

CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720

AGENDA CITY COUNCIL REGULAR MEETING MONDAY, JUNE 20, 2011 – 7:00 p.m.

NOTICE TO THE PUBLIC

This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.ci.los-alamitos.ca.us once the agenda has been publicly posted.

Any written materials relating 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, 3191 Katella Ave., Los Alamitos CA 90720, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made. Assisted listening devices may be obtained from the City Clerk at the meeting for individuals with hearing impairments.

Persons wishing to address the City Council on any item on the City Council Agenda will be called upon at the time the agenda item is called or during the City Council's consideration of the item and may address the City Council for up to three minutes.

1. **CALL TO ORDER**
2. **ROLL CALL**
Council Member Graham-Mejia
Council Member Kusumoto
Council Member Poe
Mayor Pro Tem Edgar
Mayor Stephens
3. **PLEDGE OF ALLEGIANCE** Council Member Graham-Mejia
4. **INVOCATION** Council Member Poe
5. **PRESENTATIONS**
 - A. **To Los Alamitos High School Girls' Varsity Lacrosse Team in Recognition of their the Southern Section CIF Championship**

- B. **To the City Council From the Orange County Transportation Authority in Appreciation of Measure M**
- C. **Update on the West County Connectors Project by Kenneth Oh, OCTA**

6. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the City Council. Remarks are to be limited to not more than five minutes per speaker.

7. REGISTER OF MAJOR EXPENDITURES

June 20, 2011.

Roll Call Vote

Council Member Graham-Mejia
 Council Member Kusumoto
 Council Member Poe
 Mayor Pro Tem Edgar
 Mayor Stephens

8. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Council Member requests separate action on a specific item.

*****CONSENT CALENDAR*****

- A. **Warrants** **(Finance)**
 June 20, 2011.

- B. **Approval of Notice of Completion, Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street (CIP No. 10/11-03), CDBG Project No. KC 10937 (PW)**
 The Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street is complete and in compliance with the plans and specifications. Staff is therefore recommending the City Council accept the work as complete, direct filing of the Notice of Completion and release the 10% retention as prescribed by the Public Contracts Codes.

Recommendations:

1. Accept as complete the construction contract by United Paving for the Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street; and,
2. Direct the City Clerk to record the Notice of Completion/Final Report with the County Recorder's Office; and,

3. Authorize staff to release the 10% retention, in the amount of \$13,954.57, thirty-five (35) days after recordation of the Notice of Completion.

C. Information Technology Support Services Agreement (Police)
The purpose of this report is to award a contract for information technology (IT) support for July 1, 2011 until June 30, 2013.

Recommendation: Authorize the City Manager to execute an Agreement with Scientia Consulting Group, in an amount not to exceed \$100,000 per year, for ongoing information technology support for the period of July 1, 2011 to June 30, 2013, with an option for two one-year extensions.

D. Adoption of the City of Los Alamitos Fiscal Year 2011-12 Annual Appropriations Limit (Finance)
Article XIII B of the California Constitution specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

Recommendation: Adopt Resolution No. 2011-11 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011-12."

*****END OF CONSENT CALENDAR*****

9. PUBLIC HEARING

Adoption of the City of Los Alamitos Fiscal Year 2011-12 Annual Operating and Capital Improvement Program (CIP) Budget (Finance)
City Charter Sections 1201-1205 govern the development and adoption of the City's Annual Budget. Section 1203 requires a public hearing for public input on the proposed budget. Thereafter, the City Council shall adopt the budget with revisions, if any; establish estimated revenues, expenditure appropriations, and transfers of funds of the City.

Recommendation: City Council:

1. Conduct a public hearing on the Proposed Annual Operating and Capital Improvement Program Budget; and,
2. Adopt Resolution No. 2011-10 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2011-12."

10. DISCUSSION ITEMS

A. **Consideration of Alternatives for Production of Public Access Portion of the City's PEG Programming (Admin.)**

The City's cable television station (LATV) currently airs regular governmental and educational programming, and programming that has been submitted by members of the public, in accordance with LATV guidelines and policies. The public access portion of LATV has not been addressed fully. Staff is presenting options regarding the production of public access programming on LATV for the City Council's consideration, including a proposal for specific services from Mr. John Underwood.

Recommendation: 1) Staff recommends that the City Council approve Option 3 outlined below and authorize the City Manager to enter into a complete Professional Services agreement with Mr. Underwood for the production and airing on LATV for specific public access/community programming; 2) authorize an expenditure not to exceed \$1,300.00 for additional equipment in the LATV Studio; 3) Alternatively, discuss and take other action related to this item.

B. **Authorization to accept Donation of Tree and Plaque (Comm. Dev.)**

This report seeks City Council acceptance of the donation to purchase a tree and plaque to honor a resident that has recently passed.

Recommendation: Accept the donation for a Cottonwood tree and plaque to memorialize Ms. Forough Moazez on behalf of her family.

C. **Professional Services Agreement with Moss, Levy & Hartzheim, LLP, for Professional Independent Financial Auditing Services (Finance)**

This agenda item seeks approval of an agreement with Moss, Levy & Hartzheim, LLP, to provide professional independent financial auditing services for the City of Los Alamitos.

Recommendation: Authorize the City Manager to execute a Professional Services Agreement between the City of Los Alamitos and Moss, Levy & Hartzheim, LLP, for professional independent financial auditing services for fiscal years 2010-11, 2011-12, and 2012-13 in amounts not to exceed \$24,975 per year.

D. **Request to Appoint a City Council Ad Hoc Subcommittee to Discuss and Make Recommendations to the City Council Regarding Potential Annexation Issues (Admin.)**

During the past two years, the City manager has included the potential annexation of the southwest corner of Los Alamitos Boulevard and Katella Avenue in his goals and objectives. Staff is recommending the appointment of a City Council Ad Hoc subcommittee to discuss potential annexation issues, identify specific goals and report back to the City Council with recommendations for further action.

Recommendation: 1) Appoint two members of the City Council to serve as an ad hoc subcommittee to discuss potential annexation issues; 2) Alternatively, discuss and provide direction related to this issue.

11. MAYOR AND COUNCIL INITIATED BUSINESS

Council Announcements

At this time, Council Members may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide staff direction to report back or to place the item on a future Agenda.

Council Member Graham-Mejia
Council Member Kusumoto
Council Member Poe
Mayor Pro Tem Edgar
Mayor Stephens

12. ITEMS FROM THE CITY MANAGER

13. ADJOURNMENT

The next meeting of the City Council is scheduled for Tuesday, July 6, 2011, in the City Council Chambers.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the following locations: Los Alamitos City Hall, 3191 Katella Ave.; Los Alamitos Community Center, 10911 Oak Street; and, Los Alamitos Museum, 11062 Los Alamitos Blvd.; not less than 72 hours prior to the meeting.



Adria M. Jimenez, CMC
City Clerk

6-16-11

Date

CITY OF LOS ALAMITOS
Register of Major Expenditures
June 20, 2011

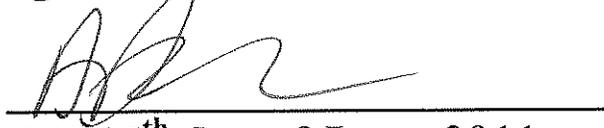
Pages:

01	\$ 161,581.45	Major Warrants	06/20/2011
	\$ 204,438.57	Payroll	06/10/2011
	\$ 106,208.91	Payroll Benefits	06/10/2011

Total **\$ 472,228.93**

Statement:

I hereby certify that the claims or demands covered by the foregoing listed warrants have been audited as to accuracy and availability of funds for payment thereof. Certified by Anita Agramonte, Finance Manager.



this 15th day of June, 2011

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
REDFLEX TRAFFIC SYSTEMS, INC.	MAY 11 PHOTO ENFORCEMENT	GENERAL FUND	TRAFFIC	13,500.00
			TOTAL:	13,500.00
UNITED PAVING	ALLEY REHAB PROJECT	C.D.B.G	CAPITAL PROJECTS	123,809.88
	ALLEY REHAB RETENTION	C.D.B.G	CAPITAL PROJECTS	13,954.57
			TOTAL:	137,764.45
WEST COAST ARBORISTS, INC.	TREE TRIMMING	GAS TAX	CAPITAL PROJECTS	3,612.00
	TREE TRIMMING	PARK DEVELOPMENT	CAPITAL PROJECTS	6,705.00
			TOTAL:	10,317.00

===== FUND TOTALS =====

10	GENERAL FUND	13,500.00
19	C.D.B.G	137,764.45
20	GAS TAX	3,612.00
40	PARK DEVELOPMENT	6,705.00

	GRAND TOTAL:	161,581.45

CITY OF LOS ALAMITOS
A/P Warrants
June 20, 2011

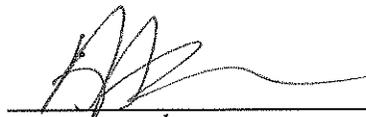
Pages:

01-07	\$ 68,943.75	A/P Warrants	06/20/2011
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Total **\$ 68,943.75**

Statement:

I hereby certify that the claims or demands covered by the foregoing listed warrants have been audited as to accuracy and availability of funds for payment thereof. Certified by Anita Agramonte, Finance Manager.



this 15th day of June, 2011

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
10-8 RETROFIT, INC.	LIGHT BULBS	GARAGE FUND	GARAGE	342.02
			TOTAL:	342.02
ACCESS SECURITY CONTROLS INT., INC.	SECURITY SYSTEM - GATE	ASSET SEIZURE	CAPITAL PROJECTS	3,827.00
			TOTAL:	3,827.00
ACE INDUSTRIAL SUPPLY, INC.	CAUTION TAPE	GENERAL FUND	STREET MAINTENANCE	334.34
			TOTAL:	334.34
ADAMSON POLICE PRODUCTS	BOOTS	GENERAL FUND	TRAFFIC	100.05
			TOTAL:	100.05
ALAMITOS AUTO PARTS	COOLANT	GARAGE FUND	GARAGE	34.78
	EPOXY	GARAGE FUND	GARAGE	5.97
	RETURN - OIL	GARAGE FUND	GARAGE	66.42
	OIL	GARAGE FUND	GARAGE	44.24
			TOTAL:	18.57
ALL AMERICAN ASPHALT	KATELLA AVE. REHAB	GAS TAX	CAPITAL PROJECTS	140.00
			TOTAL:	140.00
AMERICAN RENTALS 300	LADDER RENTAL	BUILDING IMPROVEME	CAPITAL PROJECTS	60.38
			TOTAL:	60.38
CHRIS ANDERSON	TUITION REIMBURSEMENT	GENERAL FUND	PATROL	734.40
			TOTAL:	734.40
ANDERSON ELECTRICAL & LIGHTING SERVICE	ELECTRICAL REPAIR	GENERAL FUND	BUILDING MAINTENANCE	80.00
			TOTAL:	80.00
ART INNOVATORS	INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	266.40
			TOTAL:	266.40
ASSOCIATION OF CALIFORNIA CITIES-ORANG	MONTHLY MEETING	GENERAL FUND	CITY COUNCIL	60.00
	MONTHLY MEETING	GENERAL FUND	CITY MANAGER	60.00
			TOTAL:	120.00
AT & T	BILL CYCLE 5/19-6/18	GENERAL FUND	COMMUNICATIONS TECHNOL	356.69
			TOTAL:	356.69
AT & T MOBILITY	BILL CYCLE 4/24-5/23	GENERAL FUND	PATROL	389.35
			TOTAL:	389.35
BARBARA BANNERMAN	INSTRUCTOR - YOGA	GENERAL FUND	SPECIAL CLASSES	485.55
			TOTAL:	485.55
BUSINESS PRODUCTS DISTRIBUTORS	OFFICE SUPPLIES	GENERAL FUND	CITY MANAGER	25.94
	OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATIVE SERVICE	24.22
			TOTAL:	50.16
CARSON SUPPLY CO., INC.	IRRIGATION PARTS	GENERAL FUND	PARK MAINTENANCE	69.34
			TOTAL:	69.34
CITY OF BREA	IT SERVICES 04/11	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	7,288.56
			TOTAL:	7,288.56

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
CITY OF SEAL BEACH	APRIL BOOKINGS	GENERAL FUND	PATROL	425.00
			TOTAL:	425.00
BOB COHEN	INSTRUCTOR - ADULT ED	GENERAL FUND	SPECIAL CLASSES	126.00
			TOTAL:	126.00
COMPUTER SERVICE CO.	SIGNAL REPAIR	GENERAL FUND	STREET MAINTENANCE	1,240.00
			TOTAL:	1,240.00
COUNTY OF ORANGE TREASURER-TAX COLLECT	OCATS 05/11	GENERAL FUND	COMMUNICATIONS TECHNOL	305.00
			TOTAL:	305.00
DOCUMEDIA GROUP	PROC/COMM PAPER	GENERAL FUND	CITY COUNCIL	3,588.75
			TOTAL:	3,588.75
ENVIROSERV	BATTERY DISPOSAL	GARAGE FUND	GARAGE	610.61
			TOTAL:	610.61
GANAHL LUMBER COMPANY	POOL PAINT	GENERAL FUND	BUILDING MAINTENANCE	61.97
	DUCT TAPE	GENERAL FUND	BUILDING MAINTENANCE	44.53
	PAINT	GENERAL FUND	BUILDING MAINTENANCE	24.77
	PAINT SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	52.55
	ELECTRICAL SUPPLIES	BUILDING IMPROVEME	CAPITAL PROJECTS	42.84
	ELECTRICAL CONDUIT	BUILDING IMPROVEME	CAPITAL PROJECTS	4.67
	ELECTRICAL CONDUIT	BUILDING IMPROVEME	CAPITAL PROJECTS	4.67
	WIRE	BUILDING IMPROVEME	CAPITAL PROJECTS	279.37
	ELECTRICAL CONDUIT	BUILDING IMPROVEME	CAPITAL PROJECTS	14.53
	ELECTRICAL PARTS	BUILDING IMPROVEME	CAPITAL PROJECTS	16.53
	ELECTRICAL PARTS	BUILDING IMPROVEME	CAPITAL PROJECTS	6.06
	PULL LINE	BUILDING IMPROVEME	CAPITAL PROJECTS	11.51
	ELECTRICAL PARTS	BUILDING IMPROVEME	CAPITAL PROJECTS	6.92
			TOTAL:	570.92
GOLDEN STATE WATER COMPANY	BILL CYCLE 3/29-6/02	GENERAL FUND	STREET MAINTENANCE	1,686.69
	BILL CYCLE 3/29-6/02	GENERAL FUND	PARK MAINTENANCE	3,040.86
	BILL CYCLE 3/29-6/02	GENERAL FUND	PARK MAINTENANCE	4,109.86
			TOTAL:	8,837.41
HARRY'S PLUMBING AND DRAINS, INC.	URINAL REPAIR	GENERAL FUND	BUILDING MAINTENANCE	230.00
			TOTAL:	230.00
HDL COREN & CONE	PROP TAX SVC 04/11-06/11	GENERAL FUND	ADMINISTRATIVE SERVICE	1,250.00
			TOTAL:	1,250.00
HDL SOFTWARE, LLC	BUSINESS LICENSE RENEWALS	GENERAL FUND	CITY MANAGER	1,260.00
			TOTAL:	1,260.00
DARREN HELD	INSTRUCTOR - IMPROV	GENERAL FUND	SPECIAL CLASSES	61.75
			TOTAL:	61.75
JOBS AVAILABLE	JOB POSTING	GENERAL FUND	ADMINISTRATIVE SERVICE	210.00
			TOTAL:	210.00
K&S AIR CONDITIONING, INC.	A/C REPAIR	GENERAL FUND	BUILDING MAINTENANCE	282.47
			TOTAL:	282.47

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
KELTERITE CORPORATION	ASPHALT	GENERAL FUND	STREET MAINTENANCE	588.95
			TOTAL:	588.95
KONICA MINOLTA BUSINESS SOLUTIONS	COLOR COPIES - COMPLEX II	GENERAL FUND	ADMINISTRATIVE SERVICE	71.45
	COPIER LEASE - COMPLEX II	GENERAL FUND	ADMINISTRATIVE SERVICE	274.10
	B&W COPIES - COMPLEX II	GENERAL FUND	ADMINISTRATIVE SERVICE	62.08
	COPIER LEASE - CITY HALL	GENERAL FUND	ADMINISTRATIVE SERVICE	398.88
	B&W COPIES - CITY HALL	GENERAL FUND	ADMINISTRATIVE SERVICE	84.83
	COPIER LEASE 05/11	GENERAL FUND	POLICE ADMINISTRATION	332.20
			TOTAL:	1,223.54
KUSTOM IMPRINTS	SOCCER T-SHIRTS STAFF SWEATSHIRTS	GENERAL FUND	SPECIAL CLASSES	255.34
			SPECIAL CLASSES	980.26
			TOTAL:	1,235.60
LABEL GRAPHICS	JUNIOR BADGES	GENERAL FUND	COMMUNITY OUTREACH	338.25
			TOTAL:	338.25
COREY LAKIN	TUITION REIMBURSEMENT	GENERAL FUND	RECREATION ADMINISTRAT	1,877.00
			TOTAL:	1,877.00
MICHELLE LINDSEY	INSTRUCTOR - PAINTING	GENERAL FUND	SPECIAL CLASSES	77.35
			TOTAL:	77.35
YING LIU	INSTRUCTOR - ART INSTRUCTOR - ART	GENERAL FUND	SPECIAL CLASSES	369.20
			SPECIAL CLASSES	48.75
			TOTAL:	417.95
MAILFINANCE	POSTAGE MACHINE	GENERAL FUND	ADMINISTRATIVE SERVICE	167.74
			TOTAL:	167.74
MAJOR LEAGUE SOFTBALL, INC.	ASSIGNING SERVICES ASSIGNING SERVICES	GENERAL FUND	SPECIAL CLASSES	78.00
			SPECIAL CLASSES	48.00
			TOTAL:	126.00
MEMORIAL OCCUPATIONAL MEDICAL SERVICES	PRE-EMPLOYMENT PHYSICALS	GENERAL FUND	ADMINISTRATIVE SERVICE	330.00
			TOTAL:	330.00
MISC. VENDOR	REFUND - FIELD FEES RANGEMASTER COURSE	GENERAL FUND	NON-DEPARTMENTAL	25.00
			POLICE ADMINISTRATION	334.00
			TOTAL:	359.00
RICK MOORE	TUITION REIMBURSEMENT	GENERAL FUND	PATROL	1,111.00
			TOTAL:	1,111.00
NEWPORT EXTERMINATING	GENERAL PEST CONTROL RODENT CONTROL RODENT CONTROL GENERAL PEST & ANT REMOVAL BEE REMOVAL	GENERAL FUND	BUILDING MAINTENANCE	175.00
			BUILDING MAINTENANCE	60.00
			BUILDING MAINTENANCE	60.00
			BUILDING MAINTENANCE	195.00
			BUILDING MAINTENANCE	125.00
			TOTAL:	615.00
NEWS ENTERPRISE	PUBLISH NOTICE PUBLISH NOTICE	GENERAL FUND	CITY COUNCIL	184.50
			PLANNING	160.43
			TOTAL:	344.93

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
NEXTEL COMMUNICATIONS	TRAFFIC CALMING SIGNS	GENERAL FUND	TRAFFIC	17.48
			TOTAL:	17.48
NEXUS INTEGRATION SERVICES INC.	TELEPHONE MAINTENANCE	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	96.00
			TOTAL:	96.00
NORM'S AUTOMOTIVE CENTER INC.	REPAIR P/D CHARGER	GARAGE FUND	GARAGE	321.09
			TOTAL:	321.09
OCTA	PARATRANSIT - 02/11	GENERAL FUND	COMMUNITY SERVICES	135.45
	PARATRANSIT - 03/11	GENERAL FUND	COMMUNITY SERVICES	178.93
	PARATRANSIT - 04/11	GENERAL FUND	COMMUNITY SERVICES	148.82
			TOTAL:	463.20
PACIFIC TELEMAGEMENT SERVICES	PAY PHONE	GENERAL FUND	COMMUNICATIONS TECHNOL	82.64
			TOTAL:	82.64
ANNE COREEN PENNYPACKER	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	226.20
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	263.90
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	414.70
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	75.40
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	75.40
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	113.10
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	263.90
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	226.20
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	113.10
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	188.50
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	40.95
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	368.55
	INSTRUCTOR - DANCE	GENERAL FUND	SPECIAL CLASSES	9.10
			TOTAL:	2,379.00
MIKE RAAHAUGE SHOOTING ENTERPRISES	RANGE QUALIFICATION	GENERAL FUND	PATROL	100.00
			TOTAL:	100.00
RICOH AMERICAS CORPORATION	DUPLICATOR - MASTER ROLL	GENERAL FUND	RECREATION ADMINISTRAT	112.33
			TOTAL:	112.33
THE RINKS WESTMINSTER ICE	INSTRUCTOR - ICE SKATING	GENERAL FUND	SPECIAL CLASSES	21.70
	INSTRUCTOR - ICE SKATING	GENERAL FUND	SPECIAL CLASSES	21.70
			TOTAL:	43.40
SIMON PROPERTY MANAGEMENT	REFUND - INTERPRET REVIEW	GENERAL FUND	PLANNING	650.00
			TOTAL:	650.00
SIR SPEEDY	BUSINESS CARDS	GENERAL FUND	PATROL	55.46
	MUNI CODE SHEETS	GENERAL FUND	PATROL	65.02
			TOTAL:	120.48
SO CAL SANITATION LLC	RESTROOM SERVICES	GENERAL FUND	SPORTS	1,352.18
			TOTAL:	1,352.18
JACOB SORENSEN	TUITION REIMBURSEMENT	GENERAL FUND	PATROL	1,050.00
			TOTAL:	1,050.00
SOUTH COAST SUPPLY & GARDEN DAZE	DRAIN CAPS - POOL	GENERAL FUND	BUILDING MAINTENANCE	58.49

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
			TOTAL:	58.49
SOUTHERN CALIFORNIA EDISON	TRAFFIC SIGNAL	GENERAL FUND	STREET MAINTENANCE	55.81
	SPRINKLERS	GENERAL FUND	PARK MAINTENANCE	15.87
	SPRINKLERS	GENERAL FUND	PARK MAINTENANCE	155.95
			TOTAL:	227.63
SOUTHERN CALIFORNIA GAS	3614 FENLEY	GENERAL FUND	STREET MAINTENANCE	15.39
	3191 KATELLA	GENERAL FUND	BUILDING MAINTENANCE	21.24
	10911 OAK ST.	GENERAL FUND	BUILDING MAINTENANCE	76.60
			TOTAL:	113.23
SOUTHERN PACIFIC MASTERS ASSOCIATION	MEMBERSHIP FEES	GENERAL FUND	AQUATICS	88.00
			TOTAL:	88.00
SPARKLETT'S DRINKING WATER	SERVICE & RENTAL	GENERAL FUND	BUILDING MAINTENANCE	265.39
			TOTAL:	265.39
SPRINT	ACTIVITY THRU 5/21/11	GENERAL FUND	CITY MANAGER	35.51
	ACTIVITY THRU 5/21/11	GENERAL FUND	ADMINISTRATIVE SERVICE	35.51
	ACTIVITY THRU 5/21/11	GENERAL FUND	COMMUNICATIONS TECHNOL	35.50
	ACTIVITY THRU 5/21/11	GENERAL FUND	COMMUNITY DEVEL ADMIN	35.50
	ACTIVITY THRU 5/21/11	GENERAL FUND	PUBLIC WORKS ADMIN	35.50
	ACTIVITY THRU 5/21/11	GENERAL FUND	RECREATION ADMINISTRAT	35.50
			TOTAL:	213.02
STATE OF CALIFORNIA DEPARTMENT OF JUST	FINGERPRINT NEW INSTRUCTOR	GENERAL FUND	ADMINISTRATIVE SERVICE	32.00
	FINGERPRINT NEW STAFF	GENERAL FUND	ADMINISTRATIVE SERVICE	288.00
			TOTAL:	320.00
SY NURSERY	TREE	GENERAL FUND	PARK MAINTENANCE	34.57
	FLOWERS & SOIL	GENERAL FUND	PARK MAINTENANCE	212.86
	ARBOR GUARD	GENERAL FUND	PARK MAINTENANCE	166.82
			TOTAL:	414.25
TIME WARNER CABLE	ADMIN CABLE SERVICE 06/11	GENERAL FUND	CITY MANAGER	164.96
	P/D CABLE SERVICE 06/11	GENERAL FUND	COMMUNICATIONS TECHNOL	132.84
	INTERNET - COMPUTER CENTER	GENERAL FUND	RECREATION ADMINISTRAT	69.95
			TOTAL:	367.75
U.S. BANK	SR. MEALS SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	72.69
	SR. MEALS SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	71.64
	COUNCIL COFFEE	GENERAL FUND	CITY COUNCIL	12.95
	COUNCIL DINNER	GENERAL FUND	CITY COUNCIL	59.00
	COUNCIL COFFEE	GENERAL FUND	CITY COUNCIL	12.95
	COUNCIL DINNER	GENERAL FUND	CITY COUNCIL	70.25
	NOTARY MEMBERSHIP	GENERAL FUND	CITY MANAGER	468.75
	CITY SEAL STAMP	GENERAL FUND	CITY MANAGER	32.39
	MEMBERSHIP DUES	GENERAL FUND	CITY MANAGER	75.00
	CITY CLERK LUNCHEON	GENERAL FUND	CITY MANAGER	444.62
	CITY CLERK LUNCHEON	GENERAL FUND	CITY MANAGER	20.34
	OFFICE SUPPLIES	GENERAL FUND	CITY MANAGER	29.36
	SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	33.34
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	24.81
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	85.26
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	20.05

VENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	NOTARY INSURANCE	GENERAL FUND	POLICE ADMINISTRATION	22.00
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	388.10
	CONFERENCE LODGING	GENERAL FUND	POLICE ADMINISTRATION	336.42
	BATTERIES	GENERAL FUND	PATROL	211.56
	FINGERPRINT CARDS	GENERAL FUND	PATROL	56.07
	ENTERSECT ONLINE	GENERAL FUND	INVESTIGATION	79.00
	RECORDS STAMP	GENERAL FUND	RECORDS	107.98
	PROPERTY BAGS	GENERAL FUND	RECORDS	48.68
	WEBSITE	GENERAL FUND	COMMUNITY OUTREACH	12.95
	WEBSITE	GENERAL FUND	COMMUNITY OUTREACH	14.95
	OFFICE SUPPLIES	GENERAL FUND	TRAFFIC	173.87
	CROSSING GUARD VESTS	GENERAL FUND	TRAFFIC	213.67
	CONTRACTOR'S FORUM	GENERAL FUND	BUILDING INSPECTION	5.98
	TOOLS & PAINT	GENERAL FUND	STREET MAINTENANCE	17.98
	ROPE	GENERAL FUND	STREET MAINTENANCE	114.14
	SUPPLIES	GENERAL FUND	STREET MAINTENANCE	407.98
	SPILL CLEAN-UP	GENERAL FUND	STREET MAINTENANCE	285.86
	RETURN - LIGHT BULBS	GENERAL FUND	BUILDING MAINTENANCE	53.78-
	LIGHT BULBS	GENERAL FUND	BUILDING MAINTENANCE	54.35
	POOL PAINT	GENERAL FUND	BUILDING MAINTENANCE	88.24
	DAY CAMP SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	19.73
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	65.24
	50TH ANNIVERSARY FRAME	GENERAL FUND	RECREATION ADMINISTRAT	124.00
	STAFF BADGES	GENERAL FUND	RECREATION ADMINISTRAT	107.27
	TRAFFIC CONES	GENERAL FUND	RECREATION ADMINISTRAT	163.59
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	1,076.87
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	55.40
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	155.56
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	23.91
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	71.33
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	21.73
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	249.00
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	143.02
	DOMAIN REGISTRY	GENERAL FUND	SPECIAL CLASSES	35.00
	DOMAIN REGISTRY	GENERAL FUND	SPECIAL CLASSES	35.00-
	SLO-PITCH SUPPLIES	GENERAL FUND	SPECIAL CLASSES	122.44
	RACE ON BASE SERVICES	GENERAL FUND	SPECIAL CLASSES	494.00
	DAY CAMP SUPPLIES	GENERAL FUND	SPECIAL CLASSES	536.70
	DAY CAMP EXCURSION	GENERAL FUND	SPECIAL CLASSES	300.00
	ELECTRICAL PARTS	BUILDING IMPROVEME	CAPITAL PROJECTS	30.54
	MOWER PARTS	GARAGE FUND	GARAGE	164.97
	TIRES & ALIGNMENT	GARAGE FUND	GARAGE	129.00
	MULCHING BLADES	GARAGE FUND	GARAGE	64.16
	VINYL COVER	GARAGE FUND	GARAGE	120.00
	PROPANE	GARAGE FUND	GARAGE	8.16
	PROPANE	GARAGE FUND	GARAGE	13.59
	LASER POINTER	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	44.21
	COMPUTER SOFTWARE	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	138.65
			TOTAL:	8,562.47
UNDERGROUND SERVICE ALERT OF SO. CALIF	SERVICE ALERT FAXES	GENERAL FUND	STREET MAINTENANCE	6.00
			TOTAL:	6.00
V & V MANUFACTURING, INC.	BADGE REPAIR	GENERAL FUND	PATROL	36.22
			TOTAL:	36.22

ENDOR SORT KEY	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
VERIZON CALIFORNIA, INC.	EOC/FAX LINES	GENERAL FUND	COMMUNICATIONS TECHNOL	903.48
	POLICE DEPT/RELAY LINE	GENERAL FUND	COMMUNICATIONS TECHNOL	79.27
	TOTAL:			982.75
VOYAGER FLEET SYSTEMS, INC.	FUEL	GARAGE FUND	GARAGE	316.09
	FUEL	GARAGE FUND	GARAGE	6,730.79
	FUEL TAX CREDIT	GARAGE FUND	GARAGE	287.19-
	CNG FUEL	GARAGE FUND	GARAGE	268.03
TOTAL:			7,027.72	
WITHERS & SANDGREN LTD.	LNDSCLPE ARCHTCTRL SVCS	RIVERS/MTNS. CONSE	CAPITAL PROJECTS	1,000.00
			TOTAL:	1,000.00

===== FUND TOTALS =====

10	GENERAL FUND	47,111.42
20	GAS TAX	140.00
25	BUILDING IMPROVEMENT	478.02
27	ASSET SEIZURE	3,827.00
41	RIVERS/MTNS. CONSERVANCY	1,000.00
50	GARAGE FUND	8,819.89
53	TECHNOLOGY REPLACEMENT	7,567.42

GRAND TOTAL:		68,943.75

City of Los Alamitos

Agenda Report Consent Calendar

June 20, 2011
Item No: 8B

To: Mayor Kenneth Stephens and Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Steven Mendoza, Director of Community Development
Dave Hunt P.E., City Engineer

Subject: Approval of Notice of Completion, Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street (CIP No. 10/11-03), CDBG Project No. KC 10937

Summary: The Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street is complete and in compliance with the plans and specifications. Staff is therefore recommending the City Council accept the work as complete, direct filing of the Notice of Completion and release the 10% retention as prescribed by the Public Contracts Codes.

Recommendations:

1. Accept as complete the construction contract by United Paving for the Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street; and,
2. Direct the City Clerk to record the Notice of Completion/Final Report with the County Recorder's office; and
3. Authorize staff to release the 10% retention, in the amount of \$13,954.57, thirty-five (35) days after recordation of the Notice of Completion.

Background

The Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street Project was included in the 2010-11 fiscal year Capital Improvement Program. The project scope provides a new concrete alley, new entrance approaches and new utility boxes with some removal and replacement where required to maintain structural integrity of the new alley.

City Council awarded the construction contract to United Paving at its March 21, 2011 meeting in the amount of \$120,689.75, with a 10% contingencies allowance of \$12,068.98. The work has been completed by the contractor for \$137,764.45. The increase in costs of \$17,074.70 (14.1%) is the result of final concrete quantities from estimated bid quantities, and one Change Order of \$12,223.00 for additional base material due to wet soils under the alley that was not in the base bid.

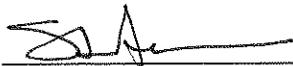
Construction work on the project is now complete and acceptable to the City Engineer and Superintendent of Public Works. Staff therefore recommends acceptance of the work and processing the Notice of Completion/Final Report and retention release as prescribed by the Public Contracts Codes.

Fiscal Impact

The total budget is \$200,000 for the construction of the alley with funding coming from a Community Development Block Grant (CDBG).

The \$137,764.45 is under the \$200,000 limit and will be 100% reimbursable. The reimbursement request will be submitted to CDBG after this Notice of Completion is approved.

Submitted By:



Steven Mendoza
Director of Community Development

Prepared By:



David L. Hunt, PE
City Engineer

Approved By:



Jeffrey L. Stewart
City Manager

Attachment: 1) Notice of Completion

RECORDING REQUESTED BY
AND MAIL TO:

City Clerk
City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720

No Consideration

SPACE ABOVE THIS LINE FOR RECORDER

NO RECORDING FEE PURSUANT TO
GOVERNMENT CODE SECTION 6103

NOTICE OF COMPLETION/FINAL REPORT

For

Alley Rehabilitation Project between Green Avenue and Howard Avenue, from Reagan Street to Maple Street (CIP No. 10/11-03),
CDBG Project No. KC 10937

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned are owners or corporate officers of the interest or estates stated below in property hereinafter described.
2. The full name of the owner is: City of Los Alamitos, 3191 Katella Avenue, Los Alamitos, CA 90720
3. The work consisted of an asphalt overlay, with some removal and replacement where required to maintain structural integrity of the street.
4. The work was completed on June 13, 2011.
5. The contractor was: United Paving, 14660 Industrial Circle, La Mirada, CA

Dated: June 20, 2011

David L. Hunt, P.E. City Engineer, City of Los Alamitos

VERIFICATION BY CORPORATION OWNER

STATE OF CALIFORNIA)
) SS
COUNTY OF ORANGE)

I, David L. Hunt, City Engineer of the City of Los Alamitos, a Municipal Corporation, executed the foregoing Notice of the aforesaid interest or estates in the property therein described; and verify on behalf of the City of Los Alamitos; that the contents thereof, and the facts therein stated are true.

David L. Hunt, P.E., City Engineer

Dated: _____

City of Los Alamitos

**Agenda Report
Consent Calendar**

**June 20, 2011
Item No: 8C**

To: Mayor Kenneth Stephens & Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Cassandra Palmer, Support Services Manager

Subject: Information Technology Support Services Agreement

Summary: The purpose of this report is to award a contract for information technology (IT) support for July 1, 2011 until June 30, 2013.

Recommendation: Authorize the City Manager to execute an Agreement with Scientia Consulting Group, in an amount not to exceed \$100,000 per year, for ongoing information technology support for the period of July 1, 2011 to June 30, 2013, with an option for two one-year extensions.

Background

In 2005, the City of Los Alamitos entered into an agreement with Brea IT to assess the City's computer network, configure a secure location, and provide on-going information technology (IT) support. Brea has been the City's IT provider since that time; however, the current agreement will expire on June 30.

On April 20, 2011, a Request for Proposals (RFP) for IT support was issued to solicit proposals from firms capable of providing the information technology support necessary to meet the evolving needs of the City. In response to that RFP, proposals were received from six (6) service providers.

Discussion

With the ever increasing importance of technology in business and to ensure that all of the City's needs are considered, an Information Technology Steering Committee was established to strategize IT needs and plan for the future implementation and utilization of technology. This IT Committee, which is comprised of representatives from each City Department, also served to evaluate the proposals that were submitted in response to the RFP. The proposals were assessed based on qualifications and experience, scope of services, approach to service, responsiveness to City needs, and cost. With the Police Department utilizing more than half of the City's technology support, experience with complex police technology, telecommunications interfaces, and Orange County Integrated Law and Justice Projects was a critical component of the evaluation.

Of the six proposals, three vendors were found to satisfy all of the requirements set forth in the RFP. Although two participated in interviews with the committee, the most expensive of the three was not interviewed after the less expensive options were found to be competent.

Ultimately, the Scientia Consulting Group was found to be the most qualified as well as the least expensive. Furthermore, they offered some strategies to implement technology as a means to save future IT costs and reduce staff time. In addition to providing monthly reports, they will monitor our network around the clock at no additional charge. Scientia is the current IT service provider for West-Comm so they are already familiar with the intricacies of our CAD/RMS, ILJ projects, and County interfaces. Reflecting their proactive approach to technology, their resume included customized software development for other cities and special project management.

The Steering Committee was enthusiastic that Scientia will provide some services that will improve our use of technology rather than maintaining the existing approach. As a standing committee, City staff will work with Scientia to strategize the implementation of technology that will improve and modernize service, as well as reduce the overall cost of information technology for the City. Following an assessment of the security of our network and the implementation of any necessary mitigation measures, Scientia expects to improve functionality while working within the limited on-site hours defined in our proposal. The anticipated savings from the basic cost of this agreement could be used to proactively invest in our technological infrastructure and provide enhanced service to the community through the automation of routine tasks.

Fiscal Impact

The budget for Fiscal Year 2011-12 includes \$100,000 for an information technology support services agreement. With the hourly rate and current service schedule proposed by Scientia, the City can expect a savings of approximately \$36,000 of the budgeted amount; however, staff recommends waiting until mid-year to make a budget adjustment so that the technology infrastructure needs can be assessed and addressed if necessary.

Submitted By:


Cassandra Palmer
Support Services Manager

Approved By:


Jeffrey L. Stewart
City Manager

Attachments: 1) Professional Services Agreement
 2) Proposal from Scientia Consulting Group

PROFESSIONAL SERVICES AGREEMENT
(City of Los Alamitos / Scientia Consulting Group.)

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Los Alamitos, a California municipal corporation (“City”) and Scientia Consulting Group, a California Corporation (“Consultant”).

2. RECITALS

- 2.1 City has determined that it requires the following professional services from a consultant: Information Technology Support Services.
- 2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

3. DEFINITIONS

- 3.1 “Scope of Services”: Such professional services as are set forth in Consultant’s May 16, 2011 proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 “Approved Fee Schedule”: Such compensation rates as are set forth in Consultant’s May 16, 2011 fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.
- 3.3 “Commencement Date”: July 1, 2011.
- 3.4 “Expiration Date”: June 30, 2013.

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 17 (“Termination”) below.

5. CONSULTANT’S SERVICES

- 5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any

such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of one hundred thousand dollars (\$100,000) unless specifically approved in advance and in writing by City.

- 5.2 Consultant shall obtain a City business license prior to commencing performance under this Agreement.
- 5.3 Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*).
- 5.4 During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) City has not consented in writing to Consultant's performance of such work.
- 5.5 Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Chief Technology Officer Tom Bruce shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

6. COMPENSATION

- 6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.
- 6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

- 6.3 Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth day after Consultant notifies City in writing of an increase in that fee schedule.

7. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

8. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

9. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

10. INDEMNIFICATION

- 10.1 The parties agree that City, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the City with the fullest protection possible under the law. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein.

- 10.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and when the City requests with respect to a claim provide a deposit for the defense of, and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage as is caused by the sole active negligence or willful misconduct of the City. Such costs and expenses shall include reasonable attorneys' fees due to counsel of City's choice, expert fees and all other costs and fees of litigation.
- 10.3 City shall have the right to offset against any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 10 and any amount due City from Consultant arising from Consultant's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 10.4 The obligations of Consultant under this Section 10 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.
- 10.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

- 10.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

11. INSURANCE

- 11.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 11.1.1 Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
 - 11.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
 - 11.1.3 Worker's Compensation insurance as required by the laws of the State of California.
 - 11.1.4 Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).
- 11.2 Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- 11.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 11.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium thereon at Consultant's expense.

- 11.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).
- 11.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- 11.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- 11.8 The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 11.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 11.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond in the amount of the deductible or self-insured retention to guarantee payment of losses and expenses.
- 11.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

12. MUTUAL COOPERATION

- 12.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 12.2 If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

13. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

14. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

15. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720
Telephone: (562) 431-3538
Facsimile: (562) 493-1255

If to Consultant:

Scientia Consulting Group
1591 S. Sinclair Street, Suite B
Anaheim, CA 92806
Telephone: (877) 444-3108
Facsimile: (714) 917-3113

With courtesy copy to:

Sandra J. Levin, Esq.
Los Alamitos City Attorney
Colantuono & Levin, P.C.
300 S. Grand Ave., Suite 2700
Los Angeles, CA 90071
Telephone: (213) 542-5700
Facsimile: (213) 542-5710

16. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 9, Section 10, Paragraph 12.2 and Section 13 of this Agreement shall survive the expiration or termination of this Agreement.

17. TERMINATION

17.1. City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant may terminate this Agreement for any reason on thirty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

17.2. If City terminates this Agreement due to no fault or failure of performance by

Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

18. GENERAL PROVISIONS

- 18.1 Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.
- 18.2 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability, medical condition or any other unlawful basis.
- 18.3 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).
- 18.4 The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.
- 18.5 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.
- 18.6 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the

simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

- 18.7 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 18.8 This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 18.9 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”
City of Los Alamitos

“Consultant”
Scientia Consulting Group

By _____
Jeffrey Stewart, City Manager

By: _____
Phillip Danie, Chief Executive Officer

Date: _____

Date: _____

By: _____
Tom Bruce, Chief Technical Officer

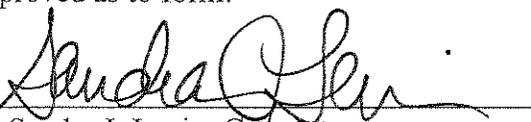
Date: _____

Attest:

By _____
Adria M. Jimenez, CMC, City Clerk

Date: _____

Approved as to form:

By 
Sandra J. Levin, City Attorney

Date: _____

EXHIBIT A SCOPE OF WORK

The Scientia Consulting Group shall provide “**Regular IT Support**” which includes, but is not be limited to the following:

1. Help Desk Support (including any off-site computers and Police mobile data computers).
 - Software related issues (Application Support)
 - Hardware related issues (Servers/Workstations/Mobile Data Computers)
2. Network Administration
 - Network Access
 - Network Printing
 - Network Resource Access
 - Email Administration
 - Documentation
 - Server Maintenance
 - Firewall Administration Support
3. Perform System Upgrades/Updates.
 - Operating System Upgrades
 - Application Upgrades
 - Hardware Upgrades
 - Operating System Updates/Patches (Server/Workstation)
4. Filtering/Protection
 - Virus Protection Administration
 - SPAM Filtering Administration
5. Administer the City’s computer backup system
6. Resolve any issues with City’s IT infrastructure.
7. Answer IT related questions from City staff.
8. Work with other IT consultants/vendors to resolve issues with software and hardware and for the implementation of City’s IT projects.
9. Attend meetings when requested by City staff.
10. Provide City with recommendations on how to improve IT infrastructure, use technology to automate processes, and implement new technology.
11. Participate in City’s budget process when requested.

12. Provide City with quotes from other vendors for IT purchases when requested.
13. Provide the Sentinel for managing the City's computing infrastructure.

EXHIBIT B
APPROVED FEE SCHEDULE

Regular IT Support as defined in the Scope of Services shall be billed at ninety-five dollars (\$95.00) per hour.

IT Support above the estimated sixty (60) hours per month (Regular IT Support) will be billed at the same hourly rate of ninety-five dollars (\$95.00) per hour during regular hours. Any hours outside of the normal work-week will be billed at a 2-hour minimum charge. Recognized state and federal holidays will be billed at an hourly rate of ninety-five dollars (\$95.00) with a 2-hour minimum charge.

Additionally, two hours per month of off-site monitoring will be provided at no charge. Any unused remote IT support hours each month, will be rolled over into the next month into a support bank for use at a later date. The IT rollover support bank resets after each full year based on the signing date of the contract.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/03/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER White Star Insurance Solutions 199 California Dr., #206 Millbrae, CA 94030 License #: 0668957	CONTACT NAME: Shirley Huang	FAX (A/C. No): (650)697-6388	
	PHONE (A/C. No. Ext): (650)697-6888	E-MAIL ADDRESS: shuang@whitestaragency.com	
INSURED Scientia Consulting Group Inc. 1591 S. SINCLAIR ST #B ANAHEIM, CA 92806	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: The Hartford Casualty Insurance Company		29424
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES CERTIFICATE NUMBER: 00002009-54066 REVISION NUMBER: 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	Y N	57SBADO6721	05/25/2011	05/25/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000 Hired/Nonowned Auto \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The Certificate holder is named as additional insured .
Included in The Hartford policy , policy # 57SBADO6721, Failsafe Mega Technology E & O Liability:1,000,000/1,000,000 with \$5,000 retention.

CERTIFICATE HOLDER City of Los Alamitos 3191 Katella Avenue Los Alamitos, CA 90720	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE (ASH)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/8/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Privilege Insurance Services, Inc 14451 Chambers Rd., Suite 220 Tustin, CA 92780 0E40869		CONTACT NAME: PHONE (A/C No., Ext): (714) 505-4030 FAX (A/C No.): (714) 505-4031 E-MAIL ADDRESS: PrivilegeIns@yahoo.com	
INSURED SCIENTIA CONSULTING GROUP, INC. 1591 S. SINCLAIR ST. STE B ANAHEIM, CA 92806		INSURER(S) AFFORDING COVERAGE INSURER A: TRAVELERS CASUALTY INSURANCE COMPANY INSURER B: TRAVELERS CASUALTY INSURANCE COMPANY INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANYAUTO <input type="checkbox"/> ALLOWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	N	UB3627P912	12/22/10 12/20/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

EVIDENCE OF INSURANCE ONLY

CERTIFICATE HOLDER CITY OF LOS ALAMITOS 3191 KATELLA AVE. LOS ALAMITOS, CA 90720	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Scientia Est Potentia - Knowledge is Power

**RESPONSE TO
CITY OF LOS ALAMITOS
REQUEST FOR PROPOSAL**

RFP for Information Technology Support Services

Due Date:

Monday, May 16, 2011

Time: 4:00 PM

Contact: Tom Bruce

Phone: (714) 686-1464

tom@scientiacg.com

Scientia Consulting Group, Inc.

1591 S. Sinclair Street, Suite B

Anaheim, Ca. 92806



Scientia Consulting Group
1591 S. Sinclair St. Suite B
Anaheim, Ca. 92806
(877) 444-3108

May 3, 2011

City of Los Alamitos
IT Services – Request for Proposal
3191 Katella Avenue
Los Alamitos, CA 90720

Dear Mrs. Palmer:

On behalf of Scientia Consulting Group, I would like to take this opportunity to thank you for allowing us to present you with a quotation for IT services. It is our intent to provide you with enough information so you and your team can make an intelligent decision as to how you move forward with contracting IT services.

At Scientia Consulting Group, we look to provide the best comprehensive suite of services to our customers with honest, ethical and practical recommendations based on our overall experience with consideration of the customer's desires and fiscal impact; in fact this is our company's Mission Statement.

If we can be of further assistance to you, or you have follow-up questions, please don't hesitate to contact me. Also, if you have any other IT needs, don't hesitate to contact us, as our staff has extensive experience in City IT services.

Thank you again and we look forward to working with the City of Los Alamitos.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Bruce", written over a horizontal line.

Tom Bruce – CTO/VP of Operations
Scientia Consulting Group

Scientia Est Potentia - Knowledge is Power

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Executive Summary

Scientia Consulting Group, Inc. (herein SCG) is pleased to submit this response to Request for Proposal for Information Technology Support Services. We have carefully examined the proposal documents and believe that we have submitted a comprehensive response taking into account all of the requirements of the City of Los Alamitos (herein the City).

It is SCG's understanding that the City is setting out to obtain full Information Technology service and support. It is also our understanding that the City desires to select the most qualified consultant for information technology support services for the City, and requires that the successful consultant has the knowledge, expertise, staff and availability to provide comprehensive technical computer and network support. We also understand that the City places a high priority on consistent and comprehensive maintenance of the City's server units and computers.

We at SCG pride ourselves on providing the best service possible to our customers. As an IT provider to other municipal agencies, we understand City government, purchasing regulations and the great demands of providing full-service IT support, such as being on call 24-hours a day, 7-days a week, geared for users that operate 24 hours-a-day. And more importantly, we understand that municipal government agencies expect constant system up-time to ensure critical City services are provided for and City leaders and department heads can provide continuity of government.

The proposed services in this document are similar to services we already provide to many of our existing customers. SCG has been in the IT business for over eleven (11) years. Our company name captures the overall essence of our personnel and service levels with our slogan; Scientia Consulting Group - Scientia Est Potentia, translates to, "Knowledge is Power." Our executive management has been working in the IT business for over 22 years, both in the private and public sectors, bringing to the workplace a plethora of IT knowledge.

In the Introduction and Understanding of the Scope of Services, we affirm that we understand your requirements for the entire City's IT needs encompassing the Police Department, Engineering and Public Works, Recreations, Community Development, Administration, Finance and the City Clerks Office.

As you will read, we give a brief explanation as to the scope of services to be offered and the company's approach to the information provided. We even share how our virtual IT Support System known as The *Sentinel*, can not only meet your required needs but exceed them. The *Sentinel* will also enable us to better serve as your IT provider.

In our Brief Company Profile, you will see that our expertise is in providing full IT services to local government agencies and private industry. We already work with other Orange County agencies in similar environments that you describe, and are the

current provider of IT services to your communication center, West Cities Police Communications and your joint Mobile Command Post vehicle.

Our experience level and knowledge of this unique IT world comes together in the next section, "Professional Qualifications of the Principals Assigned to the City". You will see that you would be working with seasoned veterans of the IT business. And yes our key staff would be personally working on this contract based on the expertise needed for the tasks at hand.

SCG has a number of staff available when assigning personnel to specific sites. Not only are each of our employees very capable IT technicians, they have an expertise in specific areas of IT services to include mobile and wireless technology, networking infrastructure, server and application administration, project management, and back up and recovery solutions.

As you continue to review the RFP response, you will learn that we are headquartered in the City of Anaheim. Attached is our company brochure and a brochure for our customized monitoring software, The *Sentinel*. In the next section you will find our regular IT support proposed fees based on an hourly rate along with our additional IT support fees for services exceeding the proposed sixty (60) hours per month. We also included free-of-charge The *Sentinel* with every customer signed annual contract.

As you follow up with our provided references, these references will express our knowledge of the city/county government and public safety sectors, and how we exceed any other IT service providers in our industry. The remainder of the proposal is the required documents.

We understand that in spite of the thoroughness with which this response has been prepared there may still be questions to be answered. Please allow us an opportunity to clarify any areas where questions may exist.

SCG is proud of our service levels and is truly a full service provider placing a high priority on consistency and comprehensive services. We have only the very best in staff and prove to be the most qualified when up against other IT providers. Our personnel have the knowledge, expertise, staff and availability to provide the City of Los Alamitos comprehensive technical computer and network support.

We realize that contracting with an IT service provider represents a major investment and requires careful consideration. Our goal is to provide services that will ensure the maximum return on investment.

1. Introduction and Understanding of the Scope of Services

Scientia Consulting Group is well prepared to handle the IT services for the City of Los Alamitos. We have a variety of expertise, ranging from wireless technologists, storage engineers, network specialists, software developers and web site designers. Our personnel have experience with a variety of equipment, allowing the customer to continue with what they trust, or our engineers can suggest product based on product history and experience. Whether it is complex IT support or project management, we have the personnel and the expertise to handle any job.

An added advantage which SCG provides FREE to all our contract customers, is our software solution known as the *Sentinel*. The *Sentinel* is a customized software solution that manages your entire computing infrastructure with one application. Complete, powerful, and secure, the *Sentinel* will monitor all of your systems, ensuring constant up time with minimal malfunctions or interruptions resulting in one of the highest service level agreements ever achieved by the City. The *Sentinel* will automatically notify us of system failures via cell phones, e-mail and even SMS messages when our services are needed. Frequently, we will have you back up and running without users having to initiate a service call or sometimes even knowing a failure occurred. The *Sentinel* will *Serve and Protect* 24 hours a day, 7 days a week. Below is a list of some of the features the *Sentinel* provides:

- PC Inventory / Computer Audit - Complete computer inventory and software inventory. Scheduled LAN audits. Fully automated and always up-to-date.
- PC Remote Control / Remote Support - We will be able to access computers remotely, secure and configurable.
- Patch Management - Fully automated security patch scan, patch testing, patch deployment and history. Scalable, secure, configurable and location independent. System can provide Microsoft patches and updates to most other applications.
- Network Monitoring / Alerts - We will be instantly notified of hardware changes, software changes, policy violations, low disk space, unapproved network access, new devices on the LAN, etc. Network appliances and printers can be monitored with SNMP traps.
- Windows Event Monitoring / Alerts - We can remotely monitor Windows system event logs, application event logs and security event logs with user defined alerts. Alerts can send notifications to IT staff and automatically generate help desk tickets.
- Mobile Data Computers / Laptop Monitoring and Remote Management – The *Sentinel* also provides monitoring and remote management of mobile data

systems, without having to physically touch each mobile device. Trouble tickets can even be initiated from the mobile platform by the end-users.

- Software Installation / Update - Complete software installations and software updates across the City network. Easier and more flexible than SMS and other solutions.
- Help Desk / Trouble Ticketing - Complete integrated trouble ticketing. Policy based notifications. Built in online chat for support personnel and users. Users have ability to create trouble tickets. Monthly reports are generated outlining the weeks' tickets and repair turnaround times.
- Network Policy Enforcement - We can monitor network usage by machine and by application. Define policies and limit network access to only City approved applications.
- Integrated Reports - We can provide comprehensive integrated management and operational reports. We can provide report viewing online or export to HTML, Word or Excel or deliver in person or by email.
- Maximum Security - Encrypted communication using 256-bit RC4 with rolling keys. No open ports. No plain-text data packets on the network. Nothing for attackers to exploit.
- Flexible Administration - One integrated Web based interface. Accessible from anywhere. Flexible setup of administrators and users, computer groups, permissions and policies.
- Printer monitoring – Monitors printers for alerts and inventory levels to ensure uptime.
- Optional Antivirus/Antispyware – We utilize ESET security tools to ensure systems are protected from virus and spyware. In addition to ESET, we have several tools we utilize to clean infected computers saving time on rebuilding systems.

Where SCG stands out is in our service levels compared to other providers is our software solution, the *Sentinel*. The *Sentinel* is the IT staff serving during off hours, saving the City expensive personnel costs or contract services. We also believe that with the *Sentinel* in place, the City, once comfortable with the service levels, can even scale back the on-site hours required in the RFP saving the City funds for other projects.

The *Sentinel* is the ultimate application for managing the entire city's computing infrastructure. With maximum scalability and flexibility, SCG and the *Sentinel* have the power to automate key tasks to increase the productivity of your staff and the

organization as a whole. From Software Inventory to Remote Desktop Management, our solution has the features and functions to automate day to day IT tasks.

We also have extensive programming experience. We have written applications to automate tasks, merge data between systems, and present data via a web interface to users. In addition, we have experience writing apps for both Microsoft and Apple mobile devices.

Along with this great software solution (the *Sentinel*) comes the personnel from SCG. It is the intent of SCG to provide full service on-site information technology services to the City at the stated monthly hours. On-site hours can be in blocks of 4, 6, 8, or 10-hour days to be consistent with staff hours.

In addition to providing the services listed above, SCG also tries to reduce the customer's IT costs. This can be done by streamlining the workflow to reduce staff time, replacing outdated systems with new technology, and renegotiating vendor pricing for recurring costs.

2. Scope of Services to be Offered / Company Approach

While the City benefiting from the *Sentinel*, and our personnel being on site per the stated monthly hours, we will not only provide the identified services as stated in the Scope of Technical Services Section III of the Request for Proposal, but will exceed the identified services. Our approach to this scope is simple. Build upon the existing infrastructure and configure it so the hardware and software can sustain itself with minimal interaction from the IT staff, while using the *Sentinel* to watch over all computers and servers. Only weekly and monthly attention will be needed once configured properly and our software is loaded, allowing the IT staff more time to focus on future City technologies and IT needs.

More specifically, the scope of technical services shall include the following with a brief explanation as to how that service will be provided:

1. Help Desk Support (including any off-site computers and police mobile data computers).

This is where SCG excels in its level of service setting us aside from the rest of the competition. As discussed previously, SCG uses the *Sentinel*, which provides for automated helpdesk trouble ticketing, and provides for immediate notification to IT staff of problems based on the end-users needs. It tracks trouble tickets from start to finish and has tools to ensure no problem goes without attention. It can also provide weekly or customizable trouble ticketing reports to department heads. It is as simple as creating an email but provides for the capability for instant chat with IT staff for after-hour support or instant remediation. SCG will also be available by cell phone for more urgent needs, 24 hours a day, 7 days a week. We at SCG understand the importance of IT support for operations that run 24/7, especially in the mobile environment and public safety arena.

- Software related issues (Application Support)

Our staff excels as trainers in all areas of IT services, including specialized applications. We can provide on-site training classes for multiple students or one-on-one training as needed.

- Hardware related issues (Servers/Workstations/Mobile Data Computers)

Our staff has extensive experience with a variety of hardware, especially mobile data computers and laptops. Be it a downed server, computer that fails to boot, hard drive failure, or MDC power management issues, we have the knowledge to overcome any issues.

2. Network Administration

- Network Access

With extensive knowledge of network security and utilizing complex password polices and proper firewall security, we can ensure a secure and reliable network.

- Network Printing/Copiers

The issue of printers/copiers usually revolves around user errors or hardware failure. It would be our intent to ensure all printers/copiers are configured properly and are identified in a systematic way on the network to allow for all staff to print to designated-area printers/copiers and to ensure the staff is properly trained in the use of the printers/copiers. Our *Sentinel* service monitors for printer/copier errors and cartridge low-levels.

- Network Resources Access

SCG will ensure that Active Directory is properly configured to ensure that the City is obtaining the best database management for all its work force utilizing Organizational Units. It has been our experience that when dealing with mobile, and remote workers, other IT service providers do not get Active Directory right. It is imperative that the Active Directory be configured properly to consider those mobile remote workers, and to take advantage of Group Policies and security rules, providing for secure and reliable network resource access.

- Email Administration

With the use of Outlook 2010 and Exchange 2010 servers, it becomes rather straightforward to maintain the system and provide for the most feature-rich email experience. Deploying email to the mobile work force has never been easier and with the proper Exchange configurations. Email can be realized by all workgroups in the office, at home, on the road or in their police cars, without having to leave desktop computers on for the sake of forwarding rules. It would be our intent to configure the Exchange server so all City employees could utilize email (within the guidelines of the City policy) anywhere in the world with Internet access. With some additional wireless network infrastructure enhancements, email can even be realized by your mobile users via mobile computers, remote computers, smart phones, and tablets.

- Documentation

The *Sentinel* has the ability to produce weekly, monthly and annual comprehensive management and operational reports pertaining to trouble tickets, services calls, software and hardware audits, etc. We can even build ad-hoc reports pertaining to anything related to the IT infrastructure. These reports can be viewed online, exported to HTML, or provided in an email or Word documents. It would also be our intention to complete a network diagram to properly document the City's IT infrastructure.

- Server Maintenance

This is viewed as a maintenance issue and once in place SCG will perform daily, weekly and monthly maintenance services to ensure constant up-time of the network and its servers. The *Sentinel* will also monitor all servers 24/7.

- Firewall Administration Support

We at SCG understand the importance of security and firewall administration within the domain and outside entities. It will be our priority to not only ensure compliance with City security and user group policies, but to ensure that all City, county, state and federal database access meet mandated security requirements. SCG works every day with ILJAOC, OCSD, DMV, DOJ and CLETS systems, and has a great understanding of their security requirements and firewall configurations. It's important in this day-in-age that personnel take advantage of the variety of tools now available to city government and police departments.

3. Perform System Upgrades/Updates

- Operating System Upgrades

Our on-site personnel will ensure all systems stay current and have the latest updates available, and with the *Sentinel* in place, this task is even easier as it is streamlined by deploying upgrades/updates from one place instead of visiting every computer.

- Application / Hardware Upgrades

Once in place, SCG will conduct a survey of the current hardware and software. That survey will assist us in creating a replacement cycle that is fiscally sound and will ensure that the City is current with the latest technology and is replacing outdated and legacy software and hardware.

- Operating System Updates/Patches (Server/Workstation)

This is yet another great feature of the *Sentinel*. All of this work can be automated and handled with very little interaction, allowing us to focus on more critical IT service needs for the City.

4. Filtering/Protection

- Virus Protection Administration / SPAM Filtering Administration

This is another area where SCG excels. Utilizing the *Sentinel* enables us to constantly monitor the City's network, even during off hours, weekends and holidays, ensuring that no outside threat is propagated across the network. We can deploy virus protection and address filtering needs in a fraction of the time it takes other providers. The *Sentinel* never sleeps and is constantly standing guard over and protecting the network. With the continuous threat of viruses, we can never be too careful. This is an area that requires constant monitoring, updates and attention, 24 hours a day, 7 days a week.

5. Administer the City's computer backup system

Once in place, we would immediately ensure all systems are properly backed up and that backup software is properly configured and licensed.

6. Resolve any issues with City's IT infrastructure

With the extensive experience of SCG staff, we will assure the City that no issue will go unresolved.

7. Answer IT related questions from City staff

Our on-site staff will be available to answer questions and address issues as they arise. What happens during the hours when staff is not on site? The *Sentinel* provides the ability to chat live with our technicians or we will be available by phone to assist where needed. Utilizing the *Sentinel* will also enable us to provide staff with customized reports on the status of the network as often as needed, provide information on open and closed trouble tickets and alert SCG of any issues affecting the network, servers, applications or individual components. We can also be alerted to the use of unauthorized, unlicensed software. SCG will provide monthly written status reports to the City of IT activity, open and resolved issues, and will alert the City to any existing or potential problems with its IT systems.

8. Work with other IT consultants/vendors to resolve issues with software and hardware and for the implementation of City's IT projects.

SCG has an outstanding relationship with most of the vendors used by local government and public safety agencies within Orange County. We also have personnel that have worked directly with i2 (formerly KCC), the vendor that provided ILJAOC with the Coplink product, and we have staff that are expert users in Coplink and serve as trainers for other Orange County law enforcement agencies. We also have a great working relationship with CDI, the consultant for the Orange County Sheriff's Department. SCG has also worked with DMV as well as OCSD, CLETS, and DOJ and we have a great understanding of their security requirements and compliancy issues. We are also on first name basis with the government account representatives from not only Verizon Wireless, but also AT&T Wireless and Sprint/Nextel. Our staff has also worked hand-in-hand with the West Covina Service Group and knows their CAD/RMS product from both an end-user and administrator perspective. SCG has intimate knowledge of OCSD applications such as ELETE. Our personnel have served as trainers to other Orange County law enforcement agencies on its use and as technical support.

9. Attend meetings when requested by City Staff.

Depending on the nature of the meeting, SCG will send executive managers to top level meetings and ensure that the topics and expertise match. For lower level meetings, on-site IT technicians will be used unless a request is made for SCG management. The same hourly rate will be charged no matter the level of expertise needed.

10. Provide City with recommendations on how to improve IT infrastructure, use technology to automate processes, and implement new technology.

SCG is constantly evaluating the current state of our customers IT infrastructure to ensure the latest technology is being realized. Our expert staff is always looking for ways to automate tasks and processes, streamlining workloads and staying ahead of the technology curve. Oftentimes we come across new product that will save our customers money in the end, cut their IT costs, and yes even IT services. Our Mission Statement sums it up: *"We look to provide the best comprehensive suite of services to our customers with honest, ethical and practical recommendations based on our overall experience with consideration of the customer's desires and fiscal impact."*

11. Participate in City's budget process when requested.

We will also provide an annual budgetary report identifying when hardware replacement is necessary, when software licenses are due for renewal and recommend hardware and software based on our overall experience.

12. Provide City with quotes from other vendors for IT purchases when requested.

SCG will coordinate all IT purchases. We will make recommendations to the City, provide competitive quotations for required equipment and licenses, and upon approval from the City, place all orders and track receipt of equipment. We have great relationships with a variety of vendors and constantly look for best pricing so our customers benefit. We can provide the three required quotes and the City can issue the purchase orders, or we can provide the product and bill along with our standard monthly billing. We do not add a service fee to purchases when providing product. We simply find the best prices and pass them through to streamline purchasing.

Other tasks not identified in the Scope of Technical Services but are standard practice for SCG:

SCG will manage and support all Windows-based desktops and laptop computers, including hardware, software and system configuration. Our approach to this is straight forward. Once all desktops, laptops, MDC's, PDA's and other devices are properly configured, minimal attention will be needed to maintain those devices, software and system configurations.

SCG will also manage and support all components of the local and wide-area networks (LAN and WAN) as well as Internet connectivity for all locations and VPN connections. This area, however, will need some investigation to determine if the best practices are being used or if work will be needed to properly configure equipment for the best results. This, of course, is contingent on if the City even desires VPN access if not already enabled.

SCG will also manage software licenses, keeping a written and electronic inventory of all licenses purchased by the City as well as a record of where those licenses are used. The ability to manage the licenses is found in our software solution, the *Sentinel*. SCG will notify the City if new licenses are necessary as the City's requirements change or as are necessary to remain in full compliance with all software license agreements.

SCG will maintain up-to-date documentation of the City's IT systems and complete a detailed, high-level network diagram.

SCG will also maintain an up-to-date IT asset inventory. This is another great feature of the *Sentinel*. We can maintain complete computer and software

inventories, records of asset tag numbers, serial numbers, hardware specifications, actual hardware locations, keep and forecast replacement dates and replacement values.

SCG will also be responsible for setting up new PCs and perform routine moves and changes as needed. We will standardize PC platforms and create a base images for all department specific computers as well as MDCs.

One of our greatest assets at SCG is our personnel who currently participate and interact with many other agencies in the County already, staying abreast of the latest technology initiatives and current trends. We also have staff that participates in municipal government working groups (e.g. OCLEITA, O.C. Communications/IT Sub-Committee, ILJAOC).

3. Experience and History of the Company

SCG started working in the IT arena in 2000, first conducting business as EP Solution Integrators, then in 2006 as Scientia Consulting Group, Inc. We felt a name change was necessary to capture the overall essence of our personnel and service levels and therefore established our corporate name and slogan; Scientia Consulting Group - Scientia Est Potentia (Knowledge is Power). Our executive management has been working in the IT business for over 20 years, both in the private and public sectors, bringing to the workplace a plethora of IT knowledge.

One of our strongest assets is our expertise and knowledge of the public sector needs and desires. We have worked in the same environments and have a clear understanding of what is needed to get the job done correctly and within the estimated budget. We know what products are proven to work and in contrast know what products do not work.

Our staff all have worked in the public sector IT services and understand purchasing requirements and City limitations. We understand City Charters and agree with a competitive purchasing process that is not only fair but will save the City money. We have used such purchasing avenues like CMAS and GSA, and understand how to streamline purchases to get the job done. We also have great relationships with all major vendors such as CDW-G, Ingram Micro, GovPlace, and Dell.

Our staff has experience in preparing Requests for Proposal and Requests for Information, and can assist with City projects that require preparing RFP's or RFI's. Our project management skills are a strength that our customers can take advantage of by having us manage projects from start to finish, allowing staff to focus on other City issues or non IT related projects.

Our staff has also worked with other private sector customers on large projects, managing large software deployments such as accounting systems, Computer Aided Design (CAD) systems, server consolidation and virtualizations, GIS projects, and

licensing applications. We have extensive experience in multi-media systems ranging from recording City Council meetings to providing the ability to send multi-media presentations to displays throughout the City offices.

SCG has at our disposal a variety of software developers. We have been contracted by other customers to develop custom software applications to handle a variety of specialized tasks or functions not found in off-the-shelf software solutions. This includes building web applications for public access, designing licensing applications, merging data from one system to another to reduce the amount of duplicate data entry, custom reports bringing data from multiple systems (i.e. accounting, payroll, licensing, and citation data).

One of our strongest fields is in the wireless infrastructure, from wi-fi solutions to cellular data services. Our staff has extensive experience in the wireless arena and has developed great relationships with all the major cellular government account representatives. Our staff has managed very large mobile data computer systems and knows what technology is most appropriate to achieve the best mobile solution. This experience has assisted customers in deploying mobile computing systems for use in building inspections, citations, licensing, and public safety.

4. Brief Company Profile

Scientia Consulting Group, headquartered in Anaheim, California, prides itself on providing the best service possible to their clients at an affordable price. As a profitable business for over eleven (11) years, we have experts in all specialized fields in the IT business and hold our employees to the highest standard. Our Anaheim office also serves as our central monitoring station for clients using the *Sentinel*.

As a company that works closely with municipal government agencies, we understand purchasing regulations and the great demands of providing full-service IT support, such as being on call 24-hours a day, 7-days a week.

SCG is a Microsoft Partner, partnered with the largest provider of operating system software and is a household name. As a Microsoft Partner, we can provide the City savings in software expenses and have access to high-level technical support above and beyond levels that the consumer is privy to. We're also a Cisco Partner. As a Cisco Partner, we have access to all the resources Cisco provides and cost savings when purchasing hardware.

As stated previously, SCG is the current IT services provider for West-Comm, the communication center for the Cypress, Seal Beach and Los Alamitos police departments. We also are the IT services provider for the West Orange County Mobile Command Post vehicle, a shared asset of the three cities. We also provide IT services to the City of Laguna Beach, and the City of Placentia.

5. Professional Qualifications of Principals Assigned to the City

CEO Phillip Danie

Our Chief Executive Officer is Phillip Danie. Phillip's background includes an array of projects that have broadened his technical knowledge within a county law enforcement agency as well as within the private sector. Knowing how critical it is to be DOJ compliant and how to achieve the security requirements sets Phillip and his team aside from other companies. Some of his expertise is as follows:

- NetMotion Mobility
- EMC Hardware and Software storage systems
- Designed and managed SAN's
- Apple Xserve RAID
- Unisys Mainframe
- Virtualization products like VMware and Microsoft
- Microsoft Windows Server 2003/2008
- Microsoft Windows XP/Vista/7
- Mac OS X
- Microsoft Exchange 2003/2007/2010
- Microsoft Office 2003/2007/2010 and Mac
- VB.net
- Web Design: asp.net, PHP, xml, Java
- Network Administrator
- SQL and Sybase administrator
- Cisco network products
- Juniper network products
- Multiple backup software
- Enterprise desktop deployment
- Accounting Systems: Microsoft Dynamics, Springbrook, Peachtree, Lacerte
- Apple IOS development

Public Agency Expertise:

- Managed MDC's on a large scale deployment
- CA DOJ CLETS certified
- Certified CLETS compliancy for multiple agencies
- Designed VB applications for various clients

CTO/VP of Operations Tom Bruce

Our Chief Technology Officer and the Vice President of Operations is Tom Bruce. Tom came to the company in 2006 to help strengthen the law enforcement relationship. Tom, a professional law enforcement practitioner and police technologist, brings to the company a vast and broad range of IT experience. From managing large scale projects to maintaining and supporting complete mobile data computer systems, Tom has the knowledge and expertise needed to take a project from start to finish. Tom's experience spans two decades. Here are some of his accomplishments:

- 24 years of experience in law enforcement with 8 years in supervision
- 24 years of experience in police technology managing a variety of projects
- 12 years of experience in the fire service with 7 years in supervision
- Bachelors degree in public safety from CSULB
- Masters degree in Emergency Management from CSULB
- POST certified (basic, intermediate, advanced, supervisory)
- CA DOJ CLETS certified
- E.L.E.T.E. (Enhanced Law Enforcement Terminal Emulator) Administrator
- NetMotion Administrator
- Coplink (O.C. data sharing project) Administrator
- Cal-Photo Administrator
- Technical liaison for ILJAOC (Integrated Law and Justice Authority of Orange County)
- OCLEITA (Orange County Law Enforcement Information Technology Association) Co-Chair
- Member of the OC Communications/IT Sub-Committee reporting to the O.C. Terrorism Working Group
- SQL Administrator
- Storage Solution Administrator
- Project Manger and administrator for an in-house Digital Image Management System (DIMS).

Project Management

- Served as Project Manager for the remodel of the Placentia Police Department emergency communication center
- Served as Project Manager for the remodel of the West Cities communications center
- In 1988 deployed first laptop computers in police cars in Orange County
- Managed the procurement and deployment of Mobile Data Computers
- Managed the procurement and deployment of an In-Car Mobile Audio Video system
- Managed the procurement and deployment of a biometrics access control system

- Managed the procurement and deployment of a biometrics log-on system
- Managed the procurement and deployment of a Jail Photo Booking system
- Managed the procurement and deployment of a wi-fi infrastructure
- Managed the procurement and deployment of a cellular data system
- Managed the migration from an RD-Lap system to a more current cellular system
- Managed the building and configuration of a Mobile Command Post
- Facilitated and managed the maintenance of all MDC equipped units and laptops
- Managed the building of a fleet of police cars (CVPI's) to include power management and the latest technology
- Maintained a working relationship with major national vendors such as AT&T wireless, L-3 MobileVu computer division, and Intronix
- Analyzed and implemented new and more robust/scalable mobile technologies as they became available
- Participated on a team to select and deploy a county-wide community notification system (Connect CTY known as Alert OC)
- Global Information Systems (GIS) project team member

Consulting Services

- Provided consultation on a report writing software project (UniForm).
- Provided consultation on a COPPS project database.
- Provided consultation and programming of a Jail Booking Photo system.
- Customized a mobile computer client software (Radcom).
- Assisted with the design and training of the O.C. Automated Subpoena System

Other Experience

- Assisted on the ILJAOC team to select and implement a data sharing project
- Trained law enforcement employees on the use of different software to access databases including criminal history and local, state and federal databases.
- Experience with Cal-Photo, DMV Photos, Coplink, ELETE, Court Vision Web, CCHRS, Parole LEADS, Megan's Law, TCIS Crime Connect, CLEW, In-Time Scheduling Engine.

6. Number of Staff Available to Provide Services to the City

SCG management believes that a smaller more educated and experienced workforce is of more value than a large workforce. As a result of our business plan, we have a short list of IT technicians and also utilize our executive management where needed based on the task at hand and expertise needed.

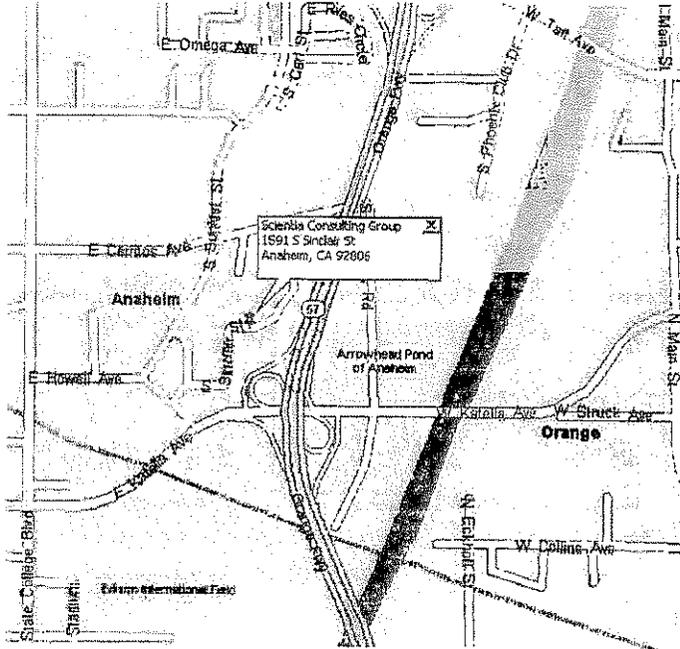
Our intention is to provide the City with a short list of personnel to choose from who will serve as the primary IT technician. The city can conduct interviews and select a person that best fits within their organizational culture. We will do everything we can to ensure the same person services the contract, however there will be times when other personnel or management personnel will be on site based on the expertise needed for a given task.

7. Office Locations and Sample Brochures and other Material

Scientia Consulting Group

Home Office:

1591 S. Sinclair Street, Suite B
Anaheim, Ca. 92806



Phone Number:
(877) 444-3108

Website:
www.scientiagroup.com



Scientia Est Potentia - Knowledge is Power

We have professionals with expertise ranging from public safety mobile technology to network infrastructure. We provide ongoing, annual IT services, project management, and assist with the deployment of a variety of technologies. No matter how large or small the project, Scientia Consulting Group is your source for technical assistance.

Here are just a few of the services we provide:

- **Application Integration**
- **Network Design, Installation and Maintenance**
- **IT Support (as needed or by annual contract)**
- **Hardware/Software Troubleshooting**
- **Back-up and Recovery Solutions**
- **Virus and Security Protection**
- **Virtual Private Networks (VPN)**
- **Project Management**
- **Custom Software Development**
- **Wireless Infrastructure (Cellular, WWAN, WLAN)**
- **Consulting**
- **Training**
- **Planning**
- **Mobile Solution Deployment**
- **System Administration**
- **Server Installation and Configuration**
- **Website Design and Content Management**

We also offer complete 24/7 system monitoring with our custom monitoring software. We will fix the problems before they're even noticed! You don't have to worry anymore about weekend callouts or off-hour system failures.

Contact us for your **FREE** in-person consultation and learn what we can do for you.
www.scientiagc.com Phone: (877) 444-3108 E-Mail: info@scientiagc.com

Mission Statement: Provide the best comprehensive service to our customers with the most honest, ethical, and practical recommendations, based on our overall experience with consideration to the customer's desires and fiscal impact.



Scientia Consulting Group is always looking to enhance the services we provide while at the same time finding ways to save our clients time and money. We now offer a software solution to manage your entire computing infrastructure with one integrated, Web-based application. Complete, powerful, secure and easy to set up, our solution will monitor all of your systems, ensuring constant up-time with minimal malfunctions or interruptions. Have no IT staff on site? Not a problem. Our solution will notify us of when our services are needed. We will have you back up and running without having to initiate a service call or sometimes even knowing a failure occurred. Our solution will Serve and Protect 24 hours a day, 7 days a week. Here is a list of what our solution provides:

PC Inventory / Computer Audit

Complete computer inventory and software inventory. Scheduled LAN audits. Fully automated and always up-to-date.

PC Remote Control / Remote Support

Access computers remotely from anywhere. Secure and configurable. Access PCs behind firewall's and NAT without port mapping or infrastructure changes.

Patch Management

Fully automated security patch scan, patch deployment and history with the click of a mouse. Scalable, secure, configurable and location independent.

Network Monitoring / Alerts

Instant notification for hardware changes, software changes, policy violations, low disk space, unapproved network access, new devices on the LAN, etc.

Windows Event Monitoring / Alerts

Remotely monitor Windows system event log, application event log and security event log with user defined alerts.

Software Installation / Update

Complete software installations and software updates across the organization with a mouse click. Easier and more flexible than SMS and other solutions.

Help Desk / Trouble Ticketing

Complete integrated trouble ticketing. User and administrator create/update. Policy based notification. Built in online Chat for support personnel and users.

Network Policy Enforcement

Monitor network usage by machine and by application. Define policies and limit network access to only corporate approved applications.

Integrated Reports

Comprehensive integrated management and operational reports. Customizable, always available. View online or export to HTML, Word or Excel.

Maximum Security

Encrypted communication using 256-bit RC4 with rolling keys. No open ports. No plain-text data packets on the network. Nothing for attackers to

Flexible Administration

One integrated Web based interface. Accessible from anywhere. Flexible setup of administrators and users, computer groups, permissions and policies.

Fast and Easy Deployment

Deploy in minutes without downtime. Automatic discovery and deployment to all computers, local or remote. No long training cycle or learning process.

Backup and Disaster Recovery

Provides real-time automated disk backup, disk imaging, file level backup and bare-metal restore for Windows servers and workstations

Our Enterprise Edition (EE) is the ultimate application for managing the entire computing infrastructure. With maximum scalability and flexibility, Scientia Consulting Group has the power to automate key tasks to increase the productivity of your staff and the organization as a whole. From Software Inventory to Remote Desktop Management, our solution has the features and functions to automate day to day IT tasks.

8. Cost Proposal

Regular IT Support

Annual Contract with 60 hours per month On-Site and the *Sentinel*

Hours/Month	60
Hourly Rate	\$95
Monthly Rate	\$5,700
Annual Cost	\$68,400

The *Sentinel* is provided **FREE** of charge based on the signing of a two-year contract.

Added Value Service – **FREE** of charge

We believe so strongly in the *Sentinel*, we will provide the City two (2) hours per month of **FREE off-site** remote IT support when the IT tech is not on site, avoiding expensive call-back hourly rates. Any unused hours will roll over to the next month into a support bank ensuring that hours are available when needed. The off-site IT rollover support bank resets after each full year based on the signing date of the contract.

Total Combined Cost for First Year

Hours/Month	60
Hours/Annually	720
Off-Site IT Rollover Support Bank	FREE
Annual Cost	\$68,400

Additional IT Support

IT support hours above the sixty (60) hours per month (Regular IT Support) will be billed at the same hourly rate of \$95 during normal business hours identified as 7:30 a.m. to 5:30 p.m. Any hours outside of the normal work-week will be billed at a 2-hour minimum charge.

Recognized state and federal holidays will be billed at an hourly rate of \$95 with a 2-hour minimum charge.

9. References

Listed below are four jurisdictions, which presently contract with SCG for IT services:

West Cities Police Communication Center

Within the last four (4) years, Phil Danie has been providing information technology services for the West Cities Police Communications Center (West-Comm) and are currently their primary IT service provider. Through the West-Comm IT contract, support and services is also provided for the West Orange County Mobile Command Post vehicle shared by the cities of Los Alamitos, Cypress, and Seal Beach. West-Comm had several other IT service providers over the last several years and it was known they were not happy with the service levels. Phil Danie came into their operation, examined their infrastructure and redesigned their entire network bringing them into compliance with local, state and federal regulations and added additional capabilities to all of their dispatch consoles. With security and Department of Justice compliancy a priority, West-Comm was rebuilt from the ground up and now serves as a model for other communication centers.

Client: West Cities Police Communication Center
Contact Person: Supervisor Kristen Berry
Address: 911 Seal Beach Blvd. Seal Beach, CA 90740
Phone: (562) 594-7242

City of Cypress

Provided desktop, laptop, and network support for the police department. Several technologies that proved to need expertise were their mobile data computers (MDC's) and the many factors that play on achieving constant connectivity, along with providing for investigative features and capabilities with the many local, state and federal databases, and communicating with West-Comm and CAD/RMS. Another example was the need to participate with the many county public safety initiatives (e.g. ILJAOC - Coplink, Automated Subpoena System, In-Time Scheduling Engine, document management and case filing; ELETE - Cal-Photo, DMV Photo, Parole LEADS, Court Vision Web, Megan's Law, etc.). SCG is well versed in all of these technologies and has worked directly with the other vendors, ILJAOC, and the Orange County Sheriff's Department. In fact, all of SCG's key staff have been serious contributors to each of these technologies, serving on sub-committees, serving as programmers, or serving as the actual technical support staff and training staff.

Client: Cypress Police Department
Contact Person: Jeff Kepley
Address: 5275 Orange Ave. Cypress, CA 90630
Phone: (714) 229-6623

City of Laguna Beach

Our third client that falls within the guidelines of the RFP is the City of Laguna Beach. The City of Laguna Beach IT department, along with the technology officer of their police department, needed assistance with the implementation of multiple projects. This includes CAD, RMS, camera surveillance, door access, and their new mobile data computer platform and software. After successful implementation of these systems, SCG was then hired to manage the IT systems for multiple departments. SCG now serves as the primary consulting IT service provider providing full-time IT support personnel on site for the City of Laguna Beach. Our staff works hand-in-hand with City IT staff to ensure all City projects are properly managed and deployed. This is just another example of needing expertise in specific technology that today's forward thinking cities need when thinking of their many unique needs from police and fire personnel, city engineers, inspectors, planners, public works, code enforcement officers, animal control officers, life guards, etc.

Client: City of Laguna Beach
Contact Person: Rita Fraser
Address: 505 Forest Avenue, Laguna Beach, CA 92651
Phone: (949) 497-0701

City of Placentia

A fourth client that desires mentioning is the City of Placentia. SCG has provided IT services for wireless network and Mobile Data Computers (MDC's) to the Placentia Police Department for the last two (2) years. In addition to IT services, SCG also consulted for and managed their police communications center full remodel project.

Client: City of Placentia
Contact Person: Lt. Eric Point
Address: 401 E Chapman Avenue, Placentia, California 92870
Phone: 714-993-8164

Orange County Sheriff

SCG has provided services to upgrade fiber switches for backend storage to all servers and mainframe. In addition, SCG has provided the Sheriff with various hardware needs.

Client: Orange County Sheriff
Contact Person: Ed Lee
Address: 320 N. Flower, Santa Ana
Phone: 714-402-1405

City of Los Alamitos

Agenda Report Consent Calendar

June 20, 2011
Item No: 8D

To: Mayor Kenneth Stephens & Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Anita Agramonte, Finance Director

Subject: Adoption of the City of Los Alamitos Fiscal Year 2011-12 Annual Appropriations Limit

Summary: Article XIII B of the California Constitution specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

Recommendation: Adopt Resolution No. 2011-11 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011-12."

Background

Article XIII B of the California Constitution, more commonly known as the Annual Appropriation Limitation or "GANN Limit", specifies the amount of allowable revenue the City of Los Alamitos can appropriate from the proceeds of taxes.

Discussion

The appropriations limitation imposed by Proposition 4 (Article XIII B of the California Constitution) creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The limit is based on actual appropriations from the 1978-79 fiscal year and is increased each year by the percentage growth in population and inflation.

In 1990, Proposition 111 and SB 88 (Chapter 60/90) were passed modifying the Proposition 4 annual adjustment factors. Each city may now annually elect to use either the growth in California Per Capita Income or the growth in the non-residential assessed valuation due to new construction within the City and the percentage growth in either the City's or the County's population.

Staff has calculated the Fiscal Year 2011-12 Appropriations Limit utilizing the percentage growth in the California Per Capita Income and the change in the County of Orange's population. The fiscal year 2011-12 Appropriations Limit is calculated to be \$14,801,400. The projected proceeds from taxes for Fiscal Year 2011-12 are \$8,805,500, which is \$6,292,900 or 42.51% below the appropriations limitation.

Fiscal Impact

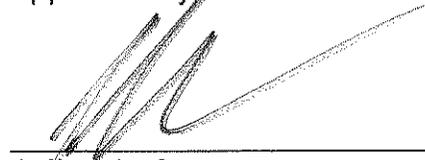
Not applicable.

Submitted By:



Anita Agramonte
Finance Director

Approved By:



Jeffrey L. Stewart
City Manager

Attachment: 1) *Resolution No. 2011-11*

RESOLUTION NO. 2011-11

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING AND
ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2011-12**

WHEREAS, on November 6, 1979, the voters of California added Article XIII to the State Constitution placing limitations on the appropriations of State and local government; and,

WHEREAS, Article XIII B was amended by the voters in November 1990 through the passage of Proposition 111; and,

WHEREAS, Article XIII B requires the City Council to select population and inflation factors for the year's appropriation limit calculation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the Fiscal Year 2011-12 appropriation limitation shall be \$14,801,400 as documented in Exhibit A.

SECTION 2. That the inflation factor being utilized to determine the 2011-12 appropriation limit is the percentage change in California per capita personal income.

SECTION 3. That the population factor being utilized to calculate the 2011-12 appropriation limit is the County of Orange population growth.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 20th day of June, 2011.

Kenneth Stephens, Mayor

ATTEST:

Adria M. Jimenez, CMC, City Clerk

APPROVED AS TO FORM:

Sandra Levin, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Adria Jimenez, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 20th day of June, 2011, by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Adria M. Jimenez, CMC, City Clerk

**APPROPRIATIONS LIMIT
APPROPRIATIONS SUBJECT TO LIMITATION**

Exhibit A

**CITY OF LOS ALAMITOS
FY: 2011-12**

	<u>AMOUNT</u>
Appropriations Limit for 2010-11	\$ 14,338,611
Adjustment Factors:	
Change in Population - County	1.0070
Change in Per Capita income	1.0251
Total Adjustment %	1.0323
Annual/Other Adjustments:	
Appropriations Limit for 2011-12	<u>\$ 14,801,400</u>
Appropriations Subject to Limit:	
Proceeds of Taxes	8,508,500
Minus Exclusions	-
Appropriations Subject to Limit	8,508,500
Appropriations Over (Under) Limit	<u>\$ (6,292,900)</u>

2011-12 Proceeds from Taxes	
Property Taxes	\$3,089,500
Sales and Use Taxes	2,223,000
Other Taxes	2,647,000
Business Licenses	479,000
State Subventions	40,000
Interest	30,000
	<u>\$8,508,500</u>

City of Los Alamitos

Agenda Report Public Hearing

June 20, 2011
Item No: 9

To: Mayor Kenneth Stephens & Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Anita Agramonte, Finance Director

Subject: Adoption of the City of Los Alamitos Fiscal Year 2011-12 Annual Operating and Capital Improvement Program (CIP) Budget

Summary: City Charter Sections 1201-1205 govern the development and adoption of the City's Annual Budget. Section 1203 requires a public hearing for public input on the proposed budget. Thereafter, the City Council shall adopt the budget with revisions, if any; establish estimated revenues, expenditure appropriations, and transfers of funds of the City.

Recommendation: City Council:

1. Conduct a public hearing on the Proposed Annual Operating and Capital Improvement Program Budget; and,
2. Adopt Resolution No. 2011-10 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE ANNUAL OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2011-12."

Background

Presented for your consideration is the Fiscal Year 2011-12 Annual Operating and Capital Improvement Program (CIP) Budget for the City of Los Alamitos. The City Council conducted three budget workshops on the proposed operating and CIP budget and to provide feedback to staff on possible revisions. The budget workshops were held on May 2, May 16, and June 6, 2011.

The City Council was presented with the City's complete proposed budget, which included detailed estimated revenues by fund, departmental goals and objectives, detailed departmental proposed appropriations, a summary of the City's seven year CIP, and detailed description of individual capital projects for fiscal year 2011-12.

The budget presented at the June 6, 2011 budget study session has been amended to include the General Plan Upgrade Contract awarded at the June 6, 2011 Council Meeting. A General Fund designation in the amount of \$429,487 was established setting aside the funds required to complete the project. It is projected that \$150,000 of this designation will be expended during Fiscal Year 2011-12. An additional \$25,000 was appropriated in the Planning division for costs pertaining to the in-house peer review of the General Plan.

In accordance with noticing requirements, the City Clerk has properly noticed the Public Hearing of the proposed budget, allowing for public comment. Reference copies of the Proposed Budget were made available at the City Clerk's counter prior to the Public Hearing, and will be available in the City Council Chambers during the June 20, 2011 Meeting.

Discussion

This budget represents the spending plans for the following fund types: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Internal Service Funds. For Fiscal Year 2011-12, estimated revenues (including transfers in) on an *all funds* basis equal \$13,756,601, while appropriations (including transfers out) for all budgeted funds total \$15,529,823. The General Fund, which is the general operating fund of the City and provides the majority of City services, comprises 72.7% of the total appropriations on an *all funds* basis. As detailed in Attachment B, the General Fund is projected to complete fiscal year 2011-12 with an operating surplus of \$36,551.

The Fiscal Year 2010-11 Operating and Capital Improvement Plan Budget provides for the utilization of resources in the amount of \$15,479,823, which includes the utilization of existing fund balances in the amount of \$1,723,222 on an *all funds* basis. This is summarized in Attachment B.

The City of Los Alamitos' economic outlook for fiscal year 2011-12 is projected to show minor improvements over Fiscal Year 2010-11. With the national recession having bottomed out in 2010, small growth in operating revenues is projected for fiscal year 2011-12. According to California State University, Fullerton-College of Business and Economics, "after a sharp and deep fall, the U.S. economy is finally on a long and arduous path to recovery. The recovery will be moderate and gradual but sustainable."

The City's general financial goal is to provide an adequate level of municipal services with the ability to adapt to local and regional economic changes, while maintaining and enhancing a positive fiscal position for the City.

In summary, this budget, which is the City's financial plan and policy document, continues to present the City Council's and staff's commitment to provide quality services that meet the needs of the residents of Los Alamitos in a cost effective and efficient manner. Staff would like to thank the City Council for their positive leadership and direction that has facilitated the preparation of the Fiscal Year 2011-12 Operating and Capital Improvement Program Budget.

Fiscal Impact

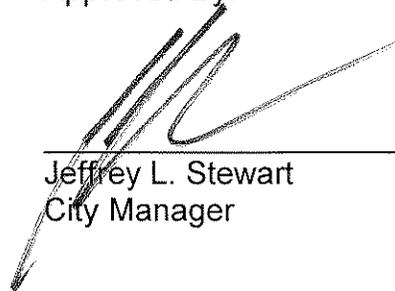
Adoption of the attached resolution will establish the City of Los Alamitos' Annual Operating and Capital Improvement Program Budget for Fiscal Year 2011-12.

Submitted By:



Anita Agramonte
Finance Director

Approved By:



Jeffrey L. Stewart
City Manager

- Attachments:*
- A) Resolution No. 2011-10*
 - B) Fiscal Year 2011-12 Proposed Budget Summary by Fund*
 - C) Seven Year Capital Improvement Program Budget*

RESOLUTION NO. 2011-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LOS ALAMITOS, CALIFORNIA, ADOPTING THE ANNUAL
OPERATING AND CAPITAL IMPROVEMENT PROGRAM
BUDGET FOR FISCAL YEAR 2011-12**

WHEREAS, the City Manager, in accordance with Article XII, Sections 1201 and 1202 of the City Charter, has prepared and submitted a proposed annual budget for Fiscal Year 2011-12; and,

WHEREAS, the City Council has reviewed the proposed budget and conducted a Public Hearing on said budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council of the City of Los Alamitos does hereby approve and adopt the Fiscal Year 2011-12 Budget as summarized by fund in Exhibit A to this resolution.

SECTION 2. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 20th day of June, 2011.

Kenneth Stevens, Mayor

ATTEST:

Adria M. Jimenez, CMC, City Clerk

APPROVED AS TO FORM:

Sandra Levin, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Adria M. Jimenez, CMC, City Clerk of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a special meeting of the City Council held on the 20th day of June, 2011, by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Adria M. Jimenez, CMC, City Clerk

City of Los Alamitos
Summary of Resources and Requirements
Fiscal Year 2011 - 2012

Fund Type/Description	Estimated Beginning Balance July 2011	Resources			Requirements						Surplus (Deficit)	Projected Ending Balance June 2011
		Estimated Revenue	Transfers In	Total Resources	Salaries & Benefits	Maintenance & Operations	Capital Equipment	Capital Projects	Transfers Out	Total Requirements		
General Fund:												
10- General Fund	3,379,333	10,868,720	381,273	14,629,326	7,248,519	3,752,256	-	-	212,667	11,213,442	36,551	3,415,884
Emergency Designation	2,300,000	-	-	2,300,000	-	-	-	-	-	-	-	2,300,000
Work Comp/Liability Designation	500,000	-	-	500,000	-	-	-	-	-	-	-	500,000
GASB 45 OPEB Designation	250,000	-	-	250,000	-	-	-	-	-	-	-	250,000
JFTB Pool Capital Impr. Designation	62,000	-	-	62,000	-	-	-	-	-	-	-	62,000
Los Alamitos Blvd. Rehab. Designation	200,000	-	-	200,000	-	-	-	-	-	-	-	200,000
General Plan Update Designation	429,487	-	-	429,487	-	-	-	150,000	-	150,000	(150,000)	279,487
General Fund Total:	7,120,820	10,868,720	381,273	18,370,813	7,248,519	3,752,256	-	150,000	212,667	11,363,442	(113,449)	7,007,371
Special Revenue Funds:												
19- C.D.B.G. Fund	-	89,888	-	89,888	-	-	-	89,888	-	89,888	-	-
20- Gas Tax Fund	242,323	335,200	-	577,523	-	-	-	239,500	177,000	416,500	(81,300)	161,023
21- Public Safety Augmentation Fund	13,031	69,000	-	82,031	-	-	-	-	82,031	82,031	(13,031)	-
22- Supplemental Law Enforcement Fund	33,737	-	-	33,737	-	-	-	-	33,737	33,737	(33,737)	-
23- Air Quality Fund	67,491	14,100	-	81,591	-	-	74,000	-	-	74,000	(59,900)	7,591
26- Measure M Fund	627,849	148,200	-	776,049	-	-	-	688,000	-	688,000	(539,800)	88,049
27- Asset Seizure	126,293	350	-	126,643	-	-	75,500	-	-	75,500	(75,150)	51,143
28- Los Alamitos Television Fund	96,370	45,200	-	141,570	-	45,200	-	-	-	45,200	-	96,370
29- Office of Traffic Safety Fund	81,305	9,700	-	91,005	2,500	-	-	-	88,505	91,005	(81,305)	-
30- EECBG Fund	-	-	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds Total:	1,288,399	711,638	-	2,000,037	2,500	45,200	149,500	1,017,388	381,273	1,595,861	(884,223)	404,176
Debt Service Fund:												
31 - Laurel Park Debt Service Fund	260,168	-	212,667	472,835	-	212,667	-	-	-	212,667	-	260,168
Debt Service Fund Total:	260,168	-	212,667	472,835	-	212,667	-	-	-	212,667	-	260,168
Capital Projects Funds:												
24- Residential Street Fund	108,171	300	-	108,471	-	-	-	50,000	-	50,000	(49,700)	58,471
25- Building Improvement Fund	151,141	400	-	151,541	-	-	-	132,000	-	132,000	(131,600)	19,541
40- Park Development Fund	239,589	500	-	240,089	-	-	-	230,000	-	230,000	(229,500)	10,089
41- Rivers/Mountains Conservancy Fund	96,048	1,040,250	-	1,136,298	-	-	-	1,040,000	-	1,040,000	250	96,298
44- Traffic Improvement Fund	628,110	165,520	-	793,630	-	-	-	458,620	-	458,620	(293,100)	335,010
Capital Projects Funds Total:	1,223,059	1,206,970	-	2,430,029	-	-	-	1,910,620	-	1,910,620	(703,650)	519,409
Internal Service Funds:												
50- Garage Fund	510,491	229,333	-	739,824	83,418	145,915	119,900	40,000	-	389,233	(159,900)	350,591
53- Technology Replacement Fund	205,204	146,000	-	351,204	-	146,000	12,000	-	-	158,000	(12,000)	193,204
Internal Service Funds Total:	715,695	375,333	-	1,091,028	83,418	291,915	131,900	40,000	-	547,233	(171,900)	543,795

Seven Year Capital Improvement Program Budget

PROJECT TITLE	FUNDING SOURCE	FISCAL YEAR 2011-12	FISCAL YEAR 2012-13	FISCAL YEAR 2013-14	FISCAL YEAR 2014-15	FISCAL YEAR 2015-16	FISCAL YEAR 2016-17	FISCAL YEAR 2017-18	TOTAL PROJECT COSTS
PARKS									
									\$ -
Little Cottonwood Park Field Renovations	Unfunded		\$ 140,000						\$ 140,000
Orville Lewis Park Field/Basketball Court Renovations	Unfunded			\$ 200,000					\$ -
Little Cottonwood Park Parking Lot Resurfacing	Unfunded		\$ 35,000						
Block Wall Installation - Little Cottonwood Park	Unfunded				\$ 200,000				
Roberts Park Sitting Area	Unfunded*		\$ 20,000						\$ -
	Subtotal	\$ -	\$ 195,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 595,000
FACILITIES									
City Hall Complex Roof Repairs	Building Improvement Fund	\$ 50,000	\$ 50,000	\$ 50,000					\$ 150,000
City Hall Complex Facility Repairs	Building Improvement Fund	\$ 25,000	\$ 25,000						\$ 50,000
Gas Tank Removals	Garage Fund	\$ 40,000							\$ 40,000
City Hall Fencing	Building Fund	\$ 15,000							\$ 15,000
Fenley Pump Station/Water Quality Improvements	Gas Tax	\$ 10,000							\$ 10,000
Community Center Parking Lot Renovation	General Fund		\$ 25,000						\$ 25,000
Pine Street Parking Lot Pavement Rehabilitation	Unfunded			\$ 50,000					\$ 50,000
Police Department Office Construction	General Fund				\$ 50,000				\$ 50,000
Los Alamitos Museum Seismic Retrofits	Unfunded				\$ 20,000				\$ 20,000
City Hall Parking Lot Renovation (Asphalt Overlay)	General Fund					\$ 35,000			\$ 35,000
Air Conditioner Replacement (4 units)	General Fund						\$ 65,000		\$ 65,000
	Subtotal	\$ 140,000	\$ 100,000	\$ 100,000	\$ 70,000	\$ 35,000	\$ 65,000	\$ -	\$ 510,000
TOTAL PROJECT COSTS		\$ 1,102,888	\$ 1,225,000	\$ 1,340,000	\$ 1,010,000	\$ 755,000	\$ 635,000	\$ 520,000	\$ 6,082,888

* Fund Raising has gathered \$7,000 to date for this project

City of Los Alamitos

Agenda Report Discussion Items

***June 20, 2011
Item No: 10A***

To: Mayor Kenneth Stephens & Members of the City Council

From: Jeff Stewart, City Manager

Subject: Consideration of Alternatives for Production of Public Access Portion of the City's PEG Programming

Summary:

The City's cable television station (LATV) currently airs regular governmental and educational programming, and programming that has been submitted by members of the public, in accordance with LATV guidelines and policies. The public access portion of LATV has not been addressed fully. Staff is presenting options regarding the production of public access programming on LATV for the City Council's consideration, including a proposal for specific services from Mr. John Underwood.

Recommendation: 1) Staff recommends that the City Council approve Option 3 outlined below and authorize the City Manager to enter complete a Professional Services agreement with Mr. Underwood for the production and airing on LATV for specific public access/community programming; 2) Authorize an expenditure not to exceed \$1,300.00 for additional equipment in the LATV Studio; 3) Alternatively, discuss and take other action related this item.

Background and Discussion

On April 4, 2011, the City Council voted to restore and reactivate the City's Community Cable Commission. On May 2, the Council approved an agreement with Doug Wood to carry on with the administration and scheduling of LATV following the decision by Community and Schools Media Partnership (CSMP) to discontinue its formal contractual arrangement with the City for the administration of LATV. The City Clerk is currently advertising the openings on the new Community Cable Commission. To date, the City Clerk has received four applications and is seeking to re-advertise.

Although the administration of LATV is being handled by Mr. Wood on an interim basis until the new Commission is seated, he is managing the assignment ably and the situation is stable. In the meantime, there is interest in the community in moving forward to generate additional public access programming. The City Council chose not to make a decision with regard to the public access portion of the City's PEG programming activities on April 4, 2011. Subsequent to that discussion, John Underwood has submitted a formal proposal to serve as a part-time Studio Production Coordinator on contract basis. Mr. Underwood's proposal has been attached for the

Council's review. It provides a detailed estimate of costs, a proposed rate schedule for the use of the studio located at 10921 Oak Street, proposed fees for use of the equipment in the studio and a series of milestones that Mr. Underwood expects to achieve during the next year.

Mr. Underwood's proposal includes five (5) areas of responsibility:

- Facility Management
- Supervisor of Studio Production
- Scheduling of Public Affairs/Public Access Programming for Air
- Training of Volunteer Staff and Producers
- Maintenance of LATV Studio

Mr. Underwood is proposing that he be compensated at a contract rate of \$25.00/hour to execute those duties and that his fee would not exceed \$13,000 annually. Additionally, he is proposing that the City budget PEG funds in the amount of \$5,720 annually to provide for the cost of maintenance, supplies and equipment replacement in the LATV Studio. The total budget is estimated at \$18,720 for the next fiscal year. Mr. Underwood would also request a one-time expenditure of \$1,280 for the purpose of updating the equipment necessary to create programming.

Regarding performance measures, Mr. Underwood has stated that he would produce 15 – 16 new programs of current interest to Los Alamitos during the first six months, with one-year goal of 30-32 programs.

Staff is not able to determine the relative value received for the \$20,000 requested by Mr. Underwood because there is not a recent history of true public access programming in Los Alamitos. Accordingly, to recommend the expenditure of funds would be to make two determinations: first, that there is an unmet demand for public access programming in Los Alamitos; and, second, that 72 hours of such programming is a fair return for the requested \$20,000 investment. Mr. Underwood has stated repeatedly that there are potential funds available from producers within the community to offset some costs of creating public access and community programming. There is no reason to disbelieve that statement. However, staff has not seen enough evidence to make that assertion to the City Council with any degree of certainty.

Should the City Council approve Mr. Underwood's proposal, and fund the administration/programming aspects of LATV, approximately \$5,000 would remain to fund the taping of traditional City/Community events, such as "4th of July" and "Race on the Base." Mr. Underwood has also requested that he remain able to "compete" for the funds necessary to tape such events with other members of the community, such as CSMP or other independent producers.

Also, it should be mentioned that CSMP has indicated that it is working toward an arrangement that would result in that organization being able to tape Los Alamitos High School football games and other athletic events and submitting DVDs to LATV for broadcast. However, if that does not occur, and the City Council chooses to approve

Mr. Underwood's proposal and undertake an investment in public access and community programming, the remaining \$5,000 available for taping special events would likely have to be spread further to include some sporting events.

Recommendation

Mr. Underwood's proposal provides for a clear outline for the production of public access programming in Los Alamitos and is worthy of consideration. However, staff believes it is appropriate that the City Council consider that proposal and the other two options outlined below:

- 1) Take no action until such time as the new Community Cable Commission is seated and is in position to provide additional guidance to the City Council;
- 2) Approve Mr. Underwood's proposal, authorize the City Manager to execute a Professional Services Agreement that implements the attached proposal and state a cap of \$20,000 total for the provision of public access/community television; or
- 3) Authorize staff to work with Mr. Underwood in developing appropriate compensation for specific public access/community programs, provide compensation for a limited amount of public access programming support activities and bring the item back to the Council in July for consideration, if the final amount exceeds \$10,000.

Staff recommends Option 3. Mr. Underwood presented a viable outline for his vision of providing public access and community programming. However, as mentioned previously, staff has not be able to assess the true demand for such programming in the community, and whether or not the ongoing retention of a contract Studio Production Coordinator is the best method of maximizing the finite assets available for PEG programming and LATV. Nonetheless, Mr. Underwood has proven himself capable of producing high quality programming. Accordingly, staff recommends working with Mr. Underwood to create a list and corresponding cost proposal for the following programming during the next six months:

1. Four (4) ½ hour editions of "Your Los Al."
2. 4th of July Event
3. Race on the Base
4. Working with CSMP (and other community organizations) and arranging for the taping and broadcast of all Los Alamitos High School Football Games.
5. Arranging for the taping of two (2) additional non-football Fall student athletic events at Los Alamitos High School.
6. Police Appreciation Lunch
7. State of the City Event
8. Spring Carnival
9. Movies and Music in the Park
10. Aquatics Finale at JFTB
11. City Volunteer Recognition Event

12. Relay For Life
13. Program for Oak Middle School UP Program
14. Los Alamitos Museum Hall of Fame Event
15. Program discussing Community Emergency Response Team (CERT).
16. Program detailing local Household Hazardous Waste Program provided by CDS.

To address the desires within the community for public access programming, staff recommends also that Mr. Underwood be authorized compensation to work up to 75 hours, at \$25.00/hour, to serve as "Studio Production Coordinator " on an as needed basis for the purpose of providing technical assistance to community producers seeking to create new programming. It is anticipated that the cost of providing the tasks listed above will not exceed \$10,000, and thus would not require formal City Council approval. Should the list exceed that total, then the item would, of course, be brought back for consideration.

Mr. Underwood has stated that he has been working with individuals in the community regarding potential ongoing shows for LATV. Should those come to fruition, and Mr. Underwood is able to secure partial financing, then the City would be able to "match" funding, as necessary. Additionally, after the new Cable Commission is seated, it would be able to refine and institutionalize that type of arrangement to best suit the needs of the community. To help promote that type of programming, staff recommends that the City Council approve an expenditure of \$1,280 for the equipment that Mr. Underwood has identified as an immediate need and allow Mr. Underwood full access to the LATV Studio.

The following is a preliminary estimate of costs for Option 3:

- Compensation to John Underwood for providing 16 programs listed above – TBD; Not expected to exceed \$6,500.00;
- \$1,280 for new equipment;
- \$1,875 for Studio Production Coordinator Services (75 hours X \$25.00/hour)

Estimated Total – Approximately \$9,700.00.

Staff's recommendation allows for a continued relationship with Mr. Underwood as a valued producer of community programming while allowing a newly seated Community Cable Commission sufficient time to provide guidance on the style, substance and preferred method of providing public access programming.

Fiscal Impact

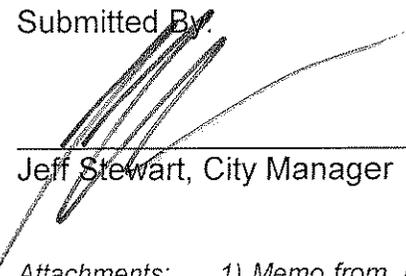
The FY 2011/2012 budget estimates PEG revenues at \$44,000. The current agreement with Doug Wood for administration and scheduling is estimated to total \$19,000. The projected costs of the three options is as follows:

Option 1 – No additional scheduled cost;

Option 2 – (John Underwood’s proposal) – \$13,000/annual for labor, \$5,720 for equipment maintenance, and \$1,280 one-time cost for the purchase of needed equipment during FY 2011-2012. If accepted by the City Council, approximately \$5,000 would remain in the LATV operating budget;

Option 3 – TBD; not expected to exceed \$10,000.

Submitted By:



Jeff Stewart, City Manager

Attachments: 1) *Memo from John Underwood Regarding Services Related to the Production of Public Access Programming*

Jeff Stewart

From: John Underwood [jsu@socal.rr.com]
Sent: Wednesday, June 01, 2011 3:02 PM
To: Jeff Stewart
Subject: DEAL MEMO cost itemization proposal

DEAL MEMO

5/31/11

To: Jeff Stewart
City Manager
City of Los Alamitos

From: John Underwood

Re: Addendum to appended proposal of 5/10/11-
Line Itemization of operations plan for LATV Studio 1

As Studio Production Coordinator I am proposing to manage 5 areas of responsibility that will require a fiscal component. They are:

- Facility Management
- Supervisor of Studio Production
- Scheduling of public affairs/ Public access programming for air
- Training of volunteer staff and producers
- Maintenance of Studio 1 website

Expenditures

At a total cap of 10-hours a week @25.00 per hour the total production coordinator labor cost plus extraneous equipment, supplies and maintenance overhead break down as follows:

	weekly labor/overhead
Facility Manager:	
-approximately 1 hour per week maintaining administration equipment and supplies of studio offices, control room and staging area.	\$25
-replenishment of perishable supplies: Print paper, cartridges, batteries, stationary etc.	\$20

Production Supervisor:

- approximately 6 hours per week in pre production of multiple in studio tapings of public access programs as well as post production assembly.
- regular (averaged) maintenance and purchase of small equipment needs and processing of larger requisition

requests.	(ave)\$60
-oversee studio access scheduling and crew calls	
-authorize and maintain equipment checkout	\$150

Scheduling:

-1 hour per week scheduling public access and public affairs programming for air to be submitted on a weekly basis to server engineer. Including programs, promos, PSAs and notifications.	\$25
--	------

Training Supervisor:

-2 hours per week (Saturday morning) dedicated to preparing volunteers and producers to operate and protect digital recording equipment, followed by experience in studio production leading to certification for equipment checkout.	\$50
-hospitality refreshments for trainees sessions	\$10

Webmastering:

-3-4 additional hours per week uploading and developing the studio specific URL los altv.org	\$20
--	------

subtotal weekly labor:	\$250
subtotal weekly overhead:	\$110

total prod coord. labor x52 weeks =	\$13,000
total overhead x52 weeks =	\$5720
grand total =	<u>\$18,720</u>

Production Revenues

Producers themselves will initially be expected to defray the full costs of personnel required to execute a 3-camera studio production. At some point the new LATV Commission will consider "matching fund" awards to qualifying producers to the extent that those funds are available.

The production coordinator will assemble the crew from a roster of experienced LATV techs. Estimated 5-person crew costs for a typical one hour in-studio production with post editing will be \$300-400 per production (not including facility fee).

Associated field production (ENG footage) would be an added cost to the producer of \$50-150 depending on number of personnel and equipment.

Payment are to be made by producers directly to crew members or arranged through the production coordinator.

Rental rates

3-cam studio facility fee (waived for in house productions)	- \$50 per production
camera rental fee (for field use by trained and certified producers only)	- \$35 per day
microphones	-\$20 per day
field lighting kit	-\$30 per day
tripod& head	-\$20 per day

Current status of studio

The studio facility is functional and has been through initial shakedown testing. Internet service to control room is active. All inventory is accounted for.

Some of the equipment in use is questionable in terms of reliability and some gear is on loan from myself and others. There are a few items we are still in critical and immediate need of before commencing further production. They are:

- 1-HP 25" Widescreen Monitor (for editing purposes) \$300
- 1-Panasonic Shuttle capable DVD recorder/player \$340
- 1-Cuts only component video switcher (for source B-roll) \$320
- 1-Lacie 2-terabyte external HDD \$275
- compliment of disposable batteries \$45

total \$1,280

Milestones

Studio production within the first 6 months of operation is expected to yield 15-16 new programs of current interest to the greater Los Alamitos communities.

The 1-year goal is 32-36 programs & specials.

LATV Studio 1 operations under the above plan (minus any consideration as yet for matching funds) would represent approximately 40% of the current fiscal budget of LATV. Assuming the attainment of the above projected mid year and 1-year milestones, new studio production would account for at least 75% of local public access programs.

Action Plan

Upon assuming the role of Studio Production Coordinator I would immediately contact all community members who have a pending interest in utilizing the studio to produce a program. Initially, each production would move forward as a "pilot" project to determine the viability of the program and the level of costs associated with it. Each program status is different. Some have dedicated funding. Some are fundraising now. And some have no funding means as yet. There are four producers with studio based program concepts that would receive "pilot" status and immediate priority.

My hope was to maintain at least one in house City supported production that could accommodate many of the community producers who have no institutional support, utilizing them as "segment" producers for coverage of local events, developing their skills at packaging programming until which time as they might take on a program of their own. "Your Los Al" was to be that medium, a locally oriented magazine formatted program that would also act as a training ground for developing producer skills, and would be under the direct authority of the City Manager. Funding for continuing such a series is not at present available. Should it arise I would be prepared to manage its production.

Long range plans for continued operation and viability of Studio 1 would include:

- coordinated outreach to community organizations by providing them advance promotional airtime packages on the main channel, LATV-3, as well as utilizing both the studio and the main City website to promote their events and programs.

- the purchase of additional and more user friendly consumer off-line cameras to enable community producers and volunteers to more easily capture local events for use in production.

- make greater use of web based technology to deliver program content and offline info to local and regional viewers now unable to receive our local PEG channel.

- revitalize plans to organize outreach efforts such as a fundraiser and open house on behalf of LATV and studio operations with the intention to create a yearly legacy events(s) that would augment all time low funding levels LATV is currently experiencing.

by John Underwood

City of Los Alamitos

Agenda Report Discussion Items

June 20, 2011
Item No: 10B

To: Mayor Kenneth Stephens & Members of the City Council
Via: Jeffrey L. Stewart, City Manager
From: Steven A. Mendoza, Director of Community Development
Subject: Authorization to Accept Donation of Tree and Plaque

Summary: This report seeks City Council acceptance of the donation to purchase a tree and plaque to honor a resident that has recently passed.

Recommendation: Accept the donation for a Cottonwood Tree and plaque to memorialize Ms. Forough Moazez on behalf of her family.

Background

In May 2011, Los Alamitos resident Jim Moazez approached Staff with the desire to have a tree planted in his mother's (Forough Moazez) honor in Little Cottonwood Park. Mr. Moazez's mother resided on Paseo Bonita since 1976 and passed away May 6, 2011. Mr. Moazez would like to request that City of Los Alamitos accept his donation in exchange for the planting of a Cottonwood Tree and the installation of a plaque memorializing her.

Ms. Forough Moazez was born in 1931 in Iran and moved to Los Alamitos in 1976. She lived the rest of her life on Paseo Bonita in the Highlands neighborhood. She had several opportunities to move to other areas, but always felt at home in Los Alamitos. She is attributed for not only being a wonderful and kind mother of three sons, but also grandmother to nine grand children who aspire to be positive members of society, as their grandmother was. She also helped raise dozens of other children during several years when she provided child care for other working families. She never turned away people in need and always had an open door policy to anyone that asked for assistance. She bravely battled cancer for five years when her doctors gave her no more than 12 months to live. She lived a full life to the end.

Discussion

From time to time, individuals or groups wish to donate or bequeath real or personal property to the City. Cash donations are also made to the City for the purchase of

goods or services, intended for public use. The City does not have a formal policy regarding the acceptance of donated cash or items intended for public use and has dealt with each situation on a case-by-case basis.

In this case, resident Jim Moazez has contacted the City to request a tree and plaque in memory of his mother. The plaque will read, "In Loving Memory of Forough Moazez, 1931 to 2011." Mr. Moazez has requested the tree to be placed in Little Cottonwood Park. It should be noted that the City has ample room throughout its seven parks for trees and/or other amenities should other donations become available.

Fiscal Impact

The \$250.00 costs for the plaque and the tree will be funded by Mr. Moazez, on behalf of his family. The ongoing maintenance of the tree and plaque will be absorbed in the Park Maintenance budget. Future replacement of the plaque will be the responsibility of the donor.

Submitted By:



Steven Mendoza
Community Development Director

Approved By:



Jeffrey L. Stewart
City Manager

City of Los Alamitos

Agenda Report Discussion Item

June 20, 2011
Item No: 10C

To: Mayor Kenneth Stephens & Members of the City Council

Via: Jeffrey L. Stewart, City Manager

From: Anita Agramonte, Finance Director

Subject: Professional Services Agreement with Moss, Levy & Hartzheim, LLP, for Professional Independent Financial Auditing Services

Summary: This agenda item seeks approval of an agreement with Moss, Levy & Hartzheim, LLP, to provide professional independent financial auditing services for the City of Los Alamitos.

Recommendation: Authorize the City Manager to execute a Professional Services Agreement between the City of Los Alamitos and Moss, Levy & Hartzheim, LLP, for professional independent financial auditing services for fiscal years 2010-11, 2011-12, and 2012-13 in amounts not to exceed \$24,975 per year.

Background

For fiscal year beginning in July 2007, the City contracted with Diehl, Evans and Company, LLP, to perform its annual financial audit of the City's financial records. Since the most recent contract period has lapsed, Request for Proposals were solicited for professional independent financial auditing services for fiscal years 2010-11, 2011-12, and 2012-13, with the option for a two-year extension.

Discussion

The City's Audit Services Request for Proposal was forwarded to seven professional Certified Public Accounting firms. Audit services are to include:

- An audit performed in accordance with generally accepted auditing standards;
- An independent auditor's report on the fair presentation of the financial statements in conformity with generally accepted accounting principles;
- A separate single audit report on grant activity, internal control and compliance with grantor requirements;
- A separate management letter that discloses material and non-material weaknesses in internal control, legal and contractual matters, and auditor recommendations for improvement; and
- A report on the Appropriations Limit for each fiscal year.

Additional tasks include:

- A review and evaluation of the City's exclusive franchise solid waste hauler contract, evaluating the franchise fees collected during the last four (4) years of the previous franchise agreement; and
- An examination of the assets of Los Alamitos Television.

In response to the Request for Proposal circulated in April, the City received five (5) proposals. The proposals were evaluated and rated by a committee comprised of representatives from several City Departments. The proposals were assessed based on the following criteria:

- Demonstrated understanding of the scope of work;
- The firm's recent related technical experience, specifically as it relates to the audit team assigned to perform the City's audit services;
- The audit team's demonstrated professional skills, credentials and professional activities;
- Timeliness of audit work performed;
- Anticipated support requirements of City staff;
- Technical advice throughout the year on special accounting issues; and
- Proposed maximum fee.

The City Manager, the Finance Director and the Senior Finance Assistant interviewed the firm that submitted the highest rated proposal based on the above criteria. Staff recommends that Moss, Levy & Hartzheim, LLP, be hired to perform the financial audit services listed above for the following reasons:

- Significant experience with performing similar audits, specifically as it relates to experience of the senior auditor and manager of the audit team;
- Ability of the audit team to meet required deadlines for the City;
- Responsiveness to Request for Proposal; and
- Commitment to assisting City staff in preparing a Comprehensive Annual Financial Report (CAFR) to be submitted to the Government Finance Officers' Association for the Award of Excellence in Financial Reporting for the first time.

As required in the Request for Proposal, Moss, Levy & Hartzheim, LLP, submitted their proposed maximum fees to audit fiscal years 2010-11, 2011-12, and 2012-13, as follows:

- FY 2010-11 \$24,975
- FY 2011-12 \$24,975
- FY 2012-13 \$24,975

For the optional two-year contract extension, the following maximum fees were proposed:

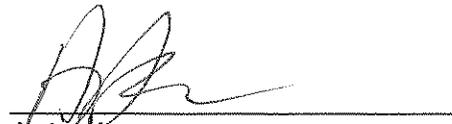
- FY 2013-14 \$24,975
- FY 2014-15 \$24,975

This contract includes the first three years. The two-year extension would be presented for City Council approval prior to the FY 2013-14 audit if it is determined that an extension would be in the best interest of the City.

Fiscal Impact

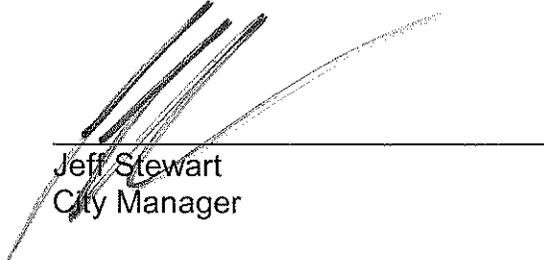
The Fiscal Year 2011-12 Operating Budget includes sufficient funds for audit services in the Administrative Services Department budget.

Submitted By:



Anita Agramonte
Finance Director

Approved By:



Jeff Stewart
City Manager

Attachment: 1) *Professional Services Agreement for Independent Financial Auditing Services*

PROFESSIONAL SERVICES AGREEMENT
(City of Los Alamitos / Moss, Levy & Hartzheim, LLP)

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Los Alamitos, a California municipal corporation (“City”) and Moss, Levy & Hartzheim, LLP a California, limited liability partnership (“Consultant”).

2. RECITALS

- 2.1 City has determined that it requires the following professional services from a consultant: Financial Audit Services.
- 2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

3. DEFINITIONS

- 3.1 “Scope of Services”: Such professional services as are set forth in Consultant’s April 28, 2011 proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 “Approved Fee Schedule”: Such compensation rates as are set forth in Consultant’s April 28, 2011 fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.
- 3.3 “Commencement Date”: July 1, 2011.
- 3.4 “Expiration Date”: June 30, 2014.

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 17 (“Termination”) below. Upon approval by the City Council no later than June 30, 2014, the term may be extended by up to two years at the City’s sole election.

5. CONSULTANT'S SERVICES

- 5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total annual compensation and costs payable to Consultant under this Agreement exceed the sum of Twenty-four Thousand Nine Hundred Seventy-five Dollars (\$24,975) unless specifically approved in advance and in writing by City.
- 5.2 Consultant shall obtain a City business license prior to commencing performance under this Agreement.
- 5.3 Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*).
- 5.4 During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) City has not consented in writing to Consultant's performance of such work.
- 5.5 Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Craig A. Hartzheim shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

6. COMPENSATION

- 6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.
- 6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize

the services rendered during the billing period and the amount due. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

- 6.3 Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth day after Consultant notifies City in writing of an increase in that fee schedule.

7. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

8. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

9. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

10. INDEMNIFICATION

- 10.1 The parties agree that City, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended

by the parties to be interpreted and construed to provide the City with the fullest protection possible under the law. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein.

- 10.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and when the City requests with respect to a claim provide a deposit for the defense of, and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage as is caused by the sole active negligence or willful misconduct of the City. Such costs and expenses shall include reasonable attorneys' fees due to counsel of City's choice, expert fees and all other costs and fees of litigation.
- 10.3 City shall have the right to offset against any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 10 and any amount due City from Consultant arising from Consultant's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 10.4 The obligations of Consultant under this Section 10 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.
- 10.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or

any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

- 10.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

11. INSURANCE

- 11.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 11.1.1 Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.
 - 11.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
 - 11.1.3 Worker's Compensation insurance as required by the laws of the State of California.
 - 11.1.4 Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).
- 11.2 Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- 11.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 11.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and

effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium thereon at Consultant's expense.

- 11.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).
- 11.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- 11.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- 11.8 The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 11.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 11.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond in the amount of the deductible or self-insured retention to guarantee payment of losses and expenses.
- 11.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

12. MUTUAL COOPERATION

- 12.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 12.2 If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

13. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

14. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

15. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720
Telephone: (562) 431-3538
Facsimile: (562) 493-1255

If to Consultant:

Moss, Levy & Hartzheim, LLP
Certified Public Accountants
9107 Wilshire Blvd, Suite 400
Beverly Hills, CA 90210
Telephone: (310) 273-2745
Facsimile: (310) 273-1689

With courtesy copy to:

Sandra J. Levin, Esq.
Los Alamitos City Attorney
Colantuono & Levin, P.C.
300 S. Grand Ave., Suite 2700
Los Angeles, CA 90071
Telephone: (213) 542-5700
Facsimile: (213) 542-5710

16. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 9, Section 10, Paragraph 12.2 and Section 13 of this Agreement shall survive the expiration or termination of this Agreement.

17. TERMINATION

17.1. City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant may terminate this Agreement for any reason on thirty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

17.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily

performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

18. GENERAL PROVISIONS

- 18.1 Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.
- 18.2 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability, medical condition or any other unlawful basis.
- 18.3 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).
- 18.4 The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.
- 18.5 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.
- 18.6 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights,

powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

- 18.7 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 18.8 This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 18.9 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“City”
City of Los Alamitos

“Consultant”
Moss, Levy & Hartzheim, LLP

By _____

By: _____
Craig A. Hartzheim, CPA, Partner

Date: _____

Date: _____

By: _____
Ron A. Levi, CPA, Partner

Date: _____

Attest:

By _____
Adria M. Jimenez, City Clerk

Date: _____

Approved as to form:

By _____
Sandra J. Levin, City Attorney

Date: _____

EXHIBIT A
SCOPE OF WORK

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

For the Fiscal Years Ending June 30, 2011, 2012, and 2013

(Optional Fiscal Years Ending June 30, 2014 and 2015)

Submitted By:

Moss, Levy & Hartzheim, LLP
9107 Wilshire Blvd. Suite 400
Beverly Hills, CA 90210
California CPA License Number: 6998
Federal Identification Number: 75-3194011
Phone: (310) 273-2745
Fax: (310) 273-1689
Email: mlhbh@mlhcpas.com
Website: www.mlhcpas.com

Submitted On:

April 28, 2011

Contact Person:

Craig A. Hartzheim, CPA: Partner
Ron A. Levy, CPA: Partner
Hadley Y. Hui, CPA: Partner

CITY OF LOS ALAMITOS
 AUDIT PROPOSAL
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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSRONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA9107 WILSHIRE BLVD., SUITE 400
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.273.1689
www.mlhcpas.comAnita Agramonte
Finance Manager
3191 Katella Avenue
Los Alamitos, CA 90720

Dear Ms. Agramonte,

We are pleased to respond to the City of Los Alamitos' (City) Request for Proposal for independent auditing services. We have prepared our proposal to address each of the specifications included in the City's Request for Proposal.

After 54 years in public accounting and 34 years of performing local governmental and non-profit audits, it is extremely gratifying to witness the continued growth of Moss, Levy & Hartzheim, LLP. The firm is a regional full service public accounting firm with offices in Beverly Hills and Santa Maria and clients throughout the State of California, as well as thirty-one other states. We and the entire staff are pleased with not only the continuing development of the firm but also the progress and economic health of our clients. We understand that governmental accounting is a specialized industry with its own accounting standards and requirements, and that is why we strive to constantly improve the quality of our professional services. This degree of dedication, coupled with our ability to inform our clients of any new accounting and auditing issues, is paramount to our success.

We feel that our size is such that we are large enough to provide a broad spectrum of services and experience backed by an in-house training program, professional development courses, and an extensive professional library, yet not so large as to become impersonal and rigid. Our informal style allows us to be flexible enough to complete our engagements in a timely manner that is the most convenient for each client. Also, this style allows us to be more accessible to our clients when our clients have questions or concerns.

Moss, Levy & Hartzheim, LLP is independent of the City of Los Alamitos and its component units and has not entered into a professional relationship involving the City of Los Alamitos or its component units in the last five years.

It is our understanding that we will perform an audit of the City's basic financial in accordance with auditing standards generally accepted in the United States of America with the objective of expressing an opinion on the fair presentation of the basic financial statements, which will be in full compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, 45, 54 and the GFOA's Blue Book. We will also express an "in-relation-to" opinion on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. Additionally, we will test compliance with the Single Audit Act as amended in 1996, and applicable laws and regulations.

In addition to the procedures deemed necessary to express our opinion on the basic financial statements, we understand that we will also be responsible for performing certain limited procedures involving the management's discussion and analysis (MD&A) and the required supplementary information (RSI) required by the Governmental Accounting Standards Board, as mandated by auditing standards generally accepted in the United States of America.

Our audits would be conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Federal Single Audit Act Amendments of 1996; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations*; and Article XIII B of the California Constitution – Appropriations Limit.

It is our understanding that we will be responsible for issuing the following reports: an independent auditor's report on the fair presentation of the City's basic financial statements in conformity with accounting principles generally accepted in the United States of America; an independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; an in-relation-to report and notes on the schedule of expenditures of federal financial assistance in accordance with all requirements of the Federal Single Audit Act of 1996; an independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133; a summary schedule of findings and questioned costs; a report on agreed-upon procedures applied to the GANN Limit (Appropriations Limit); a letter of Communication to the Financial Oversight Body; and a management letter.

Additionally, we will review and evaluate the City's exclusive franchise solid waste hauler contract and examine the assets of Los Alamitos Television as part of our evaluation of the City's fixed assets.

We understand that we will be responsible for preparing, editing, and typing the City's Comprehensive Annual Financial Report (CAFR) for review in the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

All significant deficiencies found during the audit will be communicated in writing. In the required reports on compliance and internal controls, we shall communicate any significant deficiencies found during the audit. Significant deficiencies that are also material weaknesses will be identified as such in the report. Non-reportable conditions discovered will be reported in a separate letter to management, which will be referred to in the reports on compliance and internal controls. All irregularities and illegal acts or indications of illegal acts of which we become aware during the course of our audit will be immediately reported, in writing, to the Administrative Services Director, the City Council, the City Manager, and the City Attorney.

Moss, Levy & Hartzheim, LLP will perform the audit work within the specified time period, pending no unforeseen circumstances which the City imposes on our work.

The percentage of the audit work we expect to accomplish for the 2011 audit year, by month, is shown below:

<u>June</u>	<u>September</u>	<u>October</u>	<u>Total</u>
40%	35%	25%	100%

This proposal for auditing services is an irrevocable offer until July 28, 2011.

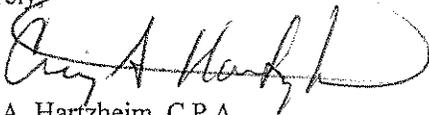
Thank you for your consideration and please do not hesitate to contact the authorized representatives listed below with any questions, problems, or concerns.

(1) Craig A. Hartzheim, CPA
Partner
9107 Wilshire Blvd.,
Suite 400
Beverly Hills, CA 90210
(310) 273-2745
chartzheim@mlhcpas.com

(2) Ron A. Levy, CPA
Partner
9107 Wilshire Blvd.,
Suite 400
Beverly Hills, CA 90210
(310) 273-2745
rlevy@mlhcpas.com

(3) Hadley Y. Hui, CPA
Partner
9107 Wilshire Blvd.,
Suite 400
Beverly Hills, CA 90210
(310) 273-2745
hhui@mlhcpas.com

Sincerely,



Craig A. Hartzheim, C.P.A.
Partner

Moss, Levy & Hartzheim, LLP is an Equal Opportunity Employer.

LICENSE TO PRACTICE IN CALIFORNIA

Moss, Levy & Hartzheim, LLP is a properly licensed certified public accounting firm in the State of California. All certified public accountants engaged in the audit of the City of Los Alamitos (City) are licensed to practice in the State of California and have received at least the minimum number of governmental continuing professional education hours required by the State Board of Accountancy and *Government Auditing Standards* to perform governmental audits.

INDEPENDENCE

Moss, Levy & Hartzheim, LLP is independent of the City of Los Alamitos (City) and its component units as defined by auditing standards generally accepted in the United States of America, the U.S. General Accounting Office's *Government Auditing Standards*, the U.S. Securities and Exchange Commission, and all other authoritative bodies with standard or rule making authority over the auditing profession.

The firm uses checklists and questionnaires to determine that staff members are independent of each client being audited. We also have each staff member sign a personal independence declaration prior to commencing work on an audit client. The partner in charge of the audit reviews all independence work papers prior to staffing each audit.

BUSINESS LICENSE

Moss, Levy & Hartzheim, LLP will obtain a City business license prior to conducting any work under this contract for each year of the contract term.

INSURANCE

Moss, Levy & Hartzheim, LLP has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 for Professional Liability, Workers Compensation, Comprehensive General Liability and Auto (Owned and Non-Owned). Prior to commencement of audit services, we will provide certificates of insurance coverage to the City.

FIRM'S QUALIFICATIONS AND EXPERIENCE

Moss, Levy & Hartzheim, LLP is a regional firm that performs audits of governmental and non-profit entities throughout the State of California, from the Oregon border to the Mexico border. We also perform review and compilation engagements as well as tax and consulting services to clients throughout the United States. The firm currently employs 30 professionals, all of whom are trained in governmental auditing, and has annual gross revenues in excess of 3.7 million dollars. The firm has two offices in California: Beverly Hills and Santa Maria.

The audit work will be completed by staff from our Beverly Hills office.

Nine certified public accountants (three partners, three managers, and three senior accountants) currently staff the Beverly Hills office. In addition, the Beverly Hills office employs ten managers, seniors, and staff accountants. All certified public accountants, managers, senior accountants, and staff accountants are part of the governmental and non-profit audit practice.

The City of Los Alamitos will have one partner and one manager assigned to the audit on a full-time basis. In addition, one senior accountant and one staff accountant will be assigned to the audit on a full-time basis. These employees will not be changed except due to unforeseen circumstances.

FIRM QUALIFICATIONS AND EXPERIENCE (CONTINUED)

Our firm currently provides the following services:

Audits:

- Governmental (cities, single audits, school districts, and special districts)
- Non-Profit
- Commercial
- Compliance
- Transient Occupancy Tax
- Pensions

Accounting Services:

- Reviews
- Compilations

Management Advisory Services (Non-Audit Clients):

- Data Processing Services
- Business Consultation
- Pension and Profit Sharing Plan Assistance
- Acquisition and Mergers

Income Tax Services:

- Preparation
- Planning
- Tax Audits and Negotiations with Internal Revenue Service and Other Taxing Authorities

Please see *Appendix A – Peer Quality Review Report* for a copy of our firm’s December 31, 2008 quality review report, which includes a review of governmental and non-profit engagements.

Our firm has never been the object of any disciplinary action from any federal or state regulatory body or professional organization, nor is there any disciplinary action pending during the past three years.

Moss, Levy & Hartzheim, LLP or any employee of the firm, has never had a record of substandard audit work, nor is there any outstanding claim of substandard work or unsatisfied performance pending with the State Board of Accountancy or any other professional organization.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

It is the firm’s policy to have our partners and audit managers involved in the managing function of our governmental audits. Having both the partner and audit manager involved in the engagement allows the City to receive immediate response to questions about accounting and audit topics, concerns, and findings.

It is expected that Mr. Ron Levy would be the technical (concurring) partner in charge of the City’s audit. He will be responsible for reviewing the City’s basic financial statements and all other required statements and reports. He may also be responsible for addressing any City questions or concerns that arise during the year. He has assisted numerous cities and has also prepared award-winning CAFRs.

Mr. Craig Hartzheim will be the engagement partner assigned to the audit. As engagement partner, he will oversee the day-to-day operations of the audit, review all audit areas, and be on-site for a majority of the fieldwork. He has assisted many cities and has prepared numerous award-winning CAFRs. It is the firm’s policy during the first year on the audit engagement to have a partner on-site for a majority of the fieldwork. This policy enables the partner to become acquainted with the City’s daily operations and key personnel.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (CONTINUED)

Mr. Derek Bui will be the manager assigned to the audit. He will oversee the day-to-day operations of the audit and perform more difficult audit sections.

Mr. Wilson Lam will be the senior auditor assigned to the audit. As senior auditor, it will be his responsibility to oversee the staff accountants, do preliminary reviews of audit sections, and perform more difficult audit sections.

Mr. David Ortiz will be the computer specialist assigned to the audit, when needed. Mr. Ortiz has extensive knowledge in auditing EDP functions. Mr. Ortiz may also perform the statistical sampling procedures for the audit and also document and test the internal control structure of the computer systems.

In addition to the aforementioned supervisory staff, one staff accountant will be assigned to the audit. All staff accountants have degrees from accredited colleges or universities, have received in-house governmental audit training, and at present, have at least one year of governmental auditing experience. All staff accountants will be directly supervised by the senior accountants and manager assigned to the audit at all times. All partners, managers, and staff members have worked on numerous governmental engagements together. Consistently working together will provide the City with a knowledgeable, proficient, and efficient audit team.

The firm conducts an annual firm-wide two-day training seminar to update all governmental auditors on new pronouncements and improved audit techniques. In addition to this firm sponsored seminar, each governmental auditor attends the annual governmental accounting conference and many other continuing education courses and is updated on current accounting/auditing issues through our journals and supplements, which we receive on a regular basis.

All certified public accountants engaged in the audits of the City are licensed to practice in the State of California and have received at least the minimum number of governmental continuing professional education hours required by the State Board of Accountancy and *Government Auditing Standards* to perform a governmental audit.

Moss, Levy & Hartzheim, LLP is an equal opportunity employer who employs people of many different ethnic backgrounds. We staff our audits according to qualifications of personnel and the needs of our clients.

Please see *Appendix B – Resumes* for each individual's qualifications and experience.

The firm will maintain staff continuity on the engagement throughout the term of the contract, barring any terminations, illnesses, or other unforeseen circumstances (departure from the firm, promotion, or assignment to another office). At the written request of the City, any Moss, Levy & Hartzheim, LLP employee assigned to the audit can be removed and replaced by another qualified employee. The City of Los Alamitos retains the right to approve or reject replacements.

Our firm experiences relatively low turnover in employees as can be seen on individual resumes, so that even our staff auditors have more experience than most other firms can offer. **The firm will not use the City as a training ground for its employees.**

LOCAL GOVERNMENT CLIENT REFERENCES

Moss, Levy & Hartzheim, LLP has an extensive background in auditing governmental and non-profit entities with over thirty-four years of experience in this specialized field.

LOCAL GOVERNMENT CLIENT REFERENCES (CONTINUED)

The firm currently audits the County Sanitation Districts of Los Angeles County (all 25 districts), the County of San Diego's Redevelopment Agency, thirty City audits, thirty-five school district and related audits, and over seventy-five special district audits. We have recently completed monitoring of over two hundred (200) contractors for the County of Los Angeles, for contract compliance and fiscal monitoring. Additionally, we are also on the master lists and have signed master contracts with the County of San Diego and the County of Los Angeles for Compliance and Financial Audits. Therefore, our firm has experience in auditing and preparing financial statements for all types of governmental agencies.

We have selected the following five significant engagements of ours that we feel are most similar to the City of Los Alamitos:

<u>Governmental Agency</u>	<u>Total Staff Hours</u>	<u>Scope of Work</u>	<u>Fiscal Years Audited</u>	<u>Contact and Telephone number</u>
<u>City of Tracy</u>				
Basic Financial Statements/CAFR Tracy Redevelopment Agency Audit Partner - Craig A. Hartzheim, C.P.A.	700	Financial Audit, Single Audit, State Controller's Report, and GANN Limit GFOA Certification In accordance with GASB 34	2004 through 2010	Ms. Linda Bischocho Accounting Officer (209) 831-6828
<u>City of Santa Maria</u>				
Basic Financial Statements/CAFR Santa Maria Redevelopment Agency Transportation Development Agency Audit Partner - Ron A. Levy, C.P.A.	675	Financial Audit, Single Audit, GFOA Certification In accordance with GASB 34	2003 through 2010	Lynda Snodgrass Administrative Services Director (805) 925-0951 Ext 215
<u>County Sanitation Districts of Los Angeles County</u>				
Basic Financial Statements/CAFR Commerce Refuse to Energy Authority Financing Authority Audit Partner - Craig A. Hartzheim, C.P.A. & Hadley Hui, C.P.A.	600	Financial Audit, Single Audit, and Public Financing Authority CREA GFOA Certification In accordance with GASB 34	2003 through 2010	Thomas Mueller Chief Accountant (562) 699-7411, ext. 1103
<u>City of Bellflower</u>				
Basic Financial Statements/CAFR Bellflower Redevelopment Agency Audit Partner - Hadley Hui, C.P.A.	440	Financial Audit, Single Audit, State Controller's Report, and GANN Limit GFOA Certification In accordance with GASB 34	1994 through 2010	Tae Rhee Director of Finance (310) 804-1424, Ext 2234
<u>City of Calabasas</u>				
Basic Financial Statements/CAFR Audit Partner - Craig A. Hartzheim, C.P.A.	390	Financial Audit, Single Audit, and State Controller's Report GFOA Certification In accordance with GASB 34	2004 through 2010	Gary Lysik Chief Financial Officer (818) 878-4255

CAPABILITIES IN GENERAL CONSULTING AND COMPLIANCE AUDITING

In addition to those auditing experiences listed in the previous section, the firm's recent local auditing experience includes the following:

1. CSMFO and GFOA Award Programs

The firm has or is currently auditing the following entities that have participated in and have received the CSMFO and/or GFOA Award Programs:

City of Bellflower	City of Paso Robles
City of Brawley	City of Scotts Valley
City of Calabasas	City of Susanville
City of Campbell	City of Tracy
City of Dinuba	City of Watsonville
City of El Centro	City of Westlake Village
City of Eureka	City of Whittier
City of Hercules	City of Winters
City of Laguna Hills	City of Yuba City
City of Lathrop	County Sanitation Districts of
City of Lompoc	Los Angeles County
City of Lynwood	Encina Wastewater Authority
City of Pacifica	Los Angeles County Flood Control District

2. OMB Circular A-133

We have performed compliance audits in accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Government and Nonprofit Organizations*, for our municipal clients who are required to have compliance audits (which is the majority of our municipal clients) and for all of our school district clients.

3. Federal and State Grant Programs and the Single Audit

Each of our municipal clients, the majority of our special district clients, and all of our school district clients receive federal and state grants which require compliance audits. Some of our most commonly audited programs are as follows:

Municipal Major Programs:

- Community Development Block Grant Funds (CDBG)
- Federal Emergency Management Act Funds (FEMA)
- Section 8 Housing Assistance Payments
- Transportation Enhancement Act (TEA)
- Airport Improvement Program (AIP)
- Economic Development Grants (EDA)
- HOME
- Capitalization Grants for State Revolving Funds
- Surveys, Studies, Investigations, and Special Purpose Grants

Other Common Municipal Programs:

- COPS Grants (including LLEBG)
- Asset Seizure Funds
- Retired Senior Volunteer Program

CAPABILITIES IN GENERAL CONSULTING AND COMPLIANCE AUDITING (CONTINUED)

The firm's recent local auditing experience includes the following (Continued):

3. Federal and State Grant Programs and the Single Audit (Continued)

Other Major Programs:

- Senior Nutrition Programs
- Child Nutrition Programs
- Title I
- Title VI
- Migrant Education
- Vocational Education
- Special Education

4. Redevelopment Agencies

We have audited the Redevelopment Agency of the County of San Diego for the fiscal years ended June 30, 2004-2010. We have also performed audits of redevelopment agencies for nearly all of our municipal clients. Each redevelopment agency audit is conducted in accordance with *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller, Division of Local Government Fiscal Affairs and Section 33080.1(a) of the Health and Safety Code and Title 2.5, Chapter 6 of the California Administrative Code.

5. State Controller's Report and Street Reports

We have prepared State Controller's Reports, Transit, and Street Reports for numerous cities, redevelopment agencies, and special districts. We feel this experience allows us to assist our clients in their preparation of the State Controller's Reports or prepare the reports as a separate engagement for our clients.

6. School Districts

Currently our firm audits thirty-five school districts and related schools throughout the State of California, including four charter schools. We have also performed audits of student bodies for nearly all of our school district clients.

7. Special Districts

Currently our firm audits in excess of seventy-five special districts including the County Sanitation Districts of Los Angeles County (all 25 Districts), recreation districts, utility districts, cemetery districts, community services districts, sanitary districts, water districts, fire districts, ambulance services districts, airport districts, and vector control districts.

8. Bond Reporting

The firm has assisted many of our clients in properly reporting and accounting for bond issuance costs and discounts or premiums, as well as reviewing debt covenant requirements. Many of our clients' audited statements have been included in official debt issuance statements.

CAPABILITIES IN GENERAL CONSULTING AND COMPLIANCE AUDITING (CONTINUED)

The firm's recent local auditing experience includes the following: (Continued)

9. Other Audits

The firm has recently concluded auditing lease agreements between the County of Los Angeles and a lessee for a period of 15 years. The firm has assisted several cities in reviewing franchise financial statements as part of reviewing franchise requests for rate increases. In addition, the firm has performed transient occupancy audits for ten municipalities and has performed various audits of operating lease charges (such as use of a sewage treatment plant based on percentage of use by our client and actual expense as recorded by the treatment plant operator). The firm has also performed franchise audits of Comcast, AT&T, a local sports park, and others for municipal clients who have requested them.

10. Joint Powers Authorities

We have audited the following joint powers authorities (JPAs):

- County of San Diego – Emergency Services Organization
- Encina Wastewater Authority
- Exclusive Risk Management Authority of California
- North Coast Emergency Medical Services
- Public Agency Self Insurance System
- San Diego Geographic Information System
- Santa Barbara Water Purveyors Joint Powers Agency
- Santa Barbara County Special Education Local Plan Area Joint Powers Agency
- Transportation Authority of Marin County
- Tracy Area Public Facilities Financing Authority
- West Contra Costa Integrated Waste Management Authority

In addition to the joint powers authorities listed above, the vast majority of our governmental clients are members of joint powers authorities. As such, our firm has experience in reviewing JPA statements and disclosing the appropriate JPA information in the financial statements for each governmental client.

11. Investment Compliance

In addition to financial statement audits, we also review our clients' compliance with their investment policies and examine investment types, including, but not limited to, an evaluation of maturity dates (short-term or long-term), types and category, and collateral to ensure proper disclosure of risk in the basic financial statements.

12. Income Tax Services

The firm provides tax services such as planning, preparation, and tax audits as well as negotiations with the Internal Revenue Service and other taxing authorities on behalf of our clients.

Please see *Appendix C – Current and/or Recently Completed Governmental Audits* for a list of recent governmental audits performed by the firm.

APPROACH, SCOPE AND TIMING OF THE AUDIT

Please see *Appendix D – Segmentation and Budgeted Hours by Segment* for a schedule of the level of staff and number of hours to be assigned to each segment of the engagement.

During the first year of the engagement, we will utilize the prior year's financial statements, the current year's budget, and our knowledge of the City's systems to determine materiality for the different audit sections. Each year, we will select a sample of transactions to determine to what extent the systems are functioning as described to us. The extent of our sample size will depend upon our assessment of the internal control structure and the results of our assessment in accordance with Auditing Standards. These standards require auditors to perform test of controls and transactions based on a risk approach.

The selection of transactions for testing will be made using a combination of random, systematic, and haphazard sampling techniques. We will identify the strength of the systems upon which we can rely in planning our substantive tests. Our internal control review will meet all the requirements of AICPA Statement on Auditing Standards (SAS) No. 55, *Consideration of the Internal Control Structure in a Financial Statement Audit*, as amended by SAS No. 78, SAS No. 99 *Consideration of Fraud in a Financial Statement Audit*, SAS No. 106, *Audit Evidence*, SAS No. 107, *Audit Risk and Materiality in Conducting an Audit*, SAS No. 108, *Planning and Supervision*, SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, and SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*.

It is estimated that the sampling size for transaction testing for compliance with systems as actually implemented would be as follows:

- I. Minimum of 60 disbursement items, including automatic and manual checks and bank debits
- II. Minimum of 40 payroll checks, including direct deposits
- III. Minimum of 60 receipt items

We have extensive knowledge in auditing computer systems. We have assisted numerous clients with the implementation of accounting software and database business systems. This assistance has provided our firm with a thorough background in computer systems in both the software applications aspect and also the insight into auditing such systems. It is our policy to have a computer specialist as part of the audit team. This individual assists the audit team in documenting the computer system internal control structure and highlighting strengths and weaknesses relating to the computer structure of the City.

Mr. David Ortiz will be the computer specialist assigned to the audit, when needed. Mr. Ortiz has extensive knowledge in auditing EDP functions. Mr. Ortiz may also perform the statistical sampling procedures for the audit and also document and test the internal control structure of the computer systems.

In addition, all of our staff is equipped with networked notebook computers. These computers are equipped with not only word processing and spreadsheet capabilities, but various functional software, such as Adobe Acrobat, the Governmental Accounting Research System Program, the GFOA Blue Book, random sampling software, Lacerte Tax Program, Easy Accounting Software, which contains amortization programs and depreciation programs, and other applications as well.

As part of our audit procedures we usually request a working trial balance in excel format and access to view general ledger detail directly from the software system.

We will also perform preliminary analytical review procedures using the prior year's audited statements and the current year's budget. In the preliminary stage, we will adopt ratio analysis procedures to compare the relationships between account balances and classes of transactions between prior periods and against budgets and industry statistics. This will help us to identify the source of individual fluctuations. This may include budgets, trial balance, and/or draft financial statements. Then, we will adopt trend analysis to compare current data with prior periods. This method is particularly useful for analyzing revenue and expenditures. Any unexpected trends or deviations will be discussed with relevant City staff to obtain explanations.

APPROACH, SCOPE AND TIMING OF THE AUDIT (CONTINUED)

We will also review the following documents in order to determine compliance with applicable laws and regulations:

1. Minutes of the governing body with special attention to: indications of new revenue sources, including federal and state grants; expenditure authorizations and related appropriations, including any special or restrictive provisions; appropriation transfers; authorization for bank or other debt incurred; awards to successful bidders; authorization for new leases entered into; changes in licenses, fines, or fees; authorization for fund balance designations or reservations in accordance with GASB Statement No. 54; and authorization for significant new employees hired.
2. New agreements and amendments to agreements including but not limited to: grant agreements; debt and lease agreements; labor agreements; joint venture agreements; disposition and development agreements; and other miscellaneous agreements.
3. Administrative Code
4. Investment Policy

The main extent of our work would be what is required to enable us to express an opinion on the basic financial statements in accordance with:

1. *AICPA Industry Audit Guide for State and Local Governmental Units*
2. *AICPA Audit Standards*
3. *Guidelines for Compliance Audits of California Redevelopment Agencies*
4. *National Committee on Governmental Accounting, Auditing and Financial Reporting (Amended) Publication*
5. *Laws of the State of California*
6. *Requirements of Office of Management and Budget's (OMB) Circular A-133, Audits of State, Local Governments and Nonprofit Organizations*
7. *GAO Standards for Audit of Governmental Organizations, Activities and Functions, the Guidelines for Financial and Compliance Audits of Federally Assisted Programs*
8. *Requirements of the Transportation Development Act*
9. Our firm's own additional standards and procedures

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America. The primary purpose of the audit is to express opinions on the basic financial statements, and such an audit is subject to the inherent risk that material errors or fraud may exist and not be detected by us. If conditions are discovered which lead to the belief that material errors, defalcations, or fraud may exist, or if any other circumstances are encountered that require extended services, we will promptly advise the City.

If convenient for the City's staff, the approximate target dates for the fiscal year 2011 City audit would be as follows:

- (1) Planning meeting and entrance conference – June 13th
- (2) Interim field work – week of June 13th
- (3) Exit conference with the City for the interim field work – June 17th
- (4) Entrance conference and year-end field work – Week of September 12th
- (5) Exit conference – No later than September 16th
- (6) Draft Audit Reports and Management Letter – No later than October 27th
- (7) Final Audit Reports – No later than November 30th
- (8) Council Presentation – Open

APPROACH, SCOPE AND TIMING OF THE AUDIT (CONTINUED)

Our audit would begin when it is convenient for the City's staff. We estimate that in the second week of June we will perform interim work. Each year, the partner or manager of the firm will contact the Finance Department personnel. The purpose of this contact will be to discuss the scope and timing of the annual audit, to review any accounting issues known at that time, and to address any City personnel's concerns about the impending audit.

We will schedule approximately one week of interim work each year. During the first year, we will prepare narrative flow charts and other documentation of the internal control structure and of the major systems, such as revenue and cash receipts, purchasing and cash disbursements, payroll and personnel, inventory, property and equipment, grant compliance, investment activities, and the budget process. We will gain this information through discussions with appropriate City staff and the review of available documented policies, organizational charts, manuals, programs, and procedures. Once we obtain this information, we will evaluate the systems of internal controls and revise our standard governmental audit programs.

In August, we will contact you to provide our detailed audit plan for the year-end fieldwork. We will also discuss with you any matters that may impact our audit procedures or your financial reporting. Before year-end fieldwork, we will discuss with you any assistance the City may need with the year-end closing.

Our year-end fieldwork would begin on September 12th. The year-end audit work will begin with an analytical review of all significant balance sheet and revenues and expenditures/expense accounts for each fund, which includes a comparison of prior year's financial statements and current year's budget to the year-end trial balance. It is our firm's policy to perform substantive tests on all balance sheet accounts. **Analytical procedures will be used to supplement the substantive tests, not supplant them.** We will perform analytical procedures during interim and year-end fieldwork on all balance sheet and revenue and expense/expenditure accounts.

The primary objective of the year-end audit work is to audit the final numbers that will appear in the City's basic financial statements and report on compliance with laws, regulations, and grant agreements. Our fieldwork would also consist of procedures required under SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*.

We will perform procedures such as:

- (a) Confirmations by positive and negative circularization including but not limited to all cash and investment accounts; selected receivable and revenue balances; all bonds, loans, notes payable, and capital leases; all notes receivable; all insurance carriers; all legal firms employed on City business; and other miscellaneous confirmations deemed necessary
- (b) Physical verifications and observations
- (c) Analysis and review of evidential material
- (d) Interviews and investigative efforts
- (e) Electronic data processing testing for computer and software reliability
- (f) Numerous other procedures

During the entire engagement, our audit team will be determining whether an audit in compliance with *OMB Circular A-133* is required through review of the City Council minutes, examination of the general ledger, and discussion with finance personnel. If a compliance audit is required, we would perform tests of: specific requirements; claims for advances and reimbursements; and amounts claimed or used for matching in compliance with the Single Audit Act. The compliance audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the *GAO Standards for Audits of Governmental Organizations, Programs, Activities, and Functions*, and the *GAO Guidelines for Financial and Compliance Audits of Federally Assisted Programs*.

The year-end fieldwork should be completed no later than September 16th.

APPROACH, SCOPE AND TIMING OF THE AUDIT (CONTINUED)

The *Governmental Accounting, Auditing and Financial Reporting* (GAAFR), issued by the Government Finance Officers Association (the "Blue Book") and other GFOA publications are often used as additional tools when preparing and reviewing the financial statements of our governmental clients. The firm has and uses its extensive library of current AICPA, GFOA, and GASB publications and pronouncements.

As part of our audit engagements we issue our clients management letters if we note certain observations or recommendations that we feel need to be disclosed. Our firm's philosophy regarding the management letter is that the management letter is to help management improve its internal control and accounting procedures and not to criticize the management in charge. This is why we present our management letters to management in draft form for open discussion prior to issuance.

It is our understanding that we will perform an audit of the City's basic financial in accordance with auditing standards generally accepted in the United States of America with the objective of expressing an opinion on the fair presentation of the basic financial statements, which will be in full compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, 45, 54 and the GFOA's Blue Book. We will also express an "in-relation-to" opinion on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. Additionally, we will test compliance with the Single Audit Act as amended in 1996, and applicable laws and regulations.

In addition to the procedures deemed necessary to express our opinion on the basic financial statements, we understand that we will also be responsible for performing certain limited procedures involving the management's discussion and analysis (MD&A) and the required supplementary information (RSI) required by the Governmental Accounting Standards Board, as mandated by auditing standards generally accepted in the United States of America.

Our audits would be conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Federal Single Audit Act Amendments of 1996; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations*; and Article XIII B of the California Constitution – Appropriations Limit.

It is our understanding that we will be responsible for issuing the following reports: an independent auditor's report on the fair presentation of the City's basic financial statements in conformity with accounting principles generally accepted in the United States of America; an independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; an in-relation-to report and notes on the schedule of expenditures of federal financial assistance in accordance with all requirements of the Federal Single Audit Act of 1996; an independent auditor's report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133; a summary schedule of findings and questioned costs; a report on agreed-upon procedures applied to the GANN Limit (Appropriations Limit); a letter of Communication to the Financial Oversight Body; and a management letter.

Additionally, we will review and evaluate the City's exclusive franchise solid waste hauler contract and examine the assets of Los Alamitos Television.

We understand that we will be responsible for preparing, editing, and typing the City's Comprehensive Annual Financial Report (CAFR) for review in the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

APPROACH, SCOPE AND TIMING OF THE AUDIT (CONTINUED)

The workpapers for this engagement are the property of Moss, Levy & Hartzheim, LLP and constitute confidential information. However, we may be requested to make certain workpapers available to any Cognizant Agency pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Moss, Levy & Hartzheim, LLP's personnel. Furthermore, upon request we may provide photocopies of selected workpapers to the Cognizant Agency. The Cognizant Agency may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

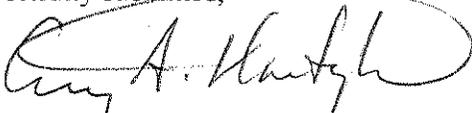
The workpapers and related audit reports for this engagement will be retained for a minimum of seven (7) years after the date the auditor's report is issued or for any additional period requested by the parties designated by the Federal or State government or by the City for audit. If we are aware that the auditee is contesting an audit finding, we will contact the auditee for guidance prior to destroying the workpapers.

We do not anticipate any problems with the audit except for items listed in past management letters. In the event of a problem, the Administrative Services Director, the City Council, the City Manager, and the City Attorney will be immediately notified in writing of any fraud, other illegal acts, or indications of illegal acts found during the course of our audit work. All other discrepancies or weaknesses in the internal control system that we become aware of will be communicated to management through discussion, the management recommendation letter, and/or if it is a reportable condition, as part of the single audit report, if necessary.

Minimal assistance of the City's staff is required during the course of the audit; however, we do ask that the City provide the following: cooperation in answering questions, requested confirmations, bank reconciliations, an electronic trail balance and general ledger, and other miscellaneous items.

Under penalties of perjury, I declare that I am an authorized signer and that there are no and have never been any financial interests between any officials or employees of the City of Los Alamitos and Moss, Levy & Hartzheim, LLP.

Respectfully submitted;



Craig A. Hartzheim, C.P.A.
Partner



POWELL & SPAFFORD, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Jessie C. Powell, CPA
Patrick D. Spafford, CPA

Licensed by the California Board of Accountancy
Member, American Institute of Certified Public Accountants

System Review Report

To the Partners of
Moss, Levy & Hartzheim, LLP
and the Peer Review Committee of the State of California

We have reviewed the system of quality control for the accounting and auditing practice of Moss, Levy & Hartzheim, LLP (the firm) in effect for the year ended December 31, 2008. Our review was conducted in accordance with standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Moss, Levy & Hartzheim, LLP in effect for the year ended December 31, 2008, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Moss, Levy & Hartzheim, LLP has received a peer review rating of *pass*.

Powell & Spafford, LLP

July 24, 2009

CITY OF LOS ALAMITOS
APPENDIX B – RESUMES

Ron A. Levy, C.P.A. – Partner

- California licensed C.P.A. with 34 years of audit experience with governmental and non-profit entities.
- Technical partner (concurring) in charge of all governmental and non-profit audits, currently including 33 municipal audits, 75 special district audits, and 35 school districts and related audit.
- Has assisted governmental clients with year-end closing, key position interviews, preparation of award winning CAFRs, and preparation of State Controller's Reports.
- Has met or exceeded all continuing education requirements, including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - GASB 34 Training Seminars*
 - Planning a Governmental Audit Engagement*
 - Auditor's Reports on Audits of Local Governments*
 - Governmental Accounting Update*
 - Audits of State and Local Governments*
 - Compliance Auditing, Auditing Sampling, and Concluding the Audit*
 - The Single Audit Act*
- Member of the following:
 - American Institute of Certified Public Accountants
 - California Society of Municipal Finance Officers
 - California Society of Certified Public Accountants
 - California Association of School Business Officials
 - Kiwanis Club
- Bachelor of Science degree from Oregon State University conferred in 1977.
- Taught accounting courses at a branch of LaVerne College and Chapman College.
- Knowledgeable about all areas of tax law including non-profit tax issues.
- **Mr. Levy's ancestry is of Hispanic descent.**

Craig A. Hartzheim, C.P.A. – Partner

- California licensed C.P.A. with 27 years of audit experience with governmental, non-profit, and commercial entities.
- Engagement partner for governmental and non-profit audits (Beverly Hills office), currently including 17 municipal audits , 40 special district audits (including Los Angeles County Flood Control District and the County Sanitation Districts of Los Angeles County), and 12 school districts and related audits.
- Has assisted governmental clients with year-end closings, key position interviews, preparation of award winning CAFRs, and preparation of State Controller’s Reports.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - Audits of States and Local Governments*
 - Preparing Governmental Financial Statements*
 - Yellow Book, Government Auditing Standards*
 - GAAS Guide*
 - Other Comprehensive Basis of Accounting (OCBOA) Statements*
 - Audit Standards update*
 - Implementing SAS 112*
 - Implementing SAS 114*
 - Auditing update*
 - Grants Management*
- Bachelor of Science degree in Accounting from Marquette University conferred in 1982.
- Member of the following:
 - American Institute of Certified Public Accountants
 - California Society of Certified Public Accountants
- Knowledgeable about all areas of tax law including non-profit and payroll tax issues.

Hadley Y. Hui, C.P.A. – Partner

- California licensed C.P.A. with 13 years of audit experience with governmental, non-profit, and commercial entities.
- Partner in charge of 11 municipal audits, 26 special district audits, 20 school districts and related audits, and 8 special audits for the County of San Diego.
- Supervisor for the CSS and DPSS Monitoring Projects for Los Angeles County.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - 2006 & 2005 Single Audit Compliance*
 - GASB 34 Training Seminars*
 - Risk-Based Auditing Part 1, Part 2*
 - 2009 Accounting and Auditing Update*
 - Guide to Auditing Control Course 1, Course 2*
- Extensive knowledge of database systems, networking, and various accounting software.
- Bachelor of Arts degree in Economics with a minor in Accounting from University of California – Los Angeles was conferred in 1997.
- Member of the following:
 - American Institute of Certified Public Accountants*
 - California Society of Certified Public Accountants*
- Knowledgeable about all areas of tax law including non-profit and payroll tax issues.

Derek Rampone – Manager

- Manager with 11 years of audit experience with governmental, non-profit, and commercial entities.
- Manager for 9 municipal audits, 21 special district audits (including Los Angeles County Flood Control District), 4 school district audits, and 5 joint power authority audits.
- Supervisor for the CSS and AAA Monitoring Projects, and Rancho Business Park Lease Audit.
- Field Supervisor for all County of Los Angeles engagements.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - 2008 Accounting and Audit Update*
- A Bachelor of Arts degree in Business Economics with an emphasis in Accounting from University of California – Santa Barbara was conferred in 1999.

David Yang, C.P.A. – Manager

- California licensed C.P.A. with 9 years of audit experience with governmental, non-profit, and commercial entities.
- Manager for 14 municipal audits, 27 special district audits, and 10 school district audits.
- Supervisor for the County of Los Angeles DMH, CSS, and DPSS Monitoring Projects, and the Rancho Business Park Lease Revenue audit.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - 2009 Accounting and Auditing Standards update: Risk Assessment Standards*
 - 2009 Advanced Audit Standards Workshop: Understanding Risk Assessment*
- Bachelor of Arts degree in Business Economics with a minor in Accounting from University of California – Los Angeles was conferred in 2003.

Derek Vuong Bui, C.P.A. – Manager

- California licensed C.P.A. with 5 years of audit experience with governmental and commercial entities.
- Auditor for 3 municipal audits, 3 special district audits, and 5 school district audits.
- Staff accountant for the Los Angeles County DMH, CSS and DPSS Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2008 Accounting and Audit Update*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Arts Degree in Finance from California State University – Fullerton was conferred in 2002.

Edward R. Eisenhauer, C.P.A. – Senior Accountant

- California licensed CPA with 25 years of experience, and 7 years of audit experience with governmental, non-profit, and commercial entities.
- Auditor for 7 municipal audits and 3 special district audits.
- Has met or exceeded all continuing education requirements including recent-courses in the following:
 - 2010 and 2009 Governmental Accounting Conference*
 - 2010 and 2009 School District Conference*
 - 2009 Accounting and Auditing Standards Update: Risk Assessment Standards*
 - 2009 Advanced Audit Standards Workshop: Understanding Risk Assessment*
 - 2009 GAAS Update*
 - Auditors' Responsibilities for Detection of Fraud*
 - Internal Control and Fraud in Governmental Engagements*
 - Government Auditing Standards – Yellow Book*
 - Implementing SAS 112 & 114*
 - Advanced Fraud Techniques*
 - Grants Management*
- Bachelor of Science degree in Accounting from University of Wisconsin – Whitewater conferred in 1982.
- Knowledgeable about all areas of tax law including non-profit and payroll tax issues.

Pearl Tsui, C.P.A. – Senior Accountant

- California licensed C.P.A. with 5 years of audit experience with governmental and commercial entities.
- Auditor for 9 municipal audits, 6 special district audits, and 4 school district audits.
- Staff accountant for the Los Angeles County DMH and CSS Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
 - 2009 Accounting and Auditing Standards update: Risk Assessment Standards*
 - 2009 Advanced Audit Standards Workshop: Understanding Risk Assessment*
- Bachelor of Science degree in Management Science from University of California – San Diego was conferred in 1999.

Michael Pei – Senior Accountant

- Auditor with 5 years of audit experience with governmental and commercial entities.
- Auditor for 11 municipal audits, 8 special district audits, and 6 school district audits.
- Passed all 4 parts of the C.P.A. examination.
- Staff accountant for the Los Angeles County DMH, CSS and DPSS Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2008 Accounting and Audit Update*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Arts degree in Business Economics with a minor in Accounting from University of California – Los Angeles was conferred in 2005.

In Sook Han – Senior Accountant

- Auditor with 5 years of audit experience with governmental and commercial entities.
- Auditor for 9 municipal audits, 7 special district audits, and 5 school district audits.
- Staff accountant for the County of Los Angeles Rancho Business Park Lease Revenue audit.
- Staff accountant for the Los Angeles County DMH, CSS and DPSS Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Social Science from In-Ha University in Korea was conferred in 2002.
- Master of Business Administration in Accounting from Pacific State University was conferred in 2006.

Ricky Tzu-Wei Kuo – Senior Accountant

- Auditor with 4 years of audit experience with governmental and commercial entities.
- Auditor for 6 municipal audits, 3 special district audits, and 4 school district audit.
- Staff accountant for the Los Angeles County DMH Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Science in Business Administration with an emphasis in Accounting from California State University – Los Angeles, was conferred in 2005.

Bin Zeng – Senior Accountant

- Auditor with 3 years of audit experience with governmental and commercial entities.
- Auditor for 6 municipal audits, 4 special district audits, and 8 school district audits.
- Staff accountant for the Los Angeles County DMH Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Arts degree in Business Economics from University of California – Los Angeles was conferred in 2007.

Wilson Lam, C.P.A. – Senior Accountant

- California licensed C.P.A. with 3 years of audit experience with governmental and commercial entities.
- Auditor for 3 municipal audits, 3 special district audits, and 6 school district audits.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010 and 2009 Governmental Accounting Conference*
 - 2010 and 2009 School District Conference*
- Bachelor of Arts in Accounting and Finance from California State University - Fullerton was conferred in 2005.

Susan Chin – Staff Accountant

- Auditor with 4 years of audit experience with governmental and commercial entities.
- Auditor for 3 municipal audits, 3 special district audits, and 4 school district audits.
- Staff accountant for the Los Angeles County DMH Monitoring Projects.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010, 2009, and 2008 Governmental Accounting Conference*
 - 2010, 2009, and 2008 School District Conference*
- Bachelor of Arts from University of California – Los Angeles was conferred in 1992.

Jumy Chan – Staff Accountant

- Auditor with 3 years of audit experience with governmental and commercial entities.
- Auditor for 6 municipal audits, 2 special district audits, and 2 school district audits.
- Has met or exceeded all continuing education requirements including recent courses in the following:
 - 2010 Governmental Accounting Conference*
 - 2010 School District Conference*
- Master of Accountancy from Golden Gate University was conferred in 2009.
- Bachelor of Science degree in Mathematics/ Economics from University of California – Los Angeles was conferred in 2006.

Thieng Hanh Lam – Staff Accountant

- Auditor with 1 year of audit experience with governmental and commercial entities.
- Bachelor of Arts degree in Economics from University of California – Los Angeles was conferred in 2010.

Ted Liu – Staff Accountant

- Auditor with 1 year of audit experience with governmental and commercial entities.
- Bachelor of Arts degree in International Studies with a minor in Accounting from University of California – Irvine was conferred in 2009.

David Ortiz – Computer Specialist

- Auditor with 21 years audit experience with governmental and commercial entities.
- Computer specialist – with emphasis in fund accounting software.
- Extensive knowledge of database systems, networking, and accounting software.
- A Bachelor of Science degree in Business Administration with an emphasis in Accounting from California Polytechnic State University, San Luis Obispo.

CITY OF LOS ALAMITOS

APPENDIX C – CURRENT AND/OR RECENTLY COMPLETED GOVERNMENTAL AUDITS

CITIES AND REDEVELOPMENT AGENCIES

Adelanto, CA
Angels, CA
Arcata, CA
Arroyo Grande, CA
Beaumont, CA
Bellflower, CA
Brawley, CA
Calabasas, CA
Calexico, CA
Campbell, CA
Camarillo, CA - Internal Control Audits
Capitola, CA
Clayton, CA
Cloverdale, CA
County of San Diego Redevelopment Agency, CA
Dinuba, CA
El Centro, CA
Eureka, CA
Fillmore, CA
Fort Bragg, CA
Grover Beach, CA
Gustine, CA
Healdsburg, CA
Hercules, CA
Holtville, CA
Hughson, CA
Imperial, CA
Laguna Hills, CA
Lathrop, CA
Lemon Grove, CA
Lompoc, CA
Lynwood, CA
Morgan Hill, CA
Oakdale, CA
Ojai, CA
Pacifica, CA
Paso Robles, CA
Santa Maria, CA
Susanville, CA
Taft, CA
Town of Paradise, CA
Tracy, CA
Watsonville, CA
Westlake Village, CA
Whittier, CA
Winters, CA
Yuba City, CA

PUBLIC FINANCING AUTHORITIES

The majority of our Municipalities issue debt and do so through an established Public Financing Authority.

SCHOOL DISTRICTS

Acton-Agua Dulce Unified School District
Ballard School District
Bellflower Unified School District
Beverly Hills Unified School District
Blochman Union School District
Bradley Elementary School District
Buellton Union School District
Calaveras County Schools
Calipatria Unified School District
Carpinteria Unified School District
Casmalia School District
Castaic Union School District
Cayucos Elementary School District
Coast Unified School District
Cold Springs School District
College Elementary School District
Eastside School District
El Segundo Unified School District
Garvey School District
Goleta Union School District
Graves School District
Heber School District
Hughes-Elizabeth Lakes Union School District
Keppel Union School District
Lancaster School District
Magnolia Union School District
Manhattan Beach Unified School District
Mark Twain Union Elementary School District
Meadows Union School District
Mission School District
Monrovia Unified School District
Montecito Union School District
Mulberry School District
Novato Unified School District
Orcutt Union School District
Pacific Unified School District
Palmdale School District
Pleasant Valley Union School District
San Ardo Elementary School District
San Lucas School District
San Miguel Joint Union School District
Santa Maria Joint Union High School District
Shandon Unified School District
Solvang Elementary School District
Temple City Unified School District
Torrance Unified School District
Vallecito Union School District
Westmoreland Elementary School District
Wilsona School District

OTHER SCHOOL ENTITIES

Academia Semillas del Pueblo Charter School
Antelope Valley Schools Transportation District
Bright Star Secondary Charter Academy
East Bay Regional Occupational Program
Garr Academy of Mathematics and Entrepreneurial Studies
Pacoima Charter School
Santa Ynez Valley Charter School
Southern California Regional Occupational Center
Stella Middle Charter Academy
Synergy Charter Academy
Tri-Valley Regional Occupational Program

CITY OF LOS ALAMITOS

APPENDIX C – CURRENT AND/OR RECENTLY COMPLETED GOVERNMENTAL AUDITS

COUNTIES

Los Angeles County, CA (Master List)
San Diego County, CA (Master List)

SANITATION DISTRICTS

Carpinteria Sanitation District, CA
Cayucos Sanitation District, CA
County Sanitation Districts of Los Angeles County, CA
- All 25 Districts
Encina Wastewater Authority, CA
Montecito Sanitation District, CA
Orange County Sanitation District, CA - Internal Audits

UTILITY DISTRICTS

Georgetown Divide Public Utility District

WATER/IRRIGATION DISTRICTS

Aldercroft Heights County Water District, CA
Foothill Municipal Water District, CA
Main San Gabriel Basin Watermaster, CA
Marina Water District, CA
North Marin Water District, CA
Sweetwater Springs Water District, CA
Valley County Water District, CA
Valley of the Moon Water District, CA

AMBULANCE SERVICES DISTRICT

Cambria Community Healthcare District
North Coast Emergency Medical Services

CEMETERY DISTRICTS

Arroyo Grande Cemetery District, CA
Atascadero Cemetery District, CA
Gridley-Biggs Cemetery District, CA
San Miguel Cemetery District, CA
Santa Maria Cemetery District, CA

COMMUNITY SERVICES DISTRICTS

Cambria Community Services District, CA
Cuyama Community Services District, CA
Groveland Community Services District, CA
Heritage Ranch Community Services District, CA
Los Alamos Community Services District, CA
Nice Community Services District, CA
Rancho Murieta Community Services District, CA
Santa Ynez Community Services District, CA
Vandenberg Village Community Services District, CA

RECREATION AND PARK DISTRICTS

Conejo Recreation and Park District, CA
Isla Vista Recreation and Park District, CA
Mountains Recreation and Conservation Authority, CA
Rancho Simi Recreation and Park District, CA
Hayward Recreation and Park District, CA

BUILDING AUTHORITY

County of San Diego Regional Building Authority, CA

FIRE PROTECTION DISTRICTS

Cayucos Fire Protection District, CA
Lakeport Fire Protection District, CA
Orcutt Fire Protection District, CA

OTHER DISTRICTS

Beach Cities Health District
County of San Diego Emergency Services Organization
County of San Diego First 5 Commission
County of San Diego In-Home Supportive Services
Public Authority
County of San Diego Health and Human Services Agency
Child Development Program Grant
County of San Diego MIOCR Grant
County of San Diego RLETC Grant
County of Los Angeles Delta Sigma Theta, Head Start
Program, Inc.
County of San Diego DA Office of Auto Ins. Fraud
Grant, Urban Auto Fraud Grant, WC Ins Fraud Grant
Los Angeles County Flood Control District
Marin/Sonoma Mosquito and Vector Control District
San Diego Geographic Information Source
Tracy Area Public Facilities Financing Agency
West Contra Costa Integrated Waste Management
Authority

TRANSPORTATION DEVELOPMENT ACT

Arroyo Grande, CA
Beaumont, CA
Brawley, CA
Calexico, CA
El Centro, CA
Grover Beach, CA
Holtville, CA
Paso Robles, CA
San Luis Obispo County and Cities Area Planning
Council:
Local Transportation Fund
State Transit Assistance Fund
South County Area Transit, CA
South County/San Luis Obispo Transit, CA
Transportation Agency for Monterey County, CA
Transportation Authority of Marin
Association of Monterey Bay Area Governments
Santa Cruz Regional Transportation Commission

TRANSIENT OCCUPANCY TAX AUDITS

Represented the following municipalities and/or counties
in the audit of the hotel "bed tax" records:

Arroyo Grande, CA
Bellflower, CA
Bishop, CA
Calexico, CA
Carmel, CA
Ojai, CA
Pismo Beach, CA
Santa Maria, CA
South Lake Tahoe, CA
Whittier, CA

CITY OF LOS ALAMITOS
APPENDIX D – SEGMENTATION AND BUDGETED HOURS BY SEGMENT

<u>AUDIT SEGMENTS</u>	<u>Estimated Hours</u>					<u>Total</u>
	<u>Clerical</u>	<u>Staff/Specialist</u>	<u>Senior</u>	<u>Manager</u>	<u>Partner/ Technical Partner</u>	
Planning				4	4	8
Risk Assessment			2	12	6	20
Audit Conferences (Preliminary, Progress, and Exit)				4	4	8
Correspondence	4	4	2	4	4	18
Review/Documentation of Internal Controls (including Single Audit):						
Documentation of systems		6	10	2		18
Testing of systems		12	15	4		31
Compliance Testing (including Single Audit)		12	8	14	6	40
Year End Balances Testing		22	38	25	17	102
Revenue and Expenditure/Expense Analysis (Analytical Procedures)		14		8	4	26
Preparation, Review, and Findings	<u>16</u>	<u>10</u>	<u>10</u>	<u>13</u>	<u>20</u>	<u>69</u>
GRAND TOTAL	<u>20</u>	<u>80</u>	<u>85</u>	<u>90</u>	<u>65</u>	<u>340</u>

EXHIBIT B
APPROVED FEE SCHEDULE

CITY OF LOS ALAMITOS

COST PROPOSAL

For the Fiscal Years Ending June 30, 2011, 2012, and 2013

(Optional Fiscal Years Ending June 30, 2014 and 2015)

Submitted By:

Moss, Levy & Hartzheim, LLP
9107 Wilshire Blvd. Suite 400
Beverly Hills, CA 90210
California CPA License Number: 6998
Federal Identification Number: 75-3194011
Phone: (310) 273-2745
Fax: (310) 273-1689
Email: mlhbh@mlhcpas.com
Website: www.mlhcpas.com

Submitted On:

April 28, 2011

Contact Person:

Craig A. Hartzheim, CPA: Partner
Ron A. Levy, CPA: Partner
Hadley H. Hui, CPA: Partner

CITY OF LOS ALAMITOS
COST PROPOSAL

1. TOTAL ALL-INCLUSIVE MAXIMUM PRICE

All out-of-pocket expenses are included in the fee. No costs will be passed on to the City.

AUDIT WORK COST PROPOSAL

Service	2010/11	2011/12	2012/13	2013/2014	2014/2015
City Audit and Related Reports	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
GANN Limit Review Report	500	500	500	500	500
Single Audit and Related Report	3,300	3,300	3,300	3,300	3,300
Evaluation of Solid Waste Hauler Franchise Fees	1,975	1,975	1,975	1,975	1,975
Assessment of Los Alamitos Television Fixed Assets	1,975	1,975	1,975	1,975	1,975
Discount - 10%	(2,775)	(2,775)	(2,775)	(2,775)	(2,775)
Total for Fiscal Year (not-to-exceed)	\$ 24,975				

DISCOUNT

Due to the current economic environment, Moss, Levy & Hartzheim, LLP has accepted the fact that in order for government entities to survive some of the revenue cutbacks, contractors will need to reassess their hourly fees or total estimate of costs. Therefore, we are reducing our total estimate fee by 10% to assist the City in these challenging economic times.

Name of Firm: Moss, Levy & Hartzheim, LLP

Address: 9107 Wilshire Blvd, Suite 400

Beverly Hills, CA 90210

Contact Name: Craig A. Hartzheim, C.P.A., Partner

Contact Phone #: (310) 273-2745 Fax #: (310) 273-1689

Contact Email: chartzheim@mlhepas.com

2. AUDITOR'S STANDARD BILLING RATES

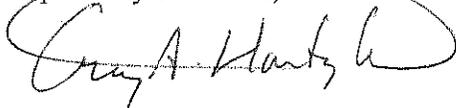
POSITION	2010/11	2011/12	2012/2013	2013/2014	2014/2015
Partner	\$ 140	\$ 140	\$ 140	\$ 140	\$ 140
Manager	90	90	90	90	90
Senior Accountant	70	70	70	70	70
Staff Accountant	50	50	50	50	50
Clerical	30	30	30	30	30

3. MANNER OF PAYMENT

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than one calendar month.

Under penalties of perjury, I declare that I am entitled to represent the firm, empowered to submit the bid and I am an authorized signer. There are no and have never been any financial interests between any officials or employees of the City of Los Alamitos and Moss, Levy & Hartzheim LLP.

Respectfully submitted,



Craig A. Hartzheim, C.P.A.
Partner

City of Los Alamitos

Agenda Report Discussion Items

**June 20, 2011
Item No: 10D**

To: Mayor Kenneth Stephens & Members of the City Council

From: Jeff Stewart, City Manager

Subject: Request to Appoint a City Council Ad Hoc Subcommittee to Discuss and Make Recommendations to the City Council Regarding Potential Annexation Issues

Summary:

During the past two years, the City Manager has included the potential annexation of the southwest corner of Los Alamitos Boulevard and Katella Avenue in his goals and objectives. Staff is recommending the appointment of a City Council Ad Hoc subcommittee to discuss potential annexation issues, identify specific goals and report back to the City Council with recommendations for further action.

Recommendation: 1) Appoint two members of the City Council to serve as an ad hoc subcommittee to discuss potential annexation issues; 2) Alternatively, discuss and provide direction related to this issue.

Background and Discussion

During the past two years in various long term strategic planning discussions, the City Manager has referenced establishing a process to consider annexation of the southwest corner of Los Alamitos Boulevard and Katella Avenue. Additionally, over the past year, there have been peripheral discussions among members of the press, Rossmoor, Los Alamitos and County of Orange regarding the City's intentions with regard to annexation. To date, most has been speculation and opinion. However, as described below, the Orange County Local Agency Formation Commission (LAFCO), the Rossmoor Community Services District (RCSD) and City of Los Alamitos have all taken actions recently that considered in total make this an appropriate time to discuss the issue of potential annexations in Los Alamitos in a formal manner.

LAFCO is in the final stages of its Coyote Creek Boundary adjustment project that includes the cities of Los Alamitos, Seal Beach and Long Beach, as well as the counties of Orange and Los Angeles County. During that discussion, as the Council will recall, the City heard from several residents on the "Long Beach side" of the Country Square section of our community, located north of Ball Road at Kaylor Avenue, desiring to be annexed into the City of Los Alamitos. Staff performed a cursory examination of that request and heard clearly from the City of Long Beach that it would not allow the neighborhood to secede and be annexed into Los Alamitos. Though the issue is now

dormant, staff was handicapped in discussions because the City Council has not had the opportunity to state clear policy goals with regard to annexations.

Additionally, the Los Alamitos City Council has taken decisive steps to initiate a General Plan Update that, among other things, will include Rossmoor. The City has not proposed to take further action at this time other than to reflect Rossmoor as being within the City's Sphere of Influence and depict the area's current zoning in the updated General Plan. Additionally, it must be noted that the inclusion of Rossmoor in the General Plan does not portend imminent annexation. But, it does indicate that the City should begin to discuss in a formal manner its potential goals with regard to Rossmoor. The Council has taken steps to engage the Rossmoor community, and those efforts should definitely continue. However, it remains important that the City Council form a coherent policy with regard to that subject specifically and potential future annexations generally.

Finally, on June 14th, the Rossmoor Community Services District approved a formal application for latent powers. The application will go next to Orange County LAFCO. If approved, the additional latent powers authority would give the RCSD Board of Directors the ability to contract directly for specific services. During the consideration of that application, LAFCO may be required to consider a variety of factors, including the City of Los Alamitos' intentions regarding Rossmoor generally and the southwest corner of Los Alamitos Boulevard/ Katella Avenue specifically.

While there have been general discussions about the potential annexation of the corner during the past two years, the City Council has not been requested to provide specific policy direction on the issue. In light of the recent events mentioned above, it is appropriate that the City Council create a mechanism that will lead to policies and statements of strategy that will guide staff in relation to annexation issues.

Staff is recommending that the City Council appoint an ad hoc subcommittee comprised of two members. The task of the subcommittee would be to discuss the following issues and make recommendations to the City Council:

- Develop a policy statement with regard to annexations generally;
- Develop a policy statement with regard to the Rossmoor community, its designation as within the City's Sphere of Influence and potential annexation;
- Recommend a set of goals regarding specific properties to consider for potential annexation, such as the southwest corner of Los Alamitos Boulevard and Katella Avenue;
- Begin examination of the fiscal impact and service impact of potential annexations; and

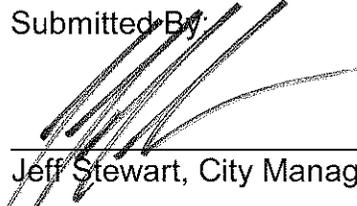
- Make recommendations with regard to public outreach, cooperation and education in the Los Alamitos and Rossmoor communities with regard to issues related to potential annexations.

It should be made clear that the staff recommendation is not seeking to establish any particular direction or outcome. The recommendation is seeking to take a first step in determining the way forward and to provide a process that will allow the City to be proactive, rather than reactive, in regard to these issues. While it is often difficult to determine the appropriate formal starting point on any significant issue, what is occurring now is a confluence of actions and events that make it appropriate for the City of Los Alamitos to begin formal goal setting regarding the issues of annexations, the Rossmoor Sphere of Influence, potential impacts on the City of Los Alamitos and the completion of the City's General Plan update. Although staff is requesting a subcommittee, any mechanism that allows for early participation by the City Council in the process would be helpful.

Fiscal Impact

None.

Submitted By:



Jeff Stewart, City Manager

Attachments: None