



PARKS AND RECREATION COMMISSION AGENDA REPORT

MEETING DATE: JULY 25, 2013

ITEM NUMBER: 9d

SUBJECT: COSTA MESA COUNTRY CLUB- PERFORMANCE AUDIT REPORT

DATE: JULY 16, 2013

FROM: PUBLIC SERVICES DEPARTMENT / RECREATION DIVISION

PRESENTATION BY: ROBERT KNAPP, RECREATION MANAGER

**FOR FURTHER INFORMATION CONTACT: ROBERT KNAPP, RECREATION MANAGER
714-754-5052**

RECOMMENDATION:

Receive and file staff report.

DISCUSSION:

The Costa Mesa Country Club (CMCC) was originally constructed in 1967 and is located at 1701 Golf Course Lane, Costa Mesa, CA. The facility consists of two 18-hole golf courses; Los Lagos and Mesa Linda. The facility is owned by the City and operated by Mesa Verde Partners through an operating agreement that expires August 2019.

Over the past two years the City has reviewed the status and overall condition of the CMCC property, and has conducted long-range planning of improvement projects through a 5-Year Golf Course Capital Improvement Program. In addition, the City Council has expressed a strong desire to accelerate upgrades to this City asset and assess its full potential through a performance audit. A focus group was formed to bring together key City staff, community leaders and active users of the golf course facility. The focus group looked at every aspect of the golf course operations including course maintenance, building condition, and entryway and parking lot condition. The stated purpose was to gather enough information and input to raise the overall level of facility maintenance and operations consistent with the highest standards of the golf industry and the expectations of the City Council and active facility users.

During the Joint Study session in May 2013, the City Council developed a list of twelve (12) goals for the Parks and Recreation Commission to accomplish. Amongst the goals discussed, goal No. 6 indicates the need to evaluate existing recreation-oriented lease agreements of City assets to nonprofit/community organizations to determine if City assets are fully meeting the needs of the community, including the Costa Mesa Country Club as one of the facilities to be evaluated. This goal provides the opportunity to determine the needed improvements and their priority.

ANALYSIS:

Pursuant to the goal set by the City Council, City staff released a Request For Proposals (RFP) in April 2013, to retain a professional consulting firm to conduct a performance audit of the CMCC. City staff is seeking a professional firm with extensive experience in the golf industry for both municipal and private facilities. The proposed scope of services will include an analysis of the facility's use, operating and financial performance, market positioning, operational and maintenance cost, and a cost-benefit analysis and assessment of current funding mechanisms for Capital Improvement. In addition, the scope of services will include input from patrons and community stakeholders. The overall goal is to determine whether this City asset is fully meeting the needs of the community. The performance audit will provide the City with recommended action items for the continued improvement of the facility and improved program and service offerings to the public.

ALTERNATIVES CONSIDERED:

None

FISCAL REVIEW:

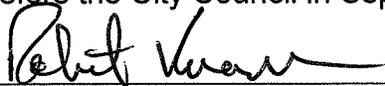
No fiscal impact at this present time.

LEGAL REVIEW:

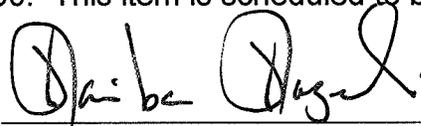
No legal review required.

CONCLUSION:

City staff received proposals from two (2) professional consulting firms. Proposals will be evaluated by a committee, and staff will provide the City Council with a recommendation to award a Professional Service Agreement to a consulting firm for a performance audit of the CMCC, in the amount not to exceed \$50,000. This item is scheduled to be presented before the City Council in September 2013.



ROBERT KNAPP
Recreation Manager



FOR: ERNESTO MUNOZ
Public Services Director

DISTRIBUTION: Chief Executive Officer
Finance and IT Director
City Clerk
Staff



REQUEST FOR PROPOSAL FOR
PROFESSIONAL CONSULTING SERVICES FOR
THE COSTA MESA COUNTRY CLUB
PERFORMANCE AUDIT

PRESENTED BY
THE RECREATION SERVICES DEPARTMENT
CITY OF COSTA MESA

Released on April 22, 2013

**REQUEST FOR PROPOSALS
FOR PROFESSIONAL CONSULTING SERVICES
FOR THE COSTA MESA COUNTRY CLUB
PERFORMANCE AUDIT**

1. INTRODUCTION

The services required for the performance audit will involve the thorough review of the items listed in the Scope of Work and the completion of a detailed report including analysis and specific outlines that can be utilized by both Costa Mesa City Staff and designees of Mesa Verde Partners as part of the future planning of capital improvements, operational planning, program offerings and strategic pricing decisions at the Costa Mesa Golf and Country Club.

2. FACILITIES TO BE EVALUATED

The Costa Mesa Golf and Country Club, located at 1701 Golf Course Lane, Costa Mesa, California, consists of two 18-hole golf courses, Los Lagos and Mesa Linda. The facility is owned by the City of Costa Mesa and operated by Mesa Verde Partners through an Operating Agreement. The two-story clubhouse includes administrative offices and banquet rooms. Also located on the grounds is a pro shop, golf cart storage facility, maintenance facility, coffee shop, full-service bar, men's and women's locker rooms, halfway house, three (3) on course restroom facilities, driving range, two designated putting greens, and chipping area.

3. TERM OF SERVICES

The City is seeking a one (1) year contract. The City, may, at its option and sole discretion, extend the Agreement with the same or more limited scope of required services for up to one (1) additional, one-year term.

4. SCOPE OF SERVICES

1. Orientation: Meet with the City representatives and other stakeholders to establish the process and procedures, objectives and constraints related to the evaluation.
2. Review of Historical Performance: Review operating performance (rounds, revenues and expenses), capital improvements, contracts/agreements, source of play, and other documents or information available.
3. Facility Assessment: Inspect and evaluate conditions of the golf courses and support facilities as described in Section 2 "Facilities to Be Evaluated" above. An assessment of these facilities in terms of general condition, remaining life, safety considerations and the like would be conducted. Particular attention should be paid to the "Environmental Aesthetics" of the course and surrounding landscaping features. A capital improvements program, defined in terms of items, approximate cost, priority and timing would be prepared.
4. Regional Market Overview: Survey and document the characteristics and performance of competitive public access golf courses in the region.
5. Comparative Performance Review: Compare the performance of Costa Mesa's courses to key competitive courses in terms of rounds, revenues, and operating expenses. In effect, the performance of Costa Mesa would be measured against competitive courses with variances evaluated.

6. Stakeholder Interviews: There are a number of stakeholders which can be interviewed to document their objectives and vision for the golf courses. Stakeholders include the Chief Executive Officer, Costa Mesa City Council members, Parks and Recreation Management, representatives of Mesa Verde Partners, CMCC facility staff, men's and women's club representatives, Southern California Golf Association (SCGA) representatives, and the general golfing public.
7. Golfer Survey: Survey golfers in terms of their evaluation of course conditions and golfer services, policies at the course, fees, capital needs, and a range of other issues. There are numerous types of golfer surveys ranging from golfer intercept questionnaires to internet based instruments.
8. Golf Course Staffing Assessment: Current staffing levels at Costa Mesa Golf and Country Club would be compared with industry standards and key competitive courses relative to the maintenance function, golfer services and the food and beverage operation.
9. Review of Maintenance Practices: Maintenance practices and procedures would be reviewed relative to golf course features, irrigation, maintenance equipment, chemical storage and safety.
10. Market Positioning: Recommended positioning of the two golf courses in response to stakeholder objectives, facility characteristics and market considerations. The preferred market positioning may influence required capital improvements.
11. Baseline Financial Performance: Perform a complete Financial Audit of all course operations. Based on market positioning and the competitive market environment, prepare financial projections for the golf course including revenues, cost of sales, and operating expenses, including allowances for management and capital improvement reserves.
12. Capital Improvement Cost-Benefit: The economics of specific capital improvements can be analyzed in terms of expected net income versus the cost of the improvement. This is often employed in evaluating golf clubhouse improvements.
13. Capital Improvements Funding Mechanisms: Assess available funding sources for near-term capital improvement needs. As well, determine an appropriate capital improvement program reserve funding mechanism to ensure long-term capital improvement needs are met.
14. Alternative Operating Models: Identify alternative operating models which compare with the existing facility lease arrangement. The most realistic potential alternative would be a management agreement (fee-for-service) model. The economic and non-economic advantages and disadvantages of comparative models would be presented.

5. ASSIGNED PERSONNEL

The Consultant's key project staff must be recognized experts in their field and should have at least five (5) years prior experience in golf course operations and process evaluation. All consultants responding to this Request for Proposal will be evaluated on the basis of their expertise, prior experience on similar projects, demonstrated competence, timely performance, ability to meet the project schedule, adequate staffing, responsiveness to the client's needs and concerns, and an understanding of the project.

6. CONTENT OF PROPOSAL

To maintain uniformity, your proposal must be limited to **a maximum of 25 pages** (excluding front and back covers, section dividers, resumes, and photographs) and include the following:

- Cover Page and Table of Contents
- Statement of project understanding containing any suggestions to expedite the project or additional concerns that the City should be made aware of, and a project approach containing any scope of work tasks you feel are necessary for the successful completion of the project.
- A project team organization chart identifying those who will perform the work and a brief resume of each team member, including similar type projects in which they have been directly involved. Identify the Project Manager and key staff members proposed for this project. The Project Manager will be the primary contact person to represent your firm and to conduct the presentation, if invited for an interview. Sub-consultants, if any, shall be identified in the proposal with the same requirements as for the main consultant.
- A list of similar projects that your firm has completed within the last five years. Information of the completed projects should include project name and description, agency or client name along with the person to contact and telephone number, year completed and contract fee.
- A proposed schedule indicating stages of work, time frames, and ability to perform the required services in a timely manner.
- A minimum of 3 business references, preferably in the Southern California area.
- A fee proposal provided in a separate sealed envelope.

7 CONSULTANT SELECTION COMMITTEE

The Recreation Services Department of the City of Costa Mesa will establish a Consultant Selection Committee consisting of at least three (3) members from City staff. The evaluation of each proposal will be based on the technical information and qualifications presented in the proposal, reference checks, and other information, which will be gathered independently.

8 FEE PROPOSAL

- A. Two separate fee schedules for the project shall be submitted in a separate sealed envelope plainly labeled "Fee Proposal" with your company's name and the project title.
- B. A cover letter stating the not-to-exceed total lump sum fee.
- C. The fee schedule shall depict individual project tasks, man-hours, and basic hourly rates for specific personnel to be used. Personnel hourly rates will reflect all costs for office overhead, including direct and indirect costs. The fee proposal shall reflect all anticipated fee increases during the contract duration. A pre-award audit may be required to confirm and establish a final not-to-exceed fee.
- D. Payment shall not be processed for any submitted invoices if the consultant is not on schedule for any of the outlined tasks.

9. ESTABLISHMENT OF FEES

The fee proposal will not be opened until the Consultant Selection Committee has evaluated the consultants' submitted proposals. In conformance with the Mini-Brooks Act, the City will select the Consultant based on qualifications, and then negotiate a contract price based on available funding and a further breakdown of the "not-to-exceed" fee submitted in the fee proposal.

10. PROFESSIONAL SERVICES AGREEMENT

City of Costa Mesa has a sample of the Professional Services Agreement, which is available at the City for your review. The RFP and the consultant's proposal will be attached to and become part of the executed agreement as exhibits.

The City will not permit reduction in the City's "Scope of Consultant Services" without written approval.

11. INSURANCE REQUIREMENTS

The City of Costa Mesa requires certificates of workers' compensation, general liability and if applicable, automobile insurance. All certificates must contain the following:

- Certificate Holder: Certificate Holder must be "The City of Costa Mesa, its agents, officers and employees."
- Workers' Compensation: Minimum policy limit requirements are \$1,000,000 bodily injury by disease; and \$1,000,000 bodily injury each employee for accident or disease per occurrence. If you have no employees, you must sign a Declaration of Non-employee Status form available from the city.
- General Liability: Minimum policy limit requirement is \$1,000,000 combined single limit coverage with insurance designated "per occurrence."
- Automobile Liability: Minimum policy limit requirement is \$1,000,000 combined single limit coverage with insurance designated "per occurrence."
- Cancellation Clause Wording: The following wording must be added to the policy by endorsement: "Said policy shall not terminate, nor shall it be canceled nor the coverage reduced, until thirty (30) days after written notice is given to CITY."
- Additional Insured Endorsement (for General Liability and Automobile only): The endorsement must include the policy number, and the wording of the additional insured must be exact, naming "the City of Costa Mesa, its agents, officers and employees" as additional insureds. ISO Form CG 20 26 11 85, or a comparable equivalent must be used.
- Primary Non-Contributory Endorsement (for General Liability and Automobile only): The endorsement must include the policy number, and the wording must be exact, "Any other insurance maintained by the CITY OF COSTA MESA shall be excess and not contributing with the insurance provided by this policy." Form ECG 24 514 05 00, or a comparable equivalent must be used.

12. CITY RESPONSIBILITIES

- A. Providing historical financial and site information as requested by consultant.
- B. Providing City Staff as needed for discussions and the timely completion of requests from consultant staff.
- C. Reviewing progress of audit process and payment to the consultant after complete review of the Performance Audit report.

13. EXAMINATION OF SITE PRIOR TO SUBMITTING PROPOSAL

Each consultant must fully know all project conditions and the effort required to successfully complete the project. Failure to do so will not relieve the selected consultant of the obligations to carry out the contract.

14. RIGHT TO REJECT ALL PROPOSALS

- A. The City of Costa Mesa reserves the right to reject any or all proposals submitted, and no representation is made hereby that any contract will be awarded pursuant to this RFP or otherwise.
- B. The City also reserves the right to award a portion of work or combination, thereof.
- C. All costs incurred in the preparation of the proposal, the submission of additional information and/or any aspect of a proposal prior to award of a written contract will be borne by the consultant. The City will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind that may be incurred by the consultant. All proposals submitted to the City of Costa Mesa become the property of the City.

15. SUBMISSION OF PROPOSAL

Submission of Proposals: One original hard copy (marked original), one disk copy, and three (3) hard copies (marked copy) of complete written proposals must be submitted in sealed envelopes marked Costa Mesa Country Club Performance Audit and received no later than 4:00 p.m. (P.S.T.) on May 22, 2013 to the address below.

Delivery Address: City of Costa Mesa	Mailing Address: City of Costa Mesa
Attn: City Clerk's Office	Attn: City Clerk's Office
77 Fair Drive, 1st Floor, Rm 101	P.O. Box 1200
Costa Mesa, CA 92626	Costa Mesa, CA 92628

Proposal must be received in the City Clerk's Office by the submittal deadline to be considered responsive. No oral, telegraphic, facsimile, or telephonic proposals or modifications will be accepted. Proposals received after the submittal deadline will be considered non-responsive and will be returned unopened. Proposals must bear original signatures and figures. Please note that there will be no public opening of proposals. Prices and other proposal information shall not be made public until the contract is awarded. At that time, the executed contract will become public information. Award results will be posted on the City's website at www.costamesaca.gov at the appropriate time.

The City of Costa Mesa appreciates your participation, and the intent of this RFP is to establish the minimum consultant services required. Prior to awarding a contract, all insurance documents must be submitted and approved.

Inquiries: From the date that this RFP is issued until a firm is selected and the selection is announced, firms are not allowed to communicate for any reason with any City employee other than the contracting officer: Robert Knapp, Recreation Manager, (714) 754-5052, Robert.Knapp@costamesaca.gov.

Proposals must be valid for a period of one hundred and eighty (180) days from the due date. **The expected time for evaluation will be approximately two (2) weeks. It is anticipated that this contract will be awarded for an effective date of August 7, 2013.**

THIS AREA WAS LEFT BLANK INTENTIONALLY

CONDITIONS. The following standard conditions are always applicable, and the following work order conditions are also applicable when this order provides for performance of any work.

STANDARD CONDITIONS

1. Law: This contract is governed by the laws of the State of California. The provisions of the Uniform Commercial Code shall apply except as otherwise set forth in this contract.
2. Contract: This order, when accepted by SELLER either in writing or by the shipment of any article or other commencement of performance hereunder, constitutes the entire contract between SELLER and the CITY, no exceptions, alternates, substitutes or revisions are valid or binding on the CITY unless authorized by the CITY in writing. The SELLER acknowledges that he has read and agrees to all terms and conditions of this contract/purchase order. The only terms and conditions that will be applicable to the interpretation of this contract are those issued by the City of Costa Mesa.
3. Taxes: Unless otherwise provided herein or by law, price quoted does not include California State sales or use tax. The City is exempt from Federal excise tax.
4. Delivery: Time of delivery is the essence of this contract. The CITY reserves the right to refuse any goods and to cancel all or any part of the goods not delivered by the due date and/or not conforming to applicable specifications, drawings, samples or descriptions. Acceptance of any part of the order shall not bind CITY to accept future shipments, nor deprive it the right to return goods already accepted, at SELLER'S expense. Overshipments and undershipments shall be only as agreed to by CITY.
5. Risk of Loss: Delivery shall not be deemed to be complete until goods have been actually received and accepted by CITY. Payment shall be made after satisfactory acceptance of shipments by the CITY.
6. Warranty: SELLER expressly warrants that the goods covered by this order are of merchantable quality, satisfactory and safe for consumer use, and are fit for the particular purpose as set forth in the CITY'S specification. Acceptance of this order shall constitute an agreement upon SELLER'S part to indemnify and hold harmless from liability, loss, damage and expense, including reasonable attorney fees, incurred or sustained by CITY, its officers, employees and agents, by reason of the failure of the goods to conform to such warranties, faulty work performance, negligent or unlawful acts, and noncompliance with any applicable local, State or Federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law. Inspection by the City of Costa Mesa or its agents or employees and acceptance of the articles, materials and work covered by this contract shall not constitute release or waiver of the City of Costa Mesa's rights by reason of failure of Contractor to comply with any of the warranties contained herein. Warranties herein expressed or implied shall be construed as consistent with each other and as cumulative and, where in conflict, the specifications of the City of Costa Mesa shall be paramount.
7. Infringement: SELLER shall indemnify and defend CITY, at SELLER'S expense, against all claims, demands, suits, liability and expense on account of alleged infringement of any patent, copyright or trademark, resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of any article or material furnished hereunder.
8. Assignment: Neither this order nor any claim against CITY arising directly or indirectly out of or in connection with this order shall be assignable by SELLER or by operation or law, nor shall SELLER subcontract any obligations hereunder, without CITY'S prior written consent.
9. Default: If SELLER or any subcontractor breaches any provision hereof, or becomes insolvent, enters bankruptcy, receivership or other like proceeding (voluntarily or involuntarily) or makes assignment for the benefit of creditors, CITY shall have the right, in addition to any other rights it may have hereunder or by law, to terminate this order by giving SELLER written notice whereupon (a) CITY shall be relieved of all further obligation hereunder, except to pay the reasonable value of SELLER'S prior performance, but not more than the contracted price, and (b) CITY may procure the articles or services from other sources and may deduct from unpaid balance due the vendor or may collect against the bond or surety, or may invoice the vendor for excess cost so paid. The price paid by CITY shall be considered prevailing market price at the time such purchase is made.
10. Labor Disputes: Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, SELLER shall immediately give written notice thereof to CITY.
11. Nondiscrimination: In the performance of the terms of any contract resulting from this order, SELLER agrees that they will not engage nor permit such subcontractors, where applicable as he may employ, from engaging in discrimination in employment of persons because of the race, color, sex, national origin or ancestry, disability or religion of such person.
12. Termination: The CITY reserves the right to terminate this contract without penalty and without cause after 30 days' written notice unless otherwise specified.

WORK ORDER CONDITIONS

13. Performance: SELLER shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all labor, supervision, machinery, equipment, materials and supplies necessary therefor; shall obtain and maintain all building and other permits and licenses required by public authorities in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors. SELLER shall conduct all operations in SELLER'S own name and as independent contractor, and not in the name of, or as an agent for CITY.
14. Indemnification: The Contractor hereby agrees to defend at his own cost and to indemnify and hold harmless the City of Costa Mesa, its officers, agents and employees, from and against any and all liability, damages, costs, losses, claims and expenses, howsoever caused, resulting directly or indirectly from or connected with the performance of the contract (including but not limited to such liability, costs, damage, loss, claim, or expense arising from the death or injury to an agent or employee of the Contractor, subcontractor, or the City of Costa Mesa or loss of, damage to, or destruction of the property of Contractor, subcontractor, or of the City of Costa Mesa, or of any agent or employee of the Contractor, subcontractor, or of the City of Costa Mesa), except where such liability, damages, costs, losses, claims or expenses are caused solely by the negligent or wrongful acts of the City of Costa Mesa or any of its agents or employees other than negligent omission or commissions of the City of Costa Mesa, its agents or employees, in connection with the general supervision or direction of the work to be performed hereunder. The Contractor, in addition to the foregoing, specifically shall indemnify and save harmless the City of Costa Mesa, any and all of the City of Costa Mesa's officers, agents, and employees, from any liability by reason of California safe place statutes or similar provisions pertaining to the workplace or safety of materials or equipment supplied by the City of Costa Mesa or others at the direction of the City of Costa Mesa and used in the performance of the work hereunder.
15. Insurance: SELLER shall maintain in full force during the term of this contract the following insurances, in a form and with companies as approved by the CITY, with limits not less than those specified: (a) Worker's Compensation and Employer's Liability complying with any statutory requirements; (b) Commercial General Liability insurance including broad form property damage, products/completed operations and contractual liability coverage, with a \$1,000,000 combined single limit each occurrence; Endorsements to the Commercial General Liability insurance shall be obtained by contractor, adding the following three provisions; (1) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to the subject project and agreement." (2) Notice: "Said policy shall not terminate, nor shall it be cancelled nor the coverage reduced, until thirty (30) days after written notice is given to City." (3) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy." (c) Comprehensive Auto Liability (including the owned, nonowned and hired automobile hazards) with \$1,000,000 combined single limit each occurrence. If the CITY so desires, these limits may be increased or decreased.
16. Bills and Liens: SELLER shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. SELLER shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, SELLER shall promptly procure its release and indemnify CITY against all damages and expense incident thereto.
17. Bonds: If the CITY so desires, SELLER shall provide payment and performance bonds as required.
18. Changes: SELLER shall make no change in the work or perform any additional work without the CITY'S specific written approval.

MISCELLANEOUS CONDITIONS

19. All plants and materials must be free of pests and disease. If any are found, the material will be rejected and refused. Vendor will pick up at no cost to the CITY.
20. Vendor is required to provide a completed MSDS (Material Safety Data Sheet) for hazardous substances as required by Labor Code Sections 6390; General Industrial Safety Order, Section 5194; and Title 8, California Admins. Code. MSDS sheet for each specified item shall be sent to place of shipment, and a copy sent to the Purchasing Division.

DEFINITION

Whenever used herein, "CITY" shall mean, City of Costa Mesa, a political subdivision of the State of California.

RFP SUBMITTAL CONFIRMATION

Responding to **RFP due Wednesday, May 22, 2013 at 4:00 P.M.**, the undersigned Proposer agrees to furnish and deliver consulting services and all deliverables per the specifications in this solicitation. Proposer further agrees, in addition to the terms and conditions specified herein the following terms and conditions that are a part of this proposal and any resulting contract.

Time is of the essence for this contract. Only those providers that are capable of completing the tasks on a timely basis should submit a proposal. In the event the selected Consultant fails to comply in good faith with any of the provisions regarding deliverables set forth in this contract, the respondent or Consultant shall be liable for liquidated damages in an amount equal to 1% of the total contract amount for each business day after the due date in which the deliverables/reports are not received. The Consultant acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be offset against any monies due to the respondent or Consultant from any contract with the City.

"PIGGYBACK" Clause. Consultant shall indicate below if he/she will extend the same prices, terms, and conditions of his bid to other public agencies: ___ Yes ___ No. Consultant's response to this question will not be considered in award of offer. When the Consultant extends the prices, terms, and conditions of this bid to other public agencies, the contract shall be between Consultant and the other agencies, and the City of Costa Mesa shall bear no responsibility or liability for the contracts.

Signatures. All information submitted by Proposer, including signatures, must be original. Copies will not be accepted.

Taxes. Proposers should show California State Sales Tax on their Proposals if taxable. The City will pay it to the Successful Proposer who is a California supplier or out-of-state supplier that registers with the State of California and who has the appropriate California Seller's Permit. The City of Costa Mesa will pay the State Sales Tax directly to the State of California when the Successful Proposer is not registered with the state to collect it. The City of Costa Mesa is exempt from Federal Excise Tax.

PLEASE NOTE: The City of Costa Mesa does not pay for services before it receives them. Therefore, do not propose contract terms that call for up front payments or deposits.

Term of Offer. It is understood and agreed that this proposal may not be withdrawn for a period of one hundred and eighty (180) days from the Submittal Deadline, and at no time in the case of the successful Proposer.

Proposer's Acknowledgement. Signature below verifies that Proposer has read, understands, and agrees to the conditions contained herein and on all of any attachments and addenda.

Non-Collusion Affidavit. Signature below certifies that this proposal is made without prior understanding, arrangement, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, or equipment, and is in all respects fair and without collusion of fraud. Signature below certifies the Consultant has not entered into any arrangement or agreement with any City of Costa Mesa public officer. Consultant acknowledges the understanding that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. Consultant agrees to abide by all conditions of this bid and certifies that they are authorized to sign this proposal for the proposer.

Drug-free Workplace Acknowledgement. Signature below acknowledges that Consultant has read and understands the City of Costa Mesa’s Council Policy #100-5 for a “Drug-Free Workplace” and hereby agrees to comply with required policy.

Representations Made Under Penalty of Perjury. The representations herein are made under penalty of perjury. We hereby offer to sell the City of Costa Mesa the above item(s) at the prices shown and under the terms and conditions herein, attached, or incorporated by referenced.

Proposer Name (Person, Firm, Corp.)

Signature of Authorized Representative

Address

Printed Name of Authorized Representative

City, State, Zip Code

Title of Authorized Representative

Telephone

Fax

COUNCIL POLICY – DRUG FREE WORKPLACE

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	1 OF 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a subgrantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This Policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or subgrantee hereby certifies that it will provide a drug-free workplace by:
 - A. Publishing a statement notifying employees that the unlawful manufacturer, distribution, dispensing, possessing, or use of a controlled substance is prohibited in Contractor's and/or subgrantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will taken against the employees for violation of such prohibition;
 - B. Establishing a Drug-Free Awareness Program to inform employees about:
 1. The dangers of drug abuse in the workplace;

COUNCIL POLICY – DRUG FREE WORKPLACE

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	2 OF 3

2. Contractor's and/or subgrantee's policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation and employee assistance programs;
 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- C. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by Subparagraph A.
- D. Notifying the employee in the statement required by Subparagraph 1.A that, as a condition of employment under the contract, the employee will:
1. Abide by the terms of the statement; and
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such violation.
- E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under Subparagraph 1.D.2 from an employee or otherwise receiving the actual notice of such conviction.
- F. Taking one of the following actions within thirty (30) days of receiving notice under Subparagraph 1.D.2 with respect to an employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency.
- G. Making a good faith effort to maintain a drug-free workplace through implementation of Subparagraph 1.A through 1.F, inclusive.
2. Contractor and/or subgrantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
- A. Contractor and/or subgrantee has made a false certification under Paragraph 1 above.

COUNCIL POLICY – DRUG FREE WORKPLACE

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

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- B. Contractor and/or subgrantee has violated the certification by failing to carry out the requirements of Subparagraphs 1.A through 1.G above.
 - C. Such number of employees of Contractor and/or subgrantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the Contractor and/or subgrantee has failed to make a good faith effort to provide a drug-free workplace.
3. Should any Contractor and/or subgrantee be deemed to be in violation of this Policy pursuant to the provisions of 2.A, B and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, or local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a Contractor and/or subgrantee, the Contractor and/or subgrantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon Issuance of any final decision recommending against debarment of the Contractor and/or subgrantee, the Contractor and/or subgrantee shall be eligible for compensation as provided by law.