

## **SOUTH GATE CITY COUNCIL SPECIAL MEETING AGENDA**

**DUE TO AN ERROR COPYING THE REGULAR MEETING AGENDA OF  
MAY 8, 2018 THE FOLLOWING ITEMS HAVE BEEN PLACED ON A  
SPECIAL MEETING AGENDA TO MEET POSTING REQUIREMENTS**

**Tuesday, May 8, 2018 at 8:30 p.m.**

**CALL TO ORDER:** María Belén Bernal, Mayor  
**ROLL CALL:** Carmen Avalos, City Clerk

**MAYOR**  
María Belén Bernal

**CITY CLERK**  
Carmen Avalos

**VICE MAYOR**  
Jorge Morales

**CITY TREASURER**  
Gregory Martinez

**COUNCIL MEMBERS**  
Denise Diaz  
Maria Davila  
Al Rios

**CITY MANAGER**  
Michael Flad

**CITY ATTORNEY**  
Raul F. Salinas

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office  
8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk. Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

<b>MEETING COMPENSATION DISCLOSURE</b>
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Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is <u>\$650 monthly</u> regardless of the amount of meetings.
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**OPEN SESSION AGENDA**

**16. Agreements for the 2018 Summer Youth Employment and Job Training Programs**

The City Council will consider: (PARKS)

- a. Approving an Agreement (Contract ) with the Conservation Corp of Long Beach to provide Youth Employment and Job Training programs in South Gate during the Summer of 2018;
- b. Approving an Agreement (Contract ) with the California Latino Leadership Institute to provide Youth Employment and Job Training programs in South Gate during the Summer of 2018;
- c. Authorizing the Mayor to execute the Agreements in a form acceptable to the City Attorney;
- d. Designating the Director of Parks & Recreation or his/her designee (Director) as the City’s representative and authorize the Director to execute any future agreements or sign reports as required for the implementation of these Agreements; and
- e. Directing the Director of Administrative Services to include \$80,000 in the Fiscal Year 2018/19 budget for the Youth Employment and Job Training programs and a total of \$20,000 for youth internships with various City Departments.

**17. Presentation on the City’s street sweeping evaluation results**

The City Council will consider: (PW)

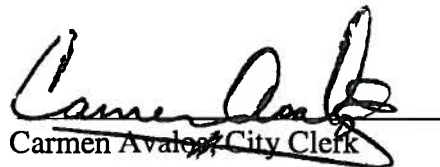
- a. Receiving and file a presentation from the Director of Public Works/City Engineer on the results of the Street Sweeping Evaluation Project Report; and
- b. Approving proceeding with “Alternative No. 2 — Outsourcing the Street Sweeping Program” and authorize the Director of Public Works/City Engineer to procure a contract for street sweeping services starting Fiscal Year 2018/19.

### **18. Comprehensive Economic Development Strategy Report**

The City Council will consider approving the Comprehensive Economic Development Strategy. (CD)

### **Adjournment**

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on May 7, 2018 at 5:30 p.m. as required by law.



Carmen Avalos, City Clerk

RECEIVED

MAY 2 -- 2018

Item No. 16

City of South Gate  
CITY COUNCIL

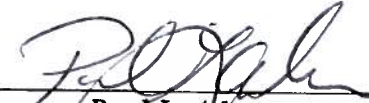
CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

7:55am

AGENDA BILL

For the Regular Meeting of: May 8, 2018  
Originating Department: Parks & Recreation

Department Director:

  
Paul L. Adams

City Manager:

  
Michael Flad

**SUBJECT: SUMMER YOUTH EMPLOYMENT AND JOB TRAINING PROGRAMS**

**PURPOSE:** To approve contracts and allocate funding to provide City funded Youth Employment and Job Training Programs (Programs) for the Summer of 2018.

**RECOMMENDED ACTIONS:**

- a. Approve Agreement with the Conservation Corp of Long Beach to provide Youth Employment and Job Training programs in South Gate during the Summer of 2018;
- b. Approve Agreement with the California Latino Leadership Institute to provide Youth Employment and Job Training programs in South Gate during the Summer of 2018;
- c. Authorize the Mayor to execute the Agreements in a form acceptable to the City Attorney;
- d. Designate the Director of Parks & Recreation or his/her designee (Director) as the City's representative and authorize the Director to execute any future agreements or sign reports as required for the implementation of these Agreements; and
- e. Direct the Director of Administrative Services to include \$80,000 in the Fiscal Year 2018/19 budget for the Youth Employment and Job Training programs and a total of \$20,000 for youth internships with various City Departments.

**FISCAL IMPACT:** If approved, a total of \$100,000 would be included in the Fiscal Year 2018/19 budget for the 2018 Summer Youth Employment and Job Training Programs. The \$100,000 to be included in the budget could come from a variety of funding sources which include:

- General Fund salary savings of \$81,000
- \$18,000 remaining from the 2017 summer youth employment program
- Savings from the Sports Center Roof Replacement project of \$1.2M
- June 30, 2017 year-end results in the General Fund which were +\$1,614,158
- \$5.1M received from the azalea Regional Shopping Center project
- Unassigned general fund balance of \$18,343,066,

GA/154

**ALIGNMENT WITH COUNCIL GOALS:** This item supports Council Goal No. 3 - Encourage Economic Development and Workforce Development, and specifically responds to Work Program item No. 59 - Continue exploring options for youth employment programs and provide the City Council a report on strategies to allow time to budget the required amount prior to the budget process.

**ANALYSIS:** The City Council has placed a priority on job training and in providing youth with opportunities to explore career options and to develop basic job skills that will allow them to be successful in finding employment regardless of the path that they choose. Last year, the City Council designated \$100,000 to fund four Programs. At the regular City Council meeting of March 27, 2018, the City Council reviewed five proposals and provided staff with direction. This report is a result of that direction.

**BACKGROUND:** During the budget process for Fiscal Year 2017/18, the City Council designated \$100,000 from the General Fund for the implementation of the Programs. Ultimately, three separate organizations were contracted to provide these services along with some internships provided within the Parks & Recreation Department. At the conclusion of the Programs, staff provided an evaluation of the Programs and requested direction from the City Council regarding the Summer of 2018. The City Council directed staff to prepare a Request for Proposals (RFP) and to return with recommendations.

On January 4, 2018, staff released an RFP to organizations interested in providing these Programs during the Summer of 2018. The RFP closed on February 6, 2018, and the City received a total of four proposals along with a recommendation for internships within City Hall. A Selection Committee of three staff members reviewed the proposals and on March 1, 2018, the four organizations were interviewed by the Selection Committee.

At the regular City Council meeting of March 27, 2018, the City Council reviewed five proposals and directed staff to negotiate contracts with both the Conservation Corp of Long Beach (CCLB) and the California Latino Leadership Institute (CLLI.) The City Council also directed staff to include a budget allocation for City interns, which will be assigned to various City Departments, to be managed by the City's Human Resources Department. In addition, the City Council also directed staff to work with RISE to see if a smaller program could be funded at a lower cost that would include only five participants. No funding was recommended for HUB Cities.

Staff has discussed the request to reduce scope and cost with RISE. Although they are very interested in starting a relationship with the City and the community, RISE does not feel that they can downsize their program to that extent and still be able to provide a quality program. They have therefore chosen to not participate this Summer but would like to keep the doors open to future partnerships or collaborations with the City.

Organization	CCLB	HUB Cities	CLLI	COSG	RISE
Number Served	10	0	10	9	0
Total Cost	\$40,000	\$0	\$40,000	\$20,000	\$0

The above chart reflects the current recommendation from staff based on the direction received. Both the CLLI and CCLB continue looking for additional funding and will utilize this additional funding to include additional participants in their program where possible. Both proposals will be included as part of the agreement and include a program budget. Should there be fewer participants or if for any reason, elements of the original program plan are reduced, staff will work with the organizations to reduce the grant amount appropriately.

As staff has stated previously, these opportunities to attract new organizations and new services to the community are considered by staff to be short term commitments and recognizes that the City cannot make these programs ongoing funding commitments. Staff has already begun working with both

organizations to help them build relationships in the community which may help them in funding their programs in future years. Staff would expect a significantly lower budget allocation for next year's Youth Employment and Job Training Programs without allocation the year after. Staff believes that these Programs will be able to continue at that point without City funding.

**ATTACHMENTS:** 1) Proposed agreement with CCLB and proposal  
2) Proposed agreement with CLLI and proposal

## **AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement for Professional Services ("Agreement") is made and entered into as of May 8, 2018, by and between the City of South Gate (hereinafter referred to as the "City"), and Conservation Corp of Long Beach (hereinafter referred to as the "Consultant").

The City and the Consultant agree as follows:

### **RECITALS**

A. The City does not have the personnel able and/or available to perform the unique services required under this agreement.

B. The City desires to retain a qualified provider for certain services relating to Operation of a Youth Leadership Development program

C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.

D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Consultant agree as follows:

**1.0 SCOPE OF THE CONSULTANT'S SERVICES.** The Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, attached to and made part of this Agreement. The Scope of Work may be amended from time to time by way of a written directive from the City.

**2.0 TERM OF AGREEMENT.** This Agreement will become effective on June 1, 2018 and will remain in effect for a period of one (1) year from said date or until all work specified in the attached scope of work is accepted as complete by the City, whichever comes first, unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

**3.0 CITY AGENT.** The Director of Parks & Recreation, or his/her designee (Director), for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Consultant understands that the Director of Parks & Recreation, or his/her designee, has the authority to provide that approval or authorization.

**4.0 COMPENSATION FOR SERVICES.** The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the Scope of Work's fee and cost schedule. The cost of services shall be \$40,000. No additional compensation shall be paid for any other expenses incurred, unless first approved in writing by the Director of Parks & Recreation or his/her designee.



4.1 The Consultant shall submit to the City, by not later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

**5.0 CONFLICT OF INTEREST.** The Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Consultant under this Agreement. The Consultant further represents that in performance of this Agreement, no person having any such interest shall be employed by it.

5.1 The Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this contract, the Consultant shall not offer, encourage or accept any financial interest in the Consultant's business by any City employee or official.

5.2 If a portion of the Consultant's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Consultant warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

## **6.0 GENERAL TERMS AND CONDITIONS.**

**6.1 Termination.** Either the Director or the Consultant may terminate this Agreement, without cause, by giving the other party ten (10) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Consultant under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Consultant terminates this Agreement without cause, the Consultant shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Consultant shall be



entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

**6.2 Non-Assignability.** The Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

**6.3 Non-Discrimination.** The Consultant shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

**6.4 Insurance.** The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

(a) Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective employees.

(b) Comprehensive general and automobile liability insurance protecting the Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by City.

2) Name and list as additional insured the City, its officers and employees.

3) Specify its acts as primary insurance.

4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."

5) Cover the operations of the Consultant pursuant to the terms of this Agreement.

**6.5 Indemnification.** Consultant agrees to hold harmless, indemnify and defend the City, its employees, agents and affiliates, for any and all loss or liability of any nature whatsoever arising out of or in any way connected with Consultant's performance of this agreement, including loss or liability caused by the City's negligence, except loss or liability caused by the City's sole willful conduct or active negligence.

**6.6 Compliance With Applicable Law.** The Consultant and the City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments. Those youth participating in the program shall be considered employees of the consultant. The Consultant shall be responsible for ensuring that all current employment laws and standards are adhered to in providing services and within the vendors' relationship with the participants.

**6.7 Independent Contractor.** This Agreement is by and between the City and the Consultant and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Consultant.

**6.7.1.** The Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

**6.8 Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

**6.9 Legal Construction.**

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been

inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

**6.10 Counterparts.** This Agreement may be executed in counterparts and as so executed shall constitute an Agreement which shall be binding upon all parties hereto.

**6.11 Final Payment Acceptance Constitutes Release.** The acceptance by the Consultant of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Consultant for anything done, furnished or relating to the Consultant's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

**6.12 Corrections.** In addition to the above indemnification obligations, the Consultant shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Consultant.

**6.13 Files.** All files of the Consultant pertaining to the City shall be and remain the property of the City. The Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

**6.14 Waiver; Remedies Cumulative.** Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to

any other permitted or available right of remedy.

**6.15 Mitigation of Damages.** In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

**6.16 Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**6.17 Attorneys' Fees.** The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

**6.18 Entire Agreement.** This Agreement constitutes the whole agreement between the City and the Consultant, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Consultant.

**6.19 Notices.** Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:** Paul L. Adams  
Director of Parks & Recreation  
City of South Gate  
4900 Southern Avenue  
South Gate, CA 90280  
TEL (323) 563-5478  
EMAIL padams@sogate.org

**TO CONSULTANT:** Dan Knapp  
Executive Director  
Conservation Corp of Long  
Beach  
340 Nieto Avenue  
Long Beach, California 90814  
TEL (562) 986-1249  
EMAIL dknapp@cclb-  
corps.org

**6.20 Warranty Of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign.

**6.21 Consultation With Attorney.** Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

**6.22 Interpretation Against Drafting Party.** City and Consultant agree that they have cooperated in the review and drafting of this agreement. Accordingly, in the event of any ambiguity, neither side may claim that the interpretation of the agreement shall be construed against either party solely because that party drafted all or a portion of the agreement, or the clause at issue.

This Agreement is executed on this 8<sup>th</sup> day of May 2018, at South Gate, California, and is effective on June 1, 2018.

**CITY OF SOUTH GATE:**

\_\_\_\_\_  
María Belén Bernal, Mayor

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk

(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

**CONSULTANT:**

\_\_\_\_\_  
Dan Knapp, Executive Director

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



**City of South Gate  
Youth Employment Programs  
Summer 2018**

**Project Outline:**

The Conservation Corps of Long Beach (CCLB) proposes to hire and train approximately 10 young adults (ages 18-25) from the City of South Gate to provide greening and park improvement and maintenance projects throughout the City of South Gate. The CCLB will recruit, hire, train, and supervise the youth crews. Each youth member will work approximately 195 hours during the summer months (6-8 weeks) and will earn minimum wage (\$11.00 per hour). The CCLB will be responsible for recruitment, hiring paper work, eligibility verification (e.g. South Gate resident and legal status), payroll processing, scheduling, coordination, and supervision of the youth trainees. As a past and current City of South Gate partner, CCLB is in compliance and up to date with all mandated insurance and indemnity requirements.

Lead by trained CCLB staff, the young adults will be assigned to crews that will primarily work on urban greening projects in South Gate designated by City Parks and Recreation Staff. CCLB also proposes to engage program participants on the soon to be developed Parque dos Rios project. Starting in the Spring of 2018 CCLB in conjunction with the Watershed Conservation Authority will begin construction of the park. Parque dos Rios is a 7.6 acre property located next to the Los Angeles River just south of the confluence of the Rio Hondo and the Los Angeles River. This project is a collaboration between several entities in which all share the goal of providing a place for the community to have access to open space and improve the quality of the watershed. The plan for the site is to create a natural area for wildlife, with a habitat viewing deck adjacent to the bike path that will overlook the natural area and the San Gabriel Mountains as well as be a place for rest, reflection and relaxation along the bike path. In addition to construction skills, youth crewmembers will learn about the habitat and the importance to sustain and protect their local watershed as well as their responsibility to be good community and environmental stewards. During the summer program youth crewmembers will also work and train on projects such as landscape construction and maintenance, erosion control, invasive species removal and management, and hazardous fuel reduction.

During the summer 2017 CCLB was awarded funds to hire young adults from South Gate Summer Youth Employment Program. All crewmembers hired, successfully completed the program and many continued their training and employment with the CCLB beyond the original program term. Currently three youth from the 2017 South Gate Youth Employment Program are interns for the City of Long Beach. All 2018 Summer Youth Employment Program crewmember will be allowed to continue as CCLB corpsmembers beyond the summer program to take advantage of the many opportunities for training, education, and service. CCLB offers a full array of holistic services to address the needs of young people we serve and we're proud and excited to offer our services to the young people of South Gate. Every CCLB participant may earn privately fundraised scholarships as well as qualify for AmeriCorps scholarship funding for their program participation and service to their community. If they so desire, CCLB South Gate corpsmembers can exit the Corps with over \$3,000 in post secondary scholarships for community college, 4 year university, and/or vocational/technical training.

CCLB participants are eligible to remain in our program for up to 18 months and have opportunity to work and learn while earning a wage on projects such as:



### **URBAN GREENING**

- Urban Forestry/Arboriculture/Tree Planting & Maintenance
- Community Garden Development and Construction

### **ENERGY EFFICIENCY**

- Solar photovoltaic installation and maintenance
- Weatherization
- Energy auditing services

### **WATER CONSERVATION**

- Rainwater catchment & collections systems design, installation, and maintenance
- Bio-swale and groundwater recharge system installation
- Smart irrigation system installation and maintenance
- Turf removal & drought tolerant landscape installation

### **CONSTRUCTION & URBAN CONSERVATION**

- Landscape construction
- Construction equipment operation and safety training
- Hard-scape construction
- Demolition and de-construction
- Steam cleaning, hard-scape maintenance, & graffiti removal

### **ENVIRONMENTAL EDUCATION/INTERPRETATION**

- Resource Conservation & Environmental Education (K-6)
- Community Outreach, Engagement, & Canvassing

### **RESOURCE CONSERVATION**

- Recycling Services
- Habitat Restoration “Plant propagation, Weed removal, etc...”
- Natural Lands “Fuel Reduction, Trail Work, etc...”

### **Qualifications:**

On any given day more than 70 Conservation Corps of Long Beach participants are working in the greater Los Angeles region planting and caring for trees, building community gardens, constructing parks, building trails, restoring native-habitat, and educating the public about the importance of environmental stewardship and community service. Our participants are led by professional staff skilled in arboriculture, horticulture, biology, construction, agriculture, ecology, environmental science as well as a host of other relevant disciplines. Utilizing the staff's experience, technical skills, and expertise, the Conservation Corps of Long Beach educates, trains, and serves young people from some of the most underserved communities in Los Angeles County.

The Conservation Corps of Long Beach is currently working with the City of South Gate on several projects. Our folks are working closely with South Gate Park staff by planting trees, working on landscaping project, and assembling and installing dog park equipment at Hollydale Park. The Conservation Corps of Long Beach has trained skilled crew supervisors that have led, taught, and mentored many youth of South Gate. Through these projects and in partnership with the City of South Gate program participant have been able to work on these projects and take away meaningful work experiences and hard earned skills. By partnering again via the 2018 Summer Youth Employment Program, more youth from South Gate will be afforded the opportunity to serve their community while gaining valuable work skills and an opportunity for expanded training and education.

The Conservation Corps of Long Beach, is a 501(c) (3) private non-profit organization founded in 1988. Since that time, we have become a leader in youth and workforce development and alternative education for inner-city youth/young adults. Our primary mission and purpose is “to support youth and young adults to reach their full potential through work, service, conservation, and education.” As a leader in youth and workforce development, the CCLB has received national recognition from the National Youth Employment Coalition (NYEC) as a PEPNet Awardee for demonstrating best practices in the field of youth and workforce development. The Corps has been recognized and Accredited by the Corps Network, formerly known as the National Association of Service and Conservation Corps, as an Excellence in Corps Operations (ECO) Corps for high standards in



program operations and outcomes. The CCLB is also a long-standing State of California Certified Local/Community Corps program and has received numerous awards from local government and private industry. Most recently the CCLB has been named as one of the inaugural members of the US Department of Interior's 21<sup>st</sup> Century Conservation Service Corps Program.

**Cost:**

As outlined in the budget (Exhibit A) the average cost per participant is \$6,994. On average each participant will earn approximately \$2,156 while the balance covers the costs associated with supervision, coordination, program supplies, transportation, equipment, and indirect expenses. Indirect expenses include management, payroll, human resources (e.g. recruitment, hiring, paperwork processing, background checks, etc.), accounts payable, accounts receivable, and insurance. The total estimated cost for the program is \$69,940 however CCLB will match/leverage in \$24,600. Total estimated cost for the City of South Gate is \$45,340 or approximately \$4,534 per participant.

**References:**

<b>David E. Torres</b>	<b>City of South Gate</b>	<b>Field Operation Manager</b>	<b>323) 563-5784</b>
<b>Glenn Massey</b>	<b>City of South Gate</b>	<b>Park Superintendent</b>	<b>323) 357-9614</b>
<b>Larry Rich</b>	<b>City of Long Beach</b>	<b>Manager Office of Sustainability</b>	<b>562) 570-5839</b>
<b>Deborah Enos</b>	<b>Watershed Conservation Authority</b>	<b>Deputy Director</b>	<b>626) 815-1019</b>
<b>Carol Rowland</b>	<b>City of Downey</b>	<b>Coordinator</b>	<b>562)904-7103</b>
<b>Ted Stevens</b>	<b>City of Long Beach</b>	<b>Bureau Manager Animal Care Services</b>	<b>562)570-3051</b>

CCLB has a proven track record including decades of experience in the management and implementation of countless of applicable projects. As an experienced and nimble non-profit agency, the CCLB has a history of aiding our public and private partners in the prompt implementation of multifaceted and complex ventures. We've performed projects throughout Southern California including; Catalina Island, the Santa Ana Mountains, the Angeles, Cleveland, and San Bernardino National Forests, Channel Islands National Park, and the City of Long Beach, South Gate, Signal Hill, Bellflower, Downey, Paramount, Rancho Palos Verdes, Carson, Compton and County of Los Angeles. Our Conservation, Education, and Supportive Services staff expertise is as diverse as the communities and people we serve.

**Conclusion:**

Based on last year's success and the current projects CCLB South Gate youth are engage in, we respectfully submit this request to continue our partnership. We are excited at prospect of not only continuing our successful association with the City of South Gate, but also expanding the relationship to provide more services for South Gate youth and the community as a whole.

**EXHIBIT A**

Proposal for the 2018 Summer Youth Employment City of South Gate Department of Parks and Recreation

<b>Expenses</b>	<b>City of South Gate</b>	<b>CCLB Match</b>	<b>Total</b>
Coordination (including taxes, WC*, & fringe)	\$5,500	\$6,500	\$12,000
Supervision (including taxes, WC, & fringe)	\$9,755	\$0	\$9,755
Participants @ \$11.00 per hour (including taxes & WC) Youth Trainees	\$22,028	\$6,000	\$28,028
Uniforms, Safety Gear, misc	\$500	\$2,000	\$2,500
Tools and Supplies	\$0	\$2,500	\$2,500
Vehicles (\$500 per week for 7 weeks)	\$0	\$3,500	\$3,500
<b>Subtotal</b>	<b>\$37,783</b>	<b>\$20,500</b>	<b>\$58,283</b>
CCLB Indirect @ 20%	\$7,557	\$4,100	\$11,657
<b>Program Total</b>	<b>\$45,340</b>	<b>\$24,600</b>	<b>\$69,940</b>

**Assumptions:**

*7 week duration (used an average of 7 weeks for cost estimate)*

*Average of 10 youth (Total estimated number of hours 1,960)*

*\*Workers Compensation (WC)*

*Crews will be young adults (18-25)*

*Each crew member will work approximately 28 hours per week (7 hours a day/4 days a week) at an average of 7 weeks*

*Supervisor will work 40 hours per week (8 hours per day / 5 days a week or 10 hours per day / 4 days a week)*

## **AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement for Professional Services ("Agreement") is made and entered into as of May 8, 2018, by and between the City of South Gate (hereinafter referred to as the "City"), and California Latino Leadership Institute (hereinafter referred to as the "Consultant").

The City and the Consultant agree as follows:

### **RECITALS**

A. The City does not have the personnel able and/or available to perform the unique services required under this agreement.

B. The City desires to retain a qualified provider for certain services relating to Operation of a Youth Leadership Development program

C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.

D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Consultant agree as follows:

**1.0 SCOPE OF THE CONSULTANT'S SERVICES.** The Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, attached to and made part of this Agreement. The Scope of Work may be amended from time to time by way of a written directive from the City.

**2.0 TERM OF AGREEMENT.** This Agreement will become effective on June 1, 2018 and will remain in effect for a period of one (1) year from said date or until all work specified in the attached scope of work is accepted as complete by the City, whichever comes first, unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

**3.0 CITY AGENT.** The Director of Parks & Recreation, or his/her designee (Director), for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Consultant understands that the Director of Parks & Recreation, or his/her designee, has the authority to provide that approval or authorization.

**4.0 COMPENSATION FOR SERVICES.** The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the Scope of Work's fee and cost schedule. The cost of services shall be \$40,000. No additional compensation shall be paid for any other expenses incurred, unless first approved in writing by the Director of Parks & Recreation or his/her designee.

4.1 The Consultant shall submit to the City, by not later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

**5.0 CONFLICT OF INTEREST.** The Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Consultant under this Agreement. The Consultant further represents that in performance of this Agreement, no person having any such interest shall be employed by it.

5.1 The Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this contract, the Consultant shall not offer, encourage or accept any financial interest in the Consultant's business by any City employee or official.

5.2 If a portion of the Consultant's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Consultant warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

## **6.0 GENERAL TERMS AND CONDITIONS.**

**6.1 Termination.** Either the Director or the Consultant may terminate this Agreement, without cause, by giving the other party ten (10) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Consultant under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Consultant terminates this Agreement without cause, the Consultant shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Consultant shall be

entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

**6.2 Non-Assignability.** The Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

**6.3 Non-Discrimination.** The Consultant shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

**6.4 Insurance.** The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

(a) Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective employees.

(b) Comprehensive general and automobile liability insurance protecting the Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by City.

2) Name and list as additional insured the City, its officers and employees.

3) Specify its acts as primary insurance.

4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."

5) Cover the operations of the Consultant pursuant to the terms of this Agreement.

**6.5 Indemnification.** Consultant agrees to hold harmless, indemnify and defend the City, its employees, agents and affiliates, for any and all loss or liability of any nature whatsoever arising out of or in any way connected with Consultant's performance of this agreement, including loss or liability caused by the City's negligence, except loss or liability caused by the City's sole willful conduct or active negligence.

**6.6 Compliance With Applicable Law.** The Consultant and the City shall comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments. Those youth participating in the program shall be considered employees of the consultant. The Consultant shall be responsible for ensuring that all current employment laws and standards are adhered to in providing services and within the vendors' relationship with the participants.

**6.7 Independent Contractor.** This Agreement is by and between the City and the Consultant and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Consultant.

**6.7.1.** The Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

**6.8 Copyright.** No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

**6.9 Legal Construction.**

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been



inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

**6.10 Counterparts.** This Agreement may be executed in counterparts and as so executed shall constitute an Agreement which shall be binding upon all parties hereto.

**6.11 Final Payment Acceptance Constitutes Release.** The acceptance by the Consultant of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Consultant for anything done, furnished or relating to the Consultant's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

**6.12 Corrections.** In addition to the above indemnification obligations, the Consultant shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Consultant.

**6.13 Files.** All files of the Consultant pertaining to the City shall be and remain the property of the City. The Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

**6.14 Waiver; Remedies Cumulative.** Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to



any other permitted or available right of remedy.

**6.15 Mitigation of Damages.** In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

**6.16 Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**6.17 Attorneys' Fees.** The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

**6.18 Entire Agreement.** This Agreement constitutes the whole agreement between the City and the Consultant, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Consultant.

**6.19 Notices.** Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

**TO CITY:** Paul L. Adams  
Director of Parks & Recreation  
City of South Gate  
4900 Southern Avenue  
South Gate, CA 90280  
TEL (323) 563-5478  
EMAIL padams@sogate.org

**TO CONSULTANT:** Lisa Baca  
Executive Director  
California Latino Leadership  
Institute  
301 East Colorado Blvd. #426  
Pasadena, CA 91101  
TEL (213) 910-2592  
EMAIL clli.baca@gmail.com

**6.20 Warranty Of Authorized Signatories.** Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign.

**6.21 Consultation With Attorney.** Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

**6.22 Interpretation Against Drafting Party.** City and Consultant agree that they have cooperated in the review and drafting of this agreement. Accordingly, in the event of any ambiguity, neither side may claim that the interpretation of the agreement shall be construed against either party solely because that party drafted all or a portion of the agreement, or the clause at issue.

This Agreement is executed on this 8<sup>th</sup> day of May 2018, at South Gate, California, and is effective on June 1, 2018.

**CITY OF SOUTH GATE:**

\_\_\_\_\_  
María Belén Bernal, Mayor

**ATTEST:**

\_\_\_\_\_  
Carmen Avalos, City Clerk

(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas, City Attorney

**CONSULTANT:**

\_\_\_\_\_  
Lisa Baca, Executive Director

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

February 2, 2018



LEADERSHIP INSTITUTE

† Denny Samuel

Honorary Chairman Emeritus  
In Memoriam (1943-2016)

**BOARD OF DIRECTORS**

**Iliana Ramos**

*Chairwoman*

**Maria Hernandez**

*President*

**Erica Alfaro**

*Secretary*

**Michael Castillo**

*Treasurer*

**Marlen Manzo**

**Elizabeth Mungia**

**Trini Solis**

**MAILING ADDRESS**

301 East Colorado Blvd.

S# 426

Pasadena, CA 91101

ATTN BILL HRANCHAK, CPA

(323) 660-7234

FAX (323) 664-7222

**Lisa D. Baca**

*Executive Director*

Cell 213 910-2592

Email clli.baca@gmail.com

[www.calatinoleadership.org](http://www.calatinoleadership.org)

IRS 501 c 3 FEIN #47-1243514

Office of the City Clerk

8650 California Avenue

South Gate, CA 90280

**YOUTH EMPLOYMENT PROPOSAL**

Dear City Clerk:

The California Latino Leadership Institute (CLLI) was founded in 2014 as a statewide 501 (c) (3) nonpartisan organization. The Mission of CLLI is to develop diverse and entrepreneurial public, corporate and community leaders creating a better future for California. The Vision of CLLI is to educate, train and prepare leaders who can address challenges facing California, leading to empowerment of the next generation.

Enclosed please find CLLI's RFP response to the City of South Gate Youth Employment Programs Summer 2018. Our goal is to identify via a competitive application process, ten fellows to participate in the 2018 Southeast Youth Workforce Development and Civic Engagement Program (Southeast Fellows). We would like to select two students from each of the five South Gate high schools.

A unique and rigorous 7- week, six days a week (Monday – Saturday) program, combines the program elements of a paid summer youth employment experience, team building, leadership and soft skills development, civic engagement training at the CSULA Pat Brown Institute, field trips, a week-long outdoor experience with college mentors at UCLA's UNICamp, and a urban forest community service project with TreePeople. New in 2018 will be a June 2-day Family Orientation Academy and ten-week golf session with the Southern California Golf Association Juniors Program. Via the game of golf, Southeast Fellows will accomplish the self-mastery of discipline, etiquette, respect and athletic skills for future career networking tournaments.

The CLLI's 2018 Southeast Youth Workforce Development and Civic Engagement Program is unique and rigorous in it approach to building future Southeast leaders. To support the 2018 expansion in South Gate high schools, CLLI is requesting a \$40,000 grant from the City of South Gate Summer Youth Employment Budget to cover the hard costs for ten South Gate Fellows' tool kit and internship stipends.

CLLI looks forward to the opportunity of continuing our program partnership with the City of South Gate and South Gate high schools. Please feel free to contact me if you need any further information 213.910.2592.

Sincerely,

**LISA D. BACA**  
Executive Director

**California Latino Leadership Institute**  
**RFP Response for Youth Employment Program Summer 2018**

**1. PROJECT OUTLINE**

**Southeast Youth development programs are a priority for CLLI in addressing Southeast poverty issues and assisting the underserved, economically disadvantaged. The Southeast Youth Workforce Development and Civic Engagement Program (Southeast Fellows) is focused on the following: creating inclusive environments for learning skills that address: soft skills development, conflict negotiation, team building, workforce career “tool kits” and mentoring. CLLI has developed a *one of a kind* rigorous paid summer Internship for ten South Gate residents who are local high school juniors and seniors ages 16-18. Ten South Gate Fellows will be selected via a competitive application process Round 1 is the submission of written essays (February 15, 2018 – March 22, 2018). Applications are reviewed and scored by a diverse panel of readers. The top 15% of the application pool will be invited to continue to Round 2 (March 31, April 7 & 8, 2018) which is a 30-minute in person interview. The goal is to select two Southeast Fellows from each South Gate high school. Each fellow is provided with an individual *tool kit* that they keep after fellowship graduation (\$1500 value) which includes: one Dell lap top computer, computer bag, Microsoft operating system and maintenance service for one-year, digital head shot, two custom team uniform shirts, personal binder with reading materials, team book, “*The Seven Habits of Effective People*”, by Stephen R Covey, and an internship stipend (\$1,000) and placement within a Southeast community agency. For many teens this is their first employment experience.**

**PROGRAM ELEMENTS, SCHEDULE, HOURS, GOALS & OBJECTIVES**

**a. June 9 & 16, 2018 8:30am to 2:00pm two-day Family Academy**

The program begins in June 2018 presented by New Economics for Women (NEW). Parents, guardians or an adult family member will join 2018 Southeast Fellows over two Saturday program sessions. The goal of this activity is to prepare families for the program’s rigor, promote powerful mindsets for success and build financial asset base knowledge and tools.

**Day # 1 8:00am to 2:00pm**

*Session 1 Breakfast Session – Orientation Southeast Fellows 2018 Program*

*Session 2 Connect to Succeed: What do Parents Need to Support youth*

*a. Job versus Career; How the mind works: need versus want,*

*b. Negative self-talk: Belief systems, stress and positive affirmation.*

*Lunch – Keynote Speaker (TBD)*

*Session 3 Power of Place, addressing the Southeast youth needs to build a stronger community network including bullying, LGBTQ & DACA youth, building a stronger community network.*

**Day #2 8:00am to 2:00pm**

*Session 1 Breakfast Session Keynote (TBD)*

*Session 2 ADULTS - Financial Literacy: Families ignite their own empowerment*

*Through education and nurturing a growing financial asset base. Surviving Day to Day verses Investing for the future and changing your economic mindset.*

*Session 2 FELLOWS – Career self-assessment tool: Help discover work/career activities, Researching job openings, How to apply for a job, Building your resume and developing employment opportunity networks.*

*Lunch – Keynote Speaker (TBD)*

*Session 3 Wrap up and evaluation.*

**b. Saturday June 23 – September 8, 2018 8:00am – 10:30am Tee Up For Success**

Saturday Golf Lessons with the Southern California Golf Association Juniors Program.

**c. July 5 – August 10, 2018**

**Monday through Friday daily team meetings, 8:00am to 9:30am**, at Old Timers Housing Development Corporation. The goal of daily morning briefings to ensure each member of the team is complete in maximizing their Fellowship experience.

**Monday, Tuesday and Thursdays, 10:00am to 2:00pm** Agency internship placements. The goal of agency placements is to provide work experience, develop soft skills and complete one work project as directed by a staff supervisor that benefits the agency and/or local community.

*As of February 1, 2018, agency placements include:*

1. **Central Basin Water District**, 6252 telegraph Road, Commerce, CA 90040 (CONFIRMED);
2. **Southeast Community Development Corporation**, 4357 Gage Ave, Bell, CA 90201 (CONFIRMED);
3. **Old Timers Housing Development Corporation**, 3355 East Gage Ave, Huntington Park, CA 90255 (CONFIRMED);
4. **South Gate Chamber of Commerce**, 3350 Tweedy Blvd., South Gate, CA 90280 (PENDING)
5. **South Gate Department of Parks and Recreation**, 5900 Southern Avenue, South Gate, CA 90280. (PENDING).

d. **July 11, 18, & 25, 2018 Wednesdays, 9:00am to 3:00pm Civic Engagement Training.** California State University Los Angeles Pat Brown Institute (CSULA-PBI) will partner with CLLI to create Civic U Southeast Los Angeles for the fellows. The goal is to cover the basics of municipal government, and develop tools with which community members can influence it. Civic U is a weekly classroom workshop taught by Raphael Sonenshein, Executive Director.

e. **July 21, 2018 11:30am – 2:30pm TreePeople community service project.** The Southeast is one of the areas in Southern California with the worse air quality due pollution attributed to the transportation corridors. The Southeast street tree canopy providing shade is currently at 14.7%, where as a healthy community is identified at 25%. As a follow up to TreePeople’s Educational Center field trip, Fellows execute an urban forest tree care project.

f. **Team Field Trips: (June 22, July 13, 27, & August 8, 2018) 9:00am – 3:00pm** There are four planned field trips to provide an interactive and hands on learning experience which include: 1. TreePeople Educational Center: Caring for the urban forest; 2. Port of Long Beach: Economic impacts of trade to the Southern California Economy; 3. Hansen Dam Horseback riding: A unique personal challenge for overcoming fear, building trust, then linking emotions and energy into purposeful action; and 4. Central Basin Water District: Water efficiency and regional sustainability impact.

g. **July 28, 2018 – August 4, 2018 – UCLA UNICamp:** for over 80 years, UNICAMP has been the official student charity of UCLA. UNICamp student volunteers have harnessed the healing power of the wilderness to provide challenging new experiences that fosters personal growth and transforms lives. 90% of the 2016 and 2017 cohorts experienced camping and being away from home for the first time.

**Summary of hours**

- |    |   |                       |
|----|---|-----------------------|
| a. | 2 Saturday Family Academy Orientation and Trainings | (12 hours)            |
| b. | 10 Weekly Saturday Golf Lessons & Tournament        | (27 hours)            |
| c. | 16 Daily Morning Team Sessions                      | (28 hours)*           |
|    | 11 Days internship at an Agency Placements          | (48 hours)*           |
| d. | 3 CSULA Civic Engagement Training Sessions          | (15 hours)            |
| e. | 1 TreePeople Community Service Project & Prep       | ( 6 hours)            |
| f. | 4 Field Trips                                       | (32 hours)            |
| g. | 1 week away camp @ UCLA’s UNI Camp                  | <u>(168 hours)</u>    |
|    |   | <b>336 per Fellow</b> |

**TOTAL 336 PROGRAM HOURS** employment, enrichment instruction and experiential hours  
 \*76 Paid Internship hours \$1,000 stipend = \$13.15 per hour  
**SOUTH GATE FELLOWS ROI** 336 hours per Fellow x 10 South Gate Fellows = 3,360 hours.  
 \$40,500 grant divided by 3,360 hours = ROI of \$12.05 per hour.

## 2. QUALIFICATIONS OF PROPOSER

The California Latino Leadership Institute (CLLI) was founded in 2014 as a statewide 501 (c) (3) nonpartisan organization. The Mission of CLLI is to develop diverse and entrepreneurial public, corporate and community leaders creating a better future for California. The Vision of CLLI is to educate, train and prepare leaders who can address challenges facing California, leading to empower the next generation. The CLLI 21st Century Leaders 2018 Programs include:

- 1) **The CA Women's Empowerment Summit Program:** - A one-day networking, educational summit for women of all ages seeking work place trends, information on expanding career growth and ideas for mentoring. Each of the 2018 Summit events will have a *Careers in Energy Initiative* targeting high school girls to encourage the pursuit of STEM career within the energy/renewable/petroleum industries.
  - a. March 17, 2018 – Fresno City College, Headline sponsor: CA Resources Corporation (CRC);
  - b. May 5, 2018 – Bakersfield City College, Headline sponsor: Western States Petroleum Association (WSPA);
  - c. October 13, 2018 – California State University Fullerton (CSUF) (location pending), Headline sponsor: Spectrum Charter.
  
- 2) **The California History Project with UCLA** – CLLI provides outreach and marketing support to school districts for the Cinco De Mayo In A Box teacher education kit. This educational material meets the California state standards for 8<sup>th</sup> grade social studies and honors the holiday that has been continuously celebrated for the past 153 years.
  
- 3) **The Southeast Youth Workforce Development & Civic Engagement Program** (June 1 – September 30, 2018). As the CLLI's corner stone program, the goal of the Southeast Fellows Program is to address the underserved, economically disadvantaged populations of Southeast Los Angeles County. Our 2018 Summer program will focus on selecting a cohort of 10 South Gate high school juniors and seniors, ages 16-18 that are planning on attending college and seek a professional career path. Every member of the CLLI's Board of Directors is themselves the direct beneficiary of a similar expanded one-year Sacramento Capitol Fellowship that forever changed the trajectory of their lives and career paths.

Although CLLI's programs are inclusive of all race/ethnic groups, 90% of our program participants are Latinx with 10% mixed from our Women's Empowerment Summit Program. CLLI's 2016 IRS 990 reflects a successful programming budget of \$141,187 and \$98,700 in 2015.



### 3. COSTS

#### Third Party Funding Confirmed/Pending as of February 1, 2018

Supervisor Hilda Solis, District 1 grant	\$ 5,000.	Received 1.21.2018
CA Community Foundation	\$20,000.	Pending
Vernon Community Fund	\$15,000.	Pending

#### Based on 10 South Gate Fellows

#	Budget Category and Project	Project cost
1	<b>NEW Fiscal Agent Fee</b> intern stipends Processing two payroll cycles	\$1,500.00
2	<b>CLLI FELLOWS</b> 10 Tool Kits	\$15,000.00
	Lap top, photos, books, materials & supplies @ \$1500 ea.	
	10 Southeast Fellows intern stipends at \$1,000 ea.	\$10,000.00
3	<b>ADMINISTRATION</b> CLLI Staff Program Director 50% time \$2,500 3 months @ \$5,000 ea. July, Aug & Sept 3 Part time staff @\$500 ea. \$1500 @50%	\$7,500.00 \$750.00
	CSULA-Pat Brown Institute Civic Engagement Workshops 3 weekly sessions, books, materials, 3 breakfasts & 3 lunches	\$8,000.00
	1 Community Projects \$500 @50%	\$250.00
	Fellows Graduation Video \$500@50% Graduation Dinner: 175 persons @\$25ea. Total \$4,375. @ 50%	\$250.00 \$2,187.00
	Graduation certificates and gifts 10 @ \$40 ea.	\$ 400.00
	UCLA UniCamp Fees 1 week away 10 @ \$400 ea. Fellow	\$4,000.00
4	<b>INDIRECT COSTS</b> (4) Field Trips June 22, July 21, 28 & Aug 4 Misc. Van rentals, gas & lunch \$500. per day x 4 = \$2,000 @ 50%	\$1,000.00
	NEW 2 day Family Academy \$5,000 @50% 10 Fellows Golf Academy 10 x \$5.00 ea. = \$50. Weekly x 10 weeks	\$2,500.00 \$ 500.00
5	MISC. Contingency Fund	\$1,000.00
	<b>TOTAL</b>	<b>\$54,837.00</b>



#### **4. REFERENCES**

1. Vice Mayor Johnny Pineda  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255  
Phone: 323-584-6221

Helped establish the 2016 Huntington Park pilot program with ten Huntington Park high school students. This was the foundation for the 2017 Southeast Youth Workforce Development and Civic Engagement Program.

2. Michael Flad, City Manager  
City Manager's Office  
City of South Gate  
8650 California Avenue  
South Gate, CA 90280  
Phone: 323-563-9503

Helped expand the program in 2017 to include five South Gate high school students, one from each campus in South Gate. This was the foundation for the 2018 Southeast Youth Workforce Development and Civic Engagement Program to scale up and double in size from five to ten South Gate Fellows, two from each high school campus in South Gate.

3. Cesar Zaldivar-Motts  
Executive Director  
Southeast Community Development Corporation  
4357 Gage Ave, Bell, CA 90201  
Phone: 323-585-4579

Provided the venue for one of two community service projects executed by the 2017 Southeast Youth Workforce Development and Civic Engagement Class. Over a 48-hour period the team worked to refurbish tech center lab and lobby from the floor to the ceiling. This included deep cleaning of all desks, tables, chairs, computers, painting of walls and re-staining of concrete floors.

## 5. CONCLUSION

Southeast Youth development programs are a priority for CLLI in addressing Southeast poverty issues and assisting the underserved, economically disadvantaged. 2016 & 2017 Southeast Fellows have overcome homelessness, poverty, personal loss, and academic challenges to successfully graduate high school and pursue higher education. Over the course of the Southeast Youth Workforce Development and Civic Engagement Program, they develop lasting soft skills while completing their first employment experience.

Southeast youth struggle with above average dropout rates and high teen pregnancy rates. The opportunities for white collar career track employment and civic engagement are limited for our Southeast youth. Many employers around the world report that job candidates lack the soft skills needed to fill available positions\*. Soft skills development for youth in the Southeast is critical for future workforce and career success. The five critical soft skills most likely to increase the odds of success and which employers expect employees to have, include: 1. social skills; 2. communication; and 3. higher-order thinking skills (including problem solving, critical thinking, and decision-making); supported by 4. the intrapersonal skills of self-control and 5. positive self-concept.

A person's first job experience is equally as important as their civic engagement knowledge and understanding of community health. A person's first vote matters most because there is a demonstrated correlation between young person's early experiences with voting and future rates of voting participation. Civic Engagement knowledge is vital to vibrant healthy local communities. Increasing Southeast youth and millennial voter turnout is a key step to increasing future turnout for California and the nation as a whole. According to the California Legislative Analyst Office, the fastest growing voting demographic in California and nationwide is made up of millennials, youths 18 to 34 years of age. Millennials are consistently and dramatically underrepresented in every election type in California, with the greatest disparities among 18 to 24-year old voters.

The CLLI's 2018 Southeast Youth Workforce Development and Civic Engagement Program is unique and rigorous in its approach to building future civically engaged Southeast leaders. To support the 2018 expansion in South Gate high schools, CLLI is requesting a \$40,000 grant from the City of South Gate Summer Youth Employment Budget to cover the hard costs for ten South Gate Fellows tool kits, internship stipends, graduation, transportation and field trip costs.

The current 24 Southeast Fellow Alumni remain connected and serve as mentors to the incoming class. 100% are attending college or on track to graduate and continue onto higher education. The impact the program has on our Southeast youth is powerful. Here are some of their thoughts about the program:

*NOEMY 2017 Fellow, "This program is an overall great experience because it gives the youth the opportunity to take on different responsibilities and create great relationships along the journey. "*

*JASON 2017 Fellow, "I was a really amazing experience and I really do feel like everyone became family. This program is very beneficial and very beautiful.*

*VICTOR 2017 Fellow, "This program was quite literally a life changer. There would have been nothing better to do with my summer."*

*HAYLEE 2017 Fellow, "I overcame my timidness this summer and I communicated with many people for a great learning experience."*

CLLI looks forward to partnering with you in 2018.

## **Appendix**

**1. Biography Lisa D. Baca**  
**Executive Director**  
**CA Latino Leadership Institute**  
**<http://calatinoleadership.org>**

She began her professional career as a Field Deputy to State Senator Art Torres (Ret.) in the early 1980's and has worked within the diverse ethnic communities of California for over 35 years.

Lisa is a nonprofit entrepreneur with over 16 years of experience developing leadership training, community outreach and special event programs. She serves as the Executive Director for the CA Latino Leadership Institute, (CLLI), since its founding July, 2014. CLLI is a statewide 501 (c) (3) nonprofit organization. The Mission of CLLI is to develop diverse and entrepreneurial public, corporate and community leaders to create a better future for California. The Vision of CLLI is to educate, train and prepare leaders who can address challenges facing California, leading to empowerment of the next generation.

As a volunteer, she currently serves on the American Association of Retired Persons (AARP) California Executive Council and works with the Boys and Girls Club of San Fernando Valley. Through her civic participation, she served as Treasurer for eight years (2006-2014) with the Echo Park Library Community Group, volunteering for reading and literacy programs as part of the city's public library system.

Lisa was awarded the 2016 Latina of Influence Award, by Hispanic Lifestyles and the Spirit of Latina Award by Latino Journal Magazine. She is a 1997 Graduate Fellow of the National Hispana Leadership Institute (NHLI) in Washington DC, and a 1986 graduate from California State University Los Angeles, (CSULA), with a Bachelor of Arts degree in Public Administration with a minor in Political Science. An avid equestrian, she volunteers her time with equine rescue projects and is the proud mother of three daughters, Gabriella 29, a special education teacher in Santa Fe, New Mexico, and 18 year-old twins, Jennifer Sonia and Jacqueline Sophia, seniors at Bishop Alemany Catholic High School in Mission Hills.

**2. PDF attachment program schedule of 2018 Southeast Youth Workforce Development and Civic Engagement Program as of 2.1.2018**

**2018 CA Latino Leadership Institute  
Southeast Youth Workforce Development &  
Civic Engagement Program  
SCHEDULE**

**Draft as of 2.1.2018**

**Thursday, February 15, 2018**

**9:00am**

**2018 Southeast Youth Workforce Development &  
Civic Engagement Program Applications RELEASED  
Deadline Thursday, March 22, 2018 5:00pm (5 weeks)**

**Thursday, March 22, 2018**

**5:00pm DEADLINE**

**DEADLINE 2018 Southeast Youth Workforce Development  
and Civic Engagement Program**

**Saturday, March 31, 2018**

**12noon – 5:00pm**

**IN PERSON INTERVIEWS DAY 1: 2018 Southeast Fellows  
Location (TBD) 2018 selections made.**

**Saturday, April 7, 2018**

**12noon – 5:00pm**

**IN PERSON INTERVIEWS DAY 2: 2018 Southeast Fellows  
Location (TBD) 2018 selections made.**

**Sunday, April 8, 2018**

**12noon – 5:00pm**

**IN PERSON INTERVIEWS: OPTIONAL DAY IF NEEDED  
2018 Southeast Fellows  
Location (TBD)**

**Tuesday, April 10, 2018**

**2018 Southeast Fellows Finalized and Publicly Announced**

**100 days program - June 1, 2018 to September 8, 2018**

**Saturday, June 9, 2018**

**8:30am to 2:00pm**

**Breakfast & Lunch provided**

**Southeast Fellows Family Academy SESSION 1  
Presented by New Economics for Women (NEW)  
Old Timers Housing Development Corp.  
3355 E Gage Ave, Huntington Park, CA 90255  
***Mandatory Program Orientation Day 1 of 2*****

**Saturday, June 16, 2018**

**8:30am to 2:00pm**

**Breakfast & Lunch provided**

**Southeast Fellows Family Academy SESSION 2  
Presented by New Economics for Women (NEW)  
Old Timers Housing Development Corp.  
3355 E Gage Ave, Huntington Park, CA 90255  
***Mandatory Program Orientation Day 2 of 2*****

**Friday, June 22, 2018**

**8:30am – 3:00pm**

**Team #1 Field Trip – TreePeople Educational Center  
12601 Mulholland Drive, Beverly Hills, CA 91405  
Topic: Caring for the urban forest and drought conservation  
Speaker: Rosa Donis, Sr. Manager Educational Tour (310) 228-8447**

Saturday, June 23, 2018 8:00am – 10:30am	Tee Up for Success Golf Program 2018 Southeast Fellows Week one - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280
Saturday, June 30, 2018 8:00am – 10:30am	Tee Up for Success Golf Program 2018 Southeast Fellows Week two - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280
<b>Thursday, July 5, 2018</b> 8:00am – 12noon	<b>First Day: 2018 Southeast Fellows Program</b> Week one – Agency Orientation week Old Timers Housing Development Corp. 3355 E Gage Ave, Huntington Park, CA 90255
Friday, July 6, 2018	FREE DAY-REST
Saturday, July 7, 2018 8:00am – 10:30am	Tee Up for Success Golf Program 2018 Southeast Fellows Week three - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280
<b>Monday, July 9, 2018</b> 8:00am – 9:30am	<b>Second Week 2018 Southeast Fellows Program</b> Old Timers Housing Development Corp. 3355 E Gage Ave, Huntington Park, CA 90255 Week two – agency placements begin
10:00am to 2:00pm	Day 1 - Agency Placement
Tuesday, July 9, 2018 8:00am – 9:30am	Second Week 2018 Southeast Fellows Program Old Timers Housing Development Corp. 3355 E Gage Ave, Huntington Park, CA 90255 Week two – agency placements begin
10:00am to 2:00pm	Day 2 - Agency Placement
<b>Wednesday, July 11, 2017</b> 9:00am to 3:00pm <b>MANDATORY ATTENDANCE</b>	<b>Civic Engagement Training Pat Brown Institute</b> <b>Session 1 @ CSULA 5151 State University Drive, LA 90032</b> C: Sasha Perez 323.343.3770
Thursday, July 12, 2018 8:00am – 9:30am	Second Week 2018 Southeast Fellows Program Old Timers Housing Development Corp. 3355 E Gage Ave, Huntington Park, CA 90255 Week two – agency placements begin
10:00am to 2:00pm	Day 3 - Agency Placement
<b>Friday, July 13, 2018</b> 8:00am – 3:00pm <b>MANDATORY ATTENDANCE</b>	<b>Team #2 Field Trip – Port of Long Beach Tour</b> Port of Long Beach, 4801 Airport Plaza Drive, Long Beach, CA 90815 Contact Bianca Roman Villanueva 562.283.7785

	<p>10:30 Arrive &amp; Board Boat / Harbor Tour 11:00am – 1:00pm  <i>Topic:</i> Women role models in leadership:  <i>VIP Speakers:</i> Long Beach Council Woman Jeannine Pearce, District 2            And Chief of Staff, Dina Cervantes  <i>Policy Issue:</i> Economic impact of LA and LB Ports on SoCal &amp;            California economy and careers in transportation and global logistics.</p>
<p>Saturday, July 14, 2018            8:00am – 10:30am</p>	<p>Tee Up for Success Golf Program 2018 Southeast Fellows            Week four - South Gate 3 Par            9650 Pinehurst Ave, South Gate, CA 90280</p>
<p>Monday, July 16, 2018            8:00am – 9:30am</p>	<p><b>Third Week 2018 Southeast Fellows Program / PAY DAY 1<sup>st</sup> CHECK</b>            Old Timers Housing Development Corp.            3355 E Gage Ave, Huntington Park, CA 90255</p>
<p>10:00am – 2:00pm</p>	<p>Day 4 – Agency Placement</p>
<p>Tuesday, July 17, 2018            8:00am – 9:30am</p>	<p>Old Timers Housing Development Corp.            3355 E Gage Ave, Huntington Park, CA 90255            Week two – agency placements begin</p>
<p>10:00am to 2:00pm</p>	<p>Day 5 - Agency Placement</p>
<p><b>Wednesday, July 18, 2017</b>            9:00am to 3:00pm  <b>MANDATORY ATTENDANCE</b></p>	<p><b>Civic Engagement Training Pat Brown Institute</b>  <b>Session 2 @ CSULA, 5151 State University Drive, LA 90032</b>  <b>C: Sasha Perez 323.343.3770</b></p>
<p>Thursday, July 19, 2018            8:00am – 9:30am</p>	<p>Old Timers Housing Development Corp.            3355 E Gage Ave, Huntington Park, CA 90255            Week two – agency placements begin</p>
<p>10:00am to 1:30pm</p>	<p>Day 6 - Agency Placement – SHORT DAY</p>
<p>Thursday, July 19, 2017            2:30pm – 5:00pm  <b>MANDATORY ATTENDANCE</b></p>	<p>TreePeople Community Service Project <u>Prep Day</u>            Location (TBD)            Contact: Cristina Basurto 323.402.6771</p>
<p>Friday, July 20, 2018</p>	<p>FREE DAY OFF</p>
<p>Saturday, July 21, 2018            8:00am – 10:30am</p>	<p>Tee Up for Success Golf Program 2018 Southeast Fellows            Week five - South Gate 3 Par            9650 Pinehurst Ave, South Gate, CA 90280</p>

Saturday, July 21, 2018

11:30am to 2:30p

**MANDATORY ATTENDANCE**

TreePeople Community Service Project – Team in Service

Location: Tree Care in Salt Lake Park

Contact: Cristina Basurto 323.402.6771

\*Pizza lunch & drinks will be provided

Monday, July 23, 2018

8:00am – 9:30am

**Fourth Week 2018 Southeast Fellows Program**

Old Timers Housing Development Corp.

3355 E Gage Ave, Huntington Park, CA 90255

10:00am – 2:00pm

Day 7 – Agency Placement

Tuesday, July 24, 2018

8:00am – 9:30am

Old Timers Housing Development Corp.

3355 E Gage Ave, Huntington Park, CA 90255

Week two – agency placements begin

10:00am to 2:00pm

Day 8 - Agency Placement

**Wednesday, July 25, 2017**

9:00am to 3:00pm

**MANDATORY ATTENDANCE**

**Civic Engagement Training Pat Brown Institute**

**Session 3 @ CSULA – Final Session – Mock City Council Meeting**

Thursday, July 26, 2018

8:00am – 9:30am

Old Timers Housing Development Corp.

3355 E Gage Ave, Huntington Park, CA 90255

Week two – agency placements begin

10:00am to 2:00pm

Day 9 - Agency Placement

**Friday, July 27, 2018**

8:00am – 5pm

**MANDATORY ATTENDANCE**

**Team #3 Field Trip – SE Fellow Alumni host**

Hansen Dam Recreation Area, San Fernando Valley

Group Horseback Trail Ride and Aquatic Center Swim day.

**Saturday, July 28, 2018**

7:30am

**TEAM TRAVEL: UCLA Week Long UNICamp Begins**

2018 Southeast Fellows drop off @ UCLA

*ALL TEAM MANDATORY PARTICIPATION*

**Monday, July 30, 2018**

**Fifth Week 2018 Southeast Fellows Program**

Week 5 – All SE Fellows Away at UCLA UNICamp

*ALL TEAM MANDATORY PARTICIPATION*

**Saturday, August 4, 2018**

3:00pm

**TEAM TRAVEL: Return from UCLA UNICamp**

2018 Southeast Fellows Program pick up @ UCLA

*ALL TEAM MANDATORY PARTICIPATION*

Monday, August 6, 2018

8:00am – 9:30am

**Sixth Week 2018 Southeast Fellows Program**

Old Timers Housing Development Corp.

3355 E Gage Ave, Huntington Park, CA 90255

10:00am – 2:00pm

Day 10 – Agency Placement



<p>Tuesday, August 7, 2018 9:00 am - 5:00pm 5:00pm DEADLINE</p>	<p>Agency Placement ALL DAY Day 11 – Agency Placement (48 total agency work hours completed!) All Team, Agency, Community Service Project and Program Evaluations due via email 5:00pm today!</p>
<p><b>Wednesday, August 8, 2018</b> 8:00am - 5:00pm</p>	<p><b>Team #4 Field Trip – Water Conservation and Sanitation Dept. Tour Meet at Central Water Basin:</b> They will provide tour bus C: General Manager Kevin Hunt &amp; Board Member Leticia Vazquez 323.201.5548</p>
<p>Thursday, August 9, 2018</p>	<p>FREE DAY OFF</p>
<p><b>Friday, August 10, 2018</b> 6pm – 9pm CLLI Fundraiser</p>	<p><b><u>2<sup>nd</sup> Annual CLLI Southeast Fellows Graduation Dinner /FINAL PAY CHECK</u></b> Old Timers Housing Development Corp.- GREAT HALL 3355 E Gage Ave, Huntington Park, CA 90255</p>
<p>Saturday, August 11, 2018 8:00am – 10:30am</p>	<p>Tee Up for Success Golf Program 2018 Southeast Fellows Week six - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280</p>
<p><i>Wednesday, August 15, 2018</i> Saturday, August 18, 2018 8:00am – 10:30am</p>	<p><i>LAUSD Back to School.</i> Tee Up for Success Golf Program 2018 Southeast Fellows Week seven - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280</p>
<p>Saturday, August 25, 2018 8:00am – 10:30am</p>	<p>Tee Up for Success Golf Program 2018 Southeast Fellows Week eight - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280</p>
<p>Saturday, September 1, 2018 8:00am – 10:30am LABOR DAY WEEKEND</p>	<p>Tee Up for Success Golf Program 2018 Southeast Fellows Week nine - South Gate 3 Par 9650 Pinehurst Ave, South Gate, CA 90280</p>
<p>FINAL GOLF WEEK TEN: Saturday, September 8, 2018 8:00am – 12noon Thursday, September 28, 2018</p>	<p>Week ten: FINAL Tee Up for Success Golf tournament &amp; Awards Ceremonies South Gate 3 Par, 9650 Pinehurst Ave, South Gate, CA 90280 Final CLLI 2018 Southeast Fellows Program Close Out Report Due.</p>

**End**

RECEIVED

MAY 8 - 2018

# City of South Gate Item No. 17

CITY COUNCIL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

## AGENDA BILL

11:45am

For the Regular Meeting of: May 8, 2018

Originating Department: Public Works

Department Director:

*Arturo Cervantes*  
Arturo Cervantes

City Manager:

*Michael Flad*  
Michael Flad

**SUBJECT: RECEIVE AND FILE REPORT ON THE CITY'S STREET SWEEPING EVALUATION RESULTS**

**PURPOSE:** The Public Works Department's in-house Street Sweeping Services Program is experiencing challenges that have been comprehensively analyzed in the Street Sweeping Evaluation Project Report, that were initially analyzed in the 7-City Survey. Staff is recommending that the City Council authorize outsourcing Street Sweeping Services following the findings of the report. This is a multi-faceted strategy to increase efficiency, enhance quality and services levels, reduce liability, protect jobs, and create succession planning, yet reduce costs.

**RECOMMENDED ACTIONS:**

- a. Receive and file a presentation from the Director of Public Works/City Engineer on the results of the Street Sweeping Evaluation Project Report; and
- b. Approve proceeding with "Alternative No. 2 – Outsourcing the Street Sweeping Program" and authorize the Director of Public Works/City Engineer to procure a contract for street sweeping services starting Fiscal Year 2018/19.

*GAUKY*

**FISCAL IMPACT:** The City collects approximately \$706,020 annually in Street Sweeping Funds (Street Sweeping Budget) according to the rate schedule (Table 3) in Attachment A. The estimated in-house Street Sweeping Services Program cost of \$999,786 exceeds the Street Sweeping Budget by about \$293,766 annually. Staff has evaluated two alternatives for proceeding. Alternative No. 1 is to increase the revenue to fully fund the in-house Street Sweeping Services Program, and Alternative No. 2 is to outsource street sweeping services to decrease expenditures, so as to deliver the program within budget. The following is a summary of Fiscal Impacts of the two alternatives:

- **Alternative No. 1 – Fully fund the in-house Street Sweeping Services Program:** The total cost of this alternative is \$999,786 annually plus a one-time cost of \$1.125 million, in Street Sweeping Funds.

Selecting this alternative requires; (1) increasing Street Sweeping Fund revenue by \$293,766 to fully fund the \$999,786 in-house Street Sweeping Services Program to resolve the deficit, (2) budget the replacement of three outdated street sweepers for a total one-time cost of \$1.125 million in General Funds, and (3) consider increasing street sweeping service fees by an estimated 42%. This could result in increasing Street sweeping fees as listed below.

	Residential	Multi-Residential (for first unit)	Multi-Residential (additional units)	Commercial/ Industrial
Current Monthly Rate	\$2.58	\$2.58	\$1.55	\$6.45
Possible Monthly Rate	\$3.66	\$3.66	\$2.20	\$9.16

- **Alternative No. 2 – Outsource Street Sweeping Services:** The total cost of this alternative is \$718,909 annually. This represents a savings of \$280,877 annually, and a one-time savings of \$1.125 million, as compared to Alternative 1. Under this alternative, the annual cost of the Street Sweeping Program (\$630,000) is less than the annual revenue of the Street Sweeping Fund (\$706,020) by \$76,020. Also, the annual cost of the Street Sweeping Program is \$369,786 less as compared to Alternative No. 1 (\$999,786).

Selecting this alternative would result in; (1) a \$530,000 contract (approximately) to outsource Street Sweeping Services plus \$100,000 in supporting costs, (2) a \$190,340 cost in Gas Tax funds as two Equipment Operators (Street Sweeping Operators) would be reassigned to other street maintenance services, (3) a \$30,216 cost in Sewer Funds (approximate) to fund a succession plan in the Sewer Division requested by the Union as a part of this proposal, (4) a one-time savings of \$1.125 million that would be achieved by not replacing the aging street sweepers, (5) an estimated \$48,000 in annual savings achieved from eliminating certain contracted services, and (6) an annual \$83,647 savings that will be achieved by eliminating the vacant Equipment Operator position (street sweeping fund).

**ALIGNMENT WITH COUNCIL GOALS:** The proposed action meets the City Council’s goal of “Continue Refining the Five-Year Budget Forecast, Adopting a Responsible Budget and Funding Reserves.”

**ANALYSIS:** The Street Sweeping Services Program has three issues that are at the root of staff’s recommendation: costs, staffing, and equipment.

Costs – The Street Sweeping Evaluation Project Report identifies several findings. Among those were: (1) the City’s expenditures exceeded annual revenues by \$293,766; (2) an estimated \$94,838 in personnel charges for supervisory and management staff has not been budgeted or allocated to the street sweeping program; (3) an additional \$62,145 in personnel charges for back-up operators (non-supervisory staff) has been incorrectly allocated to other programs when performing street sweeping activities; (4) an estimated \$100,714 in equipment maintenance costs has not been budgeted or allocated to the program; (5) the City does not budget for future equipment replacements, which are estimated at \$129,873 annually; (6) the City is facing significant equipment replacement costs in the near term at \$1.1 million for three sweepers; and (7) the City’s costs to operate the in-house Street Sweeping Services Program is high, compared to neighboring Cities. The figure below is a breakdown of revenues and expenditures.

Type	FY 2017/18 Budget
<b>Revenues</b>	
Street Sweeping Service Fee	\$699,590
NPDES Inspections	\$4,664
Utility City Statement Fee	\$950
Interest	\$816
<b>Total Revenues</b>	<b>\$706,020</b>
<b>Expenditures</b>	
Budgeted FY 2017/18 Street Sweeping Program	\$674,361
Additional Salaries and Benefits (not allocated)	\$94,838
Additional Equipment Maintenance Costs (not allocated)	\$100,714
Equipment Replacement Contributions (not allocated)	\$129,873
<b>Total Expenditures</b>	<b>\$999,786</b>
<b>Program Costs Over Revenues</b>	<b>(\$293,766)</b>
<b>One-Time Costs</b>	
Purchase of New Sweepers (3) (not allocated)	\$1,125,000

**Staffing** - There are inconsistencies with staffing. For example, the Street Sweeping Crew is made up of three full-time employees; and, there is one vacancy. With said vacancy and when absences occur, staff from other divisions, are often required to cover street sweeping shifts. This disrupts and reduces the productivity of the street maintenance operations, forces employees to reluctantly provide coverage for the street sweeping program, especially for the night shift, as it results in disrupted sleep patterns. Staff reports that night routes and parking lots sometimes go un-swept when a regular street sweeping employee is absent.

**Equipment** – The in-house Street Sweeping Services Program operates with four street sweepers. The street sweepers are operated daily, and reliability is key to a successful program. The primary challenges with the street sweepers include, (1) all of the sweepers have exceeded their expected lifespan; (2) frequent breakdowns; (3) high annual maintenance costs; (4) sweepers are uncommon due to their propane (LPG) fueling system, which requires frequent maintenance; (5) due to limited knowledge within the mechanic field, there is difficulty in acquiring services for diagnostic and repair, and (6) rarity of sweepers create difficulty in acquiring parts which are also expensive. Below is a summary of the street sweepers.

Street Sweeper	Year	Miles	Annual Service Needs	Annual Maint. Cost	Replacement Cost	Estimated Annual Replacement Costs
Tymco 600	2010	68,931	70	\$25,500	\$375,000	\$43,291
Tymco 600	2010	63,423	77	\$24,300	Keep as spare unit	
Elgin Pelican	2005	71,246	60	\$28,130	\$375,000	\$43,291
Elgin Crosswind	2000	113,984	50	\$22,780	\$375,000	\$43,291

Alternative No. 2 results in, (1) increasing efficiency as street sweeping and other services will be provided at a lower cost, (2) provide higher services levels as the frequency for sweeping alleyways and parking lots will increase, (3) enhanced quality and efficiency as new equipment is more effective and better equipped with technology, (4) reducing liability as the specialty crew will remove tripping hazards from City sidewalks year-round, (5) protecting jobs as, in lieu of a lay-off, the street sweeping services employees will be reassigned to a specialty crew, and (6) create succession planning because the Maintenance Worker positions in the Sewer Division will be re-structured to allow for employee growth.

**BACKGROUND:** The City’s Public Works Department (Department) is responsible for providing street sweeping services. The Department currently sweeps approximately 125 miles of streets, 12 miles of alleys, or 17,631 lane miles per year. The Department also sweeps the City’s parking lots (i.e., Parks, Tweedy Mile Commercial District, and other City facility parking lots). Sweeping is performed by three equipment operators assigned to the Street and Sewer Division: Two equipment operators work the day shift and the third works the night shift.

The Street Sweeping Services Program is experiencing challenges that were preliminarily analyzed under the 7-City survey. According to the 7-City Survey, the City’s program was the second highest in cost to operate, as compared to other cities in the study. The Department commissioned Management Partners to prepare a Street Sweeping Evaluation Project Report to comprehensively evaluate the Street Sweeping Services Program. The report identifies the three primary issues to be related to costs, aging equipment and staffing.

**Alternatives:** The Street Sweeping Evaluation Project Report indicates that exploring the option of outsourcing the Street Sweeping Services Program through a competitive bid process has merit for the City. The report recommends one of two approaches: increase revenues or decrease expenditures.



### Alternative No. 1 – Fully fund the in-house Street Sweeping Services Program

This approach requires increasing revenues to fully fund the Program. If the City implemented an increase or new street sweeping fees, there will likely be legal implications. For example, the City would have to follow Proposition 218 requirements to increase fees as well as policy considerations that come with fee increases. Another alternative is to allocate additional General Fund monies to subsidize the Street Sweeping Services Program. This is not likely feasible considering current demands on the General Fund.

### Alternative No. 2 – Outsource Street Sweeping Services

Expenditures can be decreased by outsourcing Street Sweeping Services. The Report indicates that competitive rates are offered by the private sector. Under Alternative No. 2 the two employees (Heavy Equipment Operator) that currently staff the Street Sweeping Services Program will be re-assigned to a specialty crew. The vacant Heavy Equipment Operator position will be replaced with a succession plan that entails adding merit increases to the Maintenance Worker positions in the Sewer Division, based on their ability to secure certain certifications. Among the possible duties of the specialty crew are grinding concrete to eliminate tripping hazards, removing tree stumps, striping and operating heavy equipment.

As a note, if the City Council selects Alternative No. 2, the City will work with Management Partners to prepare an RFP. The cost to prepare an RFP will be for a not-to-exceed amount of \$19,000 which will be partially funded with \$12,000 in Gas Tax Funds, Account No. 212-713-31-6101 and \$7,000 in Street Sweeping Funds, Account No. 214-730-31-6101.

**Labor Groups** – The findings of the Street Sweeping Evaluation Project Report and the proposal to outsource street sweeping services has been discussed with the Service Employees International Union (SEIU), the City Employees' Union, in a Meet and Confer meeting held on April 19, 2018. SEIU understands the reasons why outsourcing the Street Sweeping Services Program is recommended. SEIU is supportive of the proposal with the condition that, (1) street sweeping services employees are not laid-off and they maintain their salaries, (2) are re-assigned to new duties such as those identified within this report, and (3) establish a succession plan for the Street Maintenance Workers in the Sewer Division.

Management Partners used a variety of analytical and management techniques in completing this study as well as our knowledge of municipal street sweeping best practices. They examined a range of documents and conducted interviews with staff from the Departments of Public Works, Administrative Services, and Parks and Recreation. Additionally, Management Partners secured interviews with six cities, of which, four were chosen based on comparability and availability of data. Among the four cities were Orange, San Mateo, Palo Alto, and Downey.

It is also important to note that staff would not take any action when receiving bids for street sweeping services until it is presented to the City Council, who will give final approval on any of these matters.

**ATTACHMENTS:** A. Street Sweeping Evaluation Project Report  
B. July 28, 2015 Agenda Bill – Street Sweeping Rates

VHF:lc



To: Mr. Arturo Cervantes, Public Works Director/City Engineer

From: Andy Belknap, Regional Vice President  
Teri Cable, Senior Management Advisor

Subject: Street Sweeping Evaluation Project Report

Date: April 3, 2018

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### **Executive Summary**

Management Partners was engaged to conduct an analysis of the South Gate's street sweeping program and identify available revenue and service delivery options. Street sweeping services are provided to residents and businesses using City staff and equipment. Staffing issues and the lack of operational equipment have presented challenges. In addition, the City has insufficient sweeping revenues to support the total cost of the program. City leaders were interested in an evaluation of the current program, options for closing the funding gap, and methods for making the operation more efficient, including a competitive sourcing alternative.

This memorandum provides our analysis and recommendations. Major observations resulting from the analysis are:

1. The City is not allocating all program costs associated with the street sweeping program to the Street Sweeping Fund.
  - An estimated \$94,800 in personnel charges for supervisory and management staff has not been budgeted or allocated to the street sweeping program.
  - An additional \$62,145 in personnel charges for back-up operators (non-supervisory staff) has been incorrectly allocated to other programs when performing street sweeping activities.
  - An estimated \$94,700 in equipment maintenance costs has not been budgeted or allocated to the program.
  - The City does not budget for future equipment replacements, which are estimated at \$100,400 annually.
  
2. Ongoing revenue from the current fee structure is insufficient to support ongoing costs. Total program revenues are estimated to be \$706,000 in the current fiscal year and total program costs are estimated to be \$964,300. As a result, personnel and equipment costs associated with the street sweeping program are being allocated to other funds, which are subsidizing the sweeping program.



3. The City is facing significant equipment replacement costs in the near term. All three of the primary sweepers are due or overdue for replacement. Replacement costs are estimated at \$870,000.

Based on this analysis as well as the financial successes reported in other cities that contract for street sweeping services, outsourcing street sweeping may provide a cost-effective alternative service delivery option to South Gate.

The City's cost per curb mile swept is approximately \$38.25 when using budgeted costs and \$54.69 when the estimated additional program costs (i.e., full equipment replacement costs and other Public Works staff costs) are included. This compares with a range of \$13.04 to \$32.42 per curb mile for the cities we interviewed that are currently contracting street sweeping services. In addition to normal street sweeping covered under these contracts, other sweeping services may include parking lots, emergency response services (typically hourly), and special event support. These, plus contract management costs, may increase the overall cost of an outsourcing contract for South Gate; however, these are not likely to substantially increase the cost per curb mile that could be expected with a contract.

Management Partners recommends that outsourcing the street sweeping program be considered since it is a more cost-effective method of delivering services. The department currently has vacancies where displaced employees could be reassigned, thus avoiding layoffs of existing staff members. While contract management would still be required, a contracted street sweeping program could be managed by existing Public Works managers with the field work oversight performed by the foreman who already provides oversight of sweeping work. Reducing program costs may delay or mitigate the need to increase the current street sweeping service fee. At the estimated cost of about \$30 per curb mile swept among case study cities, South Gate's annual street sweeping revenue may be sufficient to support the current program.

This memorandum is organized in the following major areas:

- Project Approach,
- Background,
- Staffing,
- Service Delivery and Metrics,
- Program Revenues and Costs,
- Alternative Service Delivery Options,
- Case Study Research, and
- Conclusion.

### **Project Approach**

Management Partners used a variety of analytical and management techniques in completing this study as well as our knowledge of municipal street sweeping best practices. We examined a range of documents and conducted interviews with staff from the Public Works Department, Administrative Services Department, and Parks and Recreation Department.

- Public Works Director/City Engineer
- Field Operations Manager
- Street and Sewer Foreman
- Equipment Operator
- Equipment Maintenance Superintendent
- Deputy Director of Administrative Services/Finance
- Senior Accountant
- Customer Service Supervisor
- Parks and Recreation Director

In addition, interviews for case studies were completed with individuals in cities that have outsourced or considered outsourcing their sweeping operation. Case study surveys and interview requests were sent to the following eight cities:

- Hawthorne, Los Angeles County
- Inglewood, Los Angeles County
- Downey, Los Angeles County
- La Habra, Orange County
- Orange, Orange County
- San Bernardino, San Bernardino County
- San Mateo, San Mateo County
- Palo Alto, Santa Clara County

From those cities, six agreed to be interviewed. After reviewing the available data from the interviews, four cities provided information that would be valuable to South Gate. The case studies along with a description of their operations, decisions and experiences are summarized in Attachment A.

**Background**

The South Gate’s Public Works Department’s Street and Sewer Division is responsible for providing sweeping services. The City currently sweeps approximately 125 miles of streets, 12 miles of alleys, or 17,631 lane miles per year. Residential streets are swept during daytime hours. Commercial, industrial streets and alleys are swept at night. Sweeping is suspended the week between Christmas Day and New Year’s Day. Table 1 provides a breakdown of miles, frequency and sweeping hours by street type.

*Table 1. Sweeping Program Service Overview*

Street Type	Approximate Lane Miles/Acres Swept per Year <sup>1</sup>	Sweeping Frequency	Hours
<b>Local Streets</b>	8,884	Once per week	Days
<b>Collector Streets</b>	1,765	Once per week	Day/Nights
<b>Arterials</b>	6,395	Three times per week	Nights

Street Type	Approximate Lane Miles/Acres Swept per Year <sup>1</sup>	Sweeping Frequency	Hours
Alleys	587	Once per week	Nights
Total Miles	17,631		
Parking Lots	264 acres	Once per month	Nights

<sup>1</sup>Assumes sweeping 51 weeks of the year on both sides of the street, except alleys which are swept in the middle. Does not include non-sweeping miles.

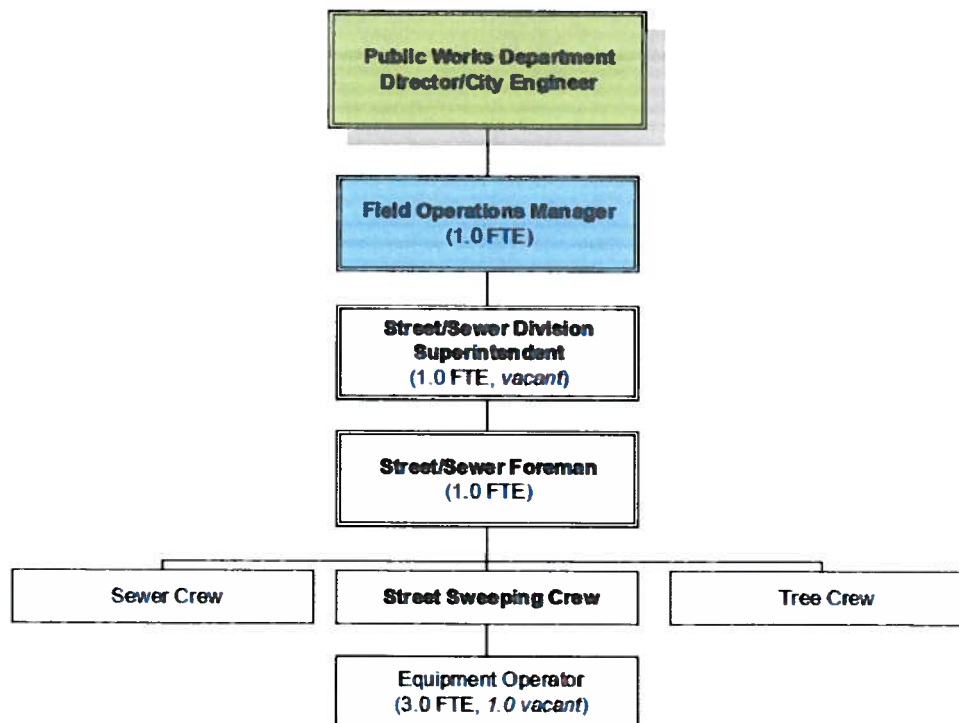
Parking lot sweeping at City parks is coordinated with Parks and Recreation staff and is completed before parks are open to the public. Staff estimates that 264 acres of parking lot surfaces are swept each year. Street sweeping is also performed before and after public events and in response to emergencies and accidents, as needed.

Street sweeping removes unsightly debris from roadways and is considered a best management practice for reducing pollutants in storm water runoff. Sweeping is coordinated with refuse collection, provided pursuant to an agreement with Waste Management, which is also a best practice. Typically, but not always, the street sweeper follows the refuse collection vehicle.

**Staffing**

Figure 1 shows the current organization structure of the street sweeping program.

Figure 1. Street Sweeping Program Organization Chart



Sweeping is performed by three equipment operators assigned to the Street and Sewer Division.

- Two equipment operators work the day shift, from 7:00 a.m. to 3:30 p.m.
- The third equipment operator works the night shift, from 2:30 a.m. to 10:30 a.m.

When absences occur due to paid or unpaid leave, staff from other street maintenance operations are often required to cover street sweeping shifts. This disrupts and reduces the productivity of the street maintenance operations. In interviews, employees commented that staff members dislike providing coverage for the street sweeping program, especially for the night shift, as it results in disrupted sleep patterns. Staff report that night routes and parking lots sometimes go un-swept when a regular street sweeping employee is absent.

The City does not maintain records that show actual hours worked in the sweeping program. However, payroll records indicate hours allocated or charged to street sweeping activities. Full-time employees are typically paid for 2,080 hours in a year, excluding any overtime. Regular hours include paid leave time for holidays, vacation and sick leave. As Table 2 shows, one of the daytime equipment operators allocated only 1,064 hours in the streets program in FY 2015-16 and 78 hours in FY 2016-17 due to a work injury. This employee recently retired.

Regular and overtime hours allocated to the street sweeping fund for the operators during the last three years are shown in Table 2. Hours spent on sweeping activities in FY 2016-17 appear to be markedly reduced from prior years. However, interviews with staff confirm that the day shifts are routinely swept, even when a vacancy occurs. Therefore, it is likely that approximately 1,500 hours spent by back-up operators performing street sweeping activities have been incorrectly allocated to another fund, most likely the City's general fund.

*Table 2. Operators' Hours Allocated to the Street Sweeping Fund for FY 2014-15 through FY 2016-17<sup>1</sup>*

	FY 2014-15	FY 2015-16	FY 2016-17
<b>Day Operator 1</b>			
Regular	2,080	2,160 <sup>2</sup>	2,080
Overtime	1	0	48
<b>Totals</b>	<b>2,081</b>	<b>2,160</b>	<b>2,128</b>
<b>Day Operator 2</b>			
Regular	2,080	1,064	78
Overtime	3	0	0
<b>Totals</b>	<b>2,083</b>	<b>1,064</b>	<b>78</b>
<b>Night Operator</b>			
Regular	2,080	2,160 <sup>2</sup>	2,080
Overtime	45	49	110
<b>Totals</b>	<b>2,125</b>	<b>2,209</b>	<b>2,190</b>
<b>Back-up Operators</b>			
Regular	0	560	160 <sup>3</sup>



	FY 2014-15	FY 2015-16	FY 2016-17
<b>Overtime</b>	187	345	343 <sup>3</sup>
<b>Totals</b>	187	905	503
<b>All Staff Hours</b>			
<b>Regular</b>	6,240	5,944	4,398
<b>Overtime</b>	237	394	501
<b>GRAND TOTAL</b>	6,477	6,338	4,899 <sup>3</sup>

<sup>1</sup>Includes paid leave time

<sup>2</sup>Regular hours shown are in excess of 2,080

<sup>3</sup>Hours are likely to be understated by approximately 1,500 hours due to incorrect charging to other funds.

### Service Delivery and Metrics

The Public Works Department has 16 sweeping routes, one for each day of the week (Monday through Friday) for the two daytime operators, one for each day of the week (Monday through Friday) for the night operator, and one map of alleys that are swept at night. The department does not record statistics about the number of routes completed as compared with routes scheduled, so fluctuations or decreases in service levels are not easily discernable. Through interviews, staff indicated that parking lots and the commercial and industrial streets were missed when other staff are unavailable to cover shifts of absent employees. Residential sweeping is the priority.

The permanent sweeping staff are customer-oriented, performing added sweeps at the request of residents, even when it can be substantiated (through viewing the street cam) that missed sweeps were caused by illegally parked cars or improperly placed trash carts. Sweeping is also performed on holidays. This practice is not a cost-effective use of resources as sweepers are paid on holidays based on an overtime pay scale.

Requests for services (resweeps or complaints) are most often telephoned into the Public Works Department. That request is taken by public works support staff who contact the street and sewer foreman to address the request. Based on interviews with staff, the City receives approximately 10 to 15 calls from the public each week about street sweeping issues.

The City provided a list of work orders completed for the street sweeping operation from January 1, 2001 through October 26, 2017. The data indicate:

- Thirteen work orders were completed during that time (almost eight years) for issues reported in the street sweeping field operation; and
- Thirteen work orders were completed by the equipment shop for sweeper problems during the same timeframe.

Based on the limited data provided in the work order system, it appears staff do not use it. Because service calls or requests for service from the public are not adequately recorded, it is



difficult to ascertain public satisfaction levels and objectively address sweeping issues that require improvement.

**Program Revenues and Costs**

This section provides an analysis of program revenues and costs associated with the City’s street sweeping operation.

**Revenue**

Funding for street sweeping activities is provided through allocations from the City’s Street Sweeping Fund. Revenue to support street sweeping is generated primarily from street sweeping service fees paid by residents and businesses on their monthly water bill. Current monthly sweeping service fees are shown in Table 3.

*Table 3. Monthly Sweeping Service Fees by Property Type*

Property Type	Monthly Service Fee
Single-Family Residence	\$2.58
Multi-Family Residence (per unit)	First unit: \$2.58 Additional units: \$1.55
Commercial/Industrial (per unit)	\$6.45

National Pollution Discharge and Elimination System (NPDES) inspection fees and the Utility City Statement fee also generate some minor revenue for the sweeping operation. Table 4 shows revenues collected during the last three fiscal years.

*Table 4. Street Sweeping Fund Revenues*

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Projected FY 2017-18
Street Sweeping Service Fee	\$689,600	\$685,436	\$688,285	\$699,590
NPDES Inspections	\$5,121	\$4,829	\$5,552	\$4,664
Utility City Statement Fee	\$315	\$948	\$934	\$950
Interest Earnings	\$0	\$791	\$1,997	\$816
<b>Totals</b>	<b>\$695,035</b>	<b>\$692,004</b>	<b>\$696,768</b>	<b>\$706,020</b>

Based on City records, street sweeping service fees have remained consistent since FY 2014-15.

### ***Expenditures***

Street sweeping expenditures are recorded in two departments: Administrative Services, which provides customer service support (billing and collection) and Public Works, which provides the street sweeping services. These are shown in Table 5.

*Table 5. Street Sweeping Fund Expenditures*

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Projected FY 2017-18
<b>Customer Service – Employee Services</b>	\$0	\$0	\$13,632	\$15,021
<b>Customer Service – Services and Supplies</b>	\$0	\$0	\$505	\$816
<b>Public Works – Employee Services</b>	\$274,136	\$269,187	\$252,987	\$329,859
<b>Public Works – Services and Supplies</b>	\$279,441	\$337,520	\$318,571	\$328,665 <sup>1</sup>
<b>Public Works – Debt Service</b>	\$88,275	\$0	\$0	\$0
<b>Totals</b>	<b>\$641,852</b>	<b>\$606,707</b>	<b>\$585,695</b>	<b>\$674,361</b>

<sup>1</sup> Includes \$80,000 in rental fees, \$134,831 in administrative overhead allocation and \$22,286 in vehicle maintenance allocation expenditures

Employee Services reflect employee salaries and benefits for those staff providing direct street sweeping services. The Services and Supplies accounts reflect program support costs and other allocated expenses. Projected budgeted program costs of \$674,361 result in a cost per curb mile swept of \$38.25 (based on an estimated 17,631 lane miles swept per year).

### ***Unallocated Staff Costs***

Hours spent on the street sweeping program and the associated salaries and benefit costs of supervisors and managers in the department are not being budgeted (or charged) to the street sweeping operation. These include time spent by the public works director, street/sewer superintendent and street foreman and additional time spent by the field operations manager. While no allocation of staffs' time is a perfect reflection of time spent, Table 6 shows allocations based on staffs' estimates of time spent on the sweeping program, relative to what is included in the program budget. Full costs are not being effectively captured.

As a result, approximately \$94,838 in costs is not being charged to the program (and is being charged elsewhere). This calculation does not include the allocation of fleet staffing costs discussed in the Equipment Costs section below.



**Table 6. Unallocated Time Spent by Public Works Supervisors and Managers on the Street Sweeping Program in FY 2017-18**

Position Classification/ Overhead Allocation	Current Adopted Allocation (salaries and percent of time)	Estimated Actual Allocation (salaries and percent of time <sup>1</sup> )	Estimated Salary Funding Gap	Estimated Funding Gap (with salary and benefits <sup>2</sup> )
<b>Position Classifications</b>				
<b>Public Works Director/City Engineer</b>	\$0; 0.0%	\$5,331; 3.0%	\$5,331	\$7,362
<b>Field Operations Manager</b>	\$6,565; 5.0%	\$16,412; 12.5%	\$9,847	\$13,599
<b>Street/Sewer Superintendent</b>	\$0; 0.0%	\$16,682; 15.0%	\$16,682	\$23,038
<b>Street Foreman</b>	\$0; 0.0%	\$48,194; 60.0%	\$48,194	\$66,556
<b>Subtotals</b>	<b>\$6,565</b>	<b>\$86,619</b>	<b>\$80,054</b>	<b>\$110,555<sup>3</sup></b>
<b>Overhead Allocation</b>				
<b>Current Overhead Allocation for Public Works Administration</b>	\$15,717	N/A	N/A	\$15,717
<b>TOTALS</b>	<b>\$22,282</b>	<b>\$86,619</b>	<b>\$80,054</b>	<b>\$94,838</b>

<sup>1</sup>Based on staff-estimated percentage of time spent on sweeping program.

<sup>2</sup>Estimated at 38.1%; the same percentage reflected in the total FY 2017-18 budget for public works street sweeping salaries and benefits.

<sup>3</sup>Excludes mechanics' costs which would traditionally be charged to the program as part of equipment maintenance allocation.

As mentioned previously, it is also likely that back-up operators who cover sweeper operator absences are not correctly charging their hours performing sweeping activities to salary accounts already budgeted in the street sweeping fund. An estimated 1,500 hours at \$41.43 per hour (\$30 per hour salary plus 38.1% in benefits) would result in additional charges of \$62,145 for sweeping activities that were incorrectly charged to other funds.

### Equipment Costs

City staff members indicate there are four sweepers in the fleet, as listed in Table 7. Only three are currently listed in the City's vehicle inventory. The Elgin Crosswind is not listed but according to staff, this vehicle is retained and used as a backup.

**Table 7. Status of Street Sweeping Equipment**

Vehicle	Year Purchased	Expected Useful Life (Years)	Age in 2018	Clean Air (AQMD Compliant)	Status
<b>Tymco 600</b>	2010	8	8	No	Due for replacement
<b>Tymco 600</b>	2010	8	8	No	Due for replacement
<b>Elgin Pelican</b>	1992	8	26	No	Overdue for replacement
<b>Elgin Crosswind</b>	1999	8	19	No	Retained as a backup vehicle

The City does not have an equipment replacement fund to fund the replacement costs for the sweeping equipment. All of the sweepers are beyond their useful life and are in need of replacement. New vehicles are required to use alternative fuel and comply with strict air quality emission standards. Consequently, the replacement cost is expensive, approximately \$290,000 each. Replacing three sweepers would require an investment of \$870,000.

Purchasing alternative fuel sweepers would be complicated by two additional factors. The nearest compressed natural gas (CNG) facility is in Compton, 15 miles away from South Gate, which would make fueling time-consuming and costly. In addition, to service CNG vehicles, upgrades to the garage facility would be required. The estimated cost of upgrades is between \$5,000 and \$10,000 to maintain and repair CNG sweepers. The use of liquified natural gas (LNG), another alternative fuel option, would not be ideal as the fuel is more costly and has a shorter shelf life. In addition, LNG vehicles are not offered by many sweeper manufacturers.

The City has experienced frequent equipment breakdowns with its older sweeping equipment. Two of the four vehicles are currently inoperable and have been set aside, waiting for parts. These breakdowns have required the department to rent equipment from a local sweeping company to continue providing service. Monthly sweeper rental costs are currently \$9,000 per month. These expenditures are shown in Table 8 below. Money previously set aside by the City to begin saving for sweeper replacements has been diverted to pay for rented equipment.

*Table 8. Sweeper Rental Expenditures*

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Budgeted
<b>Sweeper Rental Expenditures</b>	\$47,367	\$80,926	\$80,000

Having equipment that is at or close to the end of its useful life has the effect of increasing vehicle maintenance time. The fleet manager estimates that 80% of one mechanic’s time is spent maintaining the four vehicles allocated for street sweeping. The division does not maintain data on the actual time spent per vehicle to support this estimate. Additional maintenance is provided by each of the equipment operators who assist with maintenance of his sweeper by changing brooms once per week.

The total vehicle allocation for street sweeping in FY 2017-18 is \$22,286. This amount is inadequate and does not represent the fleet operation’s labor, equipment parts, maintenance, fuel and fleet overhead costs. Further, the City does not have a vehicle replacement fund so there is currently no money set aside to replace the sweeping vehicles. Fleet replacements are paid for from a general fund allocation each year to replace vehicles citywide.

Management Partners has developed an estimate of equipment operating costs (parts and labor), fuel and equipment replacement costs needed to operate a program of this size (shown in Attachment B. We believe that at a minimum:



- Vehicle maintenance, parts, and fuel, should be budgeted at an estimated \$117,000 per year. This estimate shows that approximately \$94,714 in costs are not being charged to the program.
- Replacement funds for the three sweepers should be budgeted at \$100,400 per year.

***Program Costs Exceed Revenues/Resources***

Table 9 compares street sweeping program revenues with estimated annual street sweeping costs. The data indicate that the City of South Gate’s estimated annual street sweeping program costs exceed available revenues by about \$258,293 annually and no funding has been identified to close the gap.

*Table 9. Street Sweeping Estimated Annual Program Costs and Revenues for FY 2017-18*

Type	FY 2017-18 Budget
<b>REVENUES</b>	
Street Sweeping Service Fee	\$699,590
NPDES Inspections	\$4,664
Utility City Statement Fee	\$950
Interest	\$816
<b>TOTAL REVENUES</b>	<b>\$706,020</b>
<b>COSTS</b>	
Budgeted FY 2017-18 Street Sweeping Program	\$674,361 <sup>1</sup>
Additional Salaries and Benefits (not allocated)	\$94,838
Additional Equipment Maintenance Costs (not allocated)	\$94,714
Equipment Replacement Contributions (not allocated)	\$100,400
<b>TOTAL COSTS</b>	<b>\$964,313</b>
<b>PROGRAM COSTS OVER REVENUES</b>	<b>\$258,293</b>

<sup>1</sup>Many of these costs may continue to be incorrectly charged to other city funds.

When the additional program costs are included, the total estimated annual program cost is \$964,313. This results in a cost per curb mile swept of \$54.69, based on an estimated 17,631 lane miles swept per year. In addition, as shown in Table 10, one-time funding of \$870,000 would need to be allocated to purchase new vehicles to sustain the current in-house sweeping program.

*Table 10. Street Sweeping One-Time Costs*

Type	FY 2017-18 Budgeted
<b>Purchase of New Sweepers (3)</b>	<b>\$870,000</b>
<b>TOTAL ONE-TIME COSTS</b>	<b>\$870,000</b>

### **Alternative Service Delivery Options**

There are basically two options to address the program funding needs: increase revenues or decrease expenditures. As mentioned previously, to support the ongoing annual charges required to sustain the program, revenues would need to be increased by approximately 37% or \$258,293. Based on the implementation of the City's street sweeping fee, there will likely be Proposition 218<sup>1</sup> implications as well as policy considerations that come with fee increases. Another alternative is to allocate additional General Fund monies to support the sweeping program. This is not likely feasible considering current demands on the General Fund.

One alternative for decreasing expenditures may be to lease-purchase new sweepers. This would eliminate the need to allocate such a large sum for new sweeping equipment. However, this would not bring total program expenditures into alignment with total revenues or resolve the issues associated with maintaining and fueling new CNG vehicles.

Alternatively, South Gate may be able to sustain its current revenue and expenditure allocations and level of service using alternative service delivery methods. Street sweeping is a service offered by the private sector at competitive rates. The best time to evaluate alternatives to street sweeping is when the majority of an organization's street sweepers need to be replaced, thus allowing the jurisdiction to avoid the cost of purchasing and maintaining the new equipment. Such is the case with South Gate, since all its sweepers are at or past their useful life.

Service delivery alternatives include outsourcing existing services, sharing services with other agencies under a regionalized service delivery system, or consolidating services with one or more agencies. Each is discussed below.

### ***Outsourcing***

Cities have always relied on the private sector to deliver some services. Starting in the 1970s wholesale contracting for services such as refuse collection became commonplace. The concept caught on widely in the 1980s and 1990s, as did a hybrid approach called managed competition or competitive sourcing (public and private services providers compete to discover the best value proposition). Most cities in the United States contract for some services. Many municipal services are currently contracted or subject to market competition.

The underlying principles of this approach include:

- A shift from a monopoly to a competitive environment is positive because the presence of competition (or the realistic potential for it) forces innovation and lowers costs.
- Competition must be structured around the best value, not simply the lowest cost. One of the lessons learned is that best value is not always delivered by the lowest bidder.
- A competitive environment does not mean that government gives up control or management responsibility. Even if a service is delivered by a private contractor, the

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<sup>1</sup>Proposition 281, approved by voters in 1996, amended the California Constitution and requires voter approval prior to imposition or increase of general taxes, assessments and certain user fees.



government remains responsible and must provide strong oversight and contract management.

- Performance must be measured, and the metrics agreed on before contracting. Both cost and performance must be continuously monitored and reported.

Competition for delivery of municipal services is not just a theory. In southern California, many jurisdictions are “contract cities” where most, if not all, basic services are provided by another public agency or a private provider, including police and fire services. Contracts are used by many cities for refuse collection, street sweeping, traffic signal maintenance, landscape maintenance, water treatment and distribution, construction plan checking, planning, engineering, payroll and investment management.

Introducing competition to municipal service delivery has consistently shown that either outsourcing or competitive sourcing will result in efficiencies. Costs are reduced and better contained over time if they are influenced by the competitive marketplace. The dynamics of a competitive environment and the economies of scale of a contractor that serves multiple clients typically results in savings between 20% and 40% of the cost of municipal service delivery. In some cases, the savings are higher.

Despite the potential for cost savings, in numerous cases, cities make a determination that it is better to provide the service directly with city employees. This determination is usually anchored in concerns about the quality of service obtainable via a contract and/or concerns about control over service delivery.

### ***Regionalization and Service Sharing***

Providing services regionally and sharing services have become concepts more cities have implemented because of financial conditions. Local government leaders have asked if service sharing between cities can reduce expenditures while maintaining quality services delivery. The answer to this question is yes, in some cases, with cost savings varying depending on the specific municipal service examined.

Departmental programs being carried out by a modern municipal corporation have different economies of scale and savings potential. Services such as fire, planning, utilities, and administration vary widely and have vastly different cost structures. With municipal services, bigger may sometimes be better, but this is not always the case. For some services, increasing size may introduce inefficiencies. The proper answer and policy direction are highly dependent on the type and nature of the service being delivered.

### **Case Study Research**

As part of our review, we prepared case studies that show the experience of other California cities that have outsourced their street sweeping operation or considered contracting pursuant to a competitive bid process. We included cities that have contracted services in the last ten years, considered but did not change service delivery methods, or provide street sweeping services through a contract. We also identified cities with a similar population size as South



Gate in Los Angeles or Orange counties. We reached out to eight cities as detailed in Table 11 below.

*Table 11. Cities Considered for Case Study*

Criteria	Cities
<b>Contracted services in last 20 years</b>	San Bernardino (San Bernardino County) Orange (Orange County) Palo Alto (Santa Clara County)
<b>Considered but did not change service delivery methods in last 10 years</b>	San Mateo (San Mateo County) Hawthorne (Los Angeles County)
<b>Similar population size in Los Angeles or Orange County</b>	La Habra (Orange County) Inglewood (Los Angeles County) Downey (Los Angeles County)

We conducted interviews with San Bernardino, Orange, Palo Alto, San Mateo, Hawthorne, and Downey. The objective was to learn about the cities' experiences, understand the operational context, decision-making process, and lessons learned.

After conducting the interviews, we decided to focus on Orange, Palo Alto, San Mateo, and Downey. San Bernardino had extenuating circumstances due to its bankruptcy. Hawthorne's interview had limited information available because the City's transition took place more than 30 years ago. The individual case studies are included in Attachment A.

As shown in Table 12, three of the four cities currently contract street sweeping services. San Mateo ultimately decided to continue providing services using city staff. Of the three cities that contract, all indicate that the savings were significant. Estimated savings were available for Palo Alto and Orange. Because Downey has provided services through a contractor for many years, the difference in the costs to move to contracted services was not discernable.

*Table 12. Case Studies: Summary Data*

City	Provider	RFP	Decision	Savings through Contracting
<b>Orange</b>	CR&R	Yes	Outsource	\$2.3 million (cost avoidance)
<b>San Mateo</b>	In-house	Yes	Remain In-house	N/A <sup>1</sup>
<b>Palo Alto</b>	CSS	Yes	Outsource	\$700,000+
<b>Downey</b>	Nationwide	Yes	Outsource	Unknown

<sup>1</sup> Staff reported they will be requesting additional sweeping staff in the FY2018-19 budget

As part of our case study development, we gathered the following contract cost data from the five cities that currently contract street sweeping services or have recently requested contract proposals. Table 13 shows that the cost per curb mile for contracting cities varies between \$13.04



and \$32.42 except when the jurisdiction has had the opportunity to combine sweeping with its refuse collection operation, as in San Bernardino.

*Table 13. Case Studies: Contract Cost per Curb Mile*

City	Total Annual Curb Miles Swept	Cost Per Curb Mile Swept
<b>Contracts in Effect</b>		
San Bernardino	27,648	Included at no cost in solid waste franchise
Orange	33,000	\$15.43 <sup>1</sup>
Palo Alto	17,272	\$32.42
Downey	28,392	\$13.04
<b>Contract Proposals Received in 2016</b>		
San Mateo	12,417	\$28.88 to \$30.00
<b>Contract Cost Range</b>		<b>\$15.42 to \$32.42</b>

<sup>1</sup>Next lowest bid was \$34.41 per lane mile. Contractor underbid according to city representatives.

Of the cities above, the most recent contract price was received by San Mateo in 2016 at \$28.88 to \$30.00 per lane mile. Using \$30.00 per lane mile, South Gate’s annual cost under a contracted service arrangement would be approximately \$528,921 (based on 17,631 scheduled lane miles), depending on the contract scope and performance standards. The relatively less expensive contract costs, as well as current challenges that South Gate is experiencing in maintaining staffing and street sweeper equipment, indicate that competitive sourcing is a viable alternative. This may be a particularly attractive option, especially compared with increasing street sweeping service fees to support total program costs.

**Implementing Best Management Practices**

Management Partners’ team members have identified best management practices in six areas through our previous work with jurisdictions that have evaluated sweeping operations. Implementing them may reduce costs and increase program effectiveness.

**1. Policy and Program Objectives**

Policies and program objectives are established for the following:

- Appearance (debris and trash removal) of streets and alleys,
- Air quality,
- Roadway maintenance and cleanup,
- Safety,
- Water quality,
- Turnaround time to address service requests from the public, and
- Sweeping schedules and equipment support storm water quality outcomes.

**2. Equipment Selection**

The equipment selected for use:

- Maximizes program objectives,
- Has the ability to pick up debris efficiently,



- Is appropriate for the street surface type,
- Has the hopper capacity needed and preferred dumping style,
- Meets alternative fuel requirements, and
- Has been evaluated to identify the cost to service the equipment over its life.

### **3. Operator Training**

Operator training has included:

- A review of sweeping program objectives;
- Factory-provided training of equipment, when possible;
- Training for new hires and backup operators;
- Implementation of daily operations and checklist procedures;
- Troubleshooting minor repairs;
- A review of daily cleanup requirements; and
- Preventive equipment maintenance.

### **4. Equipment Maintenance**

Ongoing equipment maintenance practices include:

- Adherence to scheduled maintenance, and
- A requirement that equipment be taken off-line when repairs are indicated.

### **5. Program Costs**

Monitoring of program costs include:

- Revenue and expenditure analyses to ensure a balanced fund,
- A comprehensive cost allocation program,
- An adequate replacement fund to replace sweeping equipment,
- Labor hour and cost monitoring, and
- Designation of alternative debris disposal method(s).

### **6. Performance Management**

Performance measurements and standards for the operation of the program are maintained that include:

- Number of scheduled routes completed,
- Curb miles swept,
- Debris disposal locations and volume of debris disposed,
- Catch basin monitoring,
- Route monitoring (GPS and visual monitoring),
- Program supervision,
- Monitoring of interdepartmental coordination with police department for parking enforcement,
- Monitoring of coordination with refuse hauler for refuse collection,
- Tracking of customer complaints, requests for service and resolution of requests, and
- Periodic customer surveys to determine level of customer satisfaction.



## **Conclusion**

This analysis indicates that exploring the option of outsourcing the street sweeping program through a competitive bid process has merit for the City of South Gate. The issues that suggest this as a viable alternative include the following.

- Staffing issues in street sweeping have resulted in staffing resources being allocated from other street maintenance activities. Outsourcing would allow the City to retain expected sweeping levels and avoid increasing employee-related costs. Additionally, there are vacancies in the department where displaced employees could be reassigned, thus avoiding layoffs.
- Staffing and maintenance costs have been undercharged, thus program costs have been underestimated.
- The City has insufficient revenue to support the full cost of its street sweeping program and generating additional revenue for this purpose will be complex and challenging.
- All street sweeping equipment is at the end of its useful life and the City does not have an equipment replacement fund to replace sweeping equipment. Outsourcing the operation would allow this capital cost to be avoided.
- Based on the most recent bid of \$30 per curb mile received by cities that were part of the case studies, it is likely that the City would have sufficient annual revenue to support its current street sweeping program.

## Attachment A: Case Studies

### *City of Orange Case Study*

#### **Introduction**

In 2012, in the midst of the economic downturn, the Orange City Council asked the Public Works staff to look at ways to reduce costs and staff. The City hired Management Partners to evaluate outsourcing six maintenance operations in the Public Works Department, including street sweeping. The City’s sweepers were all due for replacement at that time. After analyzing the street sweeping operation, Management Partners recommended the City solicit competitive bids to consider outsourcing the operation.

#### **Background**

The City’s goal for its street sweeping program is to ensure adequate maintenance of the public right-of-way to enhance public safety and improve circulation by providing sufficient levels of street sweeping. Before contracting, the City provided street sweeping services using city staff and equipment. The City swept 33,000 annual curb miles a year with six authorized full-time Sweeper Operator positions. Five of the positions were filled by long-term employees and the sixth position was vacant. Streets were swept once per week at a cost of \$26.03 per mile. At the time of the decision, the City had eight street sweepers, all of which were due or overdue for replacement.

Based on the analysis provided by Management Partners, it was recommended that the City explore a competitive bidding process for its street sweeping program based on the following reasons:

1. The City could avoid \$2.1 million new equipment costs through competitive sourcing, and
2. Annual savings from contracting were estimated between \$64,000 and \$389,000.

#### **Alternatives**

The City considered three alternatives, as shown in Table 14. Option A was to retain the operations in-house. Options B and C required competitive sourcing, but option C would reduce service frequency levels by half. For both options B and C, current street sweeping staff would be placed in other vacant positions in the department.

*Table 14. Street Sweeping Alternatives Considered by the City of Orange*

	In-house	Contract
<b>Weekly sweeping</b>	<b>Option A (status quo)</b> Retain the program in-house and replace the sweepers.	<b>Option B</b> Competitively source its sweeping operation with the once per week sweeping schedule.
<b>Bi-weekly sweeping</b>	<b>N/A</b> City did not consider this option.	<b>Option C</b> Competitively source its sweeping operation and reduce the level of service by half. For example, the once per week schedule for residential sweeping would be changed to an every-two-weeks schedule.

To evaluate Options B and C, the City issued a detailed request for proposals (RFP) seeking competitive bids for its street sweeping services. Proposers were asked to submit costs for both alternatives.

The City received seven responses to its RFP. Prices for annual sweeping services varied substantially, from \$509,140 to \$1,542,519. The second lowest bid was \$1,049,625 or 106% higher than the lowest bidder.

### **Decision**

The evaluation team, comprised of members from the Public Works Department, evaluated the proposals using the following criteria:

- Cost: 40%;
- Professional and technical experience: 20%;
- References: 20%; and
- Management and quality control plan: 20%.

After evaluating the proposals, the evaluation team interviewed the lowest bidder to confirm its ability to perform the required work. Once confirmed, the City awarded a five-year contract to the lowest bidder. The contract was awarded to its refuse hauler, a company already known to the City. The contract allowed a 2% maximum increase per year in years two through five. The selection process took approximately four months.

The primary reason for moving ahead with the decision to contract the operation was to avoid approximately \$2.3 million by not having to replace sweepers. The resulting staffing changes were considered cost-neutral by City of Orange managers. Two employees from the street sweeping operation were transferred to fill frozen positions (which would have otherwise been eliminated), and three employees into existing vacancies.

City managers decided to maintain the once-per-week sweeping schedule to avoid creating any issues with National Pollutant Discharge Elimination System (NPDES) requirements for reducing pollutants in storm water runoff.

### **Implementation**

Contracted sweeping service started five to six months after the City Council's contract award. The contract required the contractor to purchase and use new sweepers. The purchase of all new sweepers took approximately a year to complete. The City auctioned off six of its sweepers and retained two for emergencies.

The transition from using in-house staff to contract staff took more work than anticipated for management staff. City sweepers had been performing extra sweeping based on their knowledge and familiarity with the routes. This was not incorporated into the sweeping routes of the original contract. The extra services took months to include in the contractor's sweeping routes.

Orange incorporated a best management practice into its program oversight with the use of a formalized rating system to monitor sweeping effectiveness. This was to ensure the services provided by the contractor consistently met expectations as a condition of payment.

The formalized rating system was used frequently in the first six to twelve months. When services performed were inadequate, the City reduced its payments to the contractor. The use of the rating system became a source of friction between the City and the contractor and the system is no longer being used on a regular basis.

Most of the implementation issues with the contractor, including issues related to service levels, have now been resolved through close contract monitoring. However, the City continues to have issues with the contractor's response to emergencies, especially those that occur at night. Management estimates that the contractor is currently responding to eight out of ten events. Staff are required to respond when the contractor doesn't.

Former sweeping staff have been asked to sweep during emergencies, but those requests have been met with resistance. Currently when a staff member is needed to operate a sweeper, it is assigned to an Equipment Operator (a higher-level position than the Sweeper Operator) in the City.

The street sweeping contract in Orange is managed by the Field Services Manager. The Assistant Manager is responsible for checking the contractor's performance in the field.

#### **Lessons Learned/Recommendations**

The City has found it is less costly to contract sweeping services. The City savings of \$2.3 million were primarily in avoided vehicle replacement costs. By eliminating regular City staff positions, they have likely avoided increasing benefit costs, which have escalated faster than the 2% maximum contractual rate increase.

Contractors require more oversight because they do not generally have the same level of commitment to the City as staff. Because of this, staff indicate they have lowered their expectations regarding service levels.

The City initially required the contractor to use equipment that was no older than one year, while waiting for its new sweepers to arrive. Once new sweepers were put into operation, the City required that the sweepers be replaced every five to six years. In addition, it has been a good practice for the City to require the contractor to report equipment breakdowns to the City's contract manager. These practices help ensure that the contractor uses new and/or working equipment to provide services to the City.

Operations are optimized when there is good communication and limited turnover of the contractor's project manager and lead driver. Public Works managers meet once a month with the contractor's project manager.

City staff recommend having a clear contract provision regarding dumping of street sweeping debris, specifically stating where street debris should be dumped and who (staff or the contractor) is responsible for loading the debris into the trash roll-offs or bins. It is recommended that the contractor use a site not owned by the City for dumping to avoid conflicts.

Finally, the staff recommend having clear contract provisions regarding the contractor's water usage. It is recommended that the contractor pay for water using their own water meter.

### **Data**

Contractor: CR&R Inc.

Contract Amount: \$509,140 (FY 2013/14); maximum increase of 2% per year

Annual Miles Swept: 33,000

Cost per Mile: \$15.43

### ***City of San Mateo Case Study***

#### **Introduction**

In 2015, the City of San Mateo decided to consider competitively sourcing its street sweeping operation. The City's sweepers were due for replacement and the City Manager asked the Public Works Department to consider available alternatives before spending a significant amount of money to replace them.

The City hired Management Partners to conduct a cost of service analysis of its street sweeping program. After analyzing the operation, Management Partners recommended that the City solicit competitive bids to consider outsourcing its street sweeping operation.

#### **Background**

The City's goal for its street sweeping program is to reduce trash and litter in the streets. Street sweeping is regarded as an integral part of the City's storm water program.

The City has provided street sweeping services using city staff and equipment for as long as existing staff can recall. The City sweeps 12,417 annual curb miles a year with two full-time sweeper operators. Staff absences are covered by staff from other public works operations. Part-time staff from other maintenance operations supplement the program by providing leaf pickup during four to five months a year.

The City has three sweepers, one of which is retained as a backup vehicle when one of the regular sweepers requires repair. In addition, they have a pick-up truck, leaf vacuum and dump truck used for leaf pickup. Both primary sweepers, the leaf vacuum, and dump truck were due for replacement in 2015.

In San Mateo, the streets are swept every two weeks, except in areas with heavy debris where they are swept once a week. The City has received complaints from the public about unequal



service in areas from some residents but increases in services were unrealistic given the budget constraints.

Revenue to support the street sweeping program is provided by a surcharge to the City’s solid water collection rates. The total amount allocated to street sweeping was a flat amount that had not been increased since 1999. Thus, as costs increased, sweeping revenue levels stayed the same and became increasingly insufficient.

To address the revenue/expenditure imbalance, an internal committee reviewed the City’s sweeping areas to determine if they had heavy or light debris. Based on their assessment, this committee recommended altering street sweeping schedules so that some streets are swept less often, and some are swept more often than the standard once-every-two-weeks schedule.

Based on the cost analysis provided by Management Partners, it was recommended that the City explore a competitive bidding process for its street sweeping program based on the following issues:

1. Program expenditures exceeded revenues.
2. Some personnel time spent on sweeping was not being charged to the fund.
3. Equipment maintenance costs were not being charged to the fund.
4. Equipment replacement cost allocations were insufficient to cover replacement costs. An additional \$172,000 would be required to replace the sweepers.
5. The City could avoid \$490,000 in equipment costs in the sweeping fund and \$75,700 in other funds altogether by not purchasing the equipment through competitive sourcing.

**Alternatives**

The City considered four alternatives, as shown in Table 15. Option A was to retain sweeping operations in-house and to bear the equipment replacement costs. Option B was to retain sweeping in-house and implement a variable schedule based on the volume of debris. Options C and D required competitive sourcing. Option D would alter the service frequency to reflect the recommendations of the in-house committee. For both options C and D, current street sweeping staff would be placed in other vacant positions in the department.

*Table 15. Street Sweeping Alternatives Considered by the City of San Mateo*

	In-house	Contract
<b>Existing schedule (once-every-two weeks)</b>	<b>Option A (status quo)</b> Retain the street sweeping program in-house and replace the sweepers and other equipment.	<b>Option C</b> Competitively source street sweeping operation retaining the once-every-two-weeks schedule.
<b>Variable schedule (based on the volume of debris)</b>	<b>Option B</b> Retain the street sweeping in-house and implement a variable schedule. The City considered this option before evaluating contracting options.	<b>Option D</b> Competitively source street sweeping operation and implement a variable schedule.



To evaluate alternatives C and D, the City issued a detailed RFP seeking competitive bids for its street sweeping services. Proposers were asked to submit costs for the current schedule (Option C). Within six months, proposers would be required to submit a revised sweeping plan based on their assessment of the debris found in various areas of the community (Option D).

The City received only one response to its RFP. Other companies declined to provide a proposal because their operations were located too far away.

### **Decision**

The proposal was evaluated using the following criteria by a team comprised of managers and supervisors from the Public Works and Parks Departments:

1. Cost: 50%;
2. Professional and technical experience: 25%;
3. Management and quality control plan: 15%; and
4. References: 10%.

The City ultimately decided to keep its sweeping services in-house. The reasons stated in the staffs' report that followed the RFP process were:

1. A single proposal made it difficult to substantiate that contracting cost would be cost-effective.
2. With outsourcing, there would be a loss of in-house expertise.
3. Outsourcing would result in the loss of ability to efficiently and effectively modify the street sweeping program.
4. The savings from contracting over a six-year period of \$370,100 would be reduced by the contractor's increase based on the Consumer Price Index.

The staffs' report did not address the costs of the program that were being charged to other funds, the increases in City costs expected in future years or the City's ability to avoid vehicle replacement costs (\$490,000 in equipment costs in the sweeping fund and \$75,700 in other funds).

The anticipated pushback from the union and protest at the Council meeting for the award of a contract were also elements of the City's decision-making process, but not documented in writing.

### **Implementation**

Since the decision was made to retain the program in-house, the City has made various changes to its program, as detailed below.

1. Public Works staff are currently in the process of implementing a modified schedule, so some streets are swept less often than two weeks during non-leaf season and some are swept weekly. This action may result in additional complaints from the community related to unequal service levels.

2. Staff are currently negotiating with their refuse hauler to use a portion of the trash fees to supplement the sweeping program.
3. City managers have added flexibility in assigning replacement staff to fill in when a regular staff member is out by reclassifying the sweeper operator positions to maintenance workers with a pay differential when they are working as sweeper operators.
4. Department managers indicate they will be requesting one additional position in the FY 2018-19 budget for sweeping to cover operators when they are sick or on vacation. When the new position is not sweeping, s/he will assist in other maintenance areas.

### **Lessons Learned/Recommendations**

City staff recommend using a comprehensive, detailed RFP that addresses all sweeping issues when seeking competitive proposals.

### **Data**

Annual Miles Swept: 12,417

Cost per Mile: \$48.79

### ***City of Palo Alto Case Study***

#### **Introduction**

In 2011, the Palo Alto City Council asked the Public Works staff to explore options for balancing the Refuse Fund after losing a portion of the refuse revenue as a result of the City's landfill closure. The street sweeping program, which was funded through the Refuse Fund at the time, was one of the areas that staff were tasked with researching.

#### **Background**

The City's goal for the street sweeping program is to remove 90% to 95% of the debris from streets. The remaining 5% to 10% of debris is due to parked cars remaining during the street sweeping operations. Staff noted that a stronger parking enforcement program would be required to improve operations to remove 100% of the debris.

Prior to contracting, 11 full-time positions in the Public Works Department annually swept approximately 17,000 miles. The positions and operations related to street sweeping were annually funded by the Refuse Fund, at about \$2 million (FY 2011 adopted budget).

The staff implemented a pilot program to see how much reduction of services would impact savings. Streets were swept less frequently (once a week to once every other week) during the non-leaf season for six months, from April to September of 2012. At the end of the pilot, the results were presented to the City Council. Although service levels were not significantly affected, the cost savings were not significant enough to address the budget issues. The Council directed staff to further research ways to balance the Refuse Fund.



**Alternatives**

When the City Council directed staff to review street sweeping operations to balance the Refuse Fund budget, the staff explored several options, as shown in Table 16.

- A. By default, the first option was to maintain the status quo by continuing services in-house and look for alternative options to raise Refuse Fund revenues. However, this was not a feasible option given Council direction to reduce street sweeping expenditures.
- B. The second option was to keep operations in-house but reduce service delivery frequency during the non-leaf season from every week to every other week. This option was explored through the pilot program conducted from April 2012 to September 2012. Service levels with this option were satisfactory, but cost savings were not significant.
- C. The third option was to contract operations, but maintain service delivery frequency at once a week, even during the non-leaf season. This option was not desirable because the pilot program showed that less frequent sweeping services during the non-leaf season yielded satisfactory results.
- D. The fourth option was to contract operations and continue the frequency of the pilot program (i.e., every other week during the non-leaf season). This was determined to be the best alternative for the City.

Table 16. *Street Sweeping Alternatives Considered by the City of Palo Alto*

	In-house	Contract
<b>Weekly sweeping during non-leaf season</b>	<p><b>Option A</b>                      Instituted prior to 2011  <b>Savings:</b> none  <b>Service levels:</b> good</p>	<p><b>Option C</b>                      Not instituted because bi-weekly sweeping during non-leaf season yielded satisfactory service levels (shown in Option B)  <b>Savings:</b> unknown  <b>Service levels:</b> unknown</p>
<b>Bi-weekly sweeping during non-leaf season</b>	<p><b>Option B</b>                      Instituted as a pilot program between April to September 2012  <b>Savings:</b> not significant  <b>Service levels:</b> satisfactory</p>	<p><b>Option D</b>                      Instituted after 2014 as the best alternative to balance the Refuse Fund  <b>Savings:</b> high  <b>Service levels:</b> satisfactory</p>

In early 2013, the City designed and released a request for proposals (RFP) to obtain proposals to consider for Option D for street sweeping services.

**Decision**

As a result of the RFP process, the City received two proposals. A panel comprised of Public Works managers evaluated the proposals and interviewed the potential contractors. The proposals were evaluated using the following criteria:

- 1. Quality, performance, and effectiveness of solution (20 points possible)
  - a. Debris removal
  - b. Street sweeping
- 2. Ability to hire displaced workers/phasing option (5 points possible)



3. Proposer's prior record of performance with others (10 points possible)
  - a. Qualifications
  - b. Previous experience on similar projects
4. Proposer's financial stability (5 points possible)
5. Cost (30 points possible)
6. Quality and completeness of proposal (5 points possible)
7. Proposer's experience (10 points possible)
8. Proposer's ability to provide future maintenance/services (5 points possible)
9. Proposer's ability to work within time specified (5 points possible)
10. Proposer's compliance with applicable laws, regulations, policies, and guidelines (5 points possible)

As shown above, price was the greatest determining factor, followed by the firm's ability to perform the work. For the manager of Maintenance Operations, key considerations included the ability to do the job in a timely manner with proper equipment use, but also the contractor's ability to provide customer service. Checking references was a key part of verifying the contractor's qualifications.

Based on the evaluation, the panel made the recommendation of the contractor to the Public Works Director, who then made the recommendation to Council. The Council approved the staffs' recommendation in 2013.

### **Implementation**

After the contractor was selected in 2013, it became apparent that staff would be affected so labor issues needed to be addressed. Meet and confer considerations took a year to resolve. The issues were addressed by the City Manager's Office and the Human Resources Department.

As a result of the negotiations process, the Public Works Department went from 11 full-time positions to four full-time positions for the street sweeping function (primarily for sweeping of parking lots and contract management). Of the seven positions eliminated, three employees were placed in other positions within the City.

Once the labor issues were resolved, the Manager of Maintenance Operations and the Project Manager, who reports to the Manager of Maintenance Operations, spearheaded the transition in the Public Works Department. The contractor's service delivery began in September of 2014.

There has been significant savings since the contract was implemented in 2014. Staff estimate a minimum ongoing annual savings of \$700,000 not including the impacts of savings from long-term liabilities (e.g., health care and pension costs). FY 2015 actual expenditures for street sweeping was \$1 million, approximately half of the in-house service delivery cost.

The Project Manager monitors and manages the street sweeping contracts. Any missed routes, complaints, or issues with cleanliness are reported to the Project Manager. The administrative



staff are trained to provide customer service for simple issues or questions. The Project Manager conducts random visual inspections to make sure performance standards are met.

### **Lessons Learned/Recommendations**

The City's decision to contract street sweeping services has fully balanced the Refuse Fund. The decision has increased productivity; services that were delivered by 11 employees are now provided by four employees at a lower cost with good service levels. The streets are clean; the contractor regularly sweeps at the designated frequency. In cases where the contractor misses elements of any routes, the contract allows the contractor 24 hours to go back and finish the missed elements before a penalty is imposed. Residents have not expressed additional grievances since the service has been contracted to a private company.

The biggest challenge implementing the contract was the resolution of labor issues, which the City's labor team addressed. In terms of department staff, some members were initially resistant to the change since the City has been providing the services for a long time. The limited fiscal impact of the pilot program (in-house services with less frequent routes) helped staff realize contracting was the best fiscal option. Furthermore, once the contractor proved to be a qualified service provider, staff became more supportive of the decision to contract the service.

There are no major challenges with the contractor currently, especially in terms of service delivery or customer service. The City has experienced a minor issue with the turnover of the contractor's drivers, but new drivers have been trained quickly to meet the City's needs.

Some of the biggest success factors for the City's selection of the contractor are 1) thoughtful planning in the early stages for exploring options (e.g., research, and pilot program), 2) incorporating the learnings from the research and exploration phase in the design of the RFP and 3) checking references to verify the contractor's qualifications.

### **Data**

Contractor: Contract Sweeping Services (CSS)

Contract Amount: \$598,661.20

Annual Miles Swept: 17,272.48

Cost per Mile: \$34.66

### ***City of Downey Case Study***

#### **Introduction**

The City of Downey has provided street sweeping service through contract agencies for at least the last three decades. Currently, the City provides its street sweeping services through Nationwide Environmental Services (NES). The contract began in 2003 and was renewed in 2008 and 2012. The current contract is set to expire in 2020.

#### **Background**

The City's goal for the street sweeping program is to meet the National Pollutant Discharge Elimination System (NPDES) requirements by reducing litter in the street. Staff noted that

reducing street litter also benefits the community by reducing the rodent population as well as mosquitos, which is aggravated by stagnant water created by litter in the catch basins.

Downey’s Superintendent of Maintenance and Facilities, who oversees the street sweeping functions, has been with the City for two years. He is in the process of instituting a more effective and systematic performance monitoring system through random inspections.

**Alternatives**

The City now has the option of retaining the contract until it expires or discontinuing it and exploring alternative service delivery methods. The City is satisfied with the current contractor and is unlikely to discontinue the contract unless a sufficient cause is presented.

Assuming the current contract is retained until it expires, the City can extend or modify the contract, issue a request for proposal (RFP) for a competitive bidding process, or provide services in-house at that time. The options available to the City are outlined in Table 17.

*Table 17. Street Sweeping Alternatives Considered by the City of Downey*

	Keep Contract Until 2020
<b>Contract with NES (Current Contract)</b>	<b>Option A</b> Continue with the current contractor until contract expires and extend current contract.
<b>Contract with Another Company</b>	<b>Option B</b> Continue with the current contractor until contract expires and issue RFP.
<b>Provide Services In-House</b>	<b>Option C</b> Continue with the current contractor until contract expires and bring operations in-house.

**Decision**

The City is likely to keep the services provided by its contractor because it is the most cost-effective option. The purchase and maintenance cost for equipment is high, as are long-term employee costs required to operate the equipment. Street sweeping equipment is not usually usable for other Public Works functions, so the return on investment does not generally cover costs.

Whether the City will choose to extend the current contract or issue an RFP remains unclear. The current contract costs approximately \$13 per street mile swept. Issuing an RFP may be a viable way to make sure the City is getting the most value for its investment. However, it would take a minimum of six months for staff to develop and issue an RFP, evaluate proposals, award a contract, and implement it.



**Implementation/Current Operations**

The street sweeping function and contract is managed by the Maintenance Division, although contract negotiations are handled by the Public Works Director and his/her delegate. The current operation is monitored based on the number of complaints. Residents seem to be satisfied with the service levels, aside from the occasional complaint during leaf season. In the case of a complaint, a staff member of the Maintenance Division inspects the complaint and asks the contractor to address the issue if necessary.

To improve the management of the program, the Superintendent of Maintenance and Facilities is in the process of instituting a more effective and systematic performance monitoring system through random inspections. The process would require a member of the Maintenance Division to complete a formalized rating sheet to record performance data.

The City has the ability to obtain information about the amount of sweeping debris that is dumped at the Downey Area Recycling and Transfer facility (DART) to inform performance measures, but the data are not being requested at this time.

**Lessons Learned/Recommendations**

Contracting is cost-effective because the option saves on the investment required for street sweeping equipment, which is costly. Use of street sweeping equipment is limited solely to the street sweeping function; other Public Works divisions cannot use the equipment for other purposes in most cases.

Issuing an RFP is a good way to make sure the City is getting the best deal and updating its price schedule to meet its changing needs. Including a contract ending date that requires the contract to be rebid if sweeping services are unacceptable is one method of ensuring the City obtains the best service delivery for its investment.

In addition, incorporating a per-unit cost (e.g., cost per additional acre, street mile, or hour of service) into the contract would allow flexibility in adjusting services as the City's needs change during the contract period. The necessity to renegotiate minor service additions or revisions can be resource consuming.

Cross-training city staff allows for reallocation of resources when a service is contracted. Once the function is contracted, the employees who are left in the Public Works Department can focus on other needs/priorities of the City that the department lacked the capacity to address before (e.g., parks and street patching).

**Data**

Contractor: Nationwide Environmental Services

Contract Amount: \$370,179 (with CPI and fuel adjustments)

Annual Miles Swept: Approximately 28,392

Cost per Mile: Approximately \$13.04

**Attachment B: Estimated Equipment Operating and Replacement Costs**

Sweeper Unit	Age in 2018 (Year Purchased)	Replacement Date	Current Replacement Cost <sup>1</sup>	Estimated Annual Operating Costs <sup>2</sup>	Estimated Annual Replacement Costs <sup>3</sup>	Estimated Total Operating and Replacement Costs
<b>Elgin Pelican<sup>4</sup></b>	26 (1992)	Overdue	\$290,000	\$39,000	\$33,478	\$72,478
<b>Tymco 600</b>	8 (2010)	Due	Keep as spare unit			
<b>Tymco 600<sup>5</sup></b>	8 (2010)	Due	\$290,000	\$39,000	\$33,478	\$72,478
<b>Elgin Crosswind<sup>6</sup></b>	19 (1999)	Overdue	\$290,000	\$39,000	\$33,478	\$72,478
<b>Totals</b>			\$870,000	\$117,000	\$100,434	\$217,434

<sup>1</sup>Replacement estimate based on cost of 2018 Tymco 600 CNG model per Tymco Inc. No alternative fuel grants available at this time according to California Department of Energy.

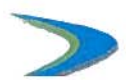
<sup>2</sup>Includes estimated annual parts/labor costs of \$4,000 and fuel costs of \$35,000.

<sup>3</sup>Current cost inflated annually by 3% over 10-year life expectancy, less salvage (15%), plus auction fees of 6%

<sup>4</sup>Estimated salvage value of Elgin Pelican is \$3,000.

<sup>5</sup>Estimated salvage value of Tymco 600 is \$20,000.

<sup>6</sup>Estimated salvage value of Elgin Crosswind is \$5,000.



JUL 21 2015

**AGENDA BILL**

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

For the Regular Meeting of: July 28, 2015

9:55am

Originating Department: Public Works

Department Head:

*AK*  
Arturo Cervantes

City Manager:

*Michael Flad*  
Michael Flad

**SUBJECT: ADDITIONAL STREET SWEEPING DAYS AND RATE STUDY FOR STREET SWEEPING SERVICES**

**ACTIONS:**

- a. Discuss the possibility of providing street sweeping services during the holidays, when City Hall is closed; and
- b. Authorize staff to procure a specialty consultant to conduct a street sweeping services rate study necessary to develop a service rate capable of fully funding, as well as enhancing, existing street sweeping services.

*AS*

**FISCAL IMPACT:** A total of \$10,000 in Street Sweeping Funds are budgeted in the Fiscal Year 2015-2016 Budget for the preparation of a street sweeping rate study (Account No. 214-730-31-6101).

**REPORT SUMMARY:** This item was continued from the July 14, 2015 City Council meeting. This item was added to the agenda at the request of Councilman Gil Hurtado to consider providing street sweeping services on holidays, when City Hall is closed (street sweeping service is not provided for 13 holidays). Staff is recommending that a street sweeping rate study be prepared to evaluate the operational and financial impacts of providing street sweeping services on holidays, as well as to evaluate other financial issues being experienced in the Street Sweeping Services Program.

For decades, the Public Works Department has been managing and operating the City's Street Sweeping Service Program. This program services streets, alleyways, parking lots, City events, and provides special sweeps and emergency service callouts. Residential areas are swept during the day and the commercial and industrial areas are swept at night, on a weekly basis. Some parking lots and alleyways, such as those that service the Tweedy Mile, are swept three times per week. All other alleys are swept twice per month. Street sweeping services are essential to complying with the storm water mandates made by the State Water Resources Control Board under the National Pollution Discharge Elimination System (NPDES) Program.

Street sweeping services are funded through a special street sweeping services fee that was originally adopted on September 10, 1991. The fee has been increased several times. The following page contains a comprehensive summary of the history of the service fees.

The annual service fees are billed monthly through the water bill. The monthly fee remains uniform even though the services performed monthly may vary from month to month. For example, street sweeping services in one month might include several special events, a holiday, some emergencies and sweeping some residential streets more than once a week. Street sweeping services in another month might not include any holidays, special events, or emergencies. In both cases, the monthly service fee will remain the same given that the goal of the monthly service fees is to collect the total amount in fees needed annually to fully fund the street sweeping services program.

## SUMMARY OF STREET SWEEPING SERVICE FEES

	Single Family Per Unit (1 to 4 Units)	Multi-Family Per Unit (5 or more units)	Industrial/ Commercial			
1991-2003	\$1.00	\$0.60	\$2.50		9/10/1991	Resolution 4980 to establish Fees for Street Sweeping Services
2003-2009	\$2.00/\$1.20	\$1.20	\$5.00	100%	8/12/2003	Ordinance 2143 Adjust Fee annually per CPI
2009-2010	\$2.14	\$1.28	\$5.35	7%	6/09/2009	Resolution 7313-New Schedule of Fees
2010-2014	\$2.48	\$1.49	\$6.20	16%	6/08/2010	Resolution 7373-New Schedule of Fees
2014-2015	\$2.55	\$1.53	\$6.39	3%	6/25/2014	Resolution 7557-New Schedule of Fees

The annual revenue from street sweeping service fees is approximately \$650,000; however, the FY 2013-2014 budget for staffing, materials, and vehicle maintenance was \$712,649. The FY 2014-2015 budget was reduced to \$595,032, but the Street Sweeping Fund started with a \$60,754 deficit. The FY 2015-2016 adopted budget is \$698,225, with only \$650,000 estimated in street sweeping service fees.

The budgetary needs of the Street Sweeping Services Program changes annually while the annual revenue remains fairly constant. Currently, there is a projected deficit in the Street Sweeping Fund. The existence of a deficit suggests that, over time, expenditures have exceeded revenues. This means that the General Fund is subsidizing the deficit.

Staff is proposing that a street sweeping services rate study be prepared to address the cost issues on the Street Sweeping Services Program. Below is a summary of the known issues:

- Currently, there are certain program costs that are subsidized by the General Fund because certain program costs are not charged to the Street Sweeping Fund (e.g. management, administrative, substitute staffing and dumping costs). The study would quantify total amount of such costs;
- The street sweeping vehicle fleet is aging and there are no funds in the Street Sweeping Fund to replace any of the fleet. The current street sweeping services rate is not sufficient to fund a vehicle replacement program. A vehicle replacement program would allow for the timely replacement of aging street sweeping vehicles;
- At least one street sweeping vehicle must be replaced on a high priority basis but there is no funding in the Street Sweeping Fund to purchase a new vehicle. Staff has acquired two quotes for the purchase of one street sweeper unit. The estimated replacement cost is approximately \$379,000 inclusive of a five percent (5%) contingency;
- A rate study could identify options for reducing operational costs so as to maximize the efficiency and cost effectiveness of the street sweeping services program.;
- Street sweeping services are not provided during holidays. The rate study would assess the cost of providing street sweeping services during holidays. There are a handful of cost elements that must be quantified financially such as the following;
  - Additional labor costs (e.g. (a) Standby Street Sweeper Operator Services, (b) funding for overtime pay at a holiday rate of 2.5 times the hourly rate, (c) funding for City mechanics that must be on standby for possible breakdowns, etc.);

- Labor and material costs to modify/replace the existing street sweeping signs to remove the "Except Holidays" language;
- Additional Fuel Costs;
- Rental agreement costs for holiday services that will need to be procured in case there is an emergency need to rent a street sweeper during a holiday; and
- Labor costs from the Police Department to enforce "No Parking" on holidays.

There may be more cost issues than those listed above. The street sweeping services rate study would identify all cost issues, and develop a recommended fee structure that could fully fund the street sweeping services program and be sustainable over time.

**ATTACHMENTS:** A. Resolution No. 4980 Establishing Street Sweeping Fees in 1991  
B. Ordinance No. 2143 Increasing the Street Sweeping Fees in 2003  
C. Resolution No. 7313 Increasing the Street Sweeping Fees in 2009  
D. Resolution No. 7373 Increasing the Street Sweeping Fees in 2010  
E. Resolution No. 7557 Increasing the Street Sweeping Fees in 2013

AC:ar/ew/lc



1 RESOLUTION NO. 4980

2 CITY OF SOUTH GATE

3 LOS ANGELES COUNTY, CALIFORNIA

4 A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
5 OF SOUTH GATE, ESTABLISHING FEES FOR STREET  
6 SWEEPING SERVICES

7 WHEREAS, it is necessary, desirable and in the public interest  
8 to establish fees for street sweeping services  
9 provided by the City of South Gate; and

10 WHEREAS, The City Council has determined that the fees as  
11 hereinafter set forth do not exceed the reasonable  
12 cost of providing such street sweeping services; and

13 WHEREAS, a public hearing on this matter has been held as  
14 required by law;

15 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
16 HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

17 SECTION 1. The City Council hereby establishes the following  
18 monthly fees for street sweeping services in the  
19 City of South Gate, effective as of the first  
20 day of July, 1991:

- |          |                                   |   |
|----------|-----------------------------------|---|
| 21 (i)   | Single-Family<br>Residential Unit | One Dollar (\$1.00) Per<br>Unit (1 to 4 Units)        |
| 22 (ii)  | Multiple-Residential Unit         | Sixty Cents (\$0.60)<br>Per Unit (5 or more<br>Units) |
| 23 (iii) | Commercial/Industrial Unit        | Two Dollars & Fifty<br>Cents (\$2.50) Per Unit        |

24 SECTION 2. The fees established in Section 1 above shall  
25 be invoiced and collected in the same manner as  
26 the water and refuse collection charges now  
27 billed by the City of South Gate, or in such  
28 other manner as may be determined by the  
29 Department of Finance.  
30  
31  
32



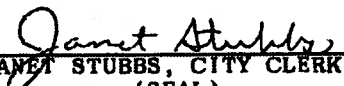
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SECTION 3. The City Clerk shall certify to the passage and adoption of this Resolution.

Passed, approved and adopted this 10th day of June , 1991.

  
\_\_\_\_\_  
GREGORY SLAUGHTER, MAYOR

ATTEST:

  
\_\_\_\_\_  
JANET STUBBS, CITY CLERK  
(SEAL)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY

**ORDINANCE NO. 2143**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**AN ORDINANCE OF THE SOUTH GATE CITY COUNCIL  
AMENDING SECTION 6.65.030 AND 6.65.060 OF THE  
SOUTH GATE MUNICIPAL CODE AUTHORIZING A  
RATE INCREASE OF THE STREET SWEEPING  
SANITATION FEES**

**WHEREAS**, Section 5471 of the Health and Safety Code provides that the City may establish monthly fees to be used for street sweeping sanitation fees to remove refuse in the City of South Gate; and

**WHEREAS**, the City Council of the City of South Gate adopted Ordinance No. 2014 on September 10, 1997 which reserved the right of the City to adjust all or part of the street sweeping sanitation service fees provided for in Section 6.65.030 of the City of South Gate Municipal Code; and

**WHEREAS**, the fees for street sweeping sanitation fees have not been adjusted since 1991; and

**WHEREAS**, the cost for the City to provide street sweeping sanitation service has risen significantly since 1991 causing the City to divert other funds not intended for street sweeping sanitation fees; and

**WHEREAS**, the Consumer Price Index (CPI) has increased approximately 35% since the street sweeping fees were last adjusted.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
ORDAINS AS FOLLOWS:**

**SECTION 1.** Section 6.65.030 of the City of South Gate Municipal Code shall be revised to read as follows:

The City Council by authority of Section 5471 of the Health and Safety Code, establishes the following monthly fees for street sweeping sanitation service to remove refuse in the City of South Gate, effective on the operation date of the ordinance codified in this chapter.

**LAND USE**  
Single-Family Residential Unit

**MONTHLY FEE**  
\$2.00 for the first unit and \$1.20 for  
each additional unit (up to four units total)

**SECTION 2. Review of Fees.**

Section 6.65.02 is revised to read as follows: The amount of each fee set forth in this Chapter shall be increased automatically each year as follows:

- A. By calculating the percentage movement between April of the previous year and March of the current year in the Consumer Price Index (CPI) for all urban consumers in the Los Angeles, Anaheim, and Riverside metropolitan areas as published by the United States Government Bureau of Labor Statistics, and adjusting each fee by such percentage amount.
- B. On the fifth anniversary after the adoption of this ordinance, the Finance Director is directed to schedule a Street Sweeping Sanitation Fund Status Report on the next succeeding City Council meeting agenda (after such anniversary) for City Council to consider appropriate fee schedule changes.

Notwithstanding the foregoing, no such adjustment shall decrease any fee, and no fee shall exceed the actual cost of providing the services for which the fee is collected.

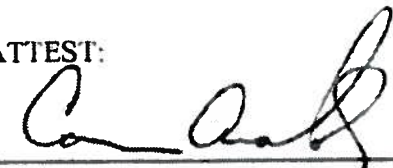
**SECTION 3.** Resolution No. 4980, passed and adopted on June 10, 1991 by the City, shall be and is hereby repealed in its entirety.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this ordinance, causing it to be posted as required by law, and it shall be effective thirty (30) days after its adoption.


**PASSED, APPROVED and ADOPTED** this 12<sup>th</sup> day of August 2003.

  
HECTOR DE LA TORRE, MAYOR

ATTEST:

  
CARMEN AVALOS, CITY CLERK (SEAL)

APPROVED AS TO FORM:

  
RAUL F. SALINAS, INTERIM SPECIAL LEGAL COUNSEL

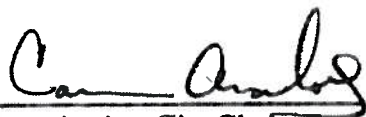
**RESOLUTION CERTIFICATION PAGE**

**STATE OF CALIFORNIA        )**  
**COUNTY OF LOS ANGELES    )     SS**  
**CITY OF SOUTH GATE         )**

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Ordinance No. 2143 was adopted by the City Council at their Regular Meeting held on August 12, 2003, by the following vote:

Ayes:            Council Members:   De La Torre, Gonzalez, Gutierrez, Martinez and Davila  
Nocs:            Council Members:   None  
Absent:          Council Members:   None

Witness my hand and the seal of said City on October 2, 2003.

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
City of South Gate, California

**RESOLUTION NO. 7313**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE ESTABLISHING A NEW SCHEDULE OF FEES FOR SERVICE AND RESCINDING RESOLUTION NO. 7265**

**WHEREAS**, a duly noticed public hearing concerning this matter has been held as required by law; and

**WHEREAS**, the City incurs costs for providing services and is required to recover the cost of providing such services through fees and charges; and

**WHEREAS**, it is necessary to adjust and/or establish certain fees to recover the cost of providing services; and

**WHEREAS**, the proposed fees do not exceed the actual cost of providing the service.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The fee schedule attached hereto as Exhibit A is hereby adopted and shall be adjusted annually, subject to City Council approval, for inflation and other cost increases.

**SECTION 2.** The new fees provided for in this schedule will be effective immediately upon adoption of this Resolution.

**SECTION 3.** Resolution No. 7265 is hereby rescinded in its entirety.

**SECTION 4.** Fees and charges may be waived only by the authority and approval of the City Council, with the exception of Facility Use Permit Fees, which may be waived by the Parks and Recreation Director under criteria specified in the Administrative Guidelines adopted by the City Council on February 28, 2006.

**SECTION 5.** Penalty charges may be applied every 30 day period for nonpayment of fees as indicated in this fee schedule, but may not at any time exceed the amount of the original fee.

**SECTION 6.** The City Manager shall have the authority to interpret the provisions of this Resolution for purposes of resolving ambiguities.

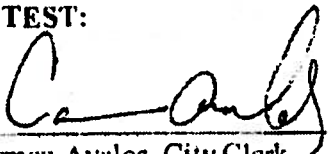
**SECTION 7.** The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED and ADOPTED** this 9th day of June, 2009.

**CITY OF SOUTH GATE:**


  
Henry C. Gonzalez, Mayor

**ATTEST:**

  
Carmen Avalos, City Clerk

(SEAL)

**APPROVED AS TO FORM:**

  
Raul F. Salinas, City Attorney



**CITY OF SOUTH GATE  
SCHEDULE OF FEES  
2009-2010**

DESCRIPTION OF FEE - UTILITIES	CURRENT	PROPOSED
WATER SERVICE PAYMENT - NON-SUFFICIENT FUNDS	\$ 18.13	18.67
WATER SERVICE - LATE PAYMENT PENALTY	\$ 5.67	5.83
WATER SERVICE - TURN OFF FOR DELIQUENT PAYMENT	\$ 30.59	31.51
WATER SERVICE - TURN OFF FOR DELIQUENT PAYMENT (overtime)	\$ 141.63	145.87
SEWER (residential, commercial or industrial)	\$ 0.33	\$ 0.33 /100 c f
STREET SWEEPING	\$ 2.14	\$ 2.14 /mo
Single-Family Residential	\$ 1.28	\$ 1.28 /mo
Multi-Family Residential	\$ 5.35	\$ 5.35 /mo
Commercial/Industrial		
REFUSE AND RECYCLING COLLECTION SERVICES		
101 gallon bin	15.44	set by contract
Senior rate	10.40	set by contract
Extra bin	9.93	set by contract
64 gallon bin	14.00	set by contract
Senior rate	8.98	set by contract
Extra bin	6.92	set by contract
GOLDEN STATE WATER CO. BILLING FEE		1.00 /mo
<i>added to properties billed by Golden State Water Co.</i>		
PENALTY FEES:	5.67	5.84 /mo

**RESOLUTION NO. 7373**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH  
GATE ESTABLISHING A NEW SCHEDULE OF FEES FOR SERVICE  
AND RECINDING RESOLUTION NO. 7313**

**WHEREAS**, a duly noticed public hearing concerning this matter was held as required by law on June 8, 2010; and

**WHEREAS**, because of convenience, clarity, ease of reference, or similar factors, parking fine updates are being presented to the City Council in a separate resolution as permitted by South Gate Municipal Code Section 2.76.010; and

**WHEREAS**, the City incurs costs for providing services and is required to recover the cost of providing such services through fees and charges; and

**WHEREAS**, it is necessary to adjust and/or establish certain fees to recover the cost of providing services; and

**WHEREAS**, the proposed fees do not exceed the actual cost of providing the service;

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The Schedule of Fees attached hereto as Exhibit A is hereby adopted and shall be adjusted annually, subject to City Council approval for inflation and other cost factors.

**SECTION 2.** The new fees provided in this schedule will be effective immediately upon adoption of this Resolution.

[Remainder of page left blank intentionally]

**SECTION 3.** Resolution No. 7313 is hereby rescinded in its entirety.

**SECTION 4.** Fees and charges may be waived only by the authority and approval of the City Council, with the exception of Facility Use Permit Fees, which may be waived by the Parks and Recreation Director under criteria specified in the Administrative Guidelines adopted by the City Council on February 28, 2006.

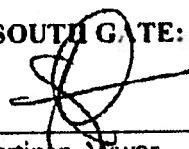
**SECTION 5.** Penalty charges may be applied every 30 day period for nonpayment of fees as indicated in this fee schedule, but may not at any time exceed the amount of the original fee.

**SECTION 6.** The City Manager shall have the authority to interpret the provisions of this Resolution for purposes of resolving ambiguities.

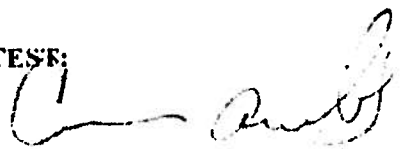
**SECTION 7.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 8th day of June, 2010.

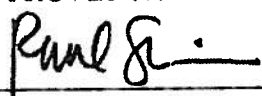
**CITY OF SOUTH GATE:**

  
\_\_\_\_\_  
Gregory Martinez, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas City Attorney

**ATTACHMENT A  
CITY OF SOUTH GATE  
SCHEDULE OF FEES  
2010-2011**

<b>DESCRIPTION OF FEE - UTILITIES</b>	<b>CURRENT</b>	<b>PROPOSED</b>	
<b>WATER CONSUMPTION RATES - within City limits</b>			
Residential	3.11 /100 c.f.	3.11	
Residential (Senior residents)	1.56 /100 c.f.	1.56	
Commercial/Industrial	3.28 /100 c.f.	3.28	
Recycled water	2.07 /100 c.f.	2.07	
Minimum Base Rate Charge	13.53 /100 c.f.	13.53	
<b>WATER CONSUMPTION RATES - outside City limits</b>			
	1.72 /100 c.f. (min \$7/mc)	1.72	
<b>WATER SERVICE - RECYCLED WATER</b>			
<b>WATER SERVICE AND INSTALLATION:</b>			
Resetting a meter not exceeding two inches (2") where service connection exists	175.05	175.05	
Resetting meters larger than two inches (2")	Actual Cost	Actual Cost	
New customer service turn-on	17.50	17.50	
Setting and removing meter for temporary service from fire hydrant	29.17	29.17	
<b>WATER CUSTOMER SERVICE DEPOSITS:</b>			
All meters between 5/8" - 3/4" meter and 2" meter in size	175.05	175.05	
<b>WATER FIRE LINE SERVICE:</b>			
Two-inch (2")	28.01 bi-monthly	28.01	
Three-inch (3")	42.01 bi-monthly	42.01	
Four-inch (4")	56.02 bi-monthly	56.02	
Six-inch (6")	84.02 bi-monthly	84.02	
Eight-inch (8")	112.03 bi-monthly	112.03	
Ten inch (10")	140.04 bi-monthly	140.04	
<b>WATER DEVELOPMENT IMPACT FEES</b>			
3/4" meter	7,856.75	8,195.45	
3/4" meter - single family residence on one parcel and not part of new subdivision	3,878.38	4,097.73	
1" meter	17,164.30	17,679.23	
1" meter - single family residence on one parcel and not part of new subdivision	6,365.40	6,556.36	
1-1/2" meter	41,113.06	42,348.45	
2" meter	54,782.75	56,426.24	
3" meter	119,948.41	123,544.81	
4" meter	205,564.23	211,731.15	
6" meter	462,519.51	476,395.10	
8" meter	548,136.26	564,580.35	
<b>WATER SERVICE PAYMENT - NON-SUFFICIENT FUNDS</b>			
	18.67	18.67	*1
<b>WATER SERVICE - LATE PAYMENT PENALTY</b>			
	5.83	5.83	*1
<b>WATER SERVICE - TURN OFF FOR DELIQUENT PAYMENT</b>			
	31.51	31.51	*1
<b>WATER SERVICE - TURN OFF FOR DELIQUENT PAYMENT (overtime)</b>			
	145.87	145.87	*1
<b>SEWER (residential, commercial or industrial)</b>			
	\$ 0.34 /100 c.f.	\$ 0.34 /100 c.f.	*1
<b>STREET SWEEPING</b>			
Single-Family Residential	\$ 2.48 /mo	\$ 2.48 /mo	*1
Multi-Family Residential	\$ 1.49 /mo	\$ 1.49 /mo	*1
Commercial/Industrial	\$ 6.20 /mo	\$ 6.20 /mo	*1
<b>REFUSE AND RECYCLING COLLECTION SERVICES</b>			
101 gallon bin	15.44 set by contract	15.44 set by contract	*1
Senior rate	10.40 set by contract	10.40 set by contract	*1
Extra bin	9.93 set by contract	9.93 set by contract	*1
64 gallon bin	14.00 set by contract	14.00 set by contract	*1
Senior rate	8.98 set by contract	8.98 set by contract	*1
Extra bin	6.92 set by contract	6.92 set by contract	*1
<b>GOLDEN STATE WATER CO BILLING FEE</b>			
added to properties billed by Golden State Water Co.	1.00 /mo	1.00 /mo	*1
<b>PENALTY FEES</b>			
	5.84 /mo	5.84 /mo	*1

\*1 - Amount has not been adjusted

**RESOLUTION NO. 7557**

**CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE  
ESTABLISHING A NEW SCHEDULE OF FEES FOR SERVICES FOR FISCAL YEAR  
2013-2014 AND RESCINDING RESOLUTION NO. 7500B**

**WHEREAS**, the City incurs costs for providing services and is required to recover the cost of providing such services through fees and charges; and

**WHEREAS**, it is necessary to adjust and/or establish certain fees to recover the cost of providing services; and

**WHEREAS**, a duly noticed public hearing establishing a new Schedule of Fees to be charged for services and rescinding Resolution No. 7500B was held on June 25, 2013 as required by law; and

**WHEREAS**, the proposed fees do not exceed the actual cost of providing the service;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The Schedule of Fees attached hereto as Exhibit A is hereby adopted and shall be adjusted annually, subject to City Council approval for inflation and other cost factors.

**SECTION 2.** The new fees provided in this Schedule of Fees will be effective immediately upon adoption of this Resolution.

**SECTION 3.** The Schedule of Fees shall be adjusted annually for inflation and other cost factors, subject to City Council approval.

**SECTION 4.** Fees and charges may be waived only by the authority and approval of the City Council, with the exception of Facility Use Permit Fees, which may be waived by the Parks and Recreation Director under criteria specified in the Administrative Guidelines adopted by the City Council on February 28, 2006.

**SECTION 5.** Penalty charges may be applied every 30 day period for nonpayment of fees as indicated in this Schedule of Fees, but may not at any time exceed the amount of the original fee.

**[Remainder of page left blank intentionally]**

**SECTION 6.** The City Manager shall have the authority to interpret the provisions of this Resolution for purposes of resolving ambiguities.

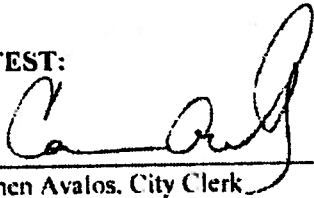
**SECTION 7.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 25<sup>th</sup> day of June 2013.

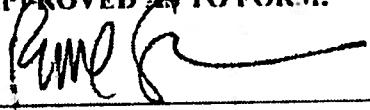
**CITY OF SOUTH GATE:**

  
\_\_\_\_\_  
Gil Hurtado, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Carmen Avalos, City Clerk  
(SEAL)

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raul F. Salinas City Attorney



CITY OF SOUTH GATE  
 SCHEDULE OF FEES  
 2013-14

6/18/2013 01 PM

WATER SERVICE PAYMENT - NON-SUFFICIENT FUNDS	\$29 00	\$30
WATER SERVICE - LATE PAYMENT PENALTY	\$8 81	\$8 81
WATER SERVICE - TURN OFF FOR DELINQUENT PAYMENT	\$35 70	\$36 77
WATER SERVICE - TURN OFF FOR DELINQUENT PAYMENT (over-mo)	\$163 27	\$170 23
SEWER (residential commercial or industrial)	\$0 35 /100 c f	\$0 35 /100 c f
STREET SWEEPING		
Single-Family Residential	\$2 55 /mo	\$2 55 /mo
Multi-Family Residential	\$1 53 /mo	\$1 53 /mo for each additional unit
Commercial/Industrial	\$6 39 /mo	\$6 39 /mo
ILLEGAL DUMPING FEE (per unit for multi-family residential with 5 units or more)	\$2 per month	\$2 per month
ILLEGAL DUMPING FEE (per commercial or industrial business)	\$2 per month	\$2 per month
REFUSE AND RECYCLING COLLECTION SERVICES		
101 gallon bin	\$18 08 set by contract	\$16 70 set by contract
Senior rate	\$10 82 set by contract	\$11 25 set by contract
Extra bin	\$10 33 set by contract	\$10 74 set by contract
64 gallon bin	\$14 56 set by contract	\$15 14 set by contract
Senior rate	\$8 34 set by contract	\$9 71 set by contract
Extra bin	\$7 20 set by contract	\$7 48 set by contract
GOLDEN STATE WATER CO BILLING FEE	\$1 00 /mo	\$1 00 /mo
Added to properties billed by Golden State Water Co		

RECEIVED

MAY 2 - 2018

City of South Gate  
CITY COUNCIL

Item No. 18

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER

2:25pm

AGENDA BILL

For the Regular Meeting of: May 8, 2018

Originating Department: Community Development

Department Director:

*Joe Perez*  
Joe Perez

City Manager:

*Michael Flad*  
Michael Flad

**SUBJECT: COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN**

**PURPOSE:** To approve the proposed Comprehensive Economic Development Strategy (Strategy).

**RECOMMENDED ACTION:** Approve the Comprehensive Economic Development Strategy.

*Handwritten mark*

**FISCAL IMPACT:** This project was funded in Fiscal Year 2017/18 under Professional Services. Funding for this project, in the amount of \$10,000.00, was included in the FY 2017/18 General Fund budget in Account Number 100-601-42-6101.

**ALIGNMENT WITH COUNCIL GOALS:** The Strategy meets the City Council's goal of developing a plan to encourage economic development and workforce development that identifies specific initiatives that will guide the City to a healthy economic future.

**ANALYSIS:** In response to City Council direction, last summer the Community Development Department retained a consultant to facilitate the preparation of a comprehensive economic development plan specifically for the City. Developed with staff and a volunteer steering committee made up of South Gate area business and educational representatives, the South Gate Comprehensive Economic Development Strategy identifies both challenges and opportunities that the City faces as it seeks to continue to evolve to serve the needs of current and future residents and businesses.

For decades, South Gate has been known by its proud legacy as a manufacturing hub for the automotive industry on the West Coast, and still today has nearly 9 million square feet of industrial real estate. But with the recent success of the azalea Regional Shopping Center (bringing the total retail supply to nearly 3 million square feet), the community is becoming more balanced in meeting the employment and shopping needs of locals and visitors.

However, as the City Council is aware, the economy continues to be dynamic as the City is not immune to the risks from housing affordability, shift to online shopping, turnover of small businesses, and the challenges of businesses operating in California as compared to lower-cost and regulated areas of the county.

Therefore, some of the keys to economic development success in the near term will need to balance the reality that housing, both affordable and market rate, is desperately needed in the

region and in South Gate if the City is going to remain an affordable place for residents to live and find employment. With the introduction of transit/light rail and implementation of the Hollydale Specific Plan as well as the proposed Gateway District General Plan, the community will face the gradual transformation of some industrial areas towards mixed use. At the same time, with a relatively high concentration of small businesses and employment in small businesses, the City needs to see improvement in the support network and resources for entrepreneurs to ensure those that do opt to start a business in the City have the best opportunity for success.

These and other factors formed the four-part Strategy for consideration by the City Council, which consists of the following elements:

- 1) Leveraging Opportunity
  - a. Providing assistance to small businesses
  - b. Pursuing available state and federal financial resources
  - c. Maintaining an investment map
  - d. Encouraging youth opportunity, education and employment
- 2) Elevating Community
  - a. Maintaining affordable housing
  - b. Encouraging discussion of displacement threats
- 3) Communicating Success
  - a. Hosting events to bring investors and developers to South Gate
  - b. Marketing South Gate's economic potential to investors
  - c. Showcasing youth programs
  - d. Marketing South Gate to visitors from neighboring communities
  - e. Communicating economic development efforts to local residents and business owners
- 4) Evaluating Processes
  - a. Annually evaluating the Strategy with the City Council and South Gate Chamber of Commerce
  - b. Gaining input from residents on the Strategy's programs
  - c. Evaluating how the City's organizational structure and operations respond to the launch of the Strategy
  - d. Maintaining a strong understanding of economic trends, with a particular focus on potential opportunities and emerging industries
  - e. Focusing on fiscal resilience of the City

Around the theme of "Vibrant People and Places," the Strategy aims to communicate and focus the attention of the City in areas where it can be most effective. As projects and programs to implement the Strategy are proposed for the City Council, staff will align these to the above focus of the Strategy, review accomplishments prior to the annual budget preparation cycle, and recommend adjustments and updates as appropriate.

**BACKGROUND:** As part of the greater Los Angeles economic region, South Gate benefits from the activities and resources available to the public and private sector to stimulate job growth, economic success for South Gate families and workers, and investment opportunities for local businesses and property owners. This includes the Los Angeles Economic Development Corporation, the Governor's Office of Business Development ("GO-Biz"), and other state and federal agencies.

Without a local implementing economic development strategy, any city's role within these partnerships, particularly as it applies to what all of this means for their community and how to make sure that local priorities are achieved, can be unclear. For many years, South Gate has not had a local economic development strategy that focuses on what is needed most for South Gate, particularly since the loss of redevelopment which had been traditionally the primary tool for economic investment in cities.

The Strategy prepared resulted from significant research by RSG, the City's economic development consultant hired to prepare this document, as well as volunteer contributions from the Steering Committee which includes the following public members:

- Evelyn Escotia, Dean, East LA Community College
- Joe Martinez, Director, HUBCities Workforce Center
- Tiffany Rau, Public Affairs Rep, Tesoro/ARCO
- Tom Shapiro, Owner, Trade Supplies
- Brad Steinberg, Owner, PWS The Laundry Company

**ATTACHMENT:** Comprehensive Economic Development Strategic Plan, April 2018





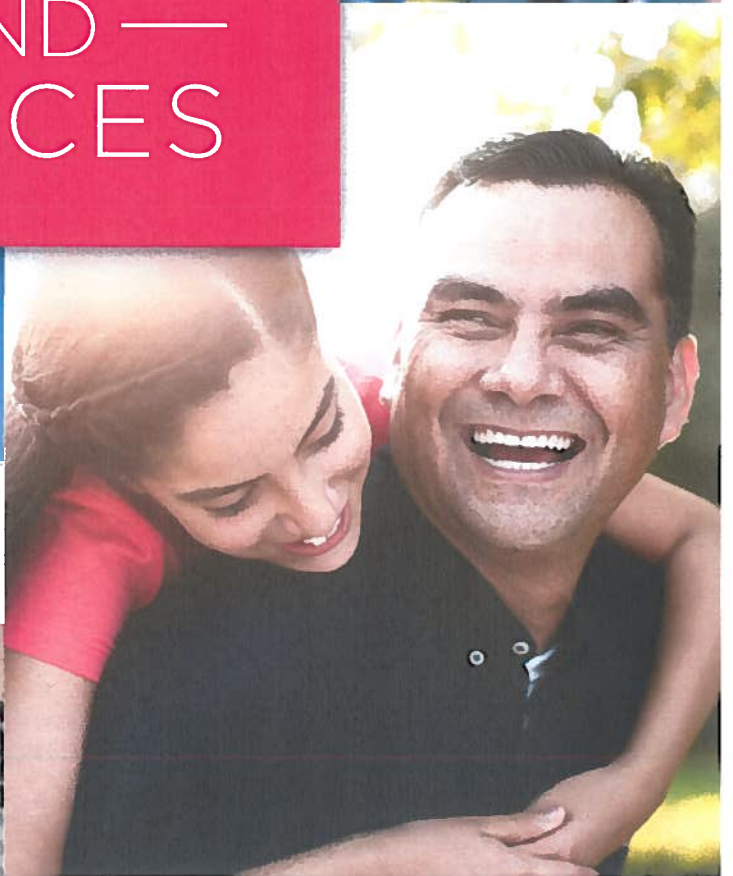
DRAFT

# THE CITY OF SOUTH GATE

A COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGY | APRIL 2018



VIBRANT  
PEOPLE  
— AND —  
PLACES





**Welcome!** Here in South Gate, we pride ourselves on making it as easy as possible for new businesses to come to South Gate, and for existing businesses to flourish. We make that easy by, first and foremost, being accessible - The city manager, the community development director, we are all here for you. With over 5,000 businesses already calling South Gate home, we know how to attract business, we know how to make businesses succeed, and we are here to help facilitate your success.

**Michael Flad, City Manager**

**South Gate City Council:**

**Mayor María Belén Bernal**

**Vice Mayor Jorge Morales**

**Council Member Maria Davila**

**Council Member Denise Diaz**

**Council Member Al Rios**

**Contact:**

**Joe Perez,**

Director of Community Development,  
City of South Gate, 323.563.9566

[www.cityofsouthgate.org](http://www.cityofsouthgate.org)

**Strategic Advisory Committee:**

**Evelyn Escotia,**

Dean, East LA Community College

**Joe Martinez,**

Director, HUBCities Workforce Center

**Tiffany Rau,**

Public Affairs Rep, Tesoro/ARCO

**Tom Shapiro,**

Owner, Trade Supplies

**Brad Steinberg,**

Owner, PWS The Laundry Company

**Michael Flad,**

City Manager, City of South Gate

**Joe Perez,**

Community Development Director, City of South Gate

**Marina Urias,**

Management Analyst, City of South Gate



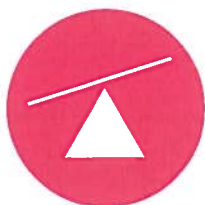




A VISION  
OF TODAY  
— AND —  
TOMORROW

## TAKING STEPS TO ENSURE ECONOMIC DEVELOPMENT AND GROWTH

In May 2016, the South Gate City Council included in its goals for the 2017-2018 fiscal year a plan to “encourage economic development and workforce development” and, specifically, to “create an economic development planning document and vision for the city.” There are four core areas of focus that guide city leaders in their efforts to lead South Gate towards the development and implementation of a successful economic development plan that will ensure success for current residents, as well as future.



**1. Leveraging Opportunity**



**2. Elevating Community**



**3. Communicating Successes**



**4. Evaluating Processes**

# 1 LEVERAGING OPPORTUNITY

Both residents and city officials of South Gate will leverage existing and potential opportunities for economic growth. Enhancing educational opportunities, attracting new businesses, and pursuing state and federal financial resources will assure that the city remains one full of opportunity.

## Specific actions the City of South Gate will undertake

### **Providing assistance to small businesses:**

The city will develop and implement a small business development assistance program in conjunction with CALED, SBDC and the Chamber of Commerce. Programming will focus on educating small business owners on important business skills, developments and techniques, and will be relevant to ongoing economic trends and developing markets. Assistance will be available in English and Spanish, with a particular focus on attracting business not only from residents residing in the City of South Gate, but from surrounding communities (including Spanish-speakers) as well.

### **Pursuing available state and federal financial resources:**

One of the largest incentives available to businesses in California is the California Competes Tax Credit administered by GO-Biz. Eligible businesses can receive a tax credit on new hiring for 6 years. Over \$528 million has been awarded across California in the past 4 years, none of which has come to South Gate. The State has recently extended the Cap-and-Trade program that prioritizes investments in disadvantaged affected communities. These and other tools will be persistently and creatively promoted by the city.

### **Maintaining an investment map:**

The city is seeing a lot of investment in the community, as illustrated on the map shown later in this report. The city will maintain and showcase this map of opportunities and city improvements to help identify and communicate opportunities to investors and developers within the city limits.

### **Encourage youth opportunity, education and employment:**

The City of South Gate will partner with East Los Angeles College to prepare action plans and incentives to encourage youth opportunity, education and employment. Programs will focus on preparing the youth of South Gate for employment in emerging industries, particularly those that will be developed within the city limits.



## Top Threats & Opportunities

South Gate is coping with several factors outside of its own control, including:

- 1) Susceptibility of workforce to downturn
- 2) Retail's current transitional period
- 3) Relatively high concentration of employment in very small businesses

Despite these external factors, the City will capitalize on a number of opportunities, including:

- 1) New Eco-Rapid Commuter Rail, with 3 stations in/near South Gate
- 2) LA River & Urban Garden improvements
- 3) Expanding college and workforce facilities in City





## 2 ELEVATING COMMUNITY

Residents and city officials will make a concerted effort to assure that economic growth remains in line with community aspirations and goals. The City of South Gate will not develop too quickly so as to upset or displace existing residents and communities, but rather, will seek strategies that assure equity and sustainability.

### Specific actions the City of South Gate will undertake to ensure that such goals are met include:

#### **Maintaining affordable housing:**

Displacement can pose a real and serious threat to existing residents as a city adopts and implements economic development strategies. The City of South Gate will be particularly sensitive to this issue and make a concerted effort to assure that existing residents are not forcefully or economically coerced from leaving their community against their wishes. Specifically, the city will maintain an adequate supply of existing affordable housing stock and availability, as well as prepare and update housing plans when necessary.

#### **Encouraging discussion of displacement threats:**

The City of South Gate will encourage discussion of potential threats of displacement (if any) during economic development meetings with residents and local business owners, and take meaningful action when and if necessary. Meaningful action may include assuring adequate legal resources and education related to tenant and property rights are available to residents and business owners, assuring the development of affordable housing, promoting inclusionary zoning, employer-assisted housing, and more.







### South Gate employment (2014):

- Manufacturing 37%
- Warehousing 12%
- Retail Trade 11%
- All Others 40%

Unemployment Rate 5.6%

Median Age: 30.2

Owners/Renters: 45/55

Renters Spending More Than 30% of Income on Housing: 66%

Household Size: 4.4 Owners, 3.8 Renters



#### Creating incentives for businesses to hire graduates from local youth programs:

The City of South Gate will brainstorm and develop with the business community an incentive package to hire graduates from local youth programs, such as discounted business licenses, advertising, or other tools. Such efforts will promote local hiring and employment, while also boosting business.

#### Sponsoring mentorship opportunities:

The City of South Gate will sponsor

mentorship opportunities that pair local or nearby business owners with South Gate youth. Such efforts will promote local hiring and employment, while providing employment training opportunities as well.

#### Promoting the city's façade improvement program:

Though the City of South Gate has recently implemented a façade improvement program with local businesses, it will continue to promote this program in order to improve community aesthetics and to preserve historic signage when available.

#### Seeking community benefit agreements:

The City of South Gate will seek appropriate community benefit agreements with developers that seek financial or administrative assistance with their projects (including investments in housing and infrastructure). Community benefit agreements are an effective tool to increase investment in cities in the absence of redevelopment, and will be fair and targeted to affected neighborhoods and commercial districts.



## COMMUNICATING SUCCESSSES

The City of South Gate will communicate and highlight its successes in economic growth and development with potential investors, developers and neighboring communities.

### Specific actions the City of South Gate should undertake include:

#### **Hosting events to bring investors and developers to South Gate:**

The City of South Gate will focus on hosting 1-3 meaningful, high-impact events per year to bring investors and developers to South Gate and create excitement for economic growth opportunities. Events will be appealing to investors and developers, and may include hosting speakers, offering workshops and more. Furthermore, events will highlight South Gate's efforts to enhance economic growth, as well as success stories and recent infrastructure improvements.

#### **Marketing South Gate's economic potential to investors:**

The City of South Gate should design and promote a print, web and media campaign targeted towards investors and developers to highlight the community and character of South Gate. This campaign should be updated periodically and refer to ongoing events, statistics and success stories.

#### **Showcasing youth programs:**

The City of South Gate will provide regular reports of updates in its youth program to City Council and the broker community, as well as updating web and print media as necessary. Such efforts will highlight success stories and attract investors.

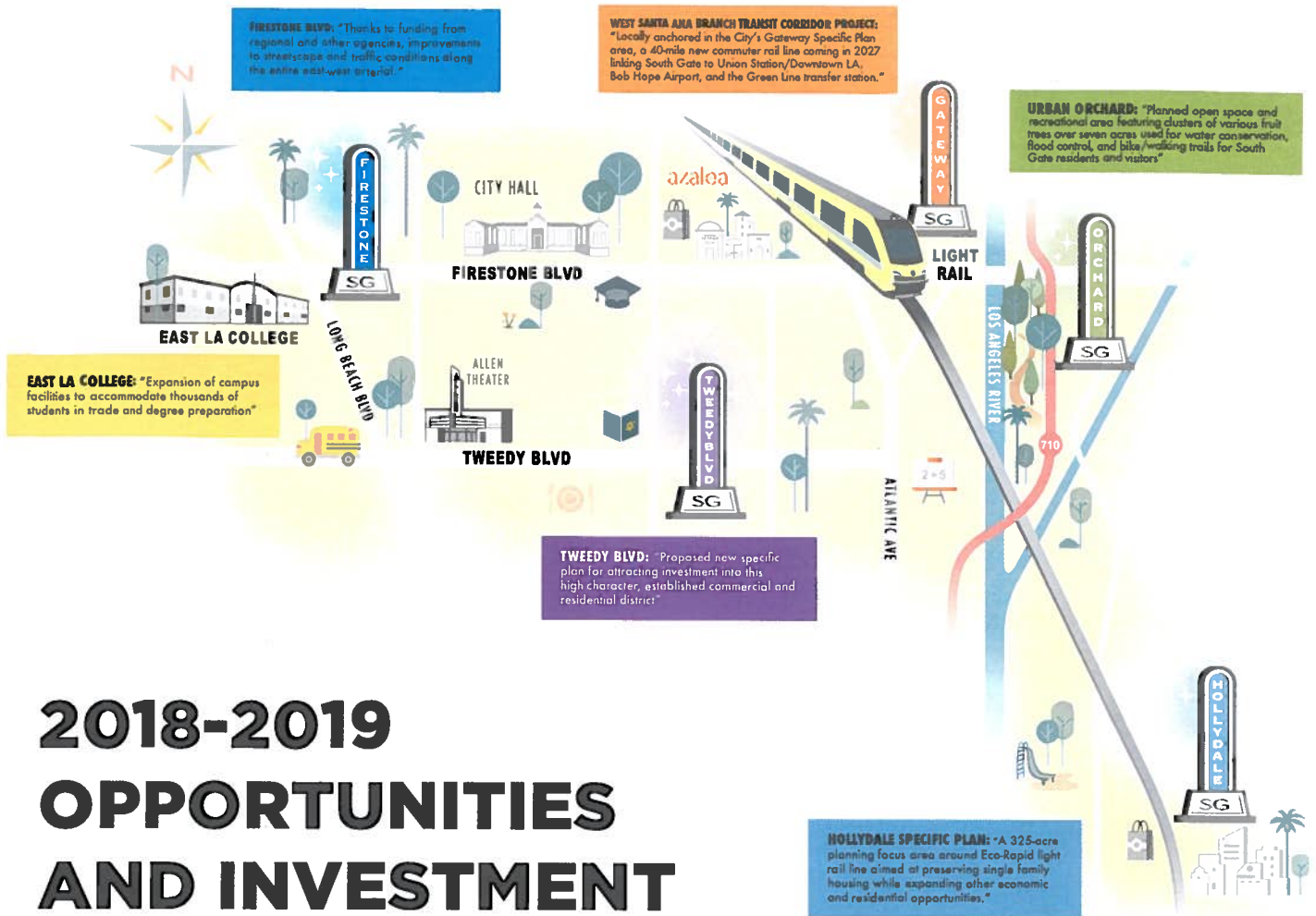
#### **Marketing South Gate to visitors from neighboring communities:**

The City of South Gate will host 3-5 yearly city-sponsored events that will focus on showcasing the community's improvements and pride to surrounding neighborhoods and communities. Events will focus on promoting the arts, health and safety of residents, and will appeal to different ages and demographics. Furthermore, events will be promoted throughout neighboring communities in English and Spanish to showcase South Gate as a strong and attractive community, which will attract visitors.

#### **Communicating economic development efforts to local residents and business owners:**

The City of South Gate will design and distribute print and web media in English and Spanish to communicate economic development projects with residents and business owners. This information will generally be positive and easy to understand, generating pride and community cohesion.





# 2018-2019 OPPORTUNITIES AND INVESTMENT PROJECTS

The City benefits from having a wide range of financial, educational, and strategic partners locally committed to advancing employment, entrepreneurship, business development and attraction efforts in the City. If you or someone you know is looking to add job skills, find employees, get attractive financing, increase trade with other regions, or other activities to find business success in South Gate, please reach out to our team and let them know you want to flourish in South Gate.

## Our Economic Development Partners:

**GO-Biz - State's contact for economic development and job creation efforts**  
[www.business.ca.gov](http://www.business.ca.gov)  
 877-345-4633

**LAEDC - Strategic partner for LA region**  
[www.laedc.org](http://www.laedc.org)  
 213-622-4300

**HUBCities - Workforce development resource**  
[www.hubcities.org](http://www.hubcities.org)  
 323-586-4700

**South Gate Chamber of Commerce - Local business resource**  
[www.southgatecc.org](http://www.southgatecc.org)  
 323-567-1203

**Long Beach SBDC - Small business assistance programs**  
[www.longbeachsbdc.org](http://www.longbeachsbdc.org)  
 562-938-5100

**SCORE - Free-business mentoring**  
[www.score.org](http://www.score.org)  
 800-634-0245

# 4 EVALUATING PROCESSES

The City of South Gate will undertake periodic evaluation processes to ensure that economic development efforts are successful.

## Specific actions the City of South Gate will undertake include:

### **1. Annual evaluations with the City Council and the Chamber of Commerce:**

The City of South Gate will undertake annual evaluations with the City Council and the Chamber of Commerce to ensure that economic development strategies are successful. Appropriate remedial actions will be taken when necessary in order to assure that plans and strategies do not stray off course.

### **2. Gaining input from residents:**

The City of South Gate will regularly use city social media, billing mailers, and events to gain input into the current economic development priorities from residents and the business community. The city will share results online with the community (e.g. "what you said and what we did") and with City Council to improve transparency.

### **3. Evaluating how the city's organizational structure and operations respond to the launch of economic development strategy:**

The City of South Gate will bi-annually evaluate how its organizational structure and operations respond to the launch of the city's economic development strategy. Specific actions will be taken when the city's organizational structure and operations are negatively affected by its economic development efforts.

### **4. Maintaining a strong understanding of larger macroeconomic trends affecting South Gate and its neighboring communities, with a particular focus on potential opportunities and emerging industries:**

The City of South Gate will maintain a strong understanding of potential opportunities and emerging industries that may prove to be beneficial to the South Gate community and its plans for continued economic growth. A report outlining such trends, and updated at least once a year, will provide the city with such information.

### **5. Focus on fiscal resilience:**

The City of South Gate will focus on ensuring fiscal resilience for its residents—economic growth that remains steady among a diverse group of industries. Fiscal resilience will ensure long-term economic success and community viability.





### **Top Weaknesses & Strengths:**

**In collaboration with local and state partners, South Gate's focus is on addressing these issues:**

- 1) Limited tools and resources for needed incentives
- 2) Historically low level of educational attainment
- 3) Few vacant sites ready for development

**South Gate can leverage its many strengths to succeed in the near future, including:**

- 1) Successful and desirable shopping areas
- 2) Central location to major job centers
- 3) Forward-thinking land use policies



DRAFT

# SOUTH GATE

BY THE NUMBERS:

2,982,597  
SQUARE FEET OF  
RETAIL SPACE

97,106  
FULL TIME  
RESIDENTS

95.3% OF THE POPULATION  
IS HISPANIC

55% OF RESIDENTS HAVE A HIGH SCHOOL DEGREE OR HIGHER

MEDIAN HOUSEHOLD INCOME OF \$43,793

11% OF RESIDENTS  
ARE ENTREPRENEURS

8,998,020  
SQ FEET OF  
INDUSTRIAL  
SPACE

65.9% OF RENTERS ARE PAYING  
MORE THAN 30% OF THEIR INCOME TO RENT

1% INDUSTRIAL  
SPACE  
VACANCY RATE

THE HEART  
OF A REGION WITH  
7.2 MILLION  
PEOPLE

43.1% OF POPULATION  
IS FOREIGN BORN

## AN EYE ON TODAY & TOMORROW

"South Gate has a great balance of representing both their business and their constituents' - throughout the whole process, they were quick and timely in their review of plans... I would say we have had a great relationship ever since... They treat business like it's a small town. They are vested in your success and that's something you do not see from a lot of cities"

- Brad Steinberg, Co-President of PWS, The Laundry Company



For more information or inquiries, Joe Perez, Director of Community Development, City of South Gate, 323.563.9566