

RESOLUTION NO. 7579

CITY OF SOUTH GATE  
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SOUTH GATE AUTHORIZING THE CITY MANAGER OR  
FINANCE DIRECTOR TO SIGN ESCROW AGREEMENTS  
FOR CONSTRUCTION RETENTION FUNDS PURSUANT TO  
CALIFORNIA PUBLIC CONTRACT CODE SECTION 22300

**WHEREAS**, the City of South Gate ("City") routinely enters into construction contracts ("Construction Contracts") with builders and material suppliers ("Contractors") in connection with public works projects and other construction projects; and

**WHEREAS**, state law generally requires the City to withhold certain percentages of the proceeds due to Contractors under the Construction Contracts ("Retention Funds") until the project has been completed and certain other conditions have been met; and

**WHEREAS**, in lieu of the City's withholding of such Retention Funds, California Public Contract Code Section 22300 gives any Contractor the right to require the City to pay the Retention Funds to a state or federally chartered bank located in California, which bank then converts those Retention Funds to securities and holds them in escrow for the benefit of the City and the Contractor; and

**WHEREAS**, in those cases, the City, Contractor, and bank are required to enter into escrow agreements in the form set forth in subsection (f) of said Section 22300 ("Escrow Agreements"); and

**WHEREAS**, the South Gate City Council desires to authorize the City Manager or Finance Director, to execute any and all such Escrow Agreements, provided that those Escrow Agreements are in the form authorized and required by Public Contract Code Section 22300(f) and are approved by the South Gate City Attorney;

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

**SECTION 1.** The above recitals are all true and correct and incorporated herein by this reference.

**SECTION 2.** Upon the request of any Contractor in connection with any Construction Contract, the City Manager and the Finance Director, are each independently authorized to execute on behalf of the City one or more Escrow Agreements, subject to the provisions of Sections 3, 4 and 5 hereof.

**SECTION 3.** Subject to Sections 4 and 5 below, an Escrow Agreement executed pursuant to Section 2 above shall be binding upon the City if it is signed by either the City Manager or Finance Director. There is no requirement that any such Escrow Agreement be signed by both the City Manager and Finance Director, in order to be valid and binding.

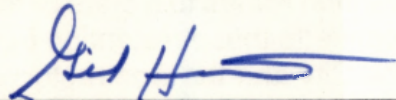
**SECTION 4.** The authority granted to the City Manager or Finance Director herein is limited to Escrow Agreements which are substantially similar to the form set forth in Public Contract Code Section 22300(f).

**SECTION 5.** The authority granted to the City Manager or Finance Director herein is further limited to Escrow Agreements which have been approved by the City Attorney.

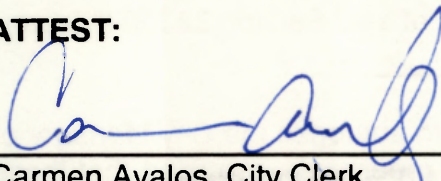
**SECTION 6.** The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

**PASSED, APPROVED and ADOPTED** this 14<sup>th</sup> day of January, 2014.

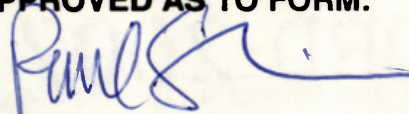
**CITY OF SOUTH GATE:**

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

**ATTEST:**

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

**APPROVED AS TO FORM:**

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



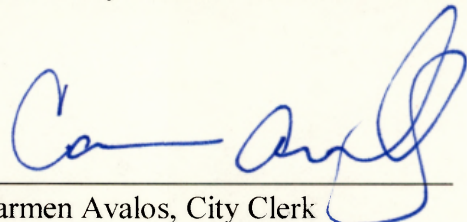
**RESOLUTION CERTIFICATION PAGE**

**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 Resolution No. 7579 was adopted by the City Council at their Regular Meeting held on January 14, 2014, by the following vote:

Ayes:            Council Members:    Hurtado, Gonzalez, Morales, Davila and De Witt  
Noes:            Council Members:    None  
Absent:          Council Members:    None  
Abstain:         Council Members:    None

Witness my hand and the seal of said City on January 22, 2014.

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