industrial Relations (DIR), and the U.S. Energy Information Administration (EIA).

### Environmental Compliance Reporting and Permit Renewals

Jacobs will work with VPU to facilitate the ongoing, periodic, and annual reporting to the environmental agencies that regulate MGS' operations. It is assumed that MGS' historical reports, historical data sources, and existing reporting procedures will be provided by VPU. Jacobs staff will implement their own quality control and assurance procedures based on information gathered during the transition period. It is assumed that Jacobs will be responsible for preparing technical reports and associated documentation, but that VPU will be responsible for submitting the reports and providing access to all online reporting systems, as required. To facilitate ongoing reporting, Jacobs assumes that most of the reporting and data collection will be done remotely, except for as noted below.

In addition to periodic reporting, many permits require annual renewals. As required and established in the compliance calendar developed during the transition period, Jacobs will work with VPU to prepare the permit renewal packages for agency submittal. VPU will be responsible for paying any agency fees associated with permitting activities.

### **On-Call Technical Support**

As part of this contract amendment, Jacobs will identify one technical resource to provide reliable on-call and emergency compliance guidance to MGS' onsite plant operators. This team member will understand the onsite operations, data collection procedures, and environmental compliance reporting requirements. Specifically, this person will be able to direct staff when non-routine reporting to the SCAQMD is necessary for a break-down or other potential emissions exceedance event. This team member will also provide support for the review of daily emissions reports required to be submitted to the SCAQMD and direct the team with regards to data replacement and other CEMS/SCAQMD data reporting requirements.

### **Periodic Onsite Support**

Jacobs assumes that some testing and services by external contractors will need to be managed and supported by the Jacobs team. This may include providing oversight during the Relative Accuracy Test Audits (RATA) and emissions source testing for the SCAQMD or participation in meetings with regulatory agencies. While Jacobs proposes to participate in many of the regulatory agency meetings remotely, it is understood that some may require in-person support. Jacobs assumes that, after the transition period in the first quarter of 2022, up to two Jacobs staff will be onsite for up to two days at a time once per quarter to support these activities.

### **Assumptions**

- Some activities are currently completed by onsite staff or external contractors; Jacobs assumes these practices will continue as is. Accordingly, Jacobs will not perform the following activities:
  - Sign hazardous waste manifests,
  - Perform waste profiling, or
  - Collect stormwater samples.
- VPU will provide Jacobs with access to all online reporting systems.
- Updates to compliance plans will generally be classified as minor and will be to document changes in ownership and not changes regarding site conditions or operations.
- Detailed review of regulatory changes and potential impacts to MGS operations is not included in this scope. If required, Jacobs will provide a change order to address specific regulatory transitional changes such as the SCAQMD's transition away from the Regional Clean Air Incentives Market (RECLAIM) Program.
- VPU will be responsible for paying any agency fees associated with permitting activities.
- Non-routine reporting on-call technical support will be available during and after regular business hours, with one primary and one back-up staff trained and available to respond to time sensitive issues. It is assumed that after-hours support will be sporadic and infrequent.
- Compliance support will be provided remotely and after the transition period, with up to eight (8) two-day site visits per year.

### **Deliverables**

- List of reports to be provided under this task will be developed through coordination with VPU concurrent with integration of the MGS compliance calendar.

## **COVID-19 Assumption**

In response to the Coronavirus (COVID-19) outbreak, Jacobs has taken appropriate steps to ensure the health and well-being of our people as well as the continuity of our business operations around the globe. Jacobs has adopted mitigation strategies and protocols based on recognized world standards and guidelines, applying appropriate travel restrictions and abiding by state and municipal proclamations/declarations regarding shelter in place and/or business closures.

Based on the foregoing, this proposal, including the schedule of activities, is contingent on being able to appropriately and safely staff and perform (including travel), in light of the Coronavirus outbreak..

## Cost and Terms

Jacobs anticipates that, upon review and approval of this scope of services, VPU will issue an amendment to the Services Agreement Between the City of Vernon and Jacobs Engineering Group Inc. for Environmental Compliance Support Services (Contract Number LP-0543), effective July 1, 2020, with no proposed changes to the existing contract terms and conditions. If that is not possible, Jacobs anticipates that VPU will issue a new service agreement with mutually-agreeable contract terms and conditions that are comparable to current Contract Number LP-0543. As per our existing contract, this contract amendment would maintain the period of performance through June 30, 2023.

Jacobs will perform this work on a time-and-materials basis, at a not-to-exceed cost of \$404,909 for the amendment. This cost estimate is based on the scope of services and assumptions described herein and utilizes the billing and expense rates of our existing contract without exception. Jacobs assumes all permit fees or other regulatory agency fees will be paid by VPU and has not included them in this cost estimate. Exhibit 1 provides Jacobs' budget for this project by task and the associated not-to-exceed amendment amount. Exhibit 2 includes the combined contract not-to-exceed amount. Note that actual costs to complete this work can be influenced by a variety of factors outside our control and may be more or less than estimated here.

### Exhibit 1. Proposed Amendment Budget

Task	Description	Hours	Labor	Expense	Subtotal
<b>Environmental Compliance Support (18-Month Budget, January 2022 through June 2023)</b>					
A	Transition	740	\$117,302	\$6,570	\$123,872
B	Ongoing Compliance	1,750	\$273,237	\$7,800	\$281,037
<b>Amendment Grand Total</b>		<b>2,490</b>	<b>\$390,539</b>	<b>\$14,370</b>	<b>\$404,909</b>

Expenses and travel will be billed at cost, except for automobile mileage, which will be billed at \$0.54 per mile, or the established federal rate for that year.

VPU is responsible for all compliance and regulatory fees. Expenses listed here are for travel only.

### Exhibit 2. Total Contract Amount

Contract	Subtotal
<b>Environmental Compliance Support (3-Year, Not-to-Exceed Total)</b>	
Executed Contract 2020 – 2023 Compliance Support	\$339,913
MGS Amendment	\$404,909
<b>Total Revised 3-Year Contract Amount</b>	<b>\$744,822</b>

Three-year contract accounts for the rate schedule from 2020-2023.

Jacobs will make reasonable efforts to complete the scope of work within the budget and keep VPU informed of progress toward that end so that the budget or work effort can be adjusted if found necessary. Jacobs is not obligated to incur costs beyond the indicated budgets, as may be adjusted, nor is VPU obligated to pay Jacobs beyond these limits. If budget adjustments are deemed necessary, Jacobs will discuss changes with VPU and will not proceed with work beyond the assumed level of effort until an approved amendment has been issued by VPU.

Thank you for this opportunity to provide additional services to VPU. If you have any questions regarding this proposal, please contact Elyse Engel at (702) 354-2648 or [elyse.engel@jacobs.com](mailto:elyse.engel@jacobs.com).

Sincerely,

Jacobs Engineering Group Inc.



Elyse Engel  
Project Manager



Serena Panzar  
Manager of Projects

Copies to:     Andrea White/Jacobs  
                  Abraham Alemu/VPU