



**Mark Arapostathis**  
Mayor

**Bill Baber**  
Vice Mayor

**Ruth Sterling**  
Councilmember

**Kristine Alessio**  
Councilmember

**Guy McWhirter**  
Councilmember

**David Witt**  
City Manager

**Glenn Sabine**  
City Attorney

**Mary Kennedy**  
City Clerk

**Eldon Vogt**  
City Treasurer

City of La Mesa  
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La Mesa, California 91942  
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# LA MESA CITY COUNCIL

## AGENDA

### A Regular Meeting

**Tuesday, March 8, 2016**

**4:00 p.m.**

**City Council Chambers  
La Mesa City Hall  
8130 Allison Avenue  
La Mesa, California**

The purpose of a Council meeting is to accomplish the public's business as productively, efficiently and professionally as possible.

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## Welcome to the La Mesa City Council meeting.

*The City of La Mesa is a community working together toward a common goal which includes a safe and healthy environment, state-of-the-art resources and technology, unsurpassed quality of life and an efficient and effectively run government organization.*

- ✓ Agenda reports for items on this agenda are available for public review at the City Clerk's Office, 8130 Allison Avenue, and at the La Mesa library reference desk, 8074 Allison Avenue, during normal business hours.
- ✓ Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, 8130 Allison Avenue, during normal business hours.
- ✓ As a courtesy to others, **PLEASE TURN OFF, OR PLACE IN SILENT MODE**, all cell phones, pagers and other communication devices while in the Council Chambers.
- ✓ If you wish to speak concerning any item on the agenda, please complete a "Request to Speak" card and submit it to the Council Hostess. When the Mayor calls your name, step to the podium and state your name for the record. In order that all who wish to speak may be heard, it is requested that you limit your presentation to three minutes.
- ✓ Should you wish to speak concerning an item that is not listed on the agenda, you may be heard during that part of the agenda listed as "Public Comments." Please complete a "Request to Speak" card and submit it to the Council Hostess. When the Mayor calls your name, step to the podium and state your name for the record. **NOTE**: If appropriate, the item may be referred to staff or placed on a future agenda.
- ✓ Citizens who wish to make an audio/visual presentation pertaining to an item on the agenda, or during Public Comments, should contact the City Clerk's office at 619.667.1120, no later than 12:00 noon, one business day prior to the start of the meeting. Advance notification will ensure compatibility with City equipment and allow Council meeting presentations to progress smoothly and in a consistent and equitable manner. **Please note** that all presentations/digital materials are considered part of the maximum time limit provided to speakers.
- ✓ For more specific information about the City Council meetings, please take a *Welcome to Your City of La Mesa City Council Meeting* brochure located at the back of the Council Chambers, or call the City Clerk's office at 619.667.1120.
- ✓ The City of La Mesa encourages the participation of disabled individuals in the services, activities and programs provided by the City. Individuals with disabilities, who require reasonable accommodation in order to participate in the City Council meetings, should contact the City's Americans with Disabilities Act (ADA) Coordinator, Rida Freeman, Human Resources Manager, 48 hours prior to the meeting at 619.667.1175, fax 619.667.1163, or [freeman@ci.la-mesa.ca.us](mailto:freeman@ci.la-mesa.ca.us).
- ✓ Hearing assisted devices are available for the hearing impaired. A City staff member is available to provide these devices upon entry to City Council meetings, commission meetings or public hearings held in the City Council Chambers. A photo i.d. or signature will be required to secure a device for the meeting.
- ✓ This meeting can be viewed live on Cox Cable Channel 24 (within La Mesa City limits) and on AT&T U-Verse Channel 99 (in the San Diego Region).
- ✓ Information about the services and programs offered by the City of La Mesa can be found on our website at [www.cityoflamesa.com](http://www.cityoflamesa.com).

**AGENDA**

**MARCH 8, 2016**

**4:00 P.M.**

**ROLL CALL**

**INVOCATION – MAYOR ARAPOSTATHIS**

**PLEDGE OF ALLEGIANCE**

**CITY MANAGER COMMENTS**

**COMMUNITY BULLETIN REPORTS**

**ADDITIONS AND/OR DELETIONS TO THE AGENDA**

**PUBLIC COMMENTS – (TOTAL TIME – 15 MINUTES)**

NOTE: In accordance with state law, an item not scheduled on the agenda may be brought forward by the general public for comment; however, the City Council will not be able to discuss or take any action on the item at this meeting. If appropriate, the item will be referred to Staff or placed on a future agenda.

**CONSENT CALENDAR**

(Items 1 through 4)

The Consent Calendar includes items previously considered by the Council. Unless discussion is requested by members of the Council or audience, all Consent Calendar items may be approved by one motion.

- 1. APPROVAL OF MOTION TO WAIVE THE READING OF THE TEXT OF ALL ORDINANCES AND RESOLUTIONS AT THIS MEETING**
- 2. RESOLUTIONS PERTAINING TO THE ALVARADO TRUNK SEWER UPGRADE PHASE 2 PROJECT:**
  - A. RESOLUTION TO ACCEPT THE STATE REVOLVING FUND LOAN, APPROPRIATE FUNDS TO CAPITAL IMPROVEMENT ACCOUNT NO. 301161OT, AND AUTHORIZE THE EXPENDITURE OF THE FUNDS;**
  - B. RESOLUTION TO ACCEPT BID 16-01 AND AWARD A CONSTRUCTION CONTRACT FOR THE ALVARADO TRUNK SEWER UPGRADE PROJECT PHASE 2 TO PALM ENGINEERING CONSTRUCTION COMPANY; AND**
  - C. RESOLUTION TO AWARD A CONSTRUCTION MANAGEMENT AND INSPECTION CONTRACT TO INFRASTRUCTURE ENGINEERING CORPORATION FOR THE ALVARADO TRUNK SEWER UPGRADE PHASE 2 PROJECT**

Staff Reference: Mr. Humora

**CONSENT CALENDAR – Continued**

3. RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT THE PROPOSAL AND EXECUTE AN AGREEMENT FOR EXTERNAL AUDITING SERVICES FOR THE CITY OF LA MESA AS SUBMITTED BY ROGERS, ANDERSON, MALODY & SCOTT, LLP FOR FISCAL YEARS 2015-2016, 2016-2017 AND 2017-2018

Staff Reference: Ms. Waller-Bullock

4. RESOLUTION AUTHORIZING THE ACQUISITION OF A PORTION OF LAND LOCATED AT 3879 KING STREET (APN 474-442-29) FOR RIGHT-OF-WAY PURPOSES FOR THE ATP KING STREET PEDESTRIAN AND BICYCLE IMPROVEMENT PROJECT

Staff Reference: Mr. Humora

**COUNCIL COMMITTEE REPORTS (3 MINUTE LIMIT)**

**AB 1234 REPORTS (GC 53232.3(d))**

**CITY ATTORNEY REMARKS**

**ADJOURNMENT**

**CITY COUNCIL - FY 15-16  
PERSONAL EXPENSES**

EVENT DATE	MEMBER NAME	DESCRIPTION AND ATTENDEES (Explanation of expense: lunch, parking, educational seminar, business expense), name of attendees	PURPOSE (Reason for expenditure)	PAYMENT TO: (Vendor's Name)	ALESSIO	DR. A	BABER	MCWHIRTER	STERLING	TOTALS
12/7/15	Sterling	Wreath for Pearl Harbor Ceremony	Attend Event	Allen's Flowers					142.45	142.45
1/19/16	Sterling	La Mesa Arts Gala Fundraiser	Attend Event	La Mesa Arts Foundation					75.00	75.00
2/5/16	Sterling	La Mesa Chamber of Commerce Salute to Local Heros	Attend Event	La Mesa Chamber of Commerce					60.00	60.00
2/5/16	Dr. A	East County Chamber of Commerce Annual Awards Gala	Attend Event	East County Chamber		95.00				95.00
2/11/16	Baber	SANDAG Annual Board Retreat Attendance	Attend Event	SANDAG			77.00			77.00
<b>BUDGETED AMOUNT</b>					<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>5,000.00</b>
<b>TOTAL EXPENSES</b>					<b>0.00</b>	<b>95.00</b>	<b>77.00</b>	<b>0.00</b>	<b>277.45</b>	<b>449.45</b>
<b>AVAILABLE BALANCE</b>					<b>1,000.00</b>	<b>905.00</b>	<b>923.00</b>	<b>1,000.00</b>	<b>722.55</b>	<b>4,550.55</b>

**CITY COUNCIL MEMBERSHIPS**

Arbor Day Foundation  
 East County Economic Development Council  
 League of CA Cities  
 League of CA Cities-San Diego Division  
 National League of Cities

**COUNCIL REPRESENTATIVE FOR OUTSIDE ORGANIZATION**

Harry Griffen Park JPA  
 Heartland Communications Facility Authority  
 Heartland Fire Training Facility Authority  
 La Mesa-Spring Valley School District/City Joint Steering Committee  
 Metro Wastewater JPA/Commission  
 MTS  
 Mission Trails Regional Park Task Force  
 SANDAG

**CITY COUNCIL - FY 15-16  
TRAVEL, CONFERENCES AND MEETINGS**

<b>EVENT DATE</b>	<b>MEMBER NAME</b>	<b>Airfare</b>	<b>PURPOSE (Reason for attendance)</b>	<b>PAYMENT TO: (Host of event)</b>	<b>ALESSIO</b>	<b>BABER</b>	<b>DR. A</b>	<b>MCWHIRTER</b>	<b>STERLING</b>	<b>TOTALS</b>
9/30/15	Baber	League of CA Cities Annual Conference, San Jose, CA, Sept 30 - Oct 2, Registration, Airfare, Hotel & Shuttle	Designated Voting Delegate	League of CA Cities, Southwest Airlines, Hilton San Jose		1,300.56				
1/22/16	Baber	League of CA Cities Housing Policy Committee Meeting, Sacramento CA January 22-23, Hotel, Airfare	Appointed Committee Member	League of CA Cities, Southwest Airlines, Hyatt Sacramento		906.41				
		<b>BUDGETED AMOUNT</b>								5,000.00
		<b>TOTAL EXPENSES</b>			0.00	2,206.97	0.00	0.00	0.00	2,206.97
		<b>AVAILABLE BALANCE</b>								<b>2,793.03</b>



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: March 8, 2016

SUBJECT: Alvarado Trunk Sewer Upgrade Phase 2

- a. Resolution to Accept the State Revolving Fund Loan, Appropriate Funds to Capital Improvement Project Account No. 301161OT, and Authorize the Expenditure of the Funds
- b. Resolution to Accept Bid 16-01 and Award a Construction Contract for Alvarado Trunk Sewer Upgrade Project Phase 2 to Palm Engineering Construction Company
- c. Resolution to Award a Construction Management and Inspection Contract to Infrastructure Engineering Corporation for the Alvarado Trunk Sewer Upgrade Phase 2 Project

ISSUING DEPT.: Public Works

SUMMARY:

Issues:

Should the City of La Mesa approve resolutions to:

- a. Accept the State Revolving Fund Loan, appropriate \$5,000,000 to Capital Improvement Project Account No. 301161OT, and authorize the expenditure of the funds?
- b. Accept Bid 16-01 and award a construction contract for Alvarado Trunk Sewer Upgrade Project Phase 2 to Palm Engineering Construction Company for \$3,062,885?
- c. Award a construction management and inspection contract to Infrastructure Engineering Corporation for the Alvarado Trunk Sewer Upgrade Phase 2 Project for \$218,270?

Recommendation:

Adopt the attached resolutions:

- a. Accepting the State Revolving Fund Loan, appropriating \$5,000,000 to Capital Improvement Project Account No. 301161OT, and authorizing the expenditure of the funds;
- b. Accepting Bid 16-01 and awarding a construction contract for Alvarado Trunk Sewer Upgrade Project Phase 2 to Palm Engineering Construction Company for \$3,062,885;

**Report to Mayor and Council Members**

**March 8, 2016**

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- c. Awarding a construction management and inspection contract to Infrastructure Engineering Corporation for the Alvarado Trunk Sewer Upgrade Phase 2 Project for \$218,270.

Fiscal Impact:

This action allows for acceptance and appropriation of \$5,000,000 from the State Revolving Fund Loan to Capital Improvement Project Account No. 301161OT and the expenditure of the funds for the Alvarado Trunk Sewer Phase 2 Project.

The planning, design, construction and construction management contracts are funded by the loan. The loan is amortized over 20 years at an interest rate of 1.8% for 20 years. The payment period starts one year after the completion of the project.

The loan funds are available on a reimbursement basis. The final loan amount will be based on the total reimbursed amount not exceeding \$5,000,000. Repayment of the loan will be programmed into the future sewer rates.

City's Strategic Goals:

- Continue to improve high quality municipal services

Environmental Review:

An approved mitigated negative declaration in compliance with California Environmental Quality Act (CEQA) has been filed for this project. The project will not have an adverse impact on the environment due to mitigation measures which reduce potential impacts to below a level of significance. A Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program has been incorporated in the construction project to ensure the reduction of adverse impacts to below significant level. Furthermore, all the resource agencies permits have been obtained for this project.

**BACKGROUND:**

The Alvarado Trunk Sewer is the largest trunk sewer in La Mesa. It takes sewer flow from the City of El Cajon to the east and then runs parallel to Fletcher Parkway and Alvarado road and finally connects with the City of San Diego behind Marie Callendar's. Much of the trunk sewer has been upgraded through redevelopment along Fletcher Parkway, most recently the segment from Jackson Drive to Bus Court with the Altera and Pravda apartment construction. The Sewer Master Plan has identified two additional portions of the Alvarado Trunk sewer that should be upgraded: from Bus Court to Amaya Court; and from 70<sup>th</sup> Street to the San Diego RV Resort on Alvarado Road (see Attachment F.). This project will complete the segment from Bus Court to Amaya Court then leaving just the segment from 70<sup>th</sup> Street to the San Diego RV Resort to finish. The last segment is currently in the design phase.

The portion of the trunk line between Bus Court and State Route 125 lies within the Alvarado Channel and is subject to high levels of rain water inflow and infiltration into the system. Additionally, this reach of pipe is difficult to access and maintain as the sewer manholes are located in the creek. This project will re-align the sewer line and will place the new manholes to the side of the channel where they can be more easily accessed.

**Report to Mayor and Council Members**

**March 8, 2016**

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In December 2010, due to high intense rain events, the City's sewer system overflowed resulting in a 1.5M gallon spill. On December, 11 2013, the Regional Water Control Board fined the City \$801,462 for the spill. One half of the fine was paid in cash and the remainder suspended until completion of a supplemental environmental project that will restore a portion of the Alvarado Creek. Once the supplemental environmental project is completed, the suspended portion of the fine will be eliminated. One of the issues raised by the Regional Board during the spill investigation was that the City had not completed projects identified in the Sewer Master Plan. The Alvarado Trunk Sewer Phase 2 is one of the projects identified in the Sewer Master Plan.

This project proposes to install 2400-feet of new sewer pipe and relocate or rehabilitate 20 sewer manholes. The project starts in the channel behind 8765 Fletcher Parkway (AAA building) proceeds beneath the State Route 125 Bridge and then parallels the trolley tracks through the Amaya Court apartments to Amaya trolley station (see Attachment G.).

Due to the high cost of the project, the City applied for a State Revolving Fund Loan. The State Revolving Fund is managed by the State Water Resources Control Board providing low interest loans for sewer and water projects. This funding mechanism is best suited for the projects that exceed typical annual capital improvement budgets of an agency. Utilizing this funding mechanism allows the City to take advantage of construction economies of scale created by avoiding doing the work in smaller projects over longer time periods. Furthermore, programming the loan debt service into future sewer rate models simplifies and stabilizes the rate setting process.

The City has previously received State Revolving Fund loans. During the 2000s, the City completed a four phase inflow and infiltration mitigation project totaling \$14,500,000 to replace old deteriorated concrete pipe.

**DISCUSSION:**

On January 12, 2016, the City Council authorized the Mayor to execute the loan agreement with the State. Staff is now ready to award a construction contract and a construction management contract. In order to award these contracts, the City is required to accept the loan funds, appropriate the funds and authorize the expenditure of the funds.

On January 8, 2016, a notice inviting bids was advertised and the bid documents were distributed to 13 plan holders. On February 19, 2016, five bids were received electronically. The low bidder was Palm Engineering Construction Company with a bid of \$3,062,885. The selection was based on the lowest responsive and responsible bidder for the base bid. A summary of bid results is shown in Attachment B. The engineer's estimate for the base bid was \$3,400,000.

Contract time for completion of the project is 120 working days. The work is expected to begin in April 2016 and be completed by October 2016.

In 2013, the City issued a request for qualification, (RFQ) 13-22, to short list engineering firms providing professional engineering services. Infrastructure Engineering Corporation (IEC) was selected as the most qualified firm to provide construction management and inspection services.

**Report to Mayor and Council Members**

**March 8, 2016**

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The RFQ was for one year with four possible one-year extensions based on satisfactory previous performance, as determined by the City Engineer. IEC has satisfactorily performed and is recommended for fiscal year 2016 contract extension.

During the construction, there is a need to provide full time inspection of the work. The scope of work for the construction inspection includes:

- Inspection of the work
- Measurement of quantities
- Interacting with the residents and business owners
- Liaising between the City and the contractor
- Monitoring the construction schedule
- Reviewing construction submittals
- Ensuring contract compliance by the contractor
- Ensuring compliance with State and local laws and regulations, including the payment of prevailing wages
- Quality assurance verification of the work by the contractor

**CONCLUSION:**

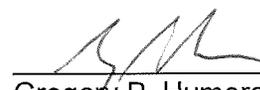
Staff recommends that the City Council adopt the attached resolutions:

- a. Accepting the State Revolving Fund Loan, appropriating \$5,000,000 to Capital Improvement Project Account No. 301161OT, and authorizing the expenditure of the funds;
- b. Accepting Bid 16-01 and awarding a construction contract for Alvarado Trunk Sewer Upgrade Project Phase 2 to Palm Engineering Construction Company for \$3,062,885;
- c. Awarding a construction management and inspection contract to Infrastructure Engineering Corporation for the Alvarado Trunk Sewer Upgrade Phase 2 Project for \$218,270.

Reviewed by:

  
\_\_\_\_\_  
David E. Witt  
City Manager

Respectfully Submitted:

  
\_\_\_\_\_  
Gregory P. Humora  
Director of Public Works/City Engineer

  
\_\_\_\_\_  
Hamed Hashemian  
Engineering Project Manager

Attachments:

- A. Resolution - Appropriation of Funds

**Report to Mayor and Council Members**

**March 8, 2016**

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- B. Resolution - Construction Contract Award
- C. Resolution - Construction Management Contract Award
- D. Bid Tabulation
- E. Agreement – Infrastructure Engineering Corporation
- F. La Mesa Sewer Capacity Projects (Figure 8-1)
- G. Project Location Map (Figure 2)

RESOLUTION NO. 2016-

RESOLUTION TO ACCEPT THE STATE REVOLVING FUND LOAN,  
APPROPRIATE FUNDS TO CAPITAL IMPROVEMENT ACCOUNT NO. 301161OT,  
AND AUTHORIZE THE EXPENDITURE OF THE FUNDS

---

WHEREAS, the City has identified that Alvarado Trunk Sewer Phase 2 Project needs to be upsized according to 2008 Sewer Master Plan;

WHEREAS, the cost of the project is estimated at \$5,000,000;

WHEREAS, in September 2009, the City applied for a State Revolving Fund Loan to the State Water Resources Control Board; and

WHEREAS, the City Council has approved the State Revolving Fund loan and authorized the Mayor to execute the loan agreement on January 12, 2016 (Resolution No. 2016-005);

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED, by the City Council of the City of La Mesa, California, that the City accepts the State Revolving Fund Loan.

BE IT FURTHER RESOLVED, by the City Council of the City of La Mesa, California, that the loan in the amount of \$5,000,000 be appropriated in the Capital Improvement Account No. 301161OT.

BE IT FURTHER RESOLVED by the City Council of the City of La Mesa, California, that the City Council authorizes the expenditure of the loan for Alvarado Trunk Sewer Phase 2 Project.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 8th day of March 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, CMC, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2016-, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)

RESOLUTION NO. 2016-\_\_\_\_\_

RESOLUTION TO ACCEPT BID 16-01 AND AWARD A CONSTRUCTION CONTRACT FOR THE ALVARADO TRUNK SEWER UPGRADE PROJECT PHASE 2 TO PALM ENGINEERING CONSTRUCTION COMPANY

---

WHEREAS, the City of La Mesa Sewer Master Plan has identified the Alvarado Trunk Sewer is under capacity;

WHEREAS, this segment of pipe is subject to high levels of inflow and infiltration;

WHEREAS, the Capital Improvement Project Account 301161OT has been appropriated for this project, and

WHEREAS, the City received five bids on the bid opening date of February 19, 2016 and Palm Engineering Construction Company was the lowest responsive and responsible bidder.

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that:

The bid of Palm Engineering Construction Company in the amount of \$3,062,885 for Bid 16-01, Alvarado Trunk Sewer Upgrade Project Phase 2, was determined to be the lowest responsive and responsible bid. Said bid is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to accept and execute a contract with Palm Engineering Construction Company to perform the work at the prices set forth in said bid.

BE IT FURTHER RESOLVED that the Director of Public Works is authorized to approve the substitution of subcontractors.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of La Mesa, California, held the 8th day of March, 2016, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, CMC, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2016-\_\_\_\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)

RESOLUTION NO. 2016-\_\_\_\_\_

RESOLUTION TO AWARD A CONSTRUCTION MANAGEMENT AND INSPECTION CONTRACT TO INFRASTRUCTURE ENGINEERING CORPORATION FOR THE ALVARADO TRUNK SEWER UPGRADE PHASE 2 PROJECT

---

WHEREAS, one of the City of La Mesa's goals is to continue to improve high quality municipal services;

WHEREAS, in 2013, the City issued a request for qualifications RFQ 13-22 for as-needed construction management and inspection services;

WHEREAS, Infrastructure Engineering Corporation was ranked as the highest qualified firm to provide construction management and inspection services;

WHEREAS, on March 8, 2016 the City awarded a construction contract for the Alvarado Trunk Sewer Upgrade Phase 2 Project, Bid 16-01;

WHEREAS, the City has a need for professional construction management and inspection services; and

WHEREAS, funds are available in the Capital Improvement Project Account No. 301161OT.

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that the Mayor is hereby authorized to execute a contract with Infrastructure Engineering Corporation to provide construction management and inspection services for the Alvarado Trunk Sewer Upgrade Project for \$218,270.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of La Mesa, California, held the 8th day of March, 2016, by the following vote, to wit:

AYES:  
NOES:  
ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, CMC, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2016-\_\_\_\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)

**Attachment D**  
**Bid Tabulation**  
Bid 16-01

<u>Company Name</u>		<u>Base Bid</u>
Palm Engineering Construction Co.	\$	3,062,885.00
Wier Construction	\$	3,522,246.00
TC Construction Company, Inc.	\$	3,585,450.00
Ortiz Corporation	\$	3,952,505.00
SC Valley Engineering, Inc.	\$	4,146,700.00
Engineer's Estimate	\$	3,400,000.00

STANDARD AGREEMENT FOR SPECIALIZED PROFESSIONAL SERVICES  
BETWEEN THE CITY OF LA MESA AND  
INFRASTRUCTURE ENGINEERING CORPORATION  
FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES  
FOR ALVARADO TRUNK SEWER IMPROVEMENTS

This Agreement is entered into by City of La Mesa as of this \_\_\_\_ day of March, 2016, by and between the City of La Mesa, a municipal corporation, hereinafter referred to as “the City”, and Infrastructure Engineering Corporation, hereinafter referred to as “Consultant”.

WITNESSETH THAT:

WHEREAS, the City has need for professional construction management and inspection services for Alvarado Trunk Sewer Improvements Project and is willing to compensate Consultant for such services; and

WHEREAS, the City desires to engage Consultant to render certain technical and professional services in the providing of said professional construction management and inspection services; and

WHEREAS, Infrastructure Engineering Corporation was selected to provide construction management services in a formal request for proposal in 2013; and

WHEREAS, Consultant is registered or licensed to provide said professional construction management and inspection services Alvarado Trunk Sewer Improvements Project;

NOW THEREFORE, the parties do mutually agree as follows:

SECTION 1: ENGAGEMENT OF CONSULTANT

The City hereby agrees to engage Consultant, and Consultant hereby agrees to perform the services set forth in this Agreement.

SECTION 2: SERVICES TO BE PERFORMED BY CONSULTANT

Consultant shall commence performance of the Project upon execution of this Agreement by both parties. The term “Project” as used in this Agreement shall include all of the tasks and items listed and described in Exhibit “A”, attached hereto and incorporated herein as part of this Agreement.

SECTION 3: KEY PROJECT PERSONNEL

Consultant agrees to provide the services of Scott Adamson, Construction Manager and Juan Cesena, Senior Construction Inspector, for the full term of this contract. No substitutions will be

made without prior written approval by the City. The City reserves the right to request specific qualifications for personnel substituted under this section.

#### SECTION 4: CONSULTANTS

Consultant will utilize the services of the following sub-consultants during the course of this project:

NONE

Payment for such services shall be the responsibility of the Consultant. No substitution of proposed sub-consultants shall be made without prior written approval by the City.

#### SECTION 5: CITY REPRESENTATION

The Director of Public Works/City Engineer for the City of La Mesa, or its designated representative, shall represent the City in all matters pertaining to the services rendered pursuant to this Agreement and shall administer said Agreement on behalf of the City. This person shall hereinafter be referred to as the "City's Representative".

#### SECTION 6: RESPONSIBILITIES OF THE CITY

The City will provide the Consultant, or cause to be provided with, the following documents, services and site information, at no charge to the Consultant:

- A. Aerial and topographic maps (1"=100') of the area for each project.
- B. City of La Mesa design standards and a sample of contract documents.
- C. Copies of maps, drawings, documents and reports available in the Engineering Division of the City and deemed helpful to the Consultant. (This City does not guarantee the accuracy of the plans provided to the Consultant.)

#### SECTION 7: PERFORMANCE SCHEDULE

Both Consultant and the City recognize that time is of the essence in the completion of this work and the following schedule is dependent upon timely actions by the Consultant and the City. Accordingly, the Consultant shall complete all of the work described in Exhibit "A" and this Agreement in accordance with the scope and schedule shown in Exhibit "A".

The Consultant shall not be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, or acts of God, or failure of City to furnish timely information or to approve or disapprove Consultant's work promptly, or delay or faulty performance by City, or governmental agencies.

## SECTION 8: COMPENSATION TO CONSULTANT

Final payment of fees shall be upon delivery of approved final documents. Progress payments shall be made based upon evidence that the work is progressing satisfactorily as determined by the City's Project Manager and substantiated with detailed invoices. The amount to be billed shall be based on the Consultant's schedule of fees for professional services and the actual time required for each activity. The schedule of fees and estimated time for the project are as shown in Exhibit "A" attached hereto and incorporated herein as part of this Agreement.

The total fee for professional services shall be billed on a time-and-material basis, with a total amount not to exceed **Two Hundred Eighteen Thousand Two Hundred Seventy Dollars (\$218,270.00)** as described on page 5 of Exhibit "A".

## SECTION 9: RECORDS

Consultant shall maintain adequate records to permit inspection audit of Consultant's time-and-material charges under this Agreement. Consultant shall make such records available to the City and to other public agencies responsible for approval, funding or auditing the project, during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records and they will be available only to the City or to public agencies involved with approval, funding or audit functions. Such records shall be maintained by the Consultant for three (3) years following completion of the work under this Agreement.

## SECTION 10: METHOD OF COMPENSATION

The City shall compensate Consultant for the services performed hereunder on a monthly basis within thirty (30) calendar days of receipt of Consultant's invoice for the services performed. The Consultant shall provide documentation regarding time-and-material charges sufficient to meet normal auditing practice. Copies of the invoices for materials in excess of \$500 and sub-consultant charges shall be submitted with the request for periodic payment.

The City shall promptly review invoicing and notify Consultant of any objection thereto in writing within fifteen (15) days of receipt of the invoice; absent such objection the invoice shall be deemed proper and acceptable.

In the event that any undisputed invoice is not paid within thirty (30) calendar days after receipt of the invoice by the City, it shall commence bearing interest on the date that the invoice was rendered at the rate of 1% per month and the City agrees to pay all accrued interest, together with the charges for services rendered.

## SECTION 11: ITEMS TO BE DELIVERED TO CITY

Deliverable items shall be provided by the Consultant to the City of La Mesa as set forth in Exhibit "A".

## SECTION 12: DESIGN CHANGES OR REVISIONS

No design changes or revisions will be required and no payment therefore will be made except pursuant to the provisions of this Agreement. No extra compensation shall be paid the Consultant for revisions required by reason of omissions or errors by the Consultant in the preparation of the original plans, working drawings and specifications. Changes to the scope of this Agreement shall be negotiated prior to commencement of extra work.

## SECTION 13: ADDITIONAL SERVICES OUTSIDE SCOPE

Only after written authorization from the City, additional services that Consultant could provide, or cause to be provided, include the following:

- A. Additional design work related to the Project but not included in the Scope of Work.
- B. Additional design work caused by design changes unrelated to the Scope of Work described herein.

Consultant will be compensated for Consultant time and direct personnel expenses as approved by the City. Payment for such additional services shall include Consultant's time at the rates shown in Exhibit "A".

## SECTION 14: HOLD HARMLESS

To the furthest extent allowed by law, Consultant shall indemnify, hold harmless and defend the City and each of its elected officials, officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

If Consultant should subcontract all or any portion of the services to be performed under this Agreement, Consultant shall require each sub-consultant to indemnify, hold harmless and defend City and each of its elected officials, officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph. This section shall survive termination or expiration of this Agreement.

## SECTION 15: INSURANCE

Throughout the life of this Agreement, Consultant shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by the City

Manager or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

\$1,000,000 per occurrence for bodily injury and property damage  
\$1,000,000 per occurrence for personal and advertising injury  
\$1,000,000 aggregate for products and completed operations  
\$2,000,000 general aggregate

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 - Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(iv) EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

(v) PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS) insurance appropriate to Consultant's profession, with limits of liability of not less than \$1,000,000 per claim/occurrence and \$2,000,000 policy aggregate.

In the event Consultant maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

Consultant shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Consultant shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At the option of the City Manager or his/her designee, either: (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its elected officials, officers, officials, employees, agents and volunteers: or (ii)

Consultant shall provide a financial guarantee, satisfactory to City Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Consultant shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Consultant shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and shall name City, its elected officials, officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Consultant's insurance shall be primary and no contribution shall be required of City, its elected officials, officers, officials, employees, agents and volunteers. The coverage shall contain no special limitations on the scope of protection afforded to City, its elected officials, officers, officials, employees, agents or volunteers. The Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its elected officials, officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
2. Insurance must be maintained and evidence of insurance must be provided for at least 3 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 3-year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of 3 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
5. These requirements shall survive expiration or termination of the Agreement.

Consultant shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. **All certificates and applicable endorsements are to be received by City and approved by City Manager or his/her designee prior to City's execution of the Agreement and before work commences.** Upon request of City, Consultant shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

If at any time during the life of this Agreement or any extension, Consultant or any of its sub-consultants fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to Consultant shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City hereunder shall in any way relieve Consultant of its responsibilities under this Agreement.

The fact that insurance is obtained by Consultant shall not be deemed to release or diminish the liability of Consultant, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City and its elected officials, officers, officials, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Consultant, its principals, officers, employees, agents, persons under the supervision of Consultant, vendors, suppliers, invitees, consultants, sub-consultants, or anyone employed directly or indirectly by any of them.

If Consultant should subcontract all or any portion of the services to be performed under this Agreement, Consultant shall require each sub-consultant to provide insurance protection in favor of City, its elected officials, officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the sub-consultants' certificates and endorsements shall be on file with Consultant and City prior to the commencement of any work by the sub-consultant.

#### SECTION 16: OWNERSHIP OF WORK

All finished or unfinished documents, studies, reports, computer files and materials prepared by Consultant and sub-consultants under this Agreement shall be considered the property of the City and will be turned over to the City upon demand, but in any event, upon completion of the Project. The Consultant shall be allowed to retain copies of documents for his permanent records, if desired.

SECTION 17: ASSIGNABILITY

Consultant shall not assign, delegate, or transfer this Agreement or any work hereunder, nor assign any monies due or to become due hereunder, except as expressly stated herein. In no event shall any contractual relation be created between any third party and the City without prior written consent of the City. Consent to one assignment shall not be deemed to be consent to any subsequent assignment.

SECTION 18: AMENDMENTS

This Agreement sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements, expressed or implied, oral or written, except as set forth herein. This Agreement may be amended upon written mutual consent of both parties hereto. Amendment requiring changes in compensation shall be subject to the City's change order procedures.

SECTION 19: NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address as follows:

City:

Director of Public Works/City Engineer  
City of La Mesa  
8130 Allison Avenue  
La Mesa, CA 91942-5502  
TEL: 619.667.1166  
FAX: 619.667.1380

Consultant:

Robert Weber, President  
Infrastructure Engineering Corporation  
14271 Danielson Street  
Poway, CA 92064  
TEL: 858.413.2400  
FAX: 858.413.2440

The date of notification shall be receipt by the City as evidenced by date stamp affixed to the notice.

SECTION 20: DISPUTE RESOLUTION

The City and Consultant shall submit unresolved claims, counterclaims, disputes, controversies and other matters between them arising out of or relating to this Agreement or the breach thereof ("disputes"), first to mediation and then if not resolved, to non-binding arbitration prior to initiating suit or judicial proceeding.

The City shall require that all Consultants agree to submit any unresolved claims, counterclaims, disputes, controversies and other matters between them and the City or the Consultant and/or any sub-consultants of any tier arising out of or relating to their agreement with the City or the breach thereof ("disputes") first to mediation and then if not resolved, to non-binding arbitration prior to initiating suit or judicial proceeding.

## SECTION 21: TERMINATION OF AGREEMENT FOR CAUSE OR CONVENIENCE

If, through any cause, the Consultant shall fail to fulfill in timely and proper manner his obligations under this Agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement immediately by giving written notice to the Consultant of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Consultant under this Agreement shall, at the option of the City, become its property and the Consultant shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

In addition to termination for cause, the City may terminate this Agreement for City's convenience upon not less than fifteen (15) days' written notice to Consultant. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement unless said notice provides otherwise. If this Agreement is terminated as provided in this paragraph for City's convenience, the Consultant shall be required to provide to City all finished or unfinished documents, data, studies, services, etc., prepared by the Consultant as may be requested by City and such work shall become City's property upon payment to Consultant for the value of the work performed, less payments of compensation previously made.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Consultant, and the City may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages due the City from the Consultant is determined.

## SECTION 22: BUSINESS LICENSE

The Consultant, including all sub-consultants, shall obtain a business license for work within the City of La Mesa pursuant to La Mesa Municipal Code Sections 6.08.010 through 6.08.240.

No payments shall be made to any Consultant until such business license has been obtained, and all fees paid therefore, by the Consultant and all sub-consultants. Business license applications and information may be obtained from the Finance Department, City Administration Building, 8130 Allison Avenue, La Mesa, CA 91942, 619.667.1118.

## SECTION 23: INTEREST OF MEMBERS OF THE CITY

No member of the governing body of the City and no other officer, employee, or agent of the City, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement; and the Consultant shall take appropriate steps to assure compliance.

SECTION 24: INTEREST OF CONSULTANT AND EMPLOYEES; STATEMENT OF ECONOMIC INTERESTS

The Consultant covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein, or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The Consultant further covenants, that in the performance of this Agreement, no person having any such interest shall be employed. City may require Consultant to complete and submit a Form 700, Statement of Economic Interests, in accordance with applicable law, to City Clerk.

SECTION 25: FACILITIES AND EQUIPMENT

Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

SECTION 26: INDEPENDENT CONSULTANT

At all times during the term of this Agreement, Consultant shall be an independent consultant and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement.

SECTION 27: TIME

Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Consultant's obligations pursuant to this Agreement.

SECTION 28: CONSULTANT NOT AGENT

Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

SECTION 29: NON-DISCLOSURE

The designs, plans, reports, investigations, materials and documents prepared or acquired by the Consultant pursuant to this Agreement (including any duplicate copies kept by the Consultant) shall not be shown to any other public or private person or entity, except as authorized by the City. The Consultant shall not disclose to any other public or private person or entity any information regarding the activities of the City except as authorized by the City.

### SECTION 30: SUBCONTRACTING

None of the services covered by the Agreement shall be subcontracted without the prior consent of the City. The Consultant shall be as fully responsible to the City for the acts and omissions of his sub-consultants, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. The Consultant shall insert in each subcontract appropriate provisions requiring compliance with the labor standards provisions of this Agreement.

### SECTION 31: CHANGES

The City may, from time to time, request changes in the Scope of Services of the Contract to be performed hereunder. Such changes, including any increase or decrease in the amount of the Consultant's compensation, which are mutually agreed upon by and between the City and the Consultant shall be incorporated to this Contract.

### SECTION 32: JOB SITE SAFETY

The general or prime Consultant who is responsible for means, methods and procedures of the project shall be responsible for job site safety.

The prime consultant and all sub-consultants of all tiers shall:

- A. Be responsible for the safety of their respective employees as required by law.
- B. Come under the jurisdiction and supervision of the general or prime consultant's job site safety program.
- C. Exercise reasonable care to avoid risk of injury to others as required by the professional standard of care.

### SECTION 33: PREVAILING WAGES FOR PUBLIC WORKS PROJECTS- IF APPLICABLE

- A. No professional consultant or sub-consultant subject to the requirements of State of California's prevailing wages may be awarded a contract, or contracted with, for a public works project (submitted on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- B. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

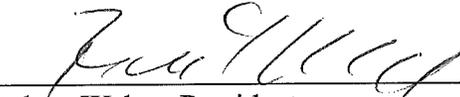
SECTION 34: DATE OF AGREEMENT

The date of this Agreement shall be the date it shall have been signed by a duly authorized representative of City.

IN WITNESS WHEREOF, City and Consultant have executed the Agreement.

INFRASTRUCTURE ENGINEERING CORP.

Date: 2-22-16

By:   
Robert Weber, President

CITY OF LA MESA,  
A Municipal Corporation

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mark Arapostathis, Mayor

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Gregory P. Humora,  
Director of Public Works/City Engineer

APPROVED AS TO FORM

  
CITY ATTORNEY

2/11/16  
Date

Attachments: Exhibit A - Scope of Services, Schedule and Fee Structure

# **EXHIBIT A**

Scope of Services,

Schedule

and

Fee Structure

February 9, 2016

Mr. Gregory Humora  
City Engineer, Public Works Director  
City of La Mesa  
8031 Allison Ave  
La Mesa, CA 91941

**Reference: Proposal to Perform Construction Management and Inspection Services  
Bid 16-01, Alvarado Trunk Sewer Improvements**

Dear Mr. Humora:

In accordance with your request, Infrastructure Engineering Corporation (IEC) is pleased to provide this proposal for Construction Management and Inspection services for the City of La Mesa on the Alvarado Trunk Sewer Improvements Project. IEC would like to propose Mr. Scott Adamson, Construction Manager, and Mr. Juan Cesena, Senior Construction Inspector, as the project personnel. The following scope of work proposed is possibly including, but not limited to, the following:

**SCOPE OF SERVICES:**

Presented below is IEC's proposed Detailed Scope of Work to be provided based on our understanding of the project requirements. IEC has assembled a comprehensive and detailed scope of work to accomplish the City's project objectives and ensure a complete and well-coordinated construction management program that results in a project that is delivered on time and within budget.

**Task 1 – Pre-Construction Phase Services**

**Task 1.1 – Pre-Construction Conference**

Notify appropriate parties, schedule and conduct the Pre-Construction Conference with the contractor. The meeting shall cover the overall project objectives, responsibilities of key personnel and agencies, schedules, procedures for handling submittals, correspondence, utility relocations, local agency permit requirements, request for clarification, progress payments, change orders, and other pertinent topics.

**Task 1.2 – Review Pre-Construction Submittals**

Review the Contractor's pre-construction submittals such as initial CPM schedule, schedule of values, staging plans, and by-pass plans and provide comment to the City on the adequacy of those documents.

### **Task 1.3 – Coordinate with Outside Agencies/Stakeholders**

Provide coordination with outside agencies and property owners regarding upcoming construction. Provide regular communication, and coordinate any possible additional meetings that may be required to satisfy encroachment permit requirements or stakeholder concerns.

## **Task 2 – Construction Phase Services**

### **Task 2.1 – Reports and Communications (Document Control)**

#### *A. Project Document Control*

Maintain field memoranda, transmittals, updated schedules, logs of shop drawings and other submittals, logs of requests for information, change orders, progress payment requests, progress meeting reports, compaction reports, daily inspection reports, and required SMARTS storm water inspection reports, and all other project correspondence. Project documentation will be kept digitally as well as hard copies, and files will be organized in a logical manner as approved by the City.

### **Task 2.2 – Construction Administration**

#### *A. Construction Progress Meetings*

Schedule and conduct bi-weekly construction progress meetings with the contractor(s) and the City. Provide meeting agendas and discuss the schedule, near term activities, clarifications and problems which need resolution, coordination with other contractors, status of change orders, and safety issues. Prepare minutes of the meetings with identified action items. Prepare and distribute the minutes to the attendees.

#### *B. Project Coordination*

Provide coordination between the Contractor, Agencies, Public Outreach Consultant, Private Properties and the City as needed to facilitate the construction process. IEC will ensure that the parties have up to date necessary information and documents such as shop drawings, submittals, plan revisions, by-pass plans, and traffic control plan. A documentation tracking procedure will be developed to track the distribution of these documents.

#### *C. Shop Drawings and Submittal Reviews*

Coordinate submittal review and approval. IEC will be responsible for processing and monitoring the status of submittals. IEC will provide cursory review of the contractor's submittals for general conformance with the contract document requirements prior to sending the submittals to the design engineer. Submittals of a general nature will be reviewed and processed by the CM team at the City's request. The CM team may also provide review of technical specifications of a general nature such as crushed rock, asphalt paving, and import.

IEC will log, track, and monitor shop drawings, calculations, data samples, submittals, and manuals from the contractor. Shop drawings and submittals which significantly do not meet the specified requirements will be returned to the contractor with comments for

corrections and resubmittal. Exception reports, which identify outstanding submittals or reviews needed, shall be prepared periodically.

*D. Plans and Specifications Interpretation (RFI Processing)*

Review and respond to contractor RFIs if of a general nature. Technical RFIs will be submitted to the project design engineer for response. Maintain a log of RFIs and in order to ensure that written clarifications are provided to the contractor in a timely manner. Responses to requests for changes to the design will be submitted to the City's Project Manager and Design Engineer for response and approval.

*E. Respond to Change Order Requests*

Identify, prepare log, and monitor contractor or City initiated claims, changes, extra work, and change orders. Negotiate claims to an agreed Contractor/Consultant/City conclusion. Provide written recommendations to the City regarding the resolution of change orders and submit change orders to the City for approval. Prepare a report providing statement of claim, extra work, or change; background leading to the issue; resolution recommendation for action by the City. Prepare written justification and cost estimates for each change order that require design modifications or clarifications, including revisions to the drawing, details, and specifications. Resolve claims, extra work, and change orders for changes to the work and obtain City approval.

*F. Progress Payment Reviews*

Prepare project related invoices and progress payments. Submit invoices to the City's project manager with a recommendation stating the proper amount for payment using the Schedule of Values and actual quantities as a basis to prepare payment requests. Progress Payment review will also include evaluation of the monthly updated construction schedule and review of the project as-builts to verify that the contractor is up to date. In addition, review of monthly progress payments will include review of the Contractor's required inspections, testing, and reports as required by the project SWPPP and the Construction General Permit.

*G. Labor Compliance Services*

Review the Contractors certified payroll submittals and confirm general compliance with State of California prevailing wage reporting requirements. Conduct monthly interviews of construction staff as required by State Revolving Funds program requirements.

**Task 2.3 – Construction Inspection Services**

*A. Daily Construction Monitoring*

Provide full time inspection and necessary specialty inspection to observe and document that the contractor's work is in compliance with the contract documents. Prepare daily reports of the construction activities including weather conditions, contractor's equipment and manpower, work performed, materials used, site visitors, note delays in work and reasons for the delays, and deficiencies. Prepare daily reports of deviations and non-conformance to specifications and provide a timely response. Perform technical inspection at the job site as required of materials and workmanship, and discuss with the contractor

appropriate revisions to the methods and procedures used in performing the work. Observe and record all material deliveries to the site. Material certificates shall be verified and documented for compliance with plans, specifications, and approved shop drawings. Prepare a detailed daily report summarizing all observations and work performed on site each day/shift. Maintain on a daily basis a set of as-built drawings as verification and redundancy to the Contractors.

*B. Photo Documentation*

Take and develop construction documentation photographs on a regular basis. Maintain a digital photographic library of significant construction activities. Take additional photographs to document differing site conditions, change order claim items and any special or unique conditions as they arise.

*C. Community Outreach*

Provide a central point of contact for stakeholders on the project and act as the City's representative in the field. Meet with affected stakeholders regularly and keep a log of complaints with a description of the complaint and the measures taken to mitigate the complaint.

### **Task 3 – Post-Construction Services**

#### **Task 3.1 – Project Closeout**

Prepare detailed project punch item lists at closeout of the project. Upon correction of deficiencies, schedule, coordinate, and conduct a final walk through prior to acceptance of work with the City. Verify work, testing, cleanup and demobilization is complete. Check and submit final payment requests after final walk through. Review and certify that the contractor's project record drawings are complete and accurate.

#### **Task 3.2 – Final Project Documents**

Upon filing of the Notice of Completion, provide a Construction Documentation notebook and electronic copy comprised of all approved shop drawings, material test reports, certifications, daily inspection reports, meeting minutes, conversation logs, and photo documentation. Also provide and submit one set of redlined as-built drawings.

### **FEE:**

IEC is pleased to present this estimated fee and estimated schedule for Construction Management and Inspection Services for the Alvarado Trunk Sewer Improvements Project. In developing this estimate we have reviewed the project plans and specifications, visited the site, and called upon our experience with similar projects. Based on this information we have developed an estimate of personnel hours that we feel will be needed to successfully complete this project.

Our estimate includes some contingency for the possibility of an extended schedule. As always our fees will be charged on an as-needed basis only for those service provided with a "Not to Exceed" limit. It would be our expectation that the contingency included in the proposal would be sufficient

Mr. Gregory Humora  
City of La Mesa  
Alvarado Trunk Sewer Improvements  
Page 5 of 5

February 9, 2016

for any unforeseen or extended needs for service, but should the project schedule extend substantially or should additional services, such as an extended shifts, be required IEC will need to negotiate with the City for additional fees.

Our estimated not to exceed fee for the proposed scope of work is \$218,270.00 (Two Hundred, Eighteen Thousand, Two Hundred and Seventy Dollars). As part of this proposal we have included a breakdown of anticipated hours by staff type that we feel will be dedicated to each task outlined in our scope, and provided an estimate of the overall project schedule and the anticipated number of hours for each proposed staff member as they relate to the schedule. The associated tables are estimates only. Actual hours spent on each task may vary depending on actual project condtions.

We sincerely appreciate the opportunities to provide this proposal and assist the City with this project. Please contact me at (858) 413-2400 should you have any questions or need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Adamson", with a long horizontal flourish extending to the right.

Scott Adamson, PE  
Construction Services Manager

Fee Estimate for City of La Mesa  
Construction Management and Inspection Services  
Bid 16-01, Alvarado Trunk Sewer Improvements

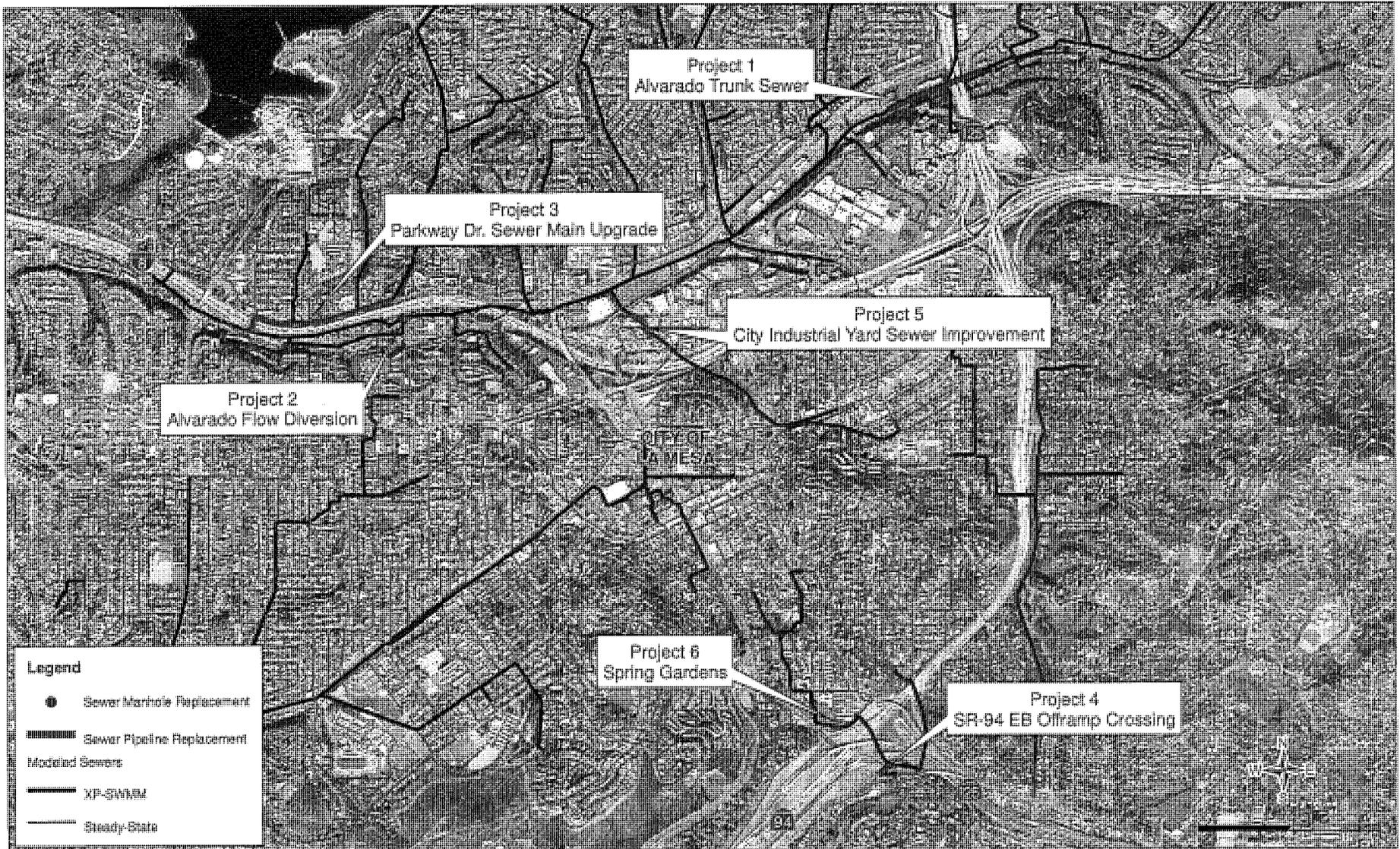


Task Item	Labor Hours					
	Hourly Rates	CM	Sen. Const. Inspector	Labor Compliance		
		\$ 138.00	\$ 127.00	\$ 97.00		
<b>Task 1 - Pre-Construction Services</b>						
1.1 Pre-Construction Conference		10	4			
1.2 Review Pre-Construction Submittals		20	20			
1.3 Coordinate with Outside Agencies/Stakeholders		20	20			
<b>Task 2- Construction Services</b>						
<b>2.1 Reports and Communication (Document Control)</b>						
A. Project Document Control		30				
<b>2.2 Construction Administration</b>						
A. Construction Progress Meetings		24	24	12		
B. Project Coordination		40				
C. Shop Drawing and Submittal Review		30	40			
D. Plans and Specifications Interpretation (RFI Processing)		40	60			
E. Respond to Change Orders		40	60			
F. Progress Payment Review		22	24			
G. Labor Compliance				98		
<b>2.3 Construction Inspection Services</b>						
A. Daily Construction Monitoring			680			
B. Photo Documentation			120			
C. Community Outreach		54	108			
<b>Task 3 - Post Construction Services</b>						
3.1 Project Closeout		40	20			
3.2 Final Project Documentation		30	20			
<b>Total Hours=</b>	<b>0</b>	<b>400</b>	<b>1200</b>	<b>110</b>	<b>0</b>	
<b>Total Project Costs=</b>	<b>\$ -</b>	<b>\$ 55,200</b>	<b>\$ 152,400</b>	<b>\$ 10,670</b>	<b>\$ -</b>	<b>\$ 218,270.00</b>

**Footnotes**

1. Field personnel rates are inclusive of vehicle, mileage, phone, computer, etc. Inspection rates shown are for prevailing wage projects.





Source: SanGIS, 2007



T01408 KM KM Z1\Project\IS\LaMesa\MapReport\Figure\Wastewater\MP\Final Report\Project\_Overview.mxd

**FIGURE 8-1**  
**LA MESA SEWER CAPACITY PROJECTS**



Figure 2. Project location map.





REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: March 8, 2016  
SUBJECT: Professional Auditing Services Agreement  
ISSUING DEPARTMENT: Finance

SUMMARY:

Issue:

Should the City Council authorize the adoption of the attached resolution entitled "Resolution Authorizing the Mayor to Accept the Proposal and execute an Agreement thereby for Professional Auditing Services for the City of La Mesa as submitted by Rogers, Anderson, Malody & Scott, LLP for Fiscal Years 2015-2016, 2016-2017, and 2017-2018."

Recommendation:

That the City Council authorize the adoption of said resolution.

Fiscal Impact:

Rogers, Anderson, Malody & Scott submitted a cost proposal for external auditing services in the amount of \$45,115 for Fiscal Year 2015-2016, \$45,115 for Fiscal Year 2016-2017, and \$44,425 for Fiscal Year 2017-2018, for a total award amount of \$129,725. If there are additional Major Programs included in the review of Federal Grants (Single Audit) in any year audited, the fee for each additional Major Program would be \$2,200. Funds will be included in the upcoming Fiscal Year 2016-2017 Mid-Biennium Budget in General Fund Non-Departmental (1309), Successor Agency (7110) and CDBG Administration (4112) Professional Services.

City's Strategic Goals:

Maintain a financially sound and affordable city government

BACKGROUND:

The purpose of annual financial and compliance audits of the City's accounting records and internal control systems is to obtain reasonable assurance about whether the financial statements and reports are free from material misstatement. The audit includes examining evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles and internal control procedures used, determining the level of fraud risk in the City's procedures, and evaluating the overall financial statement presentation.

DISCUSSION:

It is required practice that local governmental agencies obtain independent financial and compliance audits of their financial statements performed in accordance with the appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in the information presented.

The Government Finance Officers Association (GFOA) identifies and develops financial policies and "best practices" for local governments. The GFOA's recommendations for audit procurements include:

- Governmental entities should require auditors conform to the independence standard set by the General Accounting Office's *Government Auditing Standards*.
- Governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors.
- The audit procurement process should be structured so that the principal factor in the selection of an independent auditor is the auditor's ability to perform a quality audit. In no case should price be allowed to serve as the sole criterion for the selection of an independent auditor.

The State Controller's Office (SCO) recommendations mirror the GFOA Best Practices, and further recommend that agencies rotate audit teams, including partners, rather than rotate audit firms. Rotating partners and teams rather than audit firms provide a fresh set of eyes on the audit and internal controls while allowing for efficiencies in continuing permanent file information and available narratives. The current audit firm, Rogers, Anderson, Malody & Scott, LLP (RAMS) has worked with the City of La Mesa since May 2011, beginning with the Fiscal Year 2010-2011 audit and continuing through the current agreement extension with the Fiscal Year 2014-2015 audit. Both City staff and the Audit Committee are satisfied with the work of the current audit firm.

Following the GFOA best practice guidelines and the SCO's recommendations, the City requested a new proposal from RAMS utilizing a new audit partner and team for audits beginning with Fiscal Year 2015-2016 through Fiscal Year 2017-2018 with options for two additional one-year extensions. This proposal includes financial and compliance audit services plus financial statement preparation for the City of La Mesa, the La Mesa Successor Agency, and the La Mesa Housing Asset Fund. The proposal also includes the Review of Federal Grants and Compliance Audit (Single Audit) and the review and report of the City's compliance with Proposition 111 "GANN Limit" calculation.

On February 22, 2016, the Audit Committee and City staff reviewed the proposal and heard a presentation from the RAMS audit team, comprised of the Engagement Partner, Quality Control Partner, and Senior Accountant who will serve as the lead auditor. After an opportunity to ask questions, the Audit Committee approved to forward the proposal and agreement to the City Council for approval.

CONCLUSION:

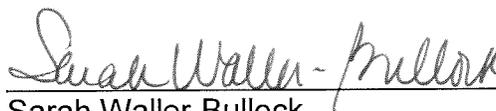
City staff recommends that the City Council authorize the adoption of the attached resolution entitled "Resolution Authorizing the Mayor to Accept the Proposal and execute an Agreement thereby for Professional Auditing Services for the City of La Mesa as submitted by Rogers, Anderson, Malody & Scott, LLP for Fiscal Years 2015-2016, 2016-2017, and 2017-2018."

Reviewed by:



David E. Witt  
City Manager

Respectfully submitted by:



Sarah Waller-Bullock  
Director of Finance

Attachments: Proposal for Audit Services for Fiscal Years 2015-2016, 2016-2017 and 2017-2018  
Standard Agreement for Professional Audit Services  
Resolution

***Proposal for Professional  
Auditing Services***

***CITY OF LA MESA***

***For the fiscal year ending June 30, 2016, 2017 and 2018  
(With the option of each of the two subsequent years)***

Submitted by:

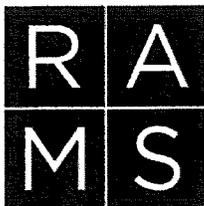
**ROGERS, ANDERSON, MALODY & SCOTT, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

735 E. CARNEGIE DRIVE, SUITE 100  
SAN BERNARDINO, CALIFORNIA 92408  
PHONE: (909) 889-0871  
FAX: (909) 889-5361

December 22, 2015

**CONTACT: SCOTT MANNO, PARTNER**  
smanno@ramscpa.net

**ALTERNATE CONTACT PERSON: BRAD WELEBIR, DIRECTOR**  
bwelebir@ramscpa.net



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

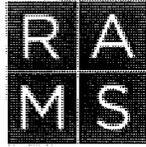
# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

December 22, 2015

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
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Leena Shanbhag, CPA, MST, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

**DIRECTORS**

Bradferd A. Welebir, CPA, MBA

**MANAGERS / STAFF**

Jenny Liu, CPA, MST  
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Charles De Simoni, CPA  
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Nathan Statham, CPA, MBA  
Brigitta Bartha, CPA  
Gardenya Duran, CPA  
Juan Romero, CPA  
Ivan Gonzales, CPA, MSA  
Brianna Pascoe, CPA

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

City of La Mesa  
Attention: Sarah Waller-Bullock  
8130 Allison Avenue  
La Mesa, CA 91942

Sarah,

I am pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. Our goal for the past 67 years has been to provide honest, accurate, objective results to all of our clients, including governmental organizations such as yours. Our success in this effort is witnessed by both the growth of our firm and the list of long-term clients who trust us.

At RAMS, we are committed to achieving the highest quality audit possible. We understand the complexity of performing governmental audits and that's why we have a dedicated team of auditors that possess the specialized knowledge and experience to help ensure compliance and changes in regulations that may impact your audit. We plan and execute our audits in a way that maximizes audit efficiency and quality and provides you the highest quality services.

We are aware that the City has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons, which are provided in more detail in our proposal. Our firm:

- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients.
- Provides auditing services to over 50 governmental entities and not-for-profit organizations, including over 20 cities, most of which have enterprise activities.
- Understands the audit process, as a whole, can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim field work to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner.

- Has audit team members that are personable and easy to work with. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service and products.
- Provides extensive training and continuing education to all of our audit staff through a combined use of in-house instruction and third-party providers. Our audit team members are experienced with and receive regular training in performing Single Audits in accordance with Federal OMB SuperCircular.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- Has an extensive quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, *each report is also examined by 2 partners and 2 professional proofreaders.*
- Has assisted many of our clients with the preparation of their Comprehensive Annual Financial Reports, and all of our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Is a full service firm, with specialists in auditing, reviews and compilations, tax planning and preparation, as well as business consulting. The diverse experience and accessibility of the professionals in these areas help us to provide a comprehensive approach to a wide variety of needs.
- Believes that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit services for the City.

Mr. Manno and Mr. Welebir are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the City. The firm is properly licensed in the State of California. We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, smanno@ramscpa.net or bwelebir@ramscpa.net. Please contact us if you have any questions regarding this proposal.

Thank you for the opportunity to present our proposal qualifications and to serve as independent auditors to the City of La Mesa. We look forward to having a long and mutually beneficial relationship with the City.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP




---

Scott W. Manno, CPA, CGMA  
Partner

# **CITY OF LA MESA**

## **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

### *Independence and License to practice in California*

---

#### *Independence*

Rogers, Anderson, Malody & Scott, LLP is independent of the City of La Mesa, as defined by general standard number two of the generally accepted auditing standards.

We are also independent of the City of La Mesa, as defined by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards* (2011).

#### *License to practice in California*

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. The key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and are in compliance with all applicable Board of Accountancy standards.

**CITY OF LA MESA**  
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

*Firm qualifications and experience*

---

*About our firm*

Rogers, Anderson, Malody & Scott, LLP was founded in 1948 and is located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We are one of the oldest and most trusted and respected CPA firms in Southern California, with over 67 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting and management advisory services. Over *fifteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations and joint power authorities.

Our firm has a total staff of thirty people, which includes seventeen certified public accountants. The staff consists of five partners, one director, one manager, eleven supervisors/senior accountants, seven staff accountants and five support staff. The audit staff consists of twenty members who devote over 80% of their time to municipal/not-for-profit engagements.

The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit director, one audit senior and two to three staff auditors. All personnel are located in our San Bernardino office.

We understand that organizations desire that its auditors have a thorough understanding of the complex accounting and compliance issues confronting entities such as yours. Our firm has a long history of governmental/not-for-profit accounting and auditing. Over the years, we have gained valuable experience, acquired in-depth knowledge, and obtained the technical expertise needed for governmental/not-for-profit accounting and auditing.

Our firm is committed to providing our clients with the highest quality service at the most reasonable fee. The professionals assigned to the City's financial audit have each made providing quality service their priority.

**Please see Attachment B for a complete list of all of our current municipal clients.**

*Single audit experience*

Most of our city clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with OMB Circular A-133. We also have experience in auditing American Recovery and Reinvestment Act (ARRA) grants. We recently performed single audits for the following entities:

- |                             |   |
|-----------------------------|---|
| City of Capitola            | City of La Mesa                                       |
| City of Chino               | City of Mission Viejo                                 |
| City of Goleta              | City of Redondo Beach                                 |
| City of Norco               | City of Twentynine Palms                              |
| City of Fillmore            | Community Action Partnership of San Bernardino County |
| City of Rosemead            | University Enterprises Corporation at CSUSB           |
| City of San Juan Capistrano | Western Municipal Water District                      |
| City of La Verne            |   |

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Firm qualifications and experience (continued)*

---

#### *Housing Authority and Successor Agency experience*

For the fiscal years ended June 30, 2014 and 2015 the firm audited the following Housing Authorities and Successor Agencies for the following Cities:

City of Capitola	City of San Juan Capistrano
City of Chino	City of La Verne
City of Goleta	City of San Jacinto
City of Norco	City of Twentynine Palms
City of Fillmore	City of La Mesa
City of Grand Terrace	City of Rosemead
City of El Cajon	City of Mission Viejo
Town of Yucca Valley	City of Redondo Beach
City of Lemon Grove	City of Sierra Madre
City of San Bernardino	City of Moorpark

The firm also performed the Due Diligence Reviews Agreed-Upon Procedures for fourteen Successor Agencies.

#### *CAFR preparation*

We have extensive experience in the preparation of Comprehensive Annual Financial Reports (CAFR). For the fiscal year ended June 30, 2013, our staff prepared over 15 CAFR's, and each entity received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2014, again, our staff prepared over 15 CAFR's for our clients for their submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. The audit partner on the engagement is also a technical reviewer for the GFOA CAFR award program.

#### *Governmental Audit Quality Center*

As a member of the American Institute of CPAs *Governmental Audit Quality Center*, we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental and not-for-profit audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental and not-for-profit audit practice to deliver the highest quality audit services possible.

In addition, the Governmental Audit Quality Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership will provide us timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations.

# **CITY OF LA MESA**

## **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

### *Firm qualifications and experience (continued)*

---

Our team of auditor specialists stays current in this highly technical practice area by adhering to the continuing professional education requirements of *Government Auditing Standards* and attending various continuing education programs including the annual AICPA National Governmental Accounting and Auditing Update Conference, the AICPA National Not-for-Profit Industry Conference, the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and by reviewing monthly publications from the American AICPA, the GFOA, and various other resources.

### *Range of services*

Our firm provides various other services in addition to auditing services to governmental and not-for-profit entities, including:

- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax Agreed Upon Procedures
- Financial projections
- Franchise (refuse, cable) Agreed Upon Procedures
- Accounting policies and procedures
- Cost control and cost allocation plans
- Capital improvement program procedures and policies
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations and partnerships.

### *Quality control*

We have an extensive quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by the engagement partner and the technical review partner, and is proofread by two professional staff. Our firm is a member of the AICPA's Governmental Audit Quality Center (GAQC) and the AICPA's Private Company Practice Section (PCPS). We perform an in-house peer review over our audit and attest engagements annually, and receive an independent external peer review every three years.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Firm qualifications and experience (continued)*

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#### *External quality control examinations*

As a member of the AICPA Private Companies Practice Section, our firm has participated in "Peer Review" since 1993 and has been examined every three years since that date. Throughout our participation in this program, the firm has received unqualified opinions from the peer reviewers. A copy of our most recent external quality control review dated June 30, 2015 for the year ended November 30, 2014 (Attachment A) is attached. The latest review included reviews of specific governmental and not-for-profit entities.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Partner, supervisory and staff qualifications and experience*

---

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental and not-for-profit accounting and auditing. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate.

### *Partner and supervisory staff involvement*

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end field work, thus facilitating a proper, efficient and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire organization's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency as well as offer practical and functional advice for improving your accounting processes and procedures.

Continuity of audit staff is a principal concern with our firm. Therefore, we plan to provide staff continuity from year to year, which is in the best interest of the organization and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. However, the City reserves the right to accept or reject replacements.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

*Partner, supervisory and staff qualifications and experience (continued)*

---

### *Continuing professional education*

All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the City of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government and not-for-profit auditors and accountants available. In addition, we provide in-house training taught by our partners and senior level staff using published resources.

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards.

### *Assigned personnel*

It is our goal to provide the City with capable, competent, and personable individuals who offer an extensive background, not only in governmental and not-for-profit accounting and auditing, but also in general business practices. We offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental and not-for-profit accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented near the end of this proposal. The following individuals will be assigned to the engagement for the entire contract period:

*Scott Manno, – CPA, CGMA – Engagement Partner*

Mr. Scott Manno, CPA, CGMA is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Manno has been in public accounting for 20 years serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. He will review all work-papers prepared during the engagement, in addition to all required reports.

Mr. Manno has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: Town of Yucca Valley, Elsinore Valley Municipal Water District, Rincon del Diablo Municipal Water District, City of Lake Elsinore, City of Ontario, the Ventura Regional Sanitary District, the City of Norco, Big Bear Area Regional Wastewater Authority, Western Municipal Water district, Vista Irrigation District, Helix Water District, the City of Fillmore and the City of Twentynine Palms.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Partner, supervisory and staff qualifications and experience (continued)*

---

Currently, Mr. Manno serves as a technical reviewer for the GFOA CAFR Award program and from 1997 to 2000 he served as a technical reviewer under the CSMFO award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is now a member of the Associations fiscal committee providing accounting and fiscal program guidance.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc. including the upcoming implementation of GASB 68.

#### *Brad A. Welebir, CPA, MBA – Director, Quality Control*

Mr. Brad A. Welebir, CPA, is a director with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. Welebir has over eleven years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. As the quality control director, he will be responsible for engagement quality and will review all required reports.

#### *Brianna Pascoe-Shultz, CPA – Senior Accountant*

Mrs. Brianna Pascoe-Shultz, CPA is a senior accountant with the firm. Ms. Pascoe has over four years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As a senior accountant she will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### Similar engagements with other governmental entities and references

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#### Similar engagements with other governmental entities and references

1. **Entity:** **CITY OF EL CAJON**  
**Scope of work:** Financial Audit/CAFR\*/Successor Agency  
**Date:** Years ending June 30, 2008 through 2015  
**Engagement partner:** Mr. Scott Manno  
**Total hours:** Approximately 400 hours each year  
**Contact person:** Ms. Holly Reed-Falk, Finance Manager, (619) 441-1763
  
2. **Entity:** **CITY OF REDONDO BEACH**  
**Scope of work:** Financial Audit/Single Audit/CAFR\*/Successor Agency  
**Date:** Year ending June 30, 2012 through 2015  
**Engagement partner:** Mr. Terry P. Shea  
**Total hours:** Approximately 500 hours each year  
**Contact person:** Mr. Craig Koehler, Finance Director, (310) 937-6629
  
3. **Entity:** **CITY OF CHINO**  
**Scope of work:** Financial Audit/Single Audit/CAFR\*/Successor Agency  
**Date:** Year ending June 30, 2011 through 2015  
**Engagement partner:** Mr. Scott Manno  
**Total hours:** Approximately 450 hours each year  
**Contact person:** Mr. Rod Burns, Director of Finance, (909) 334-3262
  
4. **Entity:** **CITY OF MISSION VIEJO**  
**Scope of Work:** Financial Audit/CAFR\*/Successor Agency  
**Date:** Years ending June 30, 2012 through 2015  
**Engagement partner:** Mr. Terry Shea  
**Total hours:** Approximately 425 hours each year  
**Contact Person:** Mr. Cheryl Dyas, Director of Administrative Services,  
(949) 470-3059
  
5. **Entity:** **TOWN OF YUCCA VALLEY**  
**Scope of work:** Financial Audit/CAFR\*/Successor Agency  
**Date:** Years ending June 30, 2008 through 2015  
**Engagement partner:** Mr. Scott Manno  
**Total hours:** Approximately 350 hours each year  
**Contact person:** Mr. Curtis Yakimow, Town Manager (760) 369-7207,

\* = received GFOA award.



# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### Specific audit strategy (audit approach)

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#### *Specific audit strategy*

The following is a summary of the audit team's approach for the City's engagement. The audit will be divided into the following phases:

#### Interim phase – planning, pre-audit administration and internal control testing

During this phase of the audit, our principal objectives will be as follows:

- ✓ Discuss the dates of the interim and year-end field work.
- ✓ Perform risk assessment procedures by completing the following procedures:
  - Obtain an understanding of the City and its environment, including its internal control, sufficient to plan the audit.
  - Evaluate the design and effectiveness of the City's internal controls and determine whether they have been implemented.
  - Perform walkthrough of all significant transaction classes.
  - Perform tests of controls, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates in which we can begin our audit, and to discuss the assistance to be provided by the City's staff.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit work-papers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of board meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City. We will also review and retain copies of any agreements or contractual obligations (e.g., debt and grant documents, lease agreements, revenue agreements, etc.).
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### Specific audit strategy (audit approach) (continued)

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- Review and analyze supporting data and determine what reliance will be placed on internal controls and assess control risk.
- Test controls, if control risk is assessed below the maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation, and evaluating the completeness of the documentation tested, as well as the adequacy of support and approvals as they appear on the support.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations noted during our internal control analysis and tests of controls. The letter will also include suggestions for improving the efficiency of the City's operations.

This phase of the engagement for the audit will be performed by the senior/supervising accountant and three staff accountants with direct supervision by the audit partner.

### Year-end phase I – substantive testing

During this phase of the audit, our principal objectives will be as follows:

- ✓ Assess the risk of material misstatement at the financial statement level and specific assertions.
- ✓ Design overall responses to assessed risks and further audit procedures.
- ✓ Perform substantive tests, as needed, and complete the audit.
- ✓ Evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.
- Identify significant risks.
- Develop a detailed audit plan.
- Design substantive tests of account balances, modified specifically for the City's operations and assessed level of risk. Substantive procedures could, depending on our risk assessment, consist of the following:
  - Confirmation of cash and investment balances
  - Testing of cash and investment reconciliations
  - Testing GASB 40 disclosures
  - Testing for compliance with the City's investment policy

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### Specific audit strategy (audit approach) (continued)

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- Testing of interest income allocations to the various funds
- Analytical review and subsequent receipt testing of significant receivables
- Evaluate if receivables are valued properly and perform tests of balances in conjunction with the testing of revenues
- Testing of significant inventory and other asset accounts
- Testing of additions and deletions to capital assets, including CIP accounts
- Perform a search for unrecorded liabilities
- Testing of significant liability and accrued liability accounts
- Evaluate the support for compensated absences
- Review the valuation of claims and judgments
- Testing of long-term debt balances and debt covenants
- Analytical review of interest expense
- Testing of net position (net asset) classifications
- Testing of revenues through either analytical procedures and/or detailed testing
- Testing of expenses through either analytical procedures and/or detailed testing
- Payroll testing for compliance with approved salary schedules
- Examination of interfund transfers and testing of transfers out of restricted funds
- Review the minutes of the board meetings
- Review significant contracts, debt issuances, leases and other agreements
- Review of subsequent events after year end (through the completion of our audit)
- Testing for significant commitments to be disclosed in the financial statements
- Confirm with legal counsel any significant legal matters affecting the City's financial position

The above list is not all-inclusive.

This phase of the engagement will be performed by the audit partner, senior/supervising accountant and two/three staff accountants.

### Year-end phase II – reporting/audit conclusion

During this phase of the audit, our principal objectives will be as follows:

- ✓ Evaluate whether the financial statements, taken as a whole, are free from material misstatement.
- ✓ Form an opinion and issue the audit reports.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### Specific audit strategy (audit approach) (continued)

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In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion.
- Review of all audit work-papers by the engagement partner and manager to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.).
- Prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the firm's technical review partner.
- Issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit partner, senior and one staff accountant with direct supervision by the audit partner. In addition, the quality control partner will perform a quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All of our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agree upon time frames.*

*Understanding of internal control*

Our approach to obtaining an understanding of the City's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment*, *Risk Assessment*, *Control Activities*, *Information and Communication*, and *Monitoring*. Our approach is as follows:

**Control Environment.** Through inquiry of the City's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the City's board meetings, we will obtain an understanding of management's and the City Council's attitudes, awareness and actions concerning the control environment, focusing on the substance of the controls rather than their form.

**Risk Assessment.** Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the City's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

**Control Activities.** Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City's major transaction cycles. As mentioned above, we will test the City's control procedures on which we intend to rely for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

**Information and Communication.** Through inquiry of the City's personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

**Monitoring.** Through the inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

# *CITY OF LA MESA*

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Specific audit strategy (audit approach) (continued)*

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#### *Sample sizes*

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment as permitted by SAS No. 111: *Amendment to Statement on Auditing Standards No. 39, Audit Sampling*. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, as well as our planned substantive testing and analytical procedures.

#### *Approach in drawing samples for compliance testing*

Our approach to be taken in drawing audit samples for purposes of tests of compliance will depend on the number of transactions, the amounts of financial assistance provided (as applicable), and the City's internal controls over the respective programs. We will select samples that will provide sufficient evidence of the City's compliance with the laws and regulations that will have a material effect on compliance with laws and regulations.

#### *Computer technology in the audit*

Our firm has adopted a paperless audit approach. Using our engagement software, all audit team members are linked to each other using a local router which enables them to share information at an almost real-time speed. In addition, once your trial balances and financial statements are entered into our software, we are able to observe your statements in the field allowing us to notice any variances and address them at your office. With this in mind, we would prefer all audit information in an electronic format, particularly trial balances and general ledgers. If electronic formatting is not available, all audit teams have portable scanners and printers while on location during fieldwork. In addition, we can access our accounting and auditing resources through either a wireless or wired internet connection. We link the CAFR schedules directly to our audit software trial balances, and as result, we can provide the City with fund financial statements almost immediately after importing the trial balances. Additionally, journal entries are easy to post to the CAFR schedules and the risk of data entry error is minimized. We can provide the City with our audited trial balances which show the coding of the CAFR schedules for ease of review for City staff. These reports show each account coded to a specific CAFR line item as well as journal entries posted during the audit.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Specific audit strategy (audit approach) (continued)*

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#### *Analytical procedures*

We will utilize analytical review procedures throughout our audit of the City. During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine areas that may need additional analysis; we will also compare current year actual amounts to the City's annual budget. During the *final* phase of our audit, we will perform procedures similar to those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Finally, after we have completed our field work, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City and various other entities.

#### *Approach in determining applicable laws and regulations*

We understand the importance of laws and regulations in planning an audit of a local government or not-for-profit entity. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- ◆ AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- ◆ The Division of Local Government Fiscal Affairs Minimum Audit Requirements
- ◆ US Government Accountability Office's *Government Auditing Standards* (The Yellow Book), 2011 Revision
- ◆ Applicable contracts/grants of the City of La Mesa
- ◆ OMB Supercircular
- ◆ Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*
- ◆ OMB Circular A-87, *Cost Principles for State and Local Governments*
- ◆ OMB's Circular A-133, *Compliance Supplement*

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance.

*Evaluation of internal controls and management letter comments*

During our audit, we will consider the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Our consideration of internal control is not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. There are three classifications of internal control deficiencies. We will work carefully with your staff to ensure the correct classification of any identified internal control deficiencies. The three classifications are as follows:

- *Control deficiency* – a minor internal control deficiency that can be communicated either verbally or in writing to management.
- *Significant deficiency* – a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance, and must be communicated in writing.
- *Material weakness* – a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis, and must be communicated in writing to those charged with governance.

When we prepare internal control recommendations, we obtain a thorough understanding of the specific circumstances surrounding the finding, and discuss the matters with management prior to drafting the letter. We work with your staff to ensure that the recommendation is reasonable and practical to implement.

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Resumes of key engagement personnel*

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**Scott W. Manno, CPA, CGMA**  
***Engagement Partner***

#### *Professional experience*

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various non-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001.

#### *Education / licenses*

Bachelor of Science degree from California State University, San Bernardino  
Certified Public Accountant – State of California  
Chartered Global Management Accountant – American Institute of Certified Public Accountants

#### *Related professional experience*

Governmental agencies that Mr. Manno has served include the following:

City of El Cajon	City of Fillmore
City of Twentynine Palms	Town of Yucca Valley
City of Chino	City of Lake Elsinore
City of San Bernardino	City of La Verne
City of Sierra Madre	City of Blythe
City of San Jacinto	City of Rosemead
City of Ontario	City of Redondo Beach

Mr. Manno has completed approximately 132 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Association of Certified Fraud Examiners, *How to Detect and Prevent Financial Statement Fraud*
- ◆ American Institute of Certified Public Accountants, *Frequent Frauds in Government*
- ◆ American Institute of Certified Public Accountants, *Governmental Accounting and Reporting*

#### *Professional affiliations*

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Association of Government Accountants (AGA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Resumes of key engagement personnel (continued)*

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**Brad A. Welebir, CPA, MBA**  
***Quality control***

#### *Professional experience*

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, he began his career with Sam's Club, where he was the operations manager. He then worked for La Sierra Academy as an accountant.

#### *Education*

Masters of Business Administration – Accounting Emphasis from California State University, Fullerton in June 2003  
Bachelor of Arts in Business Administration from La Sierra University in 1996  
Certified Public Accountant – State of California

#### *Related professional experience*

Organizations that Mr. Welebir has served include the following:

City of Poway	City of Fillmore
City of Twentynine Palms	Town of Yucca Valley
City of Loma Linda	City of San Juan Capistrano
City of San Bernardino	City of La Verne
City of Sierra Madre	City of Mission Viejo
City of San Jacinto	City of Rosemead
	City of Redondo Beach

#### *Continuing professional education*

Mr. Welebir has completed 81 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

#### *Professional affiliations*

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)

# CITY OF LA MESA

## PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

### *Resumes of key engagement personnel*

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**Brianna Pascoe-Shultz, CPA**  
**Senior Accountant**

#### *Professional Experience*

Mrs. Pascoe-Shultz began her career with Rogers, Anderson, Malody & Scott, LLP in July 2014, and had over three years' experience with another public accounting firm serving the same industry. During her time with the firm, she has worked primarily on audits of municipalities, special districts and redevelopment agencies, as well as various non-profit organizations.

#### *Education*

Bachelor of Science degree from California State University, San Bernardino  
Certified Public Accountant – State of California

#### *Related Professional Experience*

Governmental agencies that Ms. Pascoe-Shultz has served include the following:

City of Poway	City of Glendora
City of Fillmore	City of Rancho Cucamonga
City of San Jacinto	Vallecitos Water District
San Bernardino Valley Municipal Water District	First 5 Riverside
Pine Cove Water District	Yucaipa Valley Water District
Vista Irrigation District	Ventura County Transportation Commission

#### *Continuing Professional Education*

Ms. Pascoe-Shultz has completed over 100 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Government Finance Officers Association, *Intermediate Governmental Accounting*
- ◆ California Society of Municipal Finance Officers, *Accounting and Auditing Year in Review*

#### *Professional Affiliations*

Ms. Pascoe-Shultz is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)

# Grant Bennett Associates

A PROFESSIONAL CORPORATION



## SYSTEM REVIEW REPORT

June 30, 2015

To the owners of Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP received a peer review rating of *pass*.

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants

*Grant Bennett Associates*



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## CURRENT CLIENTS

<u>Government Client</u>	<u>Years Served</u>		CSMFO/			
			<u>Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>	
City of El Cajon	06/30/07	to 06/30/15	Yes	Yes	Yes	
City of Fillmore	06/30/08	to 06/30/15		Yes	Yes	
Town of Yucca Valley	06/30/08	to 06/30/15	Yes	Yes	Yes	
City of San Juan Capistrano	06/30/11	to 06/30/15	Yes	Yes	Yes	
City of La Verne	06/30/11	to 06/30/15	Yes	Yes	Yes	
City of San Jacinto	06/30/11	to 06/30/15		Yes	Yes	
City of Twentynine Palms	06/30/11	to 06/30/15	Yes	Yes	Yes	
City of Chino	06/30/11	to 06/30/15	Yes	Yes	Yes	
City of La Mesa	06/30/11	to 06/30/15		Yes	Yes	
City of Rosemead	06/30/11	to 06/30/15	Yes	Yes	Yes	
City of Moorpark	06/30/12	to 06/30/15	Yes	Yes	Yes	
City of Mission Viejo	06/30/12	to 06/30/15	Yes	Yes	Yes	
City of Capitola	06/30/12	to 06/30/15	Yes	Yes	Yes	
City of Redondo Beach	06/30/12	to 06/30/15	Yes	Yes	Yes	
City of Loma Linda	06/30/13	to 06/30/15	Yes	Yes	Yes	
City of Sierra Madre	06/30/12	to 06/30/15		Yes	Yes	
Crestline Village Water District	04/30/96	to 04/30/15				
Crestline-Lake Arrowhead Water	06/30/98	to 06/30/15				
San Bdo Valley Muni Water Dist	06/30/04	to 06/30/15				
Ventura Regional Sanitation District	06/30/07	to 06/30/15	Yes			
Saticoy Sanitary District	06/30/07	to 06/30/15				
Helendale CSD	06/30/10	to 06/30/15				
Pine Cove Water District	06/30/10	to 06/30/15				
Western Municipal Water District	06/30/11	to 06/30/15	Yes			
WRCRWA	06/30/11	to 06/30/15				
Vista Irrigation District	06/30/11	to 06/30/15	Yes			
Idyllwild Water District	06/30/11	to 06/30/15				
29 Palms Water District	06/30/12	to 06/30/15				
Big Bear Area Regional Wastewater	06/30/12	to 06/30/15	Yes			
Inland Empire Resource Cons Dist	06/30/04	to 06/30/15				
Rossmoor CSD	06/30/05	to 06/30/15				
Rim of the World Park & Rec Dist	06/30/06	to 06/30/15				
Ventura County Regional Energy	06/30/07	to 06/30/15				
Heartlands Communications Fac Auth	06/30/07	to 06/30/15				
Heartlands Fire Training Auth	06/30/07	to 06/30/15				
Santa Ana Watershed Assoc	12/31/09	to 12/31/14				

**Attachment B (continued)**

SB Fire Training Authority	06/30/10	to	06/30/15
Capistrano Bay CSD	06/30/13	to	06/30/15
Ventura County Public Fin Auth	06/30/12	to	06/30/15
CSUSB - Student Union	06/30/05	to	06/30/15
CSUSB - Associated Students Incorp	06/30/10	to	06/30/15
CSUSB - Philanthropic Foundation	06/30/11	to	06/30/15
CSUSB - University Enterprise Corp	06/30/11	to	06/30/15

**City of La Mesa  
Proposed fees**

<b>SERVICES</b>	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2018	Grand Total By Service
A. Financial & Compliance Audit plus Financial Statement for:				
1. City of La Mesa	\$ 29,700	\$ 29,700	\$ 30,295	\$ 89,695
2. Successor Agency portion (a)	4,500	4,500	3,000	7,070
3. Housing fund audit/SB341 report	6,760	6,760	6,895	20,415
Section A Subtotal:	40,960	40,960	40,190	117,180
B. Review of Federal Grants and Compliance Audit per OMB Circular A-133 (Single Audit) Plus Single Audit Statement (b)	3,650	3,650	3,720	11,020
C. Review and report of City's compliance with Prop 111 "GANN Limit" calculation	505	505	515	1,525
<b>TOTAL OF MANDATORY FEES BY FISCAL YEAR</b>	<b>\$ 45,115</b>	<b>\$ 45,115</b>	<b>\$ 44,425</b>	<b>\$ 129,725</b>
D. Optional Services: Review of records of one (1) La Mesa hotel/motel each year for TOT compliance	\$ 80	\$ 80	\$ 82	
E. Optional Services: Performing a franchise rate analysis	\$ 94	\$ 94	\$ 96	
F. Hourly rates for expansion of services if requested by City:				
<b>TITLE</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>	
Partner	\$ 225	\$ 225	\$ 230	
Manager	165	165	175	
Senior Staff	135	135	140	
Professional Staff	85	85	90	
Clerical Staff	50	50	50	
Other				

(a) = The fee decreases due to decreased activity in the Successor Agency.

(b) = The fee indicated is for the first major program, each additional major program audited is \$2,200.

Note: 1. Fees for items A through C should be given as price per item per Fiscal Year. Items D and E should be given in hourly rates.

STANDARD AGREEMENT FOR SPECIALIZED PROFESSIONAL SERVICES  
BETWEEN THE CITY OF LA MESA AND  
ROGERS, ANDERSON, MALODY & SCOTT LLP  
FOR AUDIT SERVICES

This Agreement is entered into by City of La Mesa as of this \_\_\_ day of \_\_\_\_\_, 2016, by and between the City of La Mesa, a municipal corporation, hereinafter referred to as "the City", and Rogers, Anderson, Malody & Scott, LLP, hereinafter referred to as "Contractor."

WITNESSETH THAT:

WHEREAS, the City has adopted Resolution No. 2016-\_\_\_\_; and

WHEREAS, the City has need for professional auditing services and is willing to compensate Contractor for such services; and

WHEREAS, the City desires to engage Contractor to render certain technical and professional services in the providing of said professional auditing services; and

WHEREAS, Contractor is licensed to provide said professional auditing services

NOW THEREFORE, the parties do mutually agree as follows:

SECTION 1: ENGAGEMENT OF CONTRACTOR

The City hereby agrees to engage Contractor and Contractor hereby agrees to perform the services set forth in this Agreement.

SECTION 2: SERVICES TO BE PERFORMED BY CONTRACTOR

Contractor shall commence performance of the Project upon execution of this Agreement by both parties. The term "Project" as used in this Agreement shall include all of the tasks and items listed and described in Attachment "A", attached hereto and incorporated herein as part of this Agreement.

SECTION 3: KEY PROJECT PERSONNEL

Contractor agrees to provide the services of Scott Manno, Partner, respectively for the full term of this contract. No substitutions will be made without prior written approval by the City. The City reserves the right to request specific qualifications for personnel substituted under this section.

SECTION 4: CITY REPRESENTATION

The City Manager for the City of La Mesa, or its designated representative, shall represent the City in all matters pertaining to the services rendered pursuant to this Agreement and shall administer said Agreement on behalf of the City. This person shall hereinafter be referred to as the "City's Representative."

SECTION 5: RESPONSIBILITIES OF THE CITY

The City will provide the Contractor, or cause to be provided with, the following documents, services and site information, at no charge to the Contractor.

- A. Source documentation, lead sheets, and other requested records contained in the prepared schedule request
- B. Sufficient office space to allow audit team to complete field work within the expected timeframes

SECTION 6: PERFORMANCE SCHEDULE

Both Contractor and the City recognize that time is of the essence in the completion of this work and the following schedule is dependent upon timely actions by the Contractor and the City. Accordingly, the Contractor shall complete all of the work outlined in Attachment "A" and described in this Agreement in accordance with the following schedule:

<u>TASK</u>	<u>TARGET DATE</u>
A. Interim Audit	May-June
B. Year End Audit	October
C. Meet with Audit Committee	November
D. Present to City Council	December

The Contractor shall not be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, or acts of God, or failure of City to furnish timely information or to approve or disapprove Contractor's work promptly, or delay or faulty performance by City, or governmental agencies.

SECTION 7: COMPENSATION TO CONTRACTOR

Final payment of fees shall be upon delivery of approved final documents. Progress payments shall be made based upon evidence that the work is progressing satisfactorily as determined by the City's Project Manager and substantiated with detailed invoices. The amount to be billed shall be based on the Contractor schedule of fees for professional services and the actual time required for each activity. The schedule of

fees and estimated time for the project are as shown in Attachment "B" attached hereto and incorporated herein as part of this Agreement.

The total fee for professional services shall be billed on a time-and-material basis with a total amount not to exceed one hundred twenty nine thousand, seven hundred twenty five (\$129,725) Dollars as described for the three year contract (Attachment "B").

SECTION 8: RECORDS

Contractor shall maintain adequate records to permit inspection audit of Contractor's time-and-material charges under this Agreement. Contractor shall make such records available to the City and to other public agencies responsible for approval, funding or auditing the project, during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records and they will be available only to the City or to public agencies involved with approval, funding or audit functions. Such records shall be maintained by the Contractor for three (3) years following completion of the work under this Agreement.

SECTION 9: METHOD OF COMPENSATION

The City shall compensate Contractor for the services performed hereunder on a monthly basis within thirty (30) calendar days of receipt of Contractor's invoice for the services performed. The Contractor shall provide documentation regarding time-and-material charges sufficient to meet normal auditing practice. Copies of the invoices for materials in excess of \$500 and sub-contractor charges shall be submitted with the request for periodic payment.

The City shall promptly review invoicing and notify Contractor of any objection thereto in writing within fifteen (15) days of receipt of the invoice; absent such objection the invoice shall be deemed proper and acceptable.

In the event that any undisputed invoice is not paid within thirty (30) calendar days after receipt of the invoice by the City, it shall commence bearing interest on the date that the invoice was rendered at the rate of 1% per month and the City agrees to pay all accrued interest, together with the charges for services rendered.

SECTION 10: ITEMS TO BE DELIVERED TO CITY

The following items shall be delivered by the Contractor to the City of La Mesa:

<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>TARGET DATE</u>
A. City Financial Statements	10 bound, 1 unbound, 1 electronic	November 30
B. Housing Asset Fund Report	10 bound, 1 unbound, 1 electronic	November 30

<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>TARGET DATE</u>
C. Single Audit	10 bound, 1 unbound, 1 electronic	November 30
D. GANN Limit	10 bound, 1 unbound, 1 electronic	November 30
E. SAS 114 Letter	10 bound, 1 unbound, 1 electronic	November 30

SECTION 11: DESIGN CHANGES OR REVISIONS

No design changes or revisions will be required and no payment therefore will be made except pursuant to the provisions of this Agreement. No extra compensation shall be paid the Contractor for revisions required by reason of omissions or errors by the Contractor in the preparation of the original plans, working drawings and specifications. Changes to the scope of this Agreement shall be negotiated prior to commencement of extra work.

SECTION 12: ADDITIONAL SERVICES OUTSIDE SCOPE

Only after written authorization from the City, additional services that Contractor could provide, or cause to be provided, include the following:

- A. Additional design work related to the Project but not included in the Scope of Work.
- B. Additional design work caused by design changes unrelated to the Scope of Work described herein.

Contractor will be compensated for Contractor time and direct personnel expenses as approved by the City. Payment for such additional services shall include Contractor's time at the rates shown on Attachment "B".

SECTION 13: HOLD HARMLESS

Contractor hereby agrees to, and shall indemnify, defend and hold harmless the City, and its elective and appointive boards and officers, volunteers, agents and employees from and against all claims, liabilities, losses, expenses and damages of any nature, including reasonable attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of or in any way connected with the negligent acts, errors or omissions or willful misconduct by Contractor, Contractor's agents, officers, employees, subcontractors, or independent contractors hired by Contractor under this Agreement. This hold harmless Agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor.

## SECTION 14: INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, the Contractor's agents, representatives, or employees. THE INSURANCE REQUIRED BY THIS SECTION APPLIES TO THE EXTENT OF, BUT NOT AS A LIMITATION TO OR IN SATISFACTION OF, THE INDEMNITY PROVISIONS OF THIS AGREEMENT.

### A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance, unless Contractor meets Section 14. D. 6 below.
4. Professional liability or errors and omissions liability insurance appropriate to the Contractor's profession.

### B. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation to statutory limits, unless Contractor meets Section 14. D. 6., below.
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease, unless Contractor meets Section 14. D. 6., below.

5. Professional Liability: Not less than \$1,000,000.00 each claim and \$1,000,000.00 aggregate all claims.

#### C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Contractor shall procure acceptable alternative risk financing to assure payment of such deductibles or self-insured retentions.

#### D. OTHER INSURANCE PROVISIONS

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as an additional insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
4. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written

notice by certified mail, return receipt requested, has been given to the City.

6. The Contractor acknowledges that the City requires suitable Workers' Compensation insurance and Employer's Liability Insurance or California permissible self-insurance for all contractors. The Contractor hereby states that it is not subject to California Labor Code Sections 3300, 3301, et seq, requiring employers to provide Workers' Compensation coverage and that no natural persons will be employed by the Contractor pursuant to the Agreement. Contractor further acknowledges that the City has no obligation of any kind to provide Contractor with any additional payments or consideration of any type for injuries or illness which arise out of and in the course of the Agreement.

Contractor agrees to indemnify City from any and all claims arising from any occupational injury or illness. In consideration, City will allow Contractor to perform under this Agreement without obtaining suitable Workers' Compensation coverage as an independent contractor.

#### E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VI., and shall be "California-admitted carriers," unless otherwise acceptable to the City. The Contractor may propose alternatives to these requirements, provided the City receives a properly executed casualty reinsurance assumption of risk certificate ("cut-through endorsement").

#### F. VERIFICATION OF INSURANCE

Contractor shall furnish the City with original endorsements effecting coverage required by this Section. All endorsements are to be received and approved by the City before work commences. Certificates of Insurance are requested for information only, and shall not be accepted as substitutes for endorsements required herein, except for errors and omissions liability insurance. (See Insurance Code Section 384.)

Coverage shall be written on a policy form providing "design professional liability" or "architects and engineers" liability insurance or equivalent coverage. The policy limit shall be no less than one million dollars (\$1,000,000.00) per claim and in the aggregate.

#### SECTION 15: ASSIGNABILITY

Contractor shall not assign, delegate, or transfer this Agreement or any work hereunder, nor assign any monies due or to become due hereunder, except as expressly stated

herein. In no event shall any contractual relation be created between any third party and the City without prior written consent of the City. A consent to one assignment shall not be deemed to be consent to any subsequent assignment.

SECTION 16: AMENDMENTS

This Agreement sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements, expressed or implied, oral or written, except as set forth herein. This Agreement may be amended upon written mutual consent of both parties hereto. Amendment requiring changes in compensation shall be subject to the City's change order procedures.

SECTION 17: NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address as follows:

City:	<u>Director of Finance</u> City of La Mesa 8130 Allison Avenue La Mesa, CA 91941 (619) 667-1122 FAX (619) 667-1131
Contractor:	<u>Scott Manno, Partner</u> Rogers, Anderson, Malody & Scott LLP 735 E. Carnegie Dr. Suite 100 San Bernadino, CA 92408 (909) 889-0871 FAX (909) 889-5361

The date of notification shall be receipt by the City as evidenced by date stamp affixed to the notice.

SECTION 18: DISPUTE RESOLUTION

The City and Contractor shall submit unresolved claims, counterclaims, disputes, controversies and other matters between them arising out of or relating to this Agreement or the breach thereof ("disputes"), first to mediation and then if not resolved, to non-binding arbitration prior to initiating suit or judicial proceeding.

The City shall require that all Contractors agree to submit any unresolved claims, counterclaims, disputes, controversies and other matters between them and the City or

the Contractor and/or any sub-contractors of any tier arising out of or relating to their agreement with the City or the breach thereof ("disputes") first to mediation and then if not resolved, to non-binding arbitration prior to initiating suit or judicial proceeding.

#### SECTION 19: TERMINATION OF AGREEMENT FOR CAUSE OR CONVENIENCE

If, through any cause, the Contractor shall fail to fulfill in timely and proper manner his obligations under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement immediately by giving written notice to the Contractor of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Agreement shall, at the option of the City, become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

In addition to termination for cause, the City may terminate this Agreement for City's convenience upon not less than fifteen (15) day's written notice to Contractor. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement unless said notice provides otherwise. If this Agreement is terminated as provided in this paragraph for City's convenience, the Contractor shall be required to provide to City all finished or unfinished documents, data, studies, services, etc., prepared by the Contractor as may be requested by City and such work shall become City's property upon payment to Contractor for the value of the work performed, less payments of compensation previously made.

Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due the City from the Contractor is determined.

#### SECTION 20: BUSINESS LICENSE

The Contractor, including all sub-contractors, shall obtain a business license for work within the City of La Mesa pursuant to La Mesa Municipal Code Sections 6.08.010 through 6.08.240.

No payments shall be made to any Contractor until such business license has been obtained, and all fees paid therefore, by the Contractor and all sub-contractors. Business license applications and information may be obtained from the Finance Department, City Hall, 8130 Allison Avenue, P. O. Box 937, La Mesa, CA 91942-0937, (619) 667-1118.

## SECTION 21: INTEREST OF MEMBERS OF THE CITY

No member of the governing body of the City and no other officer, employee, or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Agreement; and the Contractor shall take appropriate steps to assure compliance.

## SECTION 22: INTEREST OF CONTRACTOR AND EMPLOYEES; STATEMENT OF ECONOMIC INTERESTS

The Contractor covenants that it presently has no interest and shall not acquire any interest, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of its Agreement, no person having any such interest shall be utilized to perform pursuant to this Agreement.

## SECTION 23: FACILITIES AND EQUIPMENT

Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

## SECTION 24: INDEPENDENT CONTRACTOR

At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee of City. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.

## SECTION 25: TIME

Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Contractor's obligations pursuant to this Agreement.

## SECTION 26: CONTRACTOR NOT AGENT

Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

#### SECTION 27: NON-DISCLOSURE

The designs, plans, reports, investigations, materials and documents prepared or acquired by the Contractor pursuant to this Agreement (including any duplicate copies kept by the Contractor) shall not be shown to any other public or private person or entity, except as authorized by the City. The Contractor shall not disclose to any other public or private person or entity any information regarding the activities of the City except as authorized by the City.

#### SECTION 28: SUBCONTRACTING

None of the services covered by the Agreement shall be subcontracted without the prior consent of the City. The Contractor shall be as fully responsible to the City for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. The Contractor shall insert in each subcontract appropriate provisions requiring compliance with the labor standards provisions of this Agreement.

#### SECTION 29: CHANGES

The City may, from time to time, request changes in the Scope of Services of the Contract to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between the City and the Contractor shall be incorporated to this Contract.

SECTION 30: DATE OF AGREEMENT

The date of this Agreement shall be the date it shall have been signed by a duly authorized representative of City.

IN WITNESS WHEREOF, City and Contractor have executed the Agreement.

Rogers, Anderson, Malody & Scott LLP

Date: 3-1-16

By:   
Scott Manno, Partner

CITY OF LA MESA,  
A Municipal Corporation

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

By: \_\_\_\_\_  
David E. Witt, City Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Sarah E. Waller-Bullock,  
Director of Finance

APPROVED AS TO FORM

  
CITY ATTORNEY

**City of La Mesa  
Proposed fees**

<b>SERVICES</b>	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2018	Grand Total By Service
A. Financial & Compliance Audit plus Financial Statement for:				
1. City of La Mesa	\$ 29,700	\$ 29,700	\$ 30,295	\$ 89,695
2. Successor Agency portion (a)	4,500	4,500	3,000	7,070
3. Housing fund audit/SB341 report	6,760	6,760	6,895	20,415
Section A Subtotal:	40,960	40,960	40,190	117,180
B. Review of Federal Grants and Compliance Audit per OMB Circular A-133 (Single Audit) Plus Single Audit Statement (b)	3,650	3,650	3,720	11,020
C. Review and report of City's compliance with Prop 111 "GANN Limit" calculation	505	505	515	1,525
<b>TOTAL OF MANDATORY FEES BY FISCAL YEAR</b>	<b>\$ 45,115</b>	<b>\$ 45,115</b>	<b>\$ 44,425</b>	<b>\$ 129,725</b>
D. Optional Services: Review of records of one (1) La Mesa hotel/motel each year for TOT compliance	\$ 80	\$ 80	\$ 82	
E. Optional Services: Performing a franchise rate analysis	\$ 94	\$ 94	\$ 96	
F. Hourly rates for expansion of services if requested by City:				
<b>TITLE</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>	<b>Hourly Rate</b>	
Partner	\$ 225	\$ 225	\$ 230	
Manager	165	165	175	
Senior Staff	135	135	140	
Professional Staff	85	85	90	
Clerical Staff	50	50	50	
Other				

(a) = The fee decreases due to decreased activity in the Successor Agency.

(b) = The fee indicated is for the first major program, each additional major program audited is \$2,200.

Note: 1. Fees for items A through C should be given as price per item per Fiscal Year. Items D and E should be given in hourly rates.

RESOLUTION NO. 2016-

RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT THE PROPOSAL AND EXECUTE AN AGREEMENT THEREBY FOR EXTERNAL AUDITING SERVICES FOR THE CITY OF LA MESA AS SUBMITTED BY ROGERS, ANDERSON, MALODY & SCOTT, LLP FOR FISCAL YEARS 2015-2016, 2016-2017, AND 2017-2018

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BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California that the Mayor is hereby authorized to accept the proposal and execute an Agreement thereby for External Auditing Services for the City of La Mesa as submitted by Rogers, Anderson, Malody & Scott, LLP for Fiscal Years ending June 30, 2016, June 30, 2017 and June 30, 2018, with possible renewal for Fiscal Years ending June 30, 2019 and June 30, 2020 on a negotiated basis between City staff and the auditing firm.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of La Mesa, California, held the 8th day of March 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2016-\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: March 8, 2016

SUBJECT: RESOLUTION AUTHORIZING THE ACQUISITION OF A PORTION OF LAND LOCATED AT 3879 KING STREET (APN 474-442-29) FOR RIGHT-OF-WAY PURPOSES FOR THE ATP KING STREET PEDESTRIAN AND BICYCLE IMPROVEMENT PROJECT

ISSUING DEPT.: Public Works

SUMMARY:

Issue:

Should the City Council adopt a resolution authorizing the acquisition of a portion of land from 3879 King Street (APN 474-442-29) for Right-of-Way purposes for the ATP King Street Pedestrian and Bicycle Improvement project for \$7,528.16?

Recommendation:

Staff recommends that the City Council adopt a resolution authorizing the acquisition of a portion of land from 3879 King Street (APN 474-442-29) for Right-of-Way purposes for the ATP King Street Pedestrian and Bicycle Improvement project for \$7,528.16.

Fiscal Impact:

Funds for this acquisition are available in the capital improvement project account 302159OT and 302160CD. No general fund money will be used for this project.

City's Strategic Goals:

- Safe Community
- Revitalize neighborhoods and corridors
- Enhance recreation and quality of life opportunities
- Effective traffic circulation and transportation

Environmental Review:

The California Environmental Quality Act (CEQA) Class 1 categorical exemption (Section 15301), which applies to existing facilities that are not being expanded, is applicable to this project and a notice of exemption has been completed. In addition, a cultural resources study of the areas was completed and the study indicated no impact.

BACKGROUND:

Since 2010, the City has been working with the public and its consultants to plan, design and construct improvements on King Street and the surrounding area. King Street serves as a route to Vista La Mesa Park and Little League Field and Vista La Mesa Academy.

Phase I of the improvements to King Street were completed in 2014. Phase II includes curb, gutter and sidewalks on the southeast and southwest sections on King Street. In order to proceed with these improvements, the City requires obtaining right of way from 3879 King Street.

In October 2014, the City was awarded with funding through the Active Transportation Program (ATP) administered by the California Transportation Commission (CTC) to complete pedestrian and bicycle improvements along King Street and in the surrounding areas. The funding will cover the right-of-way acquisition.

DISCUSSION:

Robert Backer & Associates, a real estate appraiser, was hired in 2015 to appraise the value of the land along the frontage of 3879 King Street that is needed to construct the proposed improvements. The land has been appraised at \$7,400 with an additional \$128.16 due to a design revision for a total of \$7,528.16. A copy of the report and design was presented to the property owner and the owner was willing to sell the portion of the property for the appraised value.

CONCLUSION:

Staff recommends City Council adopt a resolution authorizing the acquisition of a portion of land from 3879 King Street (APN 474-442-29) for right-of-way purposes for the ATP King Street Pedestrian and Bicycle Improvement project for \$7,528.16.

Reviewed by:



David E. Witt  
City Manager

Respectfully submitted by:



Greg Humora  
Director of Public Works/City Engineer



Misty Thompson  
Safe Routes Coordinator

Attachments:    A. Resolution authorizing purchase of land  
                      B. Grant Deed  
                      C. Appraisal

RESOLUTION NO. 2016-\_\_\_\_\_

RESOLUTION AUTHORIZING THE ACQUISITION OF A PORTION OF LAND  
LOCATED AT 3879 KING STREET (APN 474-442-29) FOR RIGHT-OF-WAY  
PURPOSES FOR THE ATP KING STREET PEDESTRIAN AND BICYCLE  
IMPROVEMENT PROJECT

---

WHEREAS, the City is planning to improve King Street by installing curb, gutter and sidewalks;

WHEREAS, in order to construct the proposed improvements, the City needs to obtain additional right of way from the subject property;

WHEREAS, the City hired a real estate appraiser to evaluate the portion of the land city needs to construct the proposed improvements;

WHEREAS, the real estate appraiser has valued the portion of the land the City needs to construct the proposed improvements at \$7,528.16; and

WHEREAS, the property owner has accepted the City's offer to purchase a portion of his property for \$7,528.16.

NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that:

The Mayor and the City Clerk are hereby authorized to execute on behalf of the City of La Mesa the agreement to purchase the land. Said agreement is on file in the office of the City Clerk.

BE IT FURTHER RESOLVED that the City Clerk is instructed to record the grant deed in the County of San Diego Recorder's Office.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of La Mesa, California, held the 8th day of March, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MARY J. KENNEDY, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2016-\_\_\_\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MARY J. KENNEDY, CMC, City Clerk

(SEAL OF CITY)

**RECORDING REQUESTED BY:**

La Mesa City Clerk  
FEE EXEMPT PER  
GOVERNMENT CODE SECTION 27383

**WHEN RECORDED, RETURN TO:**

Mary J. Kennedy, City Clerk  
City of La Mesa  
P. O. Box 937  
La Mesa, CA 91944-0937

(Space Above for Recorder's Use Only)

**GRANT DEED**

Public Road & Utilities

A.P.N.: 474-442-29      Address: 3877-3879 King Street, La Mesa, CA 91941

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX is \$ 0.00, and is

\_\_\_ computed on full value of property conveyed, or

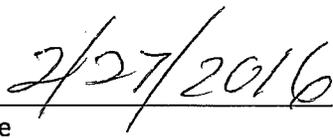
\_\_\_ computed on full value less value of liens or encumbrances remaining at time of sale,

\_\_\_ Unincorporated Area     **City of La Mesa**, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Julie Mitchell**, hereby GRANTS for a fee of \$7,528.16 (seven thousand five hundred twenty-eight dollars and sixteen cents) to the City of La Mesa, a Municipal Corporation for Public Road & Utilities, the following described real property in the City of La Mesa, County of San Diego, State of California:

**(Refer Attached Exhibits "A" and "B" for Legal Description and Plat)**

  
\_\_\_\_\_  
Julie Mitchell

  
\_\_\_\_\_  
Date

GRANT DEED: Road and Utilities  
(PERSON[S]): Julie Mitchell  
APN # 474-442-29  
ADDRESS: 3877-3879 King Street, La Mesa, CA 91941  
MONTH YEAR: February 2016

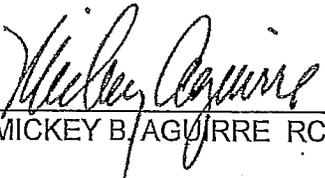
**EXHIBIT "A"**  
**STREET DEDICATION**  
**APN 474-442-29**

THAT PORTION OF LOT 5 OF SUBDIVISION NO. 3, OF LOT 12 OF RANCHO MISSION OF SAN DIEGO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO LICENSED SURVEY NO. 5, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 23, 1892, BEING THAT PORTION OF LAND DESCRIBED IN DEED RECORDED SEPTEMBER 16, 2005 AS DOCUMENT NO. 2005-0802708 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WESTERLY 25.00 FEET OF SAID LAND MEASURED PERPENDICULAR TO THE WESTERLY LINE THEREOF.

THE SIDELINES OF SAID 25-FOOT STRIP OF LAND TERMINATE NORTHERLY IN THE NORTHERLY LINE OF SAID LAND, AND SOUTHERLY IN THE SOUTHERLY LINE OF SAID LAND.

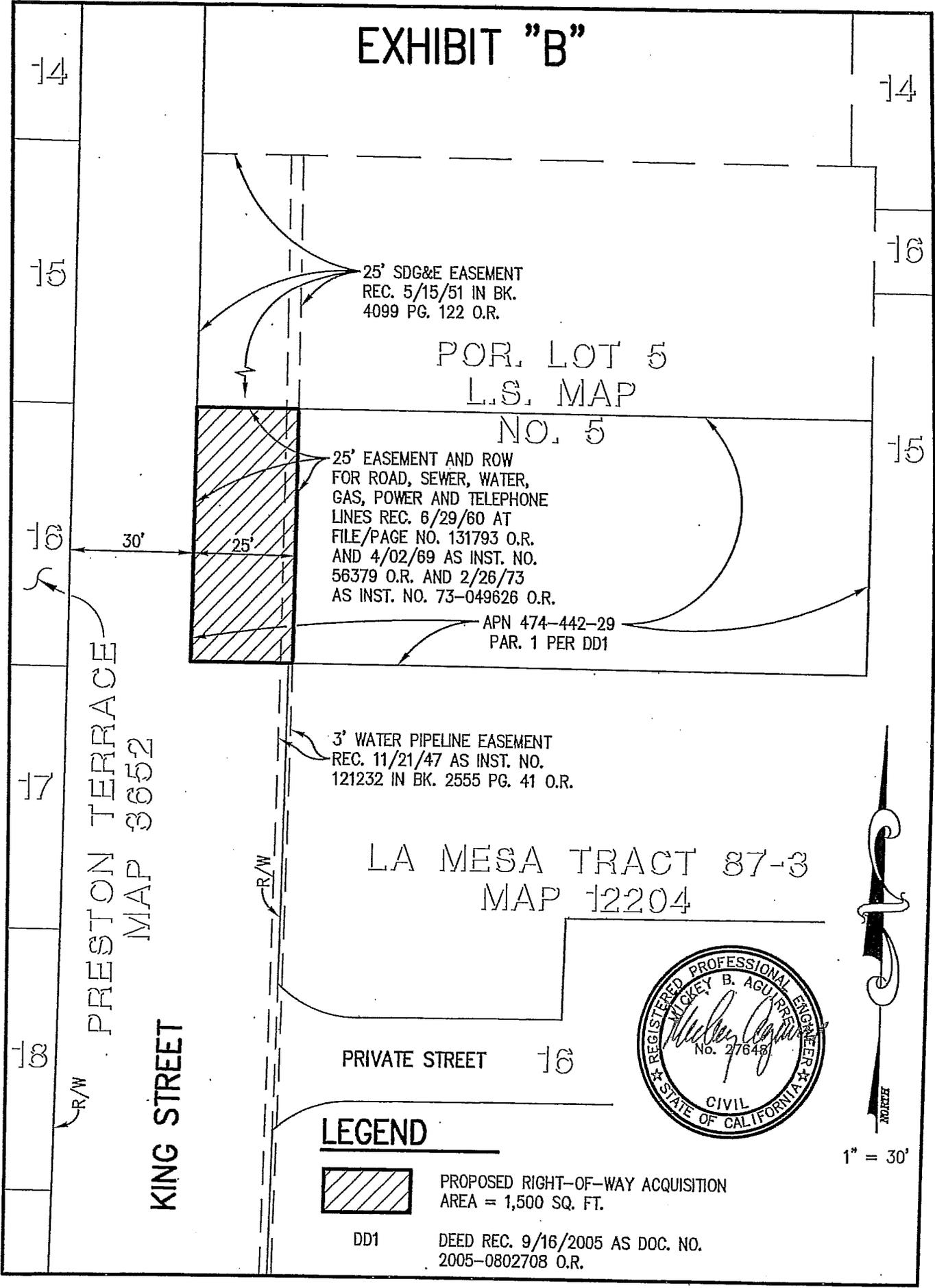
AREA = 1,500 SQUARE FEET, MORE OR LESS.

  
\_\_\_\_\_  
MICKEY B. AGUIRRE RCE 27648

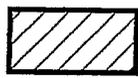
2/2/16



# EXHIBIT "B"



## LEGEND



PROPOSED RIGHT-OF-WAY ACQUISITION  
AREA = 1,500 SQ. FT.

DD1

DEED REC. 9/16/2005 AS DOC. NO.  
2005-0802708 O.R.



1" = 30'

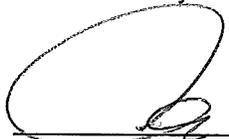
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

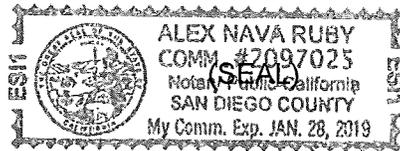
State of California )  
County of San Diego)

On 02/27/2016 before me, ALEX NAVA RUBY (NOTARY PUBLIC) personally appeared JULIE ANN MITCHELL, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Signature



Mail Tax Statements As Shown Above.

GRANT DEED: Road and Utilities  
(PERSON[S]): Julie Mitchell  
APN # 474-442-29  
ADDRESS: 3877-3879 King Street, La Mesa, CA 91941  
MONTH YEAR: February 2016

## Summary of Important Facts and Conclusions - Mitchell

### GENERAL

**Subject:** Mitchell Property  
 3877-3879 King Street  
 La Mesa, CA 91942  
 APN: 474-442-29

**Property Overview:** The subject property is a 1,980 SF four-bedroom, two-bathroom residential duplex built in 1963 (according to public records). However, these improvements will not be affected by the proposed acquisition valued herein, and are not included in the appraisal. According to the assessor’s parcel map, the subject site is a rectangular shape with dimensions of 165’ X 60’. The westerly 25 feet of the site are encumbered by a right-of-way easement for road purposes. Therefore, the usable site size of 8,400 SF is used in this analysis. Topography consists of generally level topography, and access is available via King Street, a paved road. Views are non-elevated, and consist of surrounding views of trees and residences. All utilities, including sewer, are readily available and connected.

**Owner:** Priscilla J Mitchell

**Legal Description:** The legal description is included in the report addenda.

**Interest Appraised:** Fee Simple

**Date of Value:** July 1, 2015

**Intended Use:** Potential partial public acquisition

**Intended User(s):** The City of La Mesa and associated agents

**Zoning:** R1

**General Plan:** Urban Residential

**Highest and Best Use As Vacant:** Multi-family residential development

**Highest and Best Use as Improved:** The subject is appraised “as-if” vacant.

**Exposure Time:** 3-6 months

### VALUE INDICATIONS

<b>Sales Comparison Approach – Larger Parcel “As-if” Vacant:</b>	\$195,000
<b>Value of the Part Taken:</b>	\$7,400
<b>Severance Damage:</b>	None
<b>Benefits:</b>	Not considered
<b>RECOMMENDED COMPENSATION:</b>	\$7,400



**DATE:** February 25, 2016  
**TO:** Julie Mitchell  
**FROM:** Misty Thompson  
**SUBJECT:** 3877-3879 King Street -Additional square footage to be purchased

As previously discussed, per design revisions, an additional 1 SF x 25 SF of property is required for the improvement project along the frontage property of 3879 King Street. When calculated, per the appraisal by Robert Backer and Associates using the same calculations, the additional amount will be \$128.16 to be added to the original appraisal of \$7,400.00. The additional amount is based on the calculation below:

Value of the Part Taken =  $\$23.21/\text{SF} \times 25 \text{ SF} \times 10\% = \$58.03$

Value of the Improvements =  $\$3.74/\text{SF} \times 25 \text{ SF} \times 75\% = \$70.13$

TOTAL = \$128.16

**The total amount to be paid to Julie Mitchell is  $\$7,400 + \$128.16 = \$7,528.16$**

