AGENDA
RIO DELL CITY COUNCIL
CLOSED SESSION – 5:00 P.M.
REGULAR MEETING - 6:30 P.M.
TUESDAY, OCTOBER 17, 2017
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE

WELCOME *. . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

In compliance with the American with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting. Assistance listening devices are now available for the hearing impaired. Please see the City Clerk for a receiver.

A. CALL TO ORDER

B. ROLL CALL

C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:

1) 2017/1017.01 - **Public Employee Appointment**
Title: Chief of Police (Pursuant to §54957 of the Government Code)

D. PUBLIC COMMENT REGARDING CLOSED SESSION

E. RECESS INTO CLOSED SESSION

F. RECONVENE INTO OPEN SESSION – 6:30 P.M.

G. ORAL ANNOUNCEMENTS

H. PLEDGE OF ALLEGIANCE

I. CEREMONIAL MATTERS

J. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

K. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council embers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS

1) 2017/1017.02 - Approve Minutes of the October 3, 2017 Regular Meeting **(ACTION)** 1

2) 2017/1017.03 - Authorize City Manager to Sign Agreement with County of Humboldt for Measure Z Funding **(ACTION)** 11

3) 2017/1017.04 - Approve Resolution No. 1362-2017 Adopting Revised Master Fee Schedule **(ACTION)** 34

4) 2017/1017.05 - Receive & File City's Health Insurance Update **(ACTION)** 41

5) 2017/1017.06 - Receive & File Check Register for September 2017 **(ACTION)** 43

L. ITEMS REMOVED FROM THE CONSENT CALENDAR

M. SPECIAL PRESENTATIONS/STUDY SESSIONS

N. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

1) 2017/1017.07 - Discuss and Provide Input on Proposed Council Voting System **(DISCUSSION/POSSIBLE ACTION)** 47

2) 2017/1017.08 - Discussion on the Display of the Motto "In God We Trust" in the City Council Chambers **(DISCUSSION/POSSIBLE ACTION)** 57

3) 2017/1017.09 - Approve Contract with SICPA for Track and Trace Services and Authorize City Manager to Sign the Contract **(DISCUSSION/POSSIBLE ACTION)** 65

O. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

P. REPORTS/STAFF COMMUNICATIONS

Q. COUNCIL REPORTS/COMMUNICATIONS

R. ADJOURNMENT

The next regular City Council meeting is scheduled for
Tuesday, November 7, 2017 *at 6:30 p.m.*

RIO DELL CITY COUNCIL
REGULAR MEETING
OCTOBER 3, 2017
MINUTES

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL:	Present:	Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers Garnes and Strahan
	Absent:	Councilmember Marks (excused)
	Others Present:	City Manager Knopp, Finance Director Woodcox, Interim Chief of Police Beauchaine, City Clerk Dunham, and City Attorney Gans
	Absent:	Community Development Director Caldwell and Water/ Roadways Superintendent Jensen

CLOSED SESSION

Public Employee Appointment – Title: Chief of Police (Pursuant to §54957 of the Govt' Code)
The closed session as scheduled was cancelled.

PUBLIC PRESENTATIONS

Angela Barnett, a Berkeley St. resident commended Interim Chief of Police Beauchaine for his efforts in going over and beyond as a police officer and indicated that she has a medical condition and at times has difficulty dealing with things and that he has always been able to calm any situation. She added that his presence has helped to clean up the neighborhood and make it a safer place to live.

Nick Angeloff provided an update on Chamber of Commerce activities and said they are working with an entity out of Los Angeles to help the Arts District move forward with some arts programs for kids.

He also said that there is a Humboldt "certified" brand that will be coming through the Chamber to the City soon, and announced that the Chamber received a $1,500 check from the McLean Foundation for the sculptures and they expected to receive the $1,500 from the Headwaters Fund over the next few days. He noted that they would be depositing the check in the chamber's bank account and processing a check to the city for the first $1,500.

He reported that seven (7) out of twelve (12) Christmas cutouts were painted and once again welcomed any volunteers that would like to help with the painting.

Jackie Wilson, 133 Second Ave. complimented staff (Kevin Caldwell and Karen Dunham) for helping to make the process for installation of her new mobile home seamless.

Dan Kelly introduced himself as one of the candidates running for the College of Redwood Board of Trustees and said he and his wife moved to the area about a year ago and his wife is a doctor at the Open Door Clinic. He said he came to the meeting tonight to introduce himself and let everyone know that he is in the area and trying to help the college get better. He said that he feels the college has been pretty reactive to the conditions around it and would like to develop a more strategic plan in moving forward.

CONSENT CALENDAR

Mayor Wilson removed item (4) from the consent calendar for separate discussion.

Nick Angeloff asked that item (5) also be removed.

Motion was made by Johnson/Strahan to approve the remaining consent calendar including minutes of the September 19, 2017 regular meeting; approval of Resolution No. 1357-2017 amending and adopting the Master Salary Table; and approval of Pay Request No. 1 in the amount of $25,940.25 to DCI Builders for work related to the CDBG Architectural Barrier Removal (Porch) Project. Motion carried 4-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Resolution No. 1361-2017 Designating Projects to be Funded by the Road Maintenance and Rehabilitation Account (RMRA) During FY 2017/18 and Approving a Budget Adjustment to Reflect New Revenue

Mayor Wilson referred to the *Summary of Revenues and Expenditures* for the Streets Funds as presented and questioned the reserve balance after repairs.

Finance Director Woodcox explained that the summary shows that expenditures exceeded revenues by $113,656 and at the end of FY 2016-17 there was approximately $230,000 in reserves across all streets funds. She noted that when the budget is prepared it is budgeted out as if this were the fully operating streets department with all of the expenditures included and a list of all the revenues. She said that each year it shows a decrease in reserves when looking at revenues less expenditures. However; the actual amounts are actually decreasing slower because actual spending is less than what is budgeted.

City Manager Knopp further explained that particularly for this year there was a lot of equipment replacement from the capital projects list so this is really a fund balance drawdown. He said if you look at the FY 2016-17 actuals you will see a drawdown of $6,591 which is close to a balanced budget. He asked the Council to keep in mind that the public works department was down to bare bones staffing so when looking at the prior years before that there was additional staff in the streets department. He noted that the other complication was the decline

in overall streets revenue noting that between FY 2013-14 and the current year, revenue was down by $40,000 to 45,000 from traditional revenue sources so the RMRA helps to replace that funding and get it back to where it was in FY 2013-14.

Councilmember Strahan questioned whether the information in the Resolution is correct regarding the city having 13.9 miles of streets.

City Manager Knopp indicated that the data was based on a report that went to HCAOG. He agreed to forward a copy of the report to Council.

Motion was made by Wilson/Johnson to approve Resolution No. 1361-2017 *Amending the 2017-18 Budget Establishing and Incorporating a List of Projects Funded by the Road Maintenance and Rehabilitation Account (RMRA).* Motion carried 4-0.

Approve Amended Agreement with Artist Dan McCauley for Wildwood Avenue Sculpture Exhibit

Nick Angeloff questioned the status of the contract with the artist and when he was expected to break ground.

City Manager Knopp explained that after the item was presented to the Council at a previous meeting, he sent the draft contract with minor modifications to the artist for his review and approval; he then presented it to his attorney for review. He said that everyone is in agreement with the terms of the agreement and as a matter of formality staff placed it back on the agenda for formal approval by the Council. He noted that the check was already processed for the artist and would be released upon execution of the contract.

Councilmember Strahan questioned (4) under *Responsibility of the Artist* which states that the City will provide reimbursement to the artist of up to $500 for the artists out of pocket costs for repairs exceeding $500.

City Manager Knopp explained that the language was taken straight out of the Sculpture Guidelines that the Council adopted and was merely added to the agreement for clarification.

Councilmember Strahan then asked for clarification under *Waiver/Assumption of Loss.*

City Attorney Gans explained that the $500 responsibility of the artist for out of pocket loss applies to costs over and beyond what the insurance company covers. He said the artist's attorney requested the waiver language be added and hopefully the City will have no costs associated with loss beyond that.

Mayor Wilson asked if the $500 applies to each sculpture.

City Attorney Gans explained it applies to all liabilities so is not per each sculpture.

Motion was made by Johnson/Garnes to approve the amended agreement with Artist Dan McCauley for the Wildwood Avenue Sculpture Exhibit. Motion carried 4-0.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Discussion on a Skate Park in the City of Rio Dell
City Manager Knopp announced that this item was continued to the November 7, 2017 regular meeting.

Approve Addition of an Open Door Policy to the Employee Handbook
City Manager Knopp stated that the City Attorney provided the Open Door Policy for addition to the Employee Handbook as requested by the Council and turned it over to City Attorney Gans to explain the policy.

City Attorney Gans said the policy as presented is merely a suggestion and prepared solely for the Council's consideration. He said what he attempted to do was match the policy with "at-will" employment and at the same time provide employees the opportunity to address complaints pertaining to the City Manager.

He explained the ad hoc committee would be available for hearing grievances of any substance and this basically gives employees a procedure for reporting more mundane type grievances.

Councilmember Garnes said in the event an employee has a grievance against the City Manager and he/she has to take it to the City Manager for referral to the ad hoc committee, it makes it uncomfortable for both the employee and the City Manager. Also, what if a City Manager simply chose not to take the grievance to the ad hoc committee? The Council would never know because the employees are not allowed to file a grievance directly with the ad hoc committee and only through the City Manager.

City Attorney Gans noted that the City Manager is the ultimate supervisor over all employees and is expressly in charge to make sure all policies are complied with. If the City Manager chose to ignore and not refer a grievance to the ad hoc committee he would be in strict violation of the policy and it would be grounds for discipline.

He said language could be created whereby the employee has the right to submit a grievance directly to the ad hoc committee and for grievances solely about the City Manager they could be submitted to the ad hoc committee through the City Clerk.

Mayor Pro Tem Johnson asked if this draft language has been reviewed by the Rio Dell Employees Association and how this policy is working in other cities.

City Attorney Gans explained that it is relatively rare that grievances progress beyond the immediate supervisor but this method seems to function as it gives the employee a means to

be heard if they have a complaint.

He said the negative aspect of it is that it can be a mechanism for employees to report on matters not so meritorious.

Councilmember Strahan asked if the policy with the recommended changes would still be in line with the "at-will" employment; City Attorney Gans said that it would be.

Councilmember Garnes commented that the word "grievance" is still not included in the policy.

City Attorney Gans stated that the word "grievance" has a negative connotation and maybe an employee has a concern or an issue to discuss that is not really a grievance but more like an open door dispute. He added that an open door policy is informal and separate from a whistleblower complaint.

Mayor Pro Tem Johnson suggested the city attorney modify the language in the policy regarding how grievances are submitted pursuant to his recommendation and bring it back at the next meeting for approval under the consent calendar. He also asked if the employees would have input on the proposed policy.

City Attorney Gans noted that the employees already approved the body of the handbook and since this is just an amendment he wouldn't think they would have an issue with it but it will be submitted to them for input.

Discussion on the Display of the Motto "In God We Trust" in the City Council Chambers
City Manager Knopp provided a staff report and said this item was placed on the agenda at the request of Mayor Pro Tem Johnson. He noted that the issue came before the Council in 2009 with the adoption of Resolution No. 1064-2009 supporting the display of the national motto "In God We Trust" in a prominent location above the City seal in the City of Rio Dell Council Chambers.

He said at that time members of the Council also volunteered to solicit donations from the community so that it could be displayed without the use of public funds. He said the only donation received was from the Landmark Missionary Baptist Church in the amount of $25.00 which was deposited into the city's account however; for whatever reason the display never materialized.

Mayor Pro Tem Johnson stated that he was pleased to find out that the Council had previously passed a resolution supporting the display of the "In God We Trust" motto and said he went on the internet and found where Rio Dell was officially listed as one of the cities supporting it along with the City of Fortuna and 120 other cities and numerous counties throughout the state. He indicated that he also reviewed the history of the motto dating as far back as the

War of 1812 noting that it was embossed on coins during the Civil War for the North then printed on paper currency during President Eisenhower's term of office.

He said he would like to receive a legal opinion from the City Attorney regarding the legality of displaying the motto and referred to a cited case from the 9th Circuit Court of Appeals which is the most liberal court in the world reaffirming its legality.

City Attorney Gans commented that the claim is valid with regard to a legal assessment and agreed to review the case further.

Mayor Wilson said that he appreciated the dialog of past City Council minutes provided with the staff report.

Mayor Pro Tem Johnson commented that he has some burl slabs and he will discuss with Councilmember Marks the idea of maybe getting lettering on one of them following a legal opinion of the attorney.

Councilmember Garnes said that it is not about God or beliefs but about separation between church and state in her opinion. She said from a constituent's stand point they may not all have the same religious beliefs so it may not be right to display the motto in the City Council Chambers.

Mayor Wilson asked if the resolution adopted in 2009 is still valid.

City Attorney Gans responded that in all likelihood the resolution is still effective and the Council may simply need to reaffirm it. He said the procedural issue is less of a concern than affirmation that there have been no substantive changes in principally federal law that could affect its validity.

Mayor Wilson called for public comment on the matter; no public comment was received.

Discussion on Possible Use of Measure X Tax Proceeds

City Manager Knopp provided a brief staff report and said this item was placed on the agenda at the request of the Mayor. He explained that Measure X is related to the cannabis business tax measure that is going on the November 7, 2017 ballot and applies to commercial cannabis operations only. He said as a general tax, the proceeds would go to the General Fund, provided the tax measure passes, and can be used for any public services. He said the idea at this time is for the Council to have a discussion on possible priority uses of the funds.

Mayor Wilson said the reason he requested the item be placed on the agenda is because it is getting close to the election and wanted to bring it to the forefront. He explained as a general tax the current City Council can't bind the actions of future City Council's regarding the use of these funds but may have discussion on current priorities of the Council.

Councilmember priorities were identified as follows:

- Councilmember Strahan - Streets & Roads/Water & Sewer Pipes
- Mayor Pro Tem Johnson - Streets & Roads/Water & Sewer Pipes/Enhanced Law Enforcement
- Councilmember Garnes - Streets & Roads/Water & Sewer Pipes/Enhanced Law Enforcement
- Mayor Wilson - Streets & Roads/Public Safety

Discussion continued regarding methods for getting the information out to the community.

City Manager Knopp explained that the city is limited in terms of what they can and can't do to promote the tax but noted that staff would be putting together a city newsletter with factual information related to the tax.

City Attorney Gans indicated that councilmembers independently can go out and knock on doors and hand out information.

Mayor Wilson called for public comment on the tax.

Nick Angeloff agreed that the priority on the use of the revenue should be focused on streets, infrastructure and public safety.

There being no further public comment, the public comment period was closed.

City Attorney Gans was excused and left the meeting at this time, 7:15 p.m.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Unmet Transit Needs Public Hearing

Consuelo Espinosa was present from Humboldt Transit Authority (HTA) to provide a brief overview of the annual transit needs process. She explained that Humboldt County Association of Governments (HCAOG) is the administrator of Transit Development Act (TDA) funds and responsible for the annual unmet transit needs process. She said the purpose of the public participation process is to ensure that all reasonable unmet transit needs are met so that HCAOG can properly apply TDA funds throughout Humboldt County.

She further noted that the cycle for FY 2018-19 has begun and any input could improve transit services in Humboldt County and any comments received will be sent to HCAOG and included in the Unmet Transit Needs Report of Findings.

Mayor Wilson opened the public hearing to receive public comment on any local unmet transit needs.

Mayor Pro Tem Johnson commented that he has friends in their later 60's and early 70's that frequently use a wheel chair and it is an arduous task using the transit system to get to doctor appointments. He noted that his wife usually takes them so if they are out of town they miss their appointments and have to reschedule.

He stated that the City contributes $6,500 annually to fund senior and disabled transportation and doesn't feel the City is getting $6,500 worth of benefit. He asked if there are any programs available to assist seniors and people with disabilities with transportation to and from doctor appointments.

Ms. Espinosa asked if he was referring to a door-to-door dial-a-ride service.

Finance Director Woodcox explained that the City has a contract with Adult Day Health to provide transportation services for the elderly and functionally disabled individuals. She noted that the city does contribute $6,500 annually for the program but is not exactly sure how it works.

Councilmember Strahan commented that she knows the driver of the bus personally and confirmed that they do come down and pick up seniors and people with disabilities and take them to appointments.

It was requested that HCAOG email information to the Council regarding transportation services for seniors.

Ms. Espinosa indicated that Councilmember Marks sits on the HCAOG Board so he could also bring back the information to Council.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp distributed a written City Manager Update of recent activities and events (Attachment 1 to these minutes) and said as mentioned earlier, the presentation regarding a possible Skate Park in Rio Dell has been rescheduled for the November 7th regular meeting. He said there will also be a presentation from the Employment Development Department (EDD) on Regional Economic Development at that meeting; and provided brief updates on the ADA Porch Project and the Metropolitan Wells Project.

He then directed the Council's attention to an electronic voting system on loan to the City from ElectroVote and provided a brief demonstration on the equipment. One of the added features of the system was a speaker request button for councilmembers to be recognized so the Mayor could see with a flashing light the order in which the requests were made.

City Manager Knopp commented that the Council provided in the current budget, funds for upgrade to the public address system in the Council Chambers. He said the amplifier, mixer and microphones were purchased and installed in addition to an assistive listening system for members of the public to become more ADA compliant. The next phase of the project is to purchase a new electronic voting system. He said the cost of the ElectroVote System is approximately $5,000 but in researching other systems, the cost is much greater as they require complex computer systems, I-Pads and special software which are much more costly. He said this system is a relatively simple intuitive system and fits within the current budget however; staff wanted to have input from the Council before moving forward.

Councilmember Strahan expressed concern regarding the cost of the equipment and felt that it was virtually the same system as what is being used now.

Mayor Wilson said he understands the concept of having more modernized equipment but pointed out that Rio Dell is not Los Angeles. He noted that he has however; heard comments from individuals that certain Council votes could have been influenced by other Council votes. He suggested the item is agenized for further discussion including the cost for archived audio and video of meetings.

City Manager Knopp pointed out that the demo equipment will not be available at the next meeting as it has to be returned to the vendor in the next couple of days.

Mayor Pro Tem Johnson questioned the cost of the equipment already purchased in which City Manager Knopp responded that the cost was around $6,000.

City Manager Knopp explained that the idea of upgrading the audio recording was so the City would not be relying on a private citizen to record meetings but the video recording is out of the City's capabilities at this time.

He noted that the purchase price of the proposed voting equipment is within the authority of the City Manager but if the Council would like the item agenized for further discussion and consideration staff will move forward in that direction. Council concurred.

Mayor Wilson commented on the status of the City's website and said that he understands that the information is something that only staff can input and as such asked if there is a potential date as to when that might be completed.

City Manager Knopp commented that the website is very close to being launched but there seems to be one crisis after another to prevent it from happening.

Mayor Pro Tem Johnson asked about the Metropolitan Wells Project and status of the standby generator purchase.

City Manager Knopp said work on the Wells Project was nearly complete with only minor details remaining and said they are also waiting on some water quality test results. He said staff will be agenizing the purchase of the generator as there will be a portion of the cost not covered under the available grant funding.

Finance Director Woodcox reported on recent activities and events in the finance department and said that she and Accountant Farley will be attending a CDBG Workshop in Ukiah on October 11th and one of the items is related to code enforcement.

She also commented on the ADA Porch Project and said it has been going well in that customers have not been too inconvenienced during the construction. She also had compliments on the new steps coming into City Hall.

Interim Chief of Police Beauchaine reported on recent activities and events in the police department and said the first new patrol vehicle was online and the second vehicle was at Kreation's getting the lettering on the doors and from there will go to Superior Installs to be equipped with the light bar and radio equipment. He also reported that Officer Valk completed her Field Training Course in Merced so there are now three (3) POST Certified officers within the department. He also reported that in the last two (2) weeks, they made 21 arrests and filed 29 incident reports.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Johnson reported on the HCAOG meeting and said Rio Dell made the motion to use a portion of the $1.6 million surplus generated from call boxes through vehicle registration fees with $200,000 to be allocated this year for enhanced CHP enforcement on the safety corridor between Eureka and Arcata.

Mayor Wilson said he appreciates Mayor Pro Tem Johnson's support and noted that there was also money allocated for programmable signage.

ADJOURNMENT

Motion was made by Johnson/Garnes to adjourn the meeting at 7:47 p.m. to the October 17, 2017 regular meeting. Motion carried 4-0.

_____
Frank Wilson, Mayor

Attest:

_____
Karen Dunham, City Clerk

Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

October 17, 2017

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorization for the City Manager to Sign Agreement with County of Humboldt for Measure Z Funding

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to sign the agreement.

BACKGROUND AND DISCUSSION

The City has been awarded another year of Measure Z funding through the County of Humboldt. Attached is a contract for a grant in the amount of $34,101. The City has been a recipient of these funds in the past, including grant awards of $35,000 in FY15/16 and $33,649 in FY16/17.

Measure Z was a countywide ½ cent transactions and use (sales) tax. The measure passed on November 4, 2014. On March 31, 2020, the tax is set to expire.

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MEMORANDUM OF UNDERSTANDING
BETWEEN
COUNTY OF HUMBOLDT
AND
CITY OF RIO DELL
FOR FISCAL YEAR 2017-2018

This Memorandum of Understanding ("MOU"), entered into this ____ day of _____, 2017, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and the City of Rio Dell, a municipal corporation, hereinafter referred to as "CITY," is made upon the following considerations:

WHEREAS, California Government Code Section 26227 provides that the board of supervisors of any county may appropriate and expend money from the county's general fund to finance programs deemed to be necessary to meet the social needs of the population of the county, including, but not limited to, the areas of health, law enforcement and public safety; and

WHEREAS, COUNTY placed a one-half (.5) cent local sales and use tax measure, known as "Measure Z," on the November 2014 ballot to maintain and improve essential services; and

WHEREAS, Measure Z was passed by the voters of Humboldt County on November 4, 2014 and became operative on April 1, 2015; and

WHEREAS, due to the passage of Measure Z, COUNTY has additional funding to maintain and improve essential services, including, without limitation: law enforcement services; emergency response services; illegal marijuana cultivation enforcement and prevention; child abuse enforcement and prevention; crime investigation and prosecution; substance abuse rehabilitation; mental health treatment; rural fire protection, road repairs; and other necessary services relating to the areas of health, law enforcement and public safety; and

WHEREAS, COUNTY created a nine (9) member Citizens Advisory Committee to review Measure Z funding applications and make recommendations to the Humboldt County Board of Supervisors; and

WHEREAS, on February 16, 2017, CITY submitted a Measure Z application to the Citizens' Advisory Committee requesting an allocation in the amount of Thirty-Four Thousand One Hundred One Dollars ($34,101.00) for the purpose of paying the costs and expenses associated with assigning one (1) part-time clerical position to the Rio Dell Police Department to support various types of law enforcement, nuisance abatement and code enforcement activities, which is attached hereto as Exhibit A – Application for Measure Z Funding – and incorporated herein by reference; and

WHEREAS, on June 27, 2017, the Humboldt County Board of Supervisors approved the Measure Z application submitted by CITY in the amount of Thirty Four Thousand One Hundred One Dollars ($34,101.00) through June 30, 2018; and

WHEREAS, COUNTY and CITY desire to enter into an agreement which sets forth each party's rights and responsibilities regarding the expenditure of Measure Z funds allocated to CITY.

NOW THEREFORE, in consideration of the foregoing, and of the mutual promises contained herein, the parties hereto agree as follows:

1. COUNTY OBLIGATIONS:

COUNTY will provide CITY with an amount not to exceed Thirty-Four Thousand One Hundred One Dollars ($34,101.00) for the purpose of paying the costs and expenses associated with assigning one (1) part-time clerical position to the Rio Dell Police Department.

2. CITY OBLIGATIONS:

A. General Requirements. CITY will continue to fund one (1) part-time clerical support position within the Rio Dell Police Department to aide various types of law enforcement, nuisance abatement and code enforcement activities. The clerical position funded pursuant to the terms and conditions of this MOU shall include approximately twenty-four (24) hours of additional clerical support services per week that may be divided amongst different CITY personnel.

B. Quarterly and Final Reports. CITY will provide quarterly and final reports to COUNTY as set forth in Exhibit B – Quarterly and Final Summary Reports, which is attached hereto and incorporated herein by reference. Any and all quarterly and final reports required hereunder shall be prepared using the COUNTY's standard Measure Z report form, which is attached hereto as Exhibit C – Quarterly and Final Report Form and incorporated herein by reference.

C. Social Media. CITY will post summaries of the information contained in the quarterly and final reports submitted pursuant to the terms and conditions of this MOU on CITY-maintained social media accounts as set forth in Exhibit D – Social Media Reporting Requirements – which is attached hereto and incorporated herein by reference. For purposes of this MOU, social media includes, but is not limited to, Facebook, Twitter, Instagram and Snapchat.

D. Recognition of Measure Z Funding. CITY shall cooperate with COUNTY efforts to recognize Measure Z funding. Such recognition may take the form of press releases, photos and adhesives to equipment.

3. TERM:

This MOU shall begin on July 1, 2017 shall remain in full force and effect until June 30, 2018, unless sooner terminated as provided herein.

4. TERMINATION:

A. Breach of Contract. If, in the opinion of COUNTY, CITY fails to adequately fulfill its obligations hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this MOU, or violates any ordinance, regulation, or other law applicable to its performance herein, COUNTY may terminate this MOU immediately, upon notice.

B. Without Cause. COUNTY may terminate this MOU without cause upon thirty (30) days advance written notice to CITY. Such notice shall state the effective date of the termination.

C. Insufficient Funding. COUNTY's obligations under this MOU are contingent upon the availability of local funding resulting from the sales and use tax established by Measure Z. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this MOU shall be terminated. COUNTY shall provide CITY seven (7) days advance written notice of its intent to terminate this MOU due to insufficient funding.

D. Compensation Upon Termination. In the event this MOU is terminated, CITY shall be entitled to compensation for uncompensated costs and expenses incurred pursuant to the terms and conditions of this MOU through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this MOU by CITY.

5. COMPENSATION:

A. Maximum Amount Payable. The maximum amount payable by COUNTY for the costs and expenses incurred pursuant to the terms and conditions of this MOU is Thirty-Four Thousand One Hundred One Dollars ($34,101.00). CITY agrees to perform all of its obligations hereunder for an amount not to exceed such maximum dollar amount. However, if the allocation of local funding resulting from the sales and use tax established by Measure Z is reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable hereunder, or terminate this MOU as provided herein.

B. Schedule of Rates. CITY shall set forth the specific rates and costs applicable to this MOU using the COUNTY's standard Measure Z budget form, which is attached hereto as Exhibit E – Schedule of Rates and incorporated herein by reference.

C. Additional Costs and Expenses. Any additional costs and expenses not otherwise provided for herein shall not be incurred by CITY, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CITY. CITY shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CITY estimates that the maximum payable amount will be reached.

6. PAYMENT:

CITY shall submit to COUNTY quarterly invoices itemizing all costs and expenses incurred pursuant to the terms and conditions of this MOU. Invoices shall be in the format set forth in Exhibit F – Measure Z Invoice Form, which is attached hereto and incorporated herein by reference. CITY shall submit a final undisputed invoice for payment within thirty (30) days following the expiration or termination date of this MOU. Payment for the costs and expenses incurred pursuant to the terms and conditions of this MOU will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CITY shall be sent to COUNTY at the following address:

COUNTY: Humboldt County Administrative Office
Attention: Elishia Hayes, Senior Administrative Analyst
825 Fifth Street, Room 112
Eureka, California 95501

7. NOTICES:

Any and all notices required to be given pursuant to the terms of this MOU shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Administrative Office
Attention: Amy S. Nilsen, County Administrative Officer.
825 Fifth Street, Room 112
Eureka, California 95501

CITY: City of Rio Dell
Attention: Kyle Knopp, City Manager
675 Wildwood Avenue
Rio Dell, California 95562

8. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. CITY agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the costs and expenses incurred pursuant to the terms and conditions of this MOU, and to maintain and preserve said records for at least three (3) years from the date of final payment hereunder, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. Such records shall be original entry books with a general ledger itemizing all debits and credits for the costs and expenses incurred pursuant to the terms and conditions of this MOU.

B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CITY, and its subcontractors, related to the costs and expenses incurred pursuant to the terms and conditions of this MOU, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment hereunder. CITY hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state and/or federal agencies. CITY further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this MOU, including, but not limited to, the costs of administering this MOU.

C. Audit Costs. In the event of an audit exception or exceptions related to the costs and expenses incurred pursuant to the terms and conditions of this MOU, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of such audit. If the allowable expenditures cannot be determined because CITY's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CITY agrees that COUNTY has the right to monitor all activities related to this MOU, including, without limitation, the right to review and monitor CITY's records, programs or procedures, at any time, as well as the overall operation of CITY's programs, in order to ensure compliance with the terms and conditions of this MOU. CITY will cooperate with a corrective action plan, if deficiencies in CITY's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of CITY's performance hereunder.

10. CONFIDENTIAL INFORMATION:

A. Disclosure of Confidential Information. In the performance of this MOU, CITY may receive information that is confidential under local, state or federal law. CITY hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"); the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations, and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this MOU may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this MOU embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

A. Professional Services and Employment. In connection with the execution of this MOU, CITY, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require employment of unqualified persons.

B. Compliance with Anti-Discrimination Laws. CITY further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51 et, seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the

California Code of Regulations are incorporated into this MOU by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CITY certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CITY is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. CITY agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this MOU if it determines that the foregoing certification is false or if CITY subsequently becomes a Nuclear Weapons Contractor.

13. INDEMNIFICATION:

A. Hold Harmless, Defense and Indemnification. CITY shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CITY's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

B. Effect of Insurance. Acceptance of the insurance required by this MOU, shall not relieve CITY from liability under this provision. This provision shall apply to all claims for damages related to the CITY's performance hereunder regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by CITY hereunder.

14. INSURANCE REQUIREMENTS:

This MOU shall not be executed by COUNTY, and CITY is not entitled to any rights hereunder, unless certificates of insurance, or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

A. General Insurance Requirements. Without limiting CITY's indemnification obligations provided for herein, CITY shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this MOU, and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in the State of California and with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CITY and its agents, officers, directors, employees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars ($2,000,000.00) per occurrence for any one (1) incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.

2. Automobile/Motor Liability Insurance with a limit of liability of no less than One Million Dollars ($1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Office Form Code 1 (any auto).

3. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.

4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars ($2,000,000.00) for each occurrence (Four Million Dollars ($4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CITY may be exposed to liability. CITY shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of CITY. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:

   a. Includes contractual liability.

   b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."

   c. Is the primary insurance with regard to COUNTY.

   d. Does not contain a pro-rata, excess only and/or escape clause.

   e. Contains a cross liability, severability of interest or separation of insureds clause.

2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CITY shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.

4. For claims related to this MOU, CITY's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CITY's insurance and will not be used to contribute therewith.

5. Any failure to comply with the provisions of this MOU, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.

6. CITY shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this MOU. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars ($100,000.00) shall be disclosed to, and approved by, COUNTY. If CITY does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this MOU, take out the necessary insurance, and CITY agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CITY under this MOU.

7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CITY shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this MOU shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CITY: City of Rio Dell
Attention: Kyle Knopp, City Manager
675 Wildwood Avenue
Rio Dell, California 95562

15. RELATIONSHIP OF PARTIES:

It is understood that this MOU is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association. Both parties further agree that CITY shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CITY shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

16. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CITY agrees to comply with any and all local, state and federal laws and regulations applicable to CITY's performance hereunder. CITY further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

17. PROVISIONS REQUIRED BY LAW:

This MOU is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this MOU. This MOU shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

18. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this MOU is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

19. SEVERABILITY:

If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

20. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CITY in violation of this provision shall be void, and shall be cause for immediate termination of this MOU. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by the parties to obtain supplies, technical support or professional services.

21. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this MOU shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

22. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU. In no event shall any payment by COUNTY constitute a waiver of any breach of this MOU or any default which may then exist on the part of CITY. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CITY shall promptly refund, any funds disbursed to CITY, which COUNTY determines were not expended in accordance with the terms of this MOU.

23. STANDARD OF PRACTICE:

CITY warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CITY's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

24. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this MOU.

25. AMENDMENT:

This MOU may be amended at any time during the term of this MOU upon the mutual consent of both parties. No addition to, or alteration of, the terms of this MOU shall be valid unless made in writing and signed by the parties hereto.

26. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information, and reports concerning the subject matter of this MOU prepared and/or submitted by CITY shall become the property of COUNTY. However, CITY may retain copies of such documents and information for its records. In the event of termination of this MOU, for any reason whatsoever, CITY shall promptly turn over all such information, writings and documents to COUNTY without exception or reservation.

27. JURISDICTION AND VENUE:

This MOU shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

28. ADVERTISING AND MEDIA RELEASE:

All informational material related to this MOU shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. COUNTY shall provide to CITY suggested language, and a Measure Z Logo, for all press releases. In addition, CITY shall inform COUNTY of all requests for interviews by media related to this MOU before such interviews take place; and COUNTY is entitled to have a representative present at such interviews. All notices required by this provision shall be given to the Humboldt County Administrative Officer.

29. SURVIVAL:

The duties and obligations of the parties set forth in Section 4(D) – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 13 – Indemnification shall survive the expiration or termination of this MOU.

30. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

31. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this MOU, the terms and conditions set forth herein shall have priority.

32. INTERPRETATION:

This MOU, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

33. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this MOU are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this MOU.

34. ENTIRE AGREEMENT:

This MOU contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist or to bind either of the parties hereto. In addition, this MOU shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this MOU are hereby ratified.

35. AUTHORITY TO EXECUTE:

Each person executing this MOU represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this MOU. Each party represents and warrants to the other that the execution and delivery of this MOU and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have entered into this MOU as of the first date written above.

CITY OF RIO DELL:

By: _____ Date: _____

Name: _____

Title: _____

COUNTY OF HUMBOLDT:

By: _____ Date: _____
Virginia Bass
Chair, Humboldt County Board of Supervisors

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: _____ Date: _____
Risk Management

LIST OF EXHIBITS:

Exhibit A – Application for Measure Z Funding
Exhibit B – Quarterly and Final Summary Reports
Exhibit C – Quarterly and Final Report Form
Exhibit D – Social Media Reporting Requirements
Exhibit E – Schedule of Rates
Exhibit F – Measure Z Invoice Form

EXHIBIT B
QUARTERLY AND FINAL SUMMARY REPORT
City of Rio Dell
Fiscal Year 2017-2018

1. DUE DATES:

Quarterly reports are due one (1) month after the end of each quarter. Quarterly reports will be based on COUNTY fiscal year quarters. The table below shows each fiscal year quarter and the report due dates. CITY must submit a quarterly report for each quarter in which the contract is active. The Final Summary Report is due one (1) month after completion of the contract term.

Quarter	Dates Included	Date Report Due to County
1	July 1 through September 30	October 31
2	October 1 through December 31	January 31
3	January 1 through March31	April 30
4	April 1 through June 30	July 31
Final Summary Report	Based on contract term	One (1) month after MOU expiration

2. SUBMISSION OF REPORTS:

All reports should be emailed to cao@co.humboldt.ca.us or sent by U.S. mail to the following address:

COUNTY: Humboldt County Administrative Office
Attention: Elishia Hayes, Senior Administrative Analyst
825 Fifth Street, Room 112
Eureka, California 95501

EXHIBIT C
QUARTERLY AND FINAL REPORT FORM
City of Rio Dell
Fiscal Year 2017-2018

COUNTY OF HUMBOLDT – MEASURE Z
Report Form

Organization Name: _____ **Report Date:** _____

Contact Name: _____ **Phone:** _____

Please attach a narrative report addressing the items outlined in section I below. Feel free to attach any other relevant materials or reports.

I. QUARTERLY NARRATIVE (please attach a maximum of 1 page, exclusive of attachments)

A. Results/Outcomes

☐ 1. Please describe the Measure Z activities completed and/or total numbers served or reached.

☐ 2. What difference did Measure Z funding make in our community and for the population you are serving? Please discuss evidence of effect (e.g., community indicators, outcomes, etc.). *If you have evaluation materials that document outcomes and impacts of your work, feel free to attach them in lieu of answering this or other questions.*

☐ 3. Describe any unanticipated impacts of receiving Measure Z funding, positive or negative, not already described above.

II. FINAL SUMMARY REPORT (please attach a maximum of 2 pages, exclusive of attachments)

A. Lessons Learned

☐ 1. Describe what you learned based on the results/outcomes you reported in Section A above and what, if any, changes you will make based on your results/outcomes.

☐ 2. What overall public safety improvements has your organization seen as a result of receiving Measure Z funding?

EXHIBIT D
SOCIAL MEDIA REPORTING REQUIREMENTS
City of Rio Dell
Fiscal Year 2017-2018

1. DUE DATES:

CITY will post Measure Z updates on CITY-maintained social media accounts within two (2) weeks of submitting quarterly and final reports to COUNTY pursuant to the terms and conditions of this MOU.

2. SOCIAL MEDIA ACCOUNT IDENTIFICATION:

Measure Z updates posted on social media accounts shall clearly identify the agency receiving Measure Z funds and the projects funded by the Measure Z funds that have been allocated thereto. Please indicate below the social media account(s) where CITY will post Measure Z updates:

Social Media *(ie, Facebook)* Account Name *(ie, County of Humboldt – Government)*

_____

_____

_____

_____

_____

3. CONTENT OF SOCIAL MEDIA POSTS:

The social media posts required pursuant to the terms and conditions of this MOU are meant to inform the public of progress with projects funded by Measure Z. As such, CITY's social media posts should summarize the content included in each of the quarterly final reports submitted to COUNTY. Such posts can be done in text or video.

Posts will include "#MeasureZ" on Twitter and Facebook to help the public identify Measure Z posts.

Example Facebook post:

"#MeasureZ update: Over the last quarter we [____brief description of Measure Z activities completed and/or total numbers served____]. During our efforts this quarter we've seen [____brief description of the difference Measure Z funding has made in our community and for the population you are serving____].

CITIZENS' ADVISORY COMMITTEE ON *MEASURE Z* EXPENDITURES

(Advisory Committee will make recommendations to the Humboldt County Board of Supervisors as to expenditure of funds derived from *Measure Z*.)

APPLICATION FOR FUNDING

Agency Name: City of Rio Dell

Mailing Address: 675 Wildwood Avenue, Rio Dell, California 95562

Contact Person: Kyle Knopp Title: City Manager

Telephone: 707-764-3532 E-mail address: knoppk@cityofriodell.ca.gov

1. AMOUNT OF MEASURE Z FUNDING REQUESTED FOR FY 2017-18: $ 34,101

2. ENTITY TYPE – Please check appropriate box.

a. Humboldt County Department ☐

b. Contract Service Provider to Humboldt County ☐

c. Local Government Entity ■

d. Private Service Provider ☐

e. Non-Profit Service Provider ☐

f. Other ☐

RECEIVED
FEB 16 2017
CAO

3. Please provide brief description of proposal for which you are seeking funding.

The City of Rio Dell Proposes the continued funding of a part-time clerical support position in the Police Department for 28 hours a week to provide support for law enforcement services. This item was funded by Measure Z during the 2016-17 grant cycle. This grant allows our officers to spend more time responding to calls for service and be on active patrol, and is the only source of funding for clerical support. The position also allows for police department headquarters to remain open when officers are out on patrol. Currently, the Rio Dell Police Department is staffed by five (5) full-time sworn officers and one (1) part-time clerical assistant (funded through Measure Z). The position also enables a consistent flow of paperwork on nuisance and code enforcement issues, helping to clean up the community and prevent neighborly discord from becoming a larger issue for sworn law enforcement.

4. *Measure Z* funding is scheduled to "sunset" in 2020. How are you developing a plan for sustainability, including diversification of funding sources, in order for your proposal to carry on without reliance on future *Measure Z* funds?

The City of Rio Dell is looking to expand and diversify its tax base over the next five years. Central to this objective is the City's work to restructure its code enforcement program that is making major headway in cleaning up the town and addressing long-standing blight that is an obstacle to development. Work is underway to develop and emphasize economic development activities including micro-enterprise assistance and infrastructure related activities that enhance development potential that benefit both the City and the region as a whole. During 2016-2017 significant progress was made to facilitate commercial development at the north end of the community which we anticipate, will enhance the communities tax base. Economic development within the City is a crucial part of working towards sustainability, and public safety is the cornerstone to that development.

5. If this request is for the continuation, or expansion, of an existing program/service, what is the current source of funding for that program/service?

Clerical support for the Police Department for fiscal year 2016-2017 has been provided through Measure Z funding. Without Measure Z the Police Department wouldn't have the supportive assistance necessary to provide the enhanced customer and administrative services that are currently offered, which allows officers to remain in the field.

6. If you are awarded *Measure Z* funds, how will you use them to leverage additional grants, contributions, or community support?

Community support comes from the community's reliance on our Police Department to quickly respond to public safety calls and concerns. The Police Records Specialist I is available to immediately respond and refer community members and victims of crime to services and can make direct contact with sworn personnel. Currently, when officers are not present at the Police Department headquarters, victims of crime must use a call box to summon assistance. Measure Z funds would help mitigate that experience, allowing community members to get immediate assistance and allow officers to be in the field more often where they are more effective in making the community safe.

7. Will this proposal require new or expanded activity on the part of another entity to be fully functional and effective? If so, please describe.

No, this proposal does not require any activity on the part of another entity. It is believed the additional support to our officers will ultimately lower levels of crime in the City and subsequently lower the level of activity required of allied agencies and partners.

ATTACHMENTS—Please include the following with your application

Proposal Narrative: Brief description of your request for *Measure Z* funds – Please explain how it is an essential service or for public safety. *(one page maximum)*

Prior Year Results: *If your request is a continuation of a program funded with Measure Z in prior fiscal years, please provide the results of implementation. (one page maximum)*

Program Budget

I declare under penalty of perjury under the laws of the State of California that the above statements and all attachments are true and correct

DATE: 2/16/2017 SIGNATURE: _____

SUBMIT THIS APPLICATION TO:

Humboldt County Citizens' Advisory Committee on *Measure Z* Expenditures
c/o County Administrative Office
825 Fifth Street, Suite 111
Eureka, CA 95501-1153.

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: knoppk@cityofriodell.ca.gov

Humboldt County Citizens' Advisory Committee on Measure Z Expenditures
c/o County Administrative Office
825 5th Street, Suite 111
Eureka, California 95501-1153

Dear Members of the Advisory Committee,

The City of Rio Dell respectfully submits this proposal narrative for your consideration for Measure Z funding. The two (2) proposals are connected to two very important objectives for the City of Rio Dell: Enhanced public safety services and economic development. We believe that public safety and economic development go hand in hand.

Public safety has already been greatly enhanced with the addition of an administrative support staff person in the Police Department through Measure Z funding for FY 2016-2017. While the administrative support staff has enhanced our code enforcement efforts and made a significant positive impact at our front counter, we believe the addition of a Code Compliance/Animal Control Officer would make an even greater, positive impact on the community. Moreover, this addition would complement the Police Department because the goal of making our streets safer becomes more realistic when sworn officers can remain on patrol in the street. If funding is granted for these two positions officers will be able to focus on the duties that their positions are intended: public safety and lessening the deleterious effects of crime. Furthermore, the addition of a Code Compliance/Animal Control Officer provides a strong resource in working towards the City's long-term goal of becoming an economically sustainable position through continued perseverance of our vision of building a safe, healthy, and economically viable City. We believe this also has a positive impact on the county as a whole given our position along the US 101 corridor as a "gateway" to northern Humboldt as people travel from the south.

The City needs your help in solidifying the vision of creating a safer community and building economic sustainability. These objectives are the sole purpose for the City's proposals that are as follows:

1. $34,101 for a part-time Police Records Specialist I that will free up the valuable time of the City's five sworn officers
2. $76,741 for a full-time, benefitted Code Compliance/Animal Control Officer that will free up time that sworn officers spend on animal control, code enforcement activities, and administrative-type tasks.

These two positions to our Police Department is in direct line with the overall goals that Measure Z was built: "To provide the funds necessary for expanding patrols, maintaining emergency response times, and making sure calls about violent or property crimes are responded to promptly." Additionally, the proposals have an added value of economic sustainability that can serve as a means to continue to support these two positions when Measure Z sunsets in 2020.

Sincerely,

Kyle Knopp
City Manager, City of Rio Dell

Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

February 14, 2017

TO: Humboldt County Citizens' Advisory Committee on Measure Z Expenditures

FROM: Kyle Knopp, City Manager

SUBJECT: **Prior Year Results:** Measure Z and the City of Rio Dell's part-time clerical support position in the Police Department.

Since the beginning of this funding cycle for Measure Z (July 1, 2016) until the present we have a total of 60 code enforcement cases with nearly half (28) resolved, and we anticipate the resolution of some of our more significant cases this year. We are on track to handle in excess of 100 complaints and intend on resolving a majority of them.

More significantly officers in the field handled 691 incident reports and 1824 Calls for Service during 2016 as compared to 531 Incident Reports and 1800 Calls for Service in 2015. While there are multiple factors for the increased performance by sworn officers, one of those factors is certainly the ability to spend more time in the field rather than in the office handling administrative tasks.

While it is not statistically measurable many citizens commented on how pleased they were to see officers in the field as well as being pleased with having service at the police department during business hours.

Budget

City of Rio Dell Police Department

Date: 2/15/17

Descriptions		Amounts	Approved Budget	Remaining Balance
A. Personnel Costs				
Title	Police Records Technician			
Salary and Benefits Calculation	1,456 hours x ($17.94 max hourly wage + 3.33 add'l payroll costs)	30,969.12		(30,969.12)
Duties Description	Performs a variety of general clerical and customer service duties involved in the maintenance, processing, and distribution of police records; serves as call-taker and/or assists in dispatching units.			
Title				
Salary and Benefits Calculation				0.00
Duties Description				
Title				
Salary and Benefits Calculation				0
Duties Description				
Title				
Salary and Benefits Calculation				0
Duties Description				
	Total Personnel:	30,969.12	0.00	(30,969.12)
B. Operational Costs (Rent, Utilities, Phones, etc.)				
Title	Operational costs			
Description	Variable operations services and supplies related to the addition of a part-time Police Records Technician	1,633.00		(1,633.00)
Title				
Description				
Title				
Description				
Title				
Description				
	Total Operating Costs:	1,633.00	0	(1633.00)
C. Consumables/Supplies (Supplies and Consumables should be separate)				
Title				
Description				
Title				
Description				
Title				
Description				
Title				
Description				

Budget

City of Rio Dell Police Department

Date: 2/15/17

Descriptions	Amounts	Approved Budget	Remaining Balance
Total Consumable/Supplies:	0	0	0
D. Transportation/Travel (Local and Out-of-County should be separate)			
Title Out of County Travel for training			
Description: Travel costs related to training for Police Records Technician	1,498 00		(1,498 00)
Title			
Description			
Title			
Description			
Total Transportation/Travel Costs	1,498 00	0	(1,498 00)
E. Fixed Assets			
Title			
Description			
Title			
Description			
Total Other Costs	0	0	0
Invoice Total:	34 100 12		

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532

For Meeting of: October 17, 2017

To: City Council

From: Kevin Caldwell, Community Development Director

Through: Kyle Knopp, City Manager

Date: October 12, 2017

Subject: Amendments to Master Fee Schedule.

Recommendation:

That the City Council:

1. Adopt Resolution No. 1362-2017 amending the Master Fee Schedule.

Discussion

Staff is recommending that the Council adopt Resolution No. 1362-2017 which will amend the Master Fee Schedule to (1) incorporate the recently adopted Billable Burden rates; (2) include a note regarding annual increases to the water and sewer rates; and (3) establish Track and Trace Fees.

The Council recently adopted the 2017/2018 Hourly Burdened Rates. Staff is recommending that the Master Fee Schedule be amended to reflect the new rates. See Attachment 1.

As the Council is aware the water and sewer rates go up annually. Staff is recommending that the following note be placed in the water and sewer fee section of the Master Fee Schedule encouraging citizens to contact the City to determine the rate in effect at that time. See Attachment 2.

Under a separate item on the agenda, staff is recommending that the City execute an agreement with SICPA for Track and Trace services. The cost of the Track and Trace services will be paid by the operators. In order to pay for the service, staff is recommending the following Track and Trace Fees:

Track and Trace Account Fee	$90.00/month
Track and Trace Unique Identifier (stamp)	$.07/stamp
Track and Trace Training Fee	$400.00/2 persons

Other than the cost for the unique identifier stamp, there is mark-up of the costs. Staff is recommending that a $.05 overhead cost be applied to each stamp the cover the cost of administering and overseeing the Track and Trace program. The recommended $.05 is the same cost that the County charges. See Attachment 3.

Attachments

Attachment 1: Master Fee Schedule Hourly Burdened Rates.
Attachment 2: Master Fee Schedule Water and Sewer Fee Information.
Attachment 3: Master Fee Schedule Track and Trace Fee Information.
Attachment 4: Resolution No. 1362-2017 amending the 2017/2018 Master Fee Schedule.

CITY OF RIO DELL 2016/2017 STAFF BILLABLE BURDENED RATES Adopted May 17, 2016 Resolution No. 1350-2017				
Title	Hourly Rate	Benefits	Overhead	Burdened Rate
City Administration Department				
City Manager	$54.51	33%	$20.22	$92.72
City Clerk	$29.03	33%	$20.22	$58.82
Community Development Department				
Community Development Director	$41.16	33%	$20.22	$74.97
Finance Department				
Finance Director	$34.41	33%	$10.15	$55.92
Accountant I	$24.15	33%	$10.15	$42.27
Fiscal Assistant II	$18.15	33%	$10.15	$34.29
Senior Fiscal Assistant	$20.81	33%	$10.15	$37.83
Police Department				
Chief of Police	$40.57	33%	$9.85	$63.81
Police Sergeant	$29.16	33%	$9.85	$48.64
Police Officer - 1	$22.29	33%	$9.85	$39.50
Police Officer - 2	$23.65	33%	$9.85	$41.30
Records Technician	$16.90	33%	$9.85	$32.33
Public Works Department				
Water/Roads Superintendent	$33.31	33%	$19.73	$64.04
Wastewater Superintendent	$26.31	33%	$19.73	$54.72
Wastewater Superintendent Trainee	$24.53	33%	$19.73	$52.36
Wastewater Treatment Operator I	$17.47	33%	$19.73	$42.97
Public Works Leadman	$18.76	33%	$19.73	$44.69
Utility Worker I	$14.18	33%	$19.73	$58.14

CITY OF RIO DELL WATER AND SEWER FEES		
Water Utility Fees		
Water Connection Fee	Res. 1217	$2,500.00 Buy-In $200.00 Connection or Actual Cost
Residential Base Rate Within City Limits Each Unit (750 gallons)	Res. 1281	 $46.63 $3.04
Base Rate Dinsmore Zone (Outside City Limits) Each Unit (750 gallons) Maintenance Surcharge	Res. 1281	**Note: Water rates are adjusted annually. Contact City Hall for additional information.*
Late Payment Fee	Res. 1281	10%
Water Shut-Off Fee	Res. 1281	$50.00
Vacation Lock	Res. 1281	$40.00
After Hours Reconnection Fee	Res. 1281	$75.00
Sewer Utility Fees		
Sewer Connection Fee	Res. 1253	$5,220.00
Sewer Base Rate – Equivalent Dwelling Units (EDU's). All customers plus one of the following classes with winter (Dec-Feb) average water consumption. Class – Domestic Strength (cap at 15 units) Class – Low Strength Class – Medium Strength Class – High Strength	Res. 1253	**Note: Water rates are adjusted annually. Contact City Hall for additional information.*
New Customer – Fixed Rate (No winter month's history to average).	Res. 1253	$71.39
Vacant Premises – Fixed Rate	Res. 1253	$49.64
Sewer Lateral Testing		No Charge

CITY OF RIO DELL
COMMUNITY DEVELOPMENT DEPARTMENT

Cannabis Activity Permit Fees

Description	Reference	Current Fee
Initial Application Fee	Res. 1311	$2,500.00
Annual Operating Fee	Res. 1311	$4,000.00
Renewal Application Fee	Res. 1311	$300.00
Annual Operating Fee	Res. 1311	$4,000.00
Transfer of Ownership	Res. 1311	$100.00
Change in Ownership Structure	Res. 1311	$100.00
Police Department Review of Background Check	Res. 1311	$100.00
Change of Location	Res. 1311	$50.00
Change in Mailing Address	Res. 1311	$50.00
Change in Trade Name	Res. 1311	$50.00
Modification of Premises	Res. 1311	$50.00
Track and Trace Account Fee	Res. 1362	$90.00/month
Track and Trace Training Fee	Res. 1362	$400.00/2 Resources
Track and Trace Unique Identifier (stamp)	Res. 1362	$.07/stamp
Track and Trace (stamp) S&H per Order	Res. 1362	$25.00/order

Environmental Review

Description	Reference	Current Fee
Environmental Impact Report Preparation	Res. 1219	Actual Cost $2,000.00 Deposit
Environmental Impact Report Review	Res. 1219	Actual Cost $500.00 Deposit
Initial Study Preparation	Res. 1219	Actual Cost $750.00 Deposit
Initial Study Review	Res. 1219	Actual Cost $350.00 Deposit

Other Review Fees

Annexation/Detachment	Res. 1219	Actual Cost $1,200.00 Deposit

RESOLUTION NO. 1362 - 2017

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL AMENDING THE MASTER FEE SCHEDULE:

WHEREAS the City of Rio Dell is authorized by Article XIII of the California Constitution and the California Government Code to charge fees and impose fines and penalties for certain violations; and

WHEREAS the City initially adopted a Master Fee Schedule in 2015; and

WHEREAS the intent is to have all the City fees identified in one document; and

WHEREAS staff is recommending a number of minor revisions to the Master Fee Schedule including, (1) incorporate the recently adopted Billable Burden rates; (2) include a note regarding annual increases to the water and sewer rates; and (3) establish Track and Trace Fees; and

WHEREAS the adoption of fees and charges for development projects are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code; and

NOW, THEREFORE, BE IT RESOLVED that the City Council approves and adopts the recommended minor amendments to the Master Fee Schedule, including, (1) incorporate the recently adopted Billable Burden rates; (2) include a note regarding annual increases to the water and sewer rates; and (3) establish Track and Trace Fees as identified in Attachments 1, 2 and 3.

I HEREBY CERTIFY that the forgoing Resolution was PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on October 17, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1362 - 2017 adopted by the City Council of the City of Rio Dell on October 17, 2017.

_____

Karen Dunham, City Clerk, City of Rio Dell

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)

City of Rio Dell
Staff Report
City Council Agenda
October 17, 2017

To: Honorable Mayor Wilson and Members of the City Council

From: Brooke Woodcox, Finance Director BW

Through: Kyle Knopp, City Manager

Date: October 17, 2017

Subject: Health Insurance Premium Update

RECOMMENDATION

Receive and file information regarding the City's health insurance premium update.

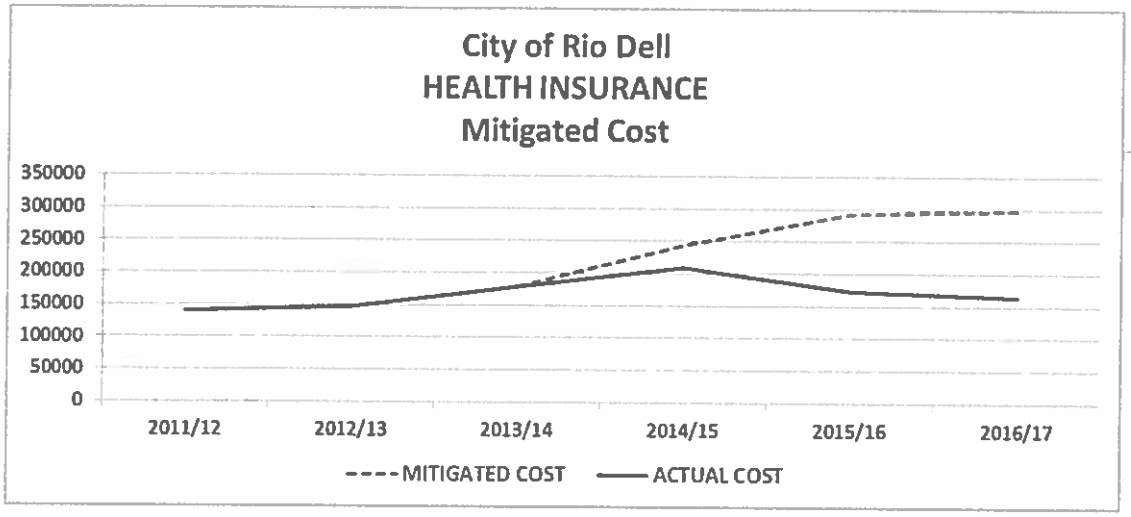
BACKGROUND

A 5% increase in health insurance premiums was included in this fiscal year's budget. The actual increase for the twelve months beginning January 1, 2018 is 9%. The original budgeted increase of 5% was a preliminary estimate, since the actual amount is unknown until the insurance provider reconciles all claims against payments from a group of over 8,000 employees.

The current 9% increase is still far below the amount that the City was set to absorb in 2015. At that point in time the City's health care premiums were growing at unsustainable rates. City of Rio Dell employees unanimously agreed to switch insurance plans in order to decrease the City's costs despite the fact that employees would lose some health care benefits. That decision temporarily stabilized premiums, but the fact remained that pricing volatility was expected to continue with the new insurance programs that were being offered as Obamacare began to instill itself into the health care markets.

In order to smooth rate volatility, on November 7, 2015 the Council approved Resolution 1277-2015 Authorizing Participation in the Public Agency Coalition Enterprise (PACE) Joint

Powers Agreement Related to Employee Health Benefits. This action stabilized health insurance costs for the next two years ending December 31, 2017 and gave back to employees benefits that had electively been foregone.



The chart shows the City's former HMO plan quoted market price in comparison to the City's actual costs for health care premiums.

City of Rio Dell
September 2017 Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
6117	9/08/2017	[6117] A-1 CLEANING SERVICE, LLC	MONTHLY CLEANING SERVICE FOR AUGUST 2017	433.00
6118	9/08/2017	[6038] ACCURATE TERMITE & PEST SOLUTIONS	MONTHLY RODENT CONTROL @ 475 HILLTOP	170.00
6119	9/08/2017	[5235] ADVANTAGE FINANCIAL SERVICES	DOCSTAR 3.12 SOFTWARE PACKAGE DOCSTAR USER LICENSES & SYSTEM SOFTWARE	343.08
6120	9/08/2017	[5381] ALTERNATIVE BUSINESS CONCEPTS	MONTHLY MAINTENANCE & COPY CHARGES FOR AUGUST 2017	706.80
6121	9/08/2017	[2225] AQUA SIERRA CONTROLS, INC	TROUBLESHOOT SCADA ALARMS	380.00
6122	9/08/2017	[3975] AT&T - 5709	PHONE EXPENSES FOR AUGUST 2017	442.63
6123	9/08/2017	[5127] DELTA DENTAL	DENTAL INSURANCE FOR OCTOBER 2017	2,034.73
6124	9/08/2017	[2366] EEL RIVER DISPOSAL INC	GARBAGE BAGS FOR AUGUST 2017	428.20
6125	9/08/2017	[6165] JOSEPH R ENGLISH	REIMBURSEMENT FOR LODGING TO ATTEND CA RURAL CERTIFICATION REVIEW	227.71
6126	9/08/2017	[2386] EUREKA RUBBER STAMP CO.	THREE STAMPS; "REVISED", "APN FILE COPY" & ENDORSEMENT STAMP	76.84
6127	9/08/2017	[2393] FASTENAL COMPANY	MISC HARDWARE	64.82
6128	9/08/2017	[4855] FRESHWATER ENVIRONMENTAL SERVICES	WASTEWATER TECHNICAL SUPPORT 2017-2018	1,755.00
6129	9/08/2017	[5052] GHD, INC	ENGINEERING SERVICES FOR METROPOLITAN WELLS REDEVELOPMENT - CONSTRUCTION PHASE	15,197.69
6130	9/08/2017	[2437] HACH	THREE - aaREAGENT SET, CHLORINE TOTAL CL17 TWO - NITRATE IONIC STRG ADJ PP, PK/100 TWO WM LARGE BOTTLES; STABLCAL STD; NITROGEN; NITRATE	799.13
6131	9/08/2017	[2551] MIRANDA'S ANIMAL RESCUE	ANIMAL CONTROL FOR AUGUST 2017	1,000.00
6132	9/08/2017	[2570] NILSEN COMPANY	ALL-IN-ONE FEED	14.27
6133	9/08/2017	[5934] NORTH COAST JOURNAL	EMPLOYMENT ADVERTISEMENT FOR CHIEF OF POLICE	94.00
6134	9/08/2017	[2569] NORTH COAST LABORATORIES, INC.	LEAD & COPPER ICPMS	370.00
6135	9/08/2017	[4393] NYLEX.net. Inc.	MONTHLY MAINTENANCE FOR SEPTEMBER 15, 2017 THROUGH OCTOBER 15, 2017	1,140.00
6136	9/08/2017	[6292] ETHAN S PURVIS	CLOTHING ALLOWANCE REIMBURSEMENT REIMBURSEMENT FOR MOVING EXPENSES PER CONTRACT	620.50
6137	9/08/2017	[2659] RIO DELL PETTY CASH	BLINDS; POSTAGE; NOTARY OATH & BOND	103.01
6138	9/08/2017	[4525] SHERLOCK RECORDS MGMT	STORAGE SERVICE FOR AUGUST 2017	93.20
6139	9/08/2017	[4699] SIERRA CHEMICAL CO	SIERRA PURE CHLOR 12.5%; RETURNABLE CONTAINER DEPOSIT; BLEACH	1,803.90
6140	9/08/2017	[2710] STARPAGE	PAGING SERVICE 9/1/17-9/30/17	12.95
6141	9/08/2017	[2319] SUDDENLINK	MONTHLY BROADBAND SERVICE 9/1/17 - 9/30/17	263.58
6142	9/08/2017	[2779] WILDWOOD SAW	THREE DIAMOND EDGE TRIMMER LINE REPAIRS TO STIHL CUT OFF SAW & FS110 R	266.28
6143	9/14/2017	[0576] 101 AUTO PARTS	SPARK PLUG IND BELT VAC PUMP OIL EIGHT IND BELTS SPARK PLUG BLOW GUN	320.12
6144	9/14/2017	[2291] CITY OF EUREKA	2017 STREETS IMPROVEMENT PROJECT; STRIPING & REFLECTORS	18,193.25
6145	9/14/2017	[2293] CITY OF FORTUNA	POLICE DISPATCH SERVICE FOR SEPTEMBER 2017	2,075.00
6146	9/14/2017	[2302] CLYDE'S TOWING, INC.	VEHICLE TOWING & DISPOSAL VEHICLE TOWING & DISPOSAL VEHICLE TOWING & DISPOSAL	450.00
	9/14/2017	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 9/1/17	120.00

City of Rio Dell
September 2017 Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
6148	9/14/2017	[5944] COLANTUONO, HIGHSMITH & WHATLEY, PC	LEGAL SERVICES FOR AUGUST 2017	147.90
6149	9/14/2017	[6064] KYLE R COX	MILEAGE & MEALS PER DIEM TO ATTEND WATER DISTRIBUTION TESTING	202.22
6150	9/14/2017	[6300] MATTHEW M ENGLEMAN	CLOTHING ALLOWANCE REIMBURSEMENT	90.02
6151	9/14/2017	[2405] FORTUNA ACE HARDWARE	IMPACT SPRINKLER; Y BRASS HOSE W/SHUT OFF; WAND 9 PATTERN TURRET 36" CONTRACTOR FARM HOSE WITH SPRINKLERS & FITTINGS HOSE COIL 50'; TOOL SPRINKLER KIT; MURIATIC ACID; PRIMER PVC PURPLE; SEALER; COUPL QWIK FIX	261.27
6152	9/14/2017	[2437] HACH	STABLCAL AMPULE KIT	225.55
6153	9/14/2017	[2691] HUMBOLDT SENIOR RESOURCE CENTER/ADULT DAY HEALTH, INC	TRANSPORTATION FUNDS FY 2017/18	6,500.00
6154	9/14/2017	[5265] KEVIN KEILITZ	CUSTOMER DEPOSIT REFUND	65.13
6155	9/14/2017	[2521] LEAGUE OF CALIF. CITIES	DIVISION MEETING 8/8/17	45.00
6156	9/14/2017	[6301] MERCED COUNTY SHERIFF'S OFFICE	FIELD TRAINING OFFICER COURSE	50.00
6157	9/14/2017	[4908] MITCHELL BRISSO DELANEY & VRIEZE	LEGAL SERVICES FOR AUGUST 2017 LEGAL SERVICES FOR AUGUST 2017 LEGAL SERVICES FOR AUGUST 2017 LEGAL SERVICES FOR AUGUST 2017 LEGAL SERVICES FOR AUGUST 2017	2,220.32
6158	9/14/2017	[4360] MODERN MARKETING, INC	1000 SELF SEAL PLASTIC EVIDENCE BAGS	407.81
6159	9/14/2017	[5934] NORTH COAST JOURNAL	EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I/II	94.00
6160	9/14/2017	[2569] NORTH COAST LABORATORIES, INC.	HALOACETIC ACIDS; NITRATE AND/OR NITRITE; PERCHLORATE; TRIHALOMETHANES AMMONIA NITROGEN W/O DISTILLATION; HARDNESS; NITRATE/NITRITE; TOTAL NITROGEN; TOTAL PHOSPHORUS	804.00
6161	9/14/2017	[4393] NYLEX.net. Inc.	REPLACE HARD DRIVE IN SERVER; TWO HP 600 GB HOT SWAP SAS HDD	717.73
6162	9/14/2017	[2619] PITNEY BOWES, INC.	QUARTERLY LEASING PAYMENT 6/30/17 - 9/29/17	168.35
6163	9/14/2017	[6292] ETHAN S PURVIS	REIMBURSEMENT FOR WASTEWATER TREATMENT OPERATOR III EXAM	350.00
6164	9/14/2017	[5222] R.J. RICCIARDI, INC	PROFESSIONAL SERVICES FOR PERIOD ENDING 8/31/17	570.00
6165	9/14/2017	[5560] REDI-RENTS	60 LB ELECTRIC JACK HAMMER RENTAL TO REPLACE STREET SIGN	43.40
6166	9/14/2017	[5376] SCOTTY'S CUTTERS EDGE	MOWER REPAIRS	203.27
6167	9/14/2017	[2694] SHELL OIL CO.	PD FUEL EXPENSES FOR AUGUST 2017 PW FUEL EXPENSES FOR AUGUST 2017 PD FUEL EXPENSES FOR SEPTEMBER 2017	1,843.71
6168	9/14/2017	[2319] SUDDENLINK	INTERNET SERVICE 9/10/17 - 10/9/17	134.95
6169	9/14/2017	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 9/1/17	4,631.97
6170	9/14/2017	[6307] MCCAULEY, DAN	50% PAYMENT FOR 4 LARGE SCULPTURES TO BE INSTALLED ON WILDWOOD AVE MEDIANS	2,000.00

City of Rio Dell
September 2017 Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
6171	9/21/2017	[2237] BANK OF AMERICA BUSINESS CARD	STAPLES - EXPANDABLE FILES; BANKERS BOX; BUSINESS CARD HOLDER; SORTERS; PENS; DIVIDERS ADOBE PRO DC MONTHLY SUBSCRIPTION ELLIS ART - SCAN COPY AMAZON - CALIFORNIA EMPLOYMENT LAW GUIDE BOOK SONICSOLUTIONS - 3 MONTH RENTAL OF SS 400 ALGAE CONTROL DEVICE LODGING FOR FIELD TRAINING OFFICER COURSE INK TECHNOLOGIES - SAMSUNG LASER TONER CARTRIDGES HEADWORKS - TWO SCRAPER BLADES; WEAR PADS DELL - TWO BLACK TONER CARTRIDGES DELL - BLACK TONER CARTRIDGE DELL - TWO BLACK TONER CARTRIDGES LODGING FOR LEAGUE OF CA CITIES CONFERENCE LODGING FOR LEAGUE OF CA CITIES CONFERENCE CPCA - EMPLOYMENT ADVERTISEMENT FOR CHIEF OF POLICE VISTAPRINT - ELEVEN 250 EACH BUSINESS CARDS	7,094.27
6172	9/21/2017	[2411] DEARBORN NATIONAL LIFE INSURANCE COMPANY	LIFE INSURANCE FOR OCTOBER 2017	376.00
6173	9/21/2017	[2340] DEPARTMENT OF JUSTICE ACCOUNTING OFFICE	BLOOD ALCOHOL ANALYSIS FOR AUGUST 2017	70.00
6174	9/21/2017	[2474] HUMMEL TIRE & WHEEL, INC	FOUR TIRES FOR 2013 FORD INTERCEPTOR	701.95
6175	9/21/2017	[5934] NORTH COAST JOURNAL	EMPLOYMENT ADVERTISEMENT FOR UTILITY WORKER I/II	94.00
6176	9/21/2017	[2569] NORTH COAST LABORATORIES, INC.	AMMONIA NITROGEN W/O DISTILLATION; HARDNESS; NITRATE/NITRITE; TOTAL NITROGEN; TOTAL PHOSPHATE PHOSPHORUS	224.00
6177	9/21/2017	[2603] PG&E	UTILITY EXPENSES FOR AUGUST 2017	19,146.55
6178	9/21/2017	[4338] QUILL CORPORATION	ONE CASE 2 PLY CASH REGISTER ROLLS; THREE BOXES SELF STICK ADDRESS LABLES	158.73
6179	9/21/2017	[5918] EVIE L VALK	MILEAGE & MEALS PER DIEM TO ATTEND FIELD TRAINING OFFICER COURSE	615.34
6180	9/21/2017	[6037] WELLS FARGO VENDOR FIN SERV	XEROX COPIER PAYMENT FOR SEPTEMBER 2017	481.02
6181	9/21/2017	[5765] GARNES, DEBRA	REIMBURSEMENT FOR PARKING & MEALS PER DIEM TO ATTEND LEAGUE OF CA CITIES CONFERENCE	222.00
6182	9/21/2017	[5446] JOHNSON, GORDON	REIMBURSEMENT FOR PARKING TO ATTEND LEAGUE OF CA CITIES CONFERENCE	84.00
6183	9/21/2017	[2103] JOHN R CHICORA JR	WASTEWATER TRANSITION CONSULTING BY PHONE & ONSITE FROM 6/13/16 TO 7/30/17	4,171.25
6184	9/21/2017	[2103] JOHN R CHICORA JR	WASTEWATER TRANSITION CONSULTING BY PHONE & ONSITE	20.00
6185	9/26/2017	[3975] AT&T - 5709	INTERNET SERVICE 8/16/17-9/15/17	75.96
6186	9/26/2017	[4893] BOW WOW WASTE PRODUCTS	EIGHT CASES OF 1000 SINGLE PULL BAGS	336.00
6187	9/26/2017	[2303] COAST CENTRAL CREDIT UNION	POA DUES FOR PPE 9/15/17	120.00
6188	9/26/2017	[2283] COASTAL BUSINESS SYSTEMS	DOCSTAR LABOR	97.50
6189	9/26/2017	[6300] MATTHEW M ENGLEMAN	REIMBURSEMENT FOR LODGING, MILEAGE/MEALS PER DIEM TO ATTEND D1 CERTIFICATION EXAM	277.07
6190	9/26/2017	[3385] EVANS MECHANICAL (1)	CLEAN, CHECK & REPLACE FILTERS ON FURNACE/AIR CONDITIONING UNITS	669.20
6191	9/26/2017	[2396] FERNBRIDGE TRACTOR & EQUIPMENT CO. INC.	JD COOL-GARD JD 1550 TERRAINCUT COMMERCIAL FRONT MOWER	22,018.34
6192	9/26/2017	[2405] FORTUNA ACE HARDWARE	5 LB BAG TERRY TOWELS; 11 OZ DAP ROOF SEAL; 10 OZ WET/DRY ROOF CEMENT ELEVEN SQUARE STEPPING STONES SQUARE STEPPING STONE FOAMING WASP & HORNET SPRAY	68.83

City of Rio Dell
September 2017 Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
6193	9/26/2017	[2437] HACH	LAMP ASSEMBLY, 2100 PORTABLE TURBS PHD, RYTON, ph-WIDE RANGE, 5 FOOT CABLE W/ADAPTER RETURN 2 WM LARGE HDPE 4L BOTTLES & aa AMMONIA PROBE STD W/CABLE	176.93
6194	9/26/2017	[2457] HUMBOLDT COUNTY CLERK-RECORDER	OFFICIAL DOCUMENT COPIES	55.00
6195	9/26/2017	[5942] KEENAN & ASSOCIATES	HEALTH INSURANCE FOR OCTOBER 2017	17,768.70
6196	9/26/2017	[2521] LEAGUE OF CALIF. CITIES	DIVISION MEETING AT ANNUAL CONFERENCE 9/14/17	80.00
6197	9/26/2017	[2570] NILSEN COMPANY	252 40# BAGS SOLAR SALT	1,276.19
6198	9/26/2017	[5973] PRECISION INTERMEDIA	MONTHLY WEB HOSTING FEE FOR OCTOBER 2017	30.00
6199	9/26/2017	[2662] RIO DELL/SCOTIA CHAMBER OF COMMERCE	REIMBURSEMENT FOR TOWN HOLIDAY DECORATIONS	138.62
6200	9/26/2017	[6315] ST. JOSEPH HEALTH RURAL HEALTH CLINIC	PRE-EMPLOYMENT DRUG TESTING FOR UTILITY LEAD WORKER	135.00
6201	9/26/2017	[2709] STAPLES DEPT. 00-04079109	ONE BOX #10 ENVELOPES WITH CITY LOGO TWO WIRELESS KEYBOARDS; DESKTOP HARD DRIVE; 2 PK 16GB FLASH DRIVE; THREE MOUSE	403.85
6202	9/26/2017	[2481] VANTAGEPOINT TRANSFER AGENTS-304361	RETIREMENT FOR PPE 9/15/17	5,058.30
6203	9/26/2017	[5166] VSP-VISION SERVICE PLAN	VISION INSURANCE FOR OCTOBER 2017	368.24
6204	9/26/2017	[5108] WAHLUND CONSTRUCTION INC.	PAY REQUEST #7 FOR METROPOLITAN WELLS REDEVELOPMENT PROJECT	329,717.16
6205	9/26/2017	[2779] WILDWOOD SAW	SIX EYELETS; STIHL AUTO 25 SPOOL; 5 LB DIAMOND EDGE TRIMMER LINE	107.02
6206	9/28/2017	[2932] DCI BUILDERS	PAYMENT REQUEST #1 FOR ABR ADA IMPROVEMENTS AT CITY HALL	25,940.25
6207	9/28/2017	[2757] US POSTMASTER	POSTAGE FOR UTILITY BILLING FOR THE MONTH OF SEPTEMBER 2017	364.08
Total Checks/Deposits				**510,517.64**

9424159	9/15/2017	WITHDRAWALS	BANK ANALYSIS FEE FOR SEPTEMBER 2017.	(50.41)
853478	9/08/2017	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC INSURANCE FOR SEPTEMBER 2017	(254.70)
940-992	9/25/2017	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 09/15/2017	(1,968.64)
188-096	9/11/2017	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 9/01/2017	(1,705.98)
4015983	9/11/2017	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 09/01/2017	(10,438.06)
3597006	9/25/2017	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 09/15/2017	(11,437.00)
101245	9/21/2017	WITHDRAWALS	DEPOSITED ITEM RETURNED	(145.00)
Total EFT's/Bank Withdrawals				**(25,999.79)**

TRX TO PR	9/5/2017	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 09/01/2017	(25,096.21)
TRX TO PR	9/19/2017	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCOUNT FOR PPE 09/15/2017	(28,827.93)
Total Transfer Between Accounts				**(53,924.14)**

675 Wildwood Avenue
Rio Dell, CA 95562

TO:	Mayor and Members of the City Council
FROM:	Karen Dunham, City Clerk
THROUGH:	Kyle Knopp, City Manager
DATE:	October 17, 2017
SUBJECT:	Electronic Voting System Upgrade

RECOMMENDATION

Discuss and provide input on proposed Council Voting System

BUDGETARY IMPACT

Funding is included in the current year Capital Projects Budget under line item 6525-14-000-0000-9016.

BACKGROUND AND DISCUSSION

As requested at the October 3, 2017 regular meeting, this item is returning to the Council for further discussion and consideration.

As the Council is aware, $15,000 was allocated in the current FY 2017-18 budget for council chamber improvements. Staff recently initiated the purchase and installation of new microphones, amplifier, and mixer in addition to an assistive listening system for members of the public to become more ADA compliant. The cost for this portion of the project was $6,712.18 so there is $8,487.82 remaining in the budget for additional improvements.

The next phase of the project is to purchase a new electronic voting system. At the last meeting, staff provided a brief demonstration on the Electrovote System which is a relatively simple intuitive system that promotes fairness and efficiency

for council voting in that individual votes are initiated privately and the results displayed simultaneously, eliminating the possibility of influenced votes. The estimated cost of the Electrovote system including a larger vote result display board (2'x2') is $5,300. In researching other systems, the overall costs were significantly greater as they require complex computer systems including individual laptops or I-Pads for councilmembers, computer software and annual licensing fees. The Electrovote system does not require any additional hardware or software, fits within the current budget and is within the purchasing authority of the City Manager.

Attachments:

Electrovote Specs
Option Power Specs and Quote

Promoting Fairness and Efficiency

ELECTroVOTE™
Roll Call Voting System

Our newly up-dated and optimized Roll Call Voting Systems offer all the tried and true features of the past plus several new improvements.

- All Voter's decisions displayed simultaneously.
- No Stigma associated with the First or Last to Vote.
- No identification as "The Tie Breaker".
- Individual Vote Decision is initiated privately eliminating the inference of influence.

- Clear visual identification by Public of Voting Member's Decision.

PLUS THESE ADDED FEATURES

- New small Hand Held, three button Voting Modules.
- Clerk's Control Module greatly reduced in size and includes display of the vote.
- All components are now interconnected by 4-conductor modular plug and jack cables.

- Display Panels use LED Enunciators for extended life and elimination of a separate power supply cable.

Return to Top of Page

Electrovote, L.L.C.
22322 Gilberto
Rancho Santa Margarita, CA 92688

email: sales@electrovote.com

Phone: (949) 858-8820
Fax: (949) 858-0505

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Promoting Fairness and Efficiency

ELECTroVOTE | PARLIAMENTARIAN | VOTE & REQUEST COMBO

COMBO

Description of Components

Installation

Operating Instructions

Demonstration System

Pricing

How to Order

Warranty

Home

SPEAK and VOTE COMBO™

A Combined ELECTroVOTE and PARLIAMENTARIAN System

For those Councils and Boards considering both a Roll Call Voting system and a Speaker Recognition system, we offer this combined system. The advantages over two separate systems include a substantial cost savings, fewer cable runs and one hand held module incorporating both Voting and Request functions for each Council or Board member.

A single expanded Power Supply accommodates the multi-functionality of this system.

All the features and operational sequences of the two individual systems are combined at considerable cost savings.

For further information contact:

Forespar Products Corporation
22322 Gilberto
Rancho Santa Margarita, CA 92688

email: electrovote@forespar.com

Phone: (949) 858-8820
Fax: (949) 858-0505

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OptionPower®
Audience Response System

Engage your audiences with interactive PowerPoint presentations! The OptionPower® add-in for Microsoft PowerPoint easily manages the entire interactive process from content creation to post-meeting reports. OptionPower's best-in-class set of tools will help you improve audience participation, focus, learning, and decision making as it makes your PowerPoint presentations truly interactive experiences!

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Create your own interactive content in 4 easy steps!

1. Create polling slides in PowerPoint.
2. Attach receiver and distribute response devices.
3. Use the easy System Checklist to verify you are ready to go.
4. Run your PowerPoint presentation to collect input and show live results.

Quick Preparation

- Minimal learning curve ... fully integrated into Microsoft PowerPoint
- Easy to create presentations with minimal effort.
- Works with your existing content slides.

Easy Usage

- Presentations run normally without extra steps for you or the audience. Significantly reduces your workload for administering training exercises, assessment activities and feedback surveys.
- Our full line of durable keypads are simple and intriguing for participants to use.
- Results are immediately displayed so you can confidently steer your presentation.

Efficient Analysis

- Data is stored in a SQL database you can easily export to Excel or Access for analysis.
- Report Manager tool allows you to create numerous reports from within PowerPoint.
- Multiple meetings or sessions can be quickly evaluated and compared to baselines or norms.

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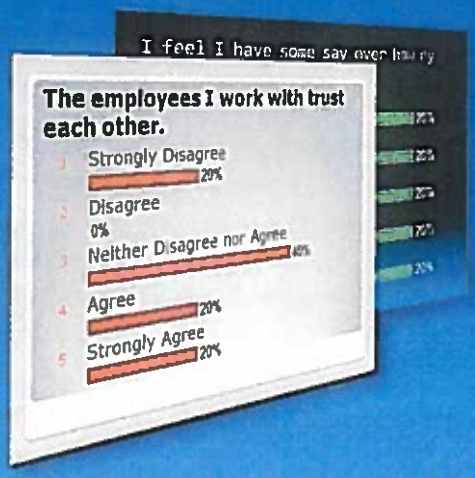
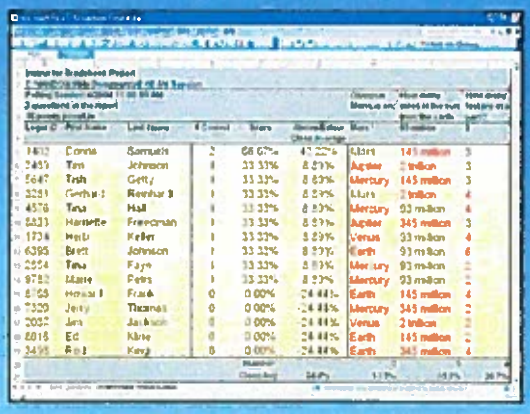
Option Technologies

Quick Interactive Slides



Wide Variety of Polling Slides



Excel-Based Reports

Powerful Capabilities for Better Results

- **Question Category Manager**
  Assign questions to categories and create reports comparing results.
- **Simple Ranking Slide**
  Cut time required for an item ranking exercise by 80% or more.*
- **Free-Form Response**
  Collect precise data by going beyond typical true/false and multiple choice inputs. Users can enter open-ended numeric responses.*
- **Instant Question Feature**
  Pose impromptu questions during your presentation.
- **Roster of Participants**
  Use anonymous polling or assign keypads to each participant for easy scoring and tracking.
- **Before/After Utility**
  Immediately compare earlier polling results with current ones to establish baselines and measure knowledge uptake.
- **Expandable**
  Protect your investment with a system that is already designed to handle custom application modules and upgrades as your needs grow.

Reliable, consistent performance time after time and no complicated programs to learn! OptionPower brings you full Microsoft Office integration and extensive capabilities.

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Option Technologies

SYSTEM PROPOSAL

Proposal #	FLAQ49515
Date	10/02/17

Direct inquires to: Kathy Fite
Voice: 407-872-3333
Fax: 407-872-3330
email: kfite@optiontechnologies.com

Proposal For:

Kyle Knopp
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562
United States
707-764-3532
knoppk@cityofriodell.ca.gov

Situation Analysis

Kyle Knopp from the City of Rio Dell has asked Option Technologies to provide a proposal for the purchase of an interactive keypad system for use in Council voting.

After a preliminary review of the requirements, we propose our OptionPower software solution with our Council Voting Module and an OptionFinder G4 hardware system.

Our advanced OptionPower software application makes PowerPoint interactive. This tool, combined with the Council Voting Module add-on, will enable the City to collect votes and immediately display tabulated results on proposed initiatives during the meeting.

Using this software, leaders will be able to vote pass/fail/abstain on issues and record individual results with the title of each vote or motion. All votes are stored in an SQL database with extensive reporting capabilities. A roll call report is included showing how all Council representatives voted on each item.

The OptionFinder G4 keypads are part of an advanced hardware system with two-way radio frequency communication and a range of 650 feet. It includes a Liquid Crystal Display (LCD) sceen and supports two way messaging to individual voting Board members. (YES received, NO Received on each handset). This provides confidence to each Council member that they have cast their vote as intended while balloting is underway.

This proposal includes a padded black nylon carrying case that makes it easy to transport and store the system. We have also added a custom 90-minute web-training workshop for team members to learn how to use the hardware and software.

With your purchase, you will receive a one-year enrollment in the OTI Software Maintenance Program. This provides you with free software upgrades and unlimited telephone or email technical support incidents for one year. The hardware comes with a two year limited warranty.

Option Technologies has been a leading provider of interactive technology for more than 32 years. Our approach has been refined over thousands of meetings with a wide variety of municipalities and government agencies. We look forward to enhancing your meetings with these powerful interactive voting tools.

System Components

Qty	Description	Unit Price	Price
	OptionPower System Purchase for Council Voting		
1	**OptionPower 20 KP Capacity License**		
1	**OptionPower Council Voting Module Software License**		
5	**OptionFinder G4 Wireless Keypad WRS7200W**		
1	**OptionFinder G4/M4 USB Stick Receiver**		
1	**Padded black nylon case with handle. Holds 50 keypads.**		
	SubTotal		**$2,153.88**
1	**Shipping and Insurance**	**$45.00**	**$45.00**
		Total	**$2,198.88**

Terms and Conditions

Agreement: This proposal is good for 30 days from the above date. This agreement contains the final and entire agreement between the parties and supersedes any and all prior and contemporaneous, oral and written agreements, proposals and understandings. In no event shall seller be liable for any incidental or consequential damages. Seller's maximum liability under this contract shall be limited to the purchase or rental price of the contract.

Payment Terms: Final payment in full is due prior to shipment or services. The undersigned officer/manager agrees to submit payment in full for all invoices on receipt of invoice. As a condition of the sales, service or rental agreement, a monthly service charge of the lesser of 1½% or the maximum permitted by law will be added to all past due accounts, in addition to all collection costs and reasonable legal fees.

Option Technologies International, LLC accepts Company checks along with the following credit cards: Visa, MasterCard and American Express.

Remit all payments to; Option Technologies International, LLC, 3301 Bartlett Blvd., Orlando, FL 32811
Attn: Accounts Receivable

Confirmation: OTI cannot guarantee availability of equipment until a signed agreement or purchase order has been received and accepted by our company.

Authorized Client Signature:

*Signature:*_____

*Print :*_____*Date:*_____

Accepted by Option Technologies International, LLC:

*Signature:*_____

*Print :*_____*Date:*_____

To confirm this agreement, return a copy by email indicating your acceptance, or sign above and fax to: Kathy Fite

Fax # 407-872-3330

Proposal # **FLAQ49515**

Option Technologies

OptionFinder® G4

Breakthrough Functionality in a Compact Size

The OptionFinder® G4 lets you harness the wisdom and creativity of your audience with an intelligent, multi-digit response tool. The G4 offers a unique blend of sophisticated input features in a small-footprint, durable and value-oriented keypad.

Use the OptionFinder® G4 at your next event and watch the cost, time and hassle of participant tracking and evaluation disappear. Users can easily switch sessions, rooms and content tracks while using a single keypad. They simply press the Join key in any interactive session and their responses are instantly linked to that presentation. Your post-event data consolidation and review can be simple and quick.

The easy-to-read 11-character display allows participants to quickly handle even large numerical or ranking inputs. The compact OptionFinder® receiver connects via standard USB or ethernet connectors, opening the door for multi-site meetings and distance learning initiatives. The G4 uses a patented license-free communication protocol to achieve superior range, reliability and security.

The G4 is designed for ease of use and longevity. The compact format fits naturally in the user's hand but is not so small that keys are difficult to press. The OptionFinder® G4 boasts a superior tough case and long-lasting keys. Choose the durable G4 now and reduce your likelihood of costly repairs and replacements later.

For sophisticated capabilities in a small package, the OptionFinder® G4 is your clear choice.

Technical Specification for Wireless Keypad Model: **OptionFinder® G4**

Enclosure

- Compact, ultra-durable molded ABS plastic case.
- Dimensions: 5.25" L x 2.2" W x 1" H.
- Weight: 3.9 ounces with batteries installed.
- Color: White/Blue.

User Input

19 keys for entering simple or complex responses. Numbers (0-9) and three customizable soft keys, plus special keys for Send, Alert, Search, Clear and Power.

Display

Two line backlit LCD screen is easy to read in all lighting conditions. Display shows user entry plus confirms (via patented process) when the base station accepts the keypad's input.

Screen icons show response accuracy and type, battery level, login status, signal strength, link activity and keypad address and channel number.

RF Technology

Employs specially designed 2.4 GHz frequency hopping spread spectrum (FHSS) transceivers.

- FHSS offers excellent range, immunity to interference, and security.

Patented and proprietary radio protocol.

- Creates a secure communications network between keypads and their associated base station.
- User entries are acknowledged when received by the base station (patented feature).
- G4 systems operate reliably in the presence of other RF devices (WLANs, PDAs, phones, etc.).
- Integrated error checking discriminates system signals from all other RF traffic to ensure data accuracy and to enhance security.

Internal antenna is protected by the keypad enclosure.

Option Technologies

OptionFinder® G4

Breakthrough Functionality in a Compact Size

User Identification

The Join key allows each keypad to easily identify itself and change its channel via dynamic addressing to communicate with any session or meeting. Users can easily participate in multiple sessions or activities without the need for manual rostering or attendance verification.

Each keypad has an RF device identity ("address") between 1-500 and a channel identity between 1-31.

Addresses are user programmable. Each keypad has a unique device serial number.

Range

Spread spectrum technology is designed to operate in an indoor area 650 x 650 feet (200 x 200 meters). A room's geometry and RF propagation characteristics will influence the actual range experienced.

Speed

Default speed is 200 keypads per second. Polling rates are adjustable and can achieve ½-second speed in groups of 100 or less.

Power and Power Management

Powered by two standard AA batteries.

- Keypad powers down after each response to conserve battery life
- Battery life is ~10,000 responses or battery shelf life, whichever comes first.
- Low battery indicated on display. The keypad can also transmit a low battery alert to the base station.

Communications Security

A proprietary response verification protocol integral to the radio design provides a high degree of signal security.

Frequency hopping and proprietary data communications are additional deterrents to clandestine interception.

Scalability

500 keypads per base station channel identity and 31 identities available for 15,500 keypads per room/site.

Firmware resides in high performance microprocessor chips that can be reprogrammed to facilitate easy upgrade during the life of the product.

Add keypads to an existing system by simply assigning them to a base station channel and an available address (can be completed automatically or manually).

Compliance and Patents

FCC, IC, CE certified. Call for details regarding these and other regulatory certifications.

U.S. Patent Nos. Re. 35,449; 5,724,357; 6,021,119; 6,665,000. European Patent No. EP 0 697 773. Other U.S. and foreign patents pending.

Receivers: OptionFinder® micro+ USB or OptionFinder® G4

Connects to the presenter's PC through USB or ethernet port. Controlled by OptionPower® software applications.

Dimensions

USB: 3"W x 0.5" H x 0.9" D
G3: 6.25" W x 2.25" H x 5" D

Unit Weight

USB: less than 1 ounce
G3: 9 ounces

Capacity

500 keypads per channel identity and 31 identities allows up to 15,500 keypads per room.

Speed

Base station polling cycles are adjustable to optimize speed for group size. For example, a group of 100 keypads can be polled every one-half second, whereas a group of 3,750 can be polled every 2.5 seconds.

Connections

Attaches to the operator's PC by USB or ethernet connection (USB cable included).

Power Source

Powered by computer USB connection with 70-130 mA current draw, or by Power Over Ethernet (POE) using midspan and power injector.

Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

October 17, 2017

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action on the Display of the Motto "In God We Trust" in the City Council Chambers

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Provide direction to staff

BACKGROUND AND DISCUSSION

At the September 19, 2017 City Council meeting Councilmember Gordon Johnson requested that an item appear on the agenda regarding the display of the motto "In God We Trust" in the City Council Chamber. The City Council concurred.

This issue has come up before with the City Council passing Resolution No. 1064-2009 on November 3, 2009. The Resolution stated "*...that the national motto "In God We Trust" shall become a prominent motto for our City and that these historic and patriotic words shall become permanently displayed above the City seal in the City of Rio Dell Council Chambers.*"

Members of the Council also volunteered to collect donations from the community in order to display the motto so that no public funds were used for the display. A member of the City Council received a redwood burl as a donation, but the burl was deemed unsuitable for the display. One donation of $25.00 from "Landmark Missionary" was deposited with the City. The display never materialized.

On October 3, 2017 the City Council requested that the City Attorney provide guidance on the motto. That memorandum is attached. In short, the City Attorney sees no issue with the display of the motto and also believes Resolution No. 1064-2009 is valid. The Council may wish to discuss how the motto is displayed, where it is displayed, who installs the display, who designs the display and how the display is financed.

///

MEMORANDUM

TO: Russ
FROM: Ryan
DATE: October 4, 2017
RE: Display of "In God we trust"

Question Presented

You have asked for a memorandum addressing the following questions:

I. May the phrase "In God we trust" be displayed in the Rio Dell City Council Chambers?

II. Is the resolution directing the display of the phrase still valid?

Short Answer

I. Yes.

II. Yes.

Discussion

I. "In God We Trust" can be displayed in Council Chambers.

The phrase "In God we trust" is the national motto. (36 U.S.C. 302.) The motto is required to appear on currency and is commonly displayed on national monuments and government buildings. In *Newdow v. Lefevre* (9th Cir. 2010) 598 F.3d 638, the Ninth Circuit rejected claims that the national motto and its being displayed violated the United State Constitution and federal statutory law. Prior challenges also failed in the Ninth Circuit. (See, e.g., *Aronow v. U.S.* (9th Cir. 1970) 432 F.2d 242.) The rationale of these decisions is that the motto has nothing to do with the establishment of religion.

It does not appear that any court has squarely addressed whether the outcome is different under the California Constitution. There are indications from several cases that the national motto does not violate the religious freedom clause of the California Constitution. (See, e.g., Fox v. City of Los Angeles (1978) 22 Cal.3d 792, 822 (Richardson, dissenting); *Sands v. Morongo Unified School Dist.* (1991) 53 Cal.3d 863, 892 (Lucas, dissenting).)

Based on the foregoing, the phrase "In God we trust" could be displayed in Council chambers.

II. Resolution No. 1064-2009 remains valid despite passage of time.

I have not found any reason why the resolution is not still valid. If there is any challenge, the Council could simply adopt the resolution again.

RESOLUTION NO. 1064-2009

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL SUPPORTING THE DISPLAY OF THE NATIONAL MOTTO "IN GOD WE TRUST" IN A PROMINENT LOCATION ABOVE THE CITY SEAL

WHEREAS, "In God We Trust" became the United States National Motto on July 30, 1956, shortly after our nation led the world through the trauma of World War; and

WHEREAS, the words have been used on U.S. currency since 1864; and

WHEREAS, the same inspiring slogan is engraved above the entrance to the Senate Chamber as is above the Speaker's dais in the House of Representatives; and

WHEREAS, in both war and peace, these words have been a profound source of strengt5h and guidance to many generations of Americans; and

WHEREAS, the City desires to display this patriotic motto in the Council chambers as a way to solemnize public occasions and express confidence in our society;.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Rio Dell does hereby resolve as follows:

Section 1: That the City Council of the City of Rio Dell does hereby determine that the national motto "In God We Trust" shall become a prominent motto of our City and that these historic and patriotic words shall become permanently displayed above the City seal in the City of Rio Dell Council Cambers.

Section 2: The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Rio Dell on this 3rd day of November, 2009 by the following vote:

Ayes:	Mayor Pro Tem Woodall, Councilmembers Dunker and Thompson
Noes:	None
Abstain:	None
Absent:	Mayor Woodall and Councilmember Barsanti

Melissa Marks, Mayor Pro Tem

ATTEST:

Karen Dunham, City Clerk

Approve Resolution No. 1063-2009 Authorizing the City Manager to Submit an Application through the Energy Efficiency Conservation Block Grant Program
Councilmember Thompson read the resolution authorizing the City Manager to submit an application to the Energy Efficiency Conservation Block Grant Program for funding of a cost-effective energy efficiency project for the City of Rio Dell. He noted a correction to the second paragraph stating it should read "eligible *for* local governments ... He went on to explain that this is the final step necessary for the City to receive $25,000 allotted to complete a qualifying project such as update of the City's air conditioning, heating and ducting at City Hall.

Interim City Manager Hill noted there are no matching funds required by the City for the grant.

Motion was made by Thompson/Dunker to approve Resolution No. 1063-2009 *Authorizing the City Manager to Submit an Application to the Energy Efficiency Conservation Block Grant Program.* Motion carried 3-0.

Approve Resolution No. 1064-2009 Supporting the Display of the National Motto "In God We Trust" in the City Council Chambers in a Prominent Location above the Seal
Interim City Manager Hill stated that since this issue was brought forward by Councilmember Dunker he thought that it would be appropriate that he summarize the staff report and proposed resolution.

Councilmember Dunker summarized his reasons for bringing the request forward for the display of the national motto "In God We Trust" to be permanently displayed above the City seal in the City of Rio Dell Council Chambers.

Motion was made by Dunker/Thompson to approve 1064-2009 *Supporting the Display of the National Motto "In God We Trust" in the City Council Chambers in a Prominent Location above the City Seal.*

Mayor Pro Tem Marks then asked for public comment on the proposed resolution.

John Lane 1249 Riverside Dr. addressed the Council stating that when he first saw the words proposed to be placed above the City seal he questioned whether it was appropriate. He said for 300 years this country has separated church from state and felt it was immoral to mix government with religion and unfair to those who don't have the same beliefs fearing it would offend a lot of people. He commented that by displaying this motto, the Council would be taking sides which they should not do.

Nita Waters, 624 Monument Road said she agreed with John Lane, stating the City has done quite well without display of the motto and felt it would almost be saying that the City Council is not responsible for their actions and would be relying on God. Looking at the world-wide aspect, she said it would be better to honor our ancestors.

Marilyn (Berkeley St. resident) said she was in support of the display of the motto stating this country was founded on Christianity and on the principles of God. She said the expression of students who placed the American flag upside down below the Mexican flag is demoralizing and felt it is important to keep on acknowledging "In God We Trust."

Dennis Wendt, 1660 Newburg Road, Fortuna said he agreed that it is the right thing to do to display the motto as was recently done in the City of Fortuna.

Maggie Todd, 100 Painter St. said she was in support of the Resolution and pointed out that it takes a lot of money to keep the City running and that same money that keeps the City running displays those very words.

Councilmember Thompson stated that anyone who has visited Washington D.C. must know how inspiring it is to walk into the halls of Congress where the motto "In God We Trust" is displayed and said he was in support of the Resolution but felt the cost incurred should come strictly from donations as with the sign on the front lawn at City Hall.

Councilmember Dunker agreed with the idea and said he would like to give the community the opportunity to come forward with donations. Both he and Councilmember Thompson offered to make a donation toward the cost associated with the construction/installation of the sign.

Motion then carried 3-0.

SPECIAL CALL ITEMS

Approve Road Improvement Agreement Between the City of Rio Dell and Albin Enterprises LLC (APN 052-162-061)

Interim City Manager Hill reviewed the staff report as submitted stating that Albin Enterprises LLC has agreed to grant an easement to properties without access on North Street for ingress, egress and public utilities contingent upon the City of Rio Dell agreeing to allow the same road improvements for North St. when and if development occurs as set forth for May St. when it was developed.

Councilmember Marks asked if the agreement would be transferred to the new property owner in the event the property is sold prior to Albin Enterprises LLC developing the property; Matt Allen, realtor for the seller commented that the agreement would be transferred.

Councilmember Marks also asked if there would be a way to make sure that all affected properties are included to avoid additional agreements; Matt Allen said he would like the surveyor to prepare legal descriptions so that all of the property owners are granted access and

Interim City Manager Stretch stated that although it was only his second day on the job he had taken the liberty to review the Draft Employee Handbook and noted that he had a friend that was an expert in the area of Employee Relations who agreed to review the document and provide some direction to the City Council on a couple of issues at no cost to the City. He also reported that he had contacted the City Attorney regarding a number of issues that he was asked to work on and he indicated that he had not been working on them stating he was "waiting for the dust to settle." He said he asked him to provide a list and cost to complete those tasks by the next meeting. He then asked the Council to think about how they wished him to proceed with the City Manager recruitment process and come back with suggestions at the next meeting. Lastly, he commented on the public address system stating there seemed to be a lack of a nexus between microphone system and the camera and said he would like to bring some ideas forward for upgrade of the council chambers to be more effective. He expressed concern that prospective candidates would be seeking our web site as well as the public access channel only to find that they can't follow the meeting because of the sound. He said he would like to put together some thoughts and have a conversation at the next meeting.

Councilmember Dunker asked for a Study Session to follow up on the proposed resolution regarding the "In God we Trust" motto and also to consider an ex-parte discussion.

Chief of Police Hill reported on recent activities in the police department and stated he was attempting to get emerged back into the police chief mode stating he was trying not to overwhelm the City Manager but was available if needed.

Acting Director of Public Works Jensen reported on recent activities in the public works department stating they held a pre-construction meeting with K.G. Walters regarding the Solids and Disinfection Management project stating that Winzler & Kelly indicated they would like the contractor to be prepared to proceed in three weeks; provided a progress report on the Safe Routes to School Project and said the last work directive was signed off leaving three pending items to address; and said the Draft plans for the Wildwood Ave. Paving Project would be coming to Council by the end of the month.

Mayor Pro Tem Marks stated the Council had discussed the possibility of additional striping on Wildwood Ave. and asked if that was still being planned; Acting Director of Public Works stated additional striping was not being planned at this time but they may be coming back to the Council at the end of the project with ideas for some horizontal parking.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Thompson reported on recent meetings stated he attended an RCEA meeting where they voted to ratify a 4 year audit contract; said they would be signing a 3 year contract with PG&E for around $3 million in regard to energy grants; said RCEA may be moving to a larger building; would be attending an HTA meeting as alternate in Mayor Woodall's absence;

Manager Stretch commented that he believed he would be able to make time but if it were to become a burden, he would inform the Council.

Councilmember Dunker stated that regardless of the issues that would need to be considered with regard to a city owned bottling enterprise, he felt it is not the appropriate time due to the limited time left for the Interim City Manager and the various projects he has been tasked with including recruitment of a new City Manager.

Mayor Woodall said her only thought was that the Council should set priorities for projects before making a decision to devote time to this project.

Councilmember Marks asked Councilmember Thompson if he would be willing to put the idea on hold for the time being; he indicated that he would be willing but said it seemed that when things are put off, they tend to fall between the cracks and are forgotten.

Bud Leonard, 300 Woodland Dr. commented that as a tax payer, he objected to the City competing with private business and said he was very familiar with "surface water" and said that water from fire hydrants was probably better. He felt it would be a waste of taxpayers' money to pursue this idea and felt the Interim City Manager had more important things to do.

Consensus of the Council was that the idea be discussed during the "Goal Setting" City Council study session.

PUBLIC PRESENTATIONS

None

REPORTS/STAFF COMMUNCIATIONS

Interim City Manager Stretch reported on recent meeting and activities and announced that the City received notification that the City's application for funding under the General Allocation of the State CDBG Grant Program for paving of Rigby Ave. was not approved because the application did not score high enough in points. He said the Finance Director spoke with representatives of the State and they said they would get a copy of the score sheet to the city so that we could do better next round. He said it was a disappointment but not a shock since it was a competitive grant. He also reported that he had a meeting with Councilmembers Dunker and Thompson on November 30th to discuss the placement of the motto "In God We Trust" in Council Chambers and said that although a beautiful burl slab was donated by the Dunham's it was not really the right shape for display of the "In God We Trust" motto along with the City Seal. That discussion gravitated to the question of whether the City actually had an official City Seal which he noted staff will need to research. He said he planned to come back to the Council with a recommendation to adopt an official city seal or motto for use on City stationary as well.

Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

October 17, 2017

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Contract with SICPA for Track and Trace Services from November 1, 2017 to December 31, 2018.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1.) Authorize the City Manager to Sign the Contract with SICPA
2.) Authorize the City Attorney to make any non-substantive changes to the contract as he deems necessary in coordination with the City Manager and report back to the Council of any non-substantive changes for ratification.

BACKGROUND AND DISCUSSION

"Track and Trace" is a system that enables the City to track cannabis and cannabis products through the supply chain as described in state law. The City requires cannabis permittee's to participate in the City's track and trace system as a condition of permit approval. Both the City of Eureka and County of Humboldt have been engaged in a pilot project over the last year with SICPA for Track and Trace service which has met with their approval. City staff has been working with the County as they have made progress on this system implementation. Since the vast majority of cannabis products that come into the City of Rio Dell will come from the unincorporated County, the "Track and Trace" system will be most effective if they are similar. Indeed, SICPA is also on track to be implemented as a regional vendor, with Mendocino, Yolo and Trinity Counties all having either moved in this direction or are intending to move in this direction. Rather than reinvent the wheel, staff is recommending that the City of Rio Dell align our Track and Trace system with these entities. Therefore, the attached contract leverages RFP's and service scopes developed through these other entities.

The State of California is moving forward with a separate vendor called Franwell and the "Metrc" system. Unfortunately there is little information available to the City on this system and its suitability for the City of Rio Dell and the region. However, the State anticipates the system will be online on January 1, 2018. Under the current proposal, permittees will need to comply with both the SICPA Track and Trace system and the State's system under Franwell. It is possible that the Franwell system will meet all of the needs of the City of Rio Dell and the needs of our regional partners. Therefore, the recommended contract with SICPA expires on December 31, 2018 which is enough time to evaluate the two systems and provide the City with Track and

Trace services. If it is desirable to continue a contract with SICPA, staff will return at some point in 2018 and make that recommendation.

The advantages to utilizing this Track and Trace vendor are:

- Compliance with the Cole Memo: The USDOJ Cole Memo provides guidance to the States and localities engaged in commercial cannabis activities. A Track and Trace system is at the core of Cole Memo compliance and reliance solely on the State's Track and Trace system cannot be advised at this time.
- Brand Protection: One of the advantages to the county's cannabis industry is in the brand name of "Humboldt." SICPA helps the industry and consumer use local products and provides a verification method to confirm its authenticity.
- Regional Coordination: Similar systems across neighboring jurisdictions.
- Transparency: The SICPA Track and Trace system can also help the city verify permittee's compliance with the law in general and also with any potential tax payment compliance that could be authorized by the public through Measure X.

Fees charged to the City are listed in Exhibit B. These costs are then charged against the permittee by the City, in order to make the program cost neutral for the City. Today's agenda item also included adjustments to the City's Master Fee Schedule that incorporated the ability for the City to recoup its costs. Additionally, the City will charge $.05 cents per unique identifier to compensate the City for staff costs in administering the program. Permittees will come to City Hall in order to conduct SICPA related transactions. Compared to other jurisdictions, Rio Dell is not anticipated to have a heavy use of Track and Trace services during 2018, as only one permittee appears to be in a position of needing to use the system starting in January 2018. However, as the business park develops, use of the Track and Trace system will increase.

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CITY OF RIO DELL PROFESSIONAL SERVICES AGREEMENT WITH SICPA PRODUCT SECURITY, LLC

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into and effective as of November 1, 2017 ("Effective Date"), by and between the City of Rio Dell, a municipal corporation ("City") and **SICPA Product Security, LLC** ("Consultant") (collectively, the "Parties").

WHEREAS, the Parties enter into this Agreement for the purpose of Consultant providing professional services to City under the terms and conditions set forth herein.

THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

1. Services. Consultant shall provide the professional services as described in accordance with the schedule set forth in Exhibit A, attached hereto and incorporated herein ("Services").

2. Compensation.

A. For the full performance of the Services described in Exhibit A hereto City shall compensate Consultant on a time-and-materials basis at the compensation rates specified in Consultant's Services Rate Schedule included in Exhibit B.

B. Consultant shall submit detailed monthly invoices reflecting all services performed during the preceding month, and including a revised schedule for performance and additional documentation requested by City, as applicable.

C. Consultant shall be compensated for services in addition to those described in Exhibit A, only if Consultant and City execute a written amendment to this Agreement describing the additional services to be performed and the compensation to be paid for such services.

D. City's obligation to pay compensation to Consultant as provided herein is contingent upon Consultant's performance of the Services pursuant to the terms and conditions of this Agreement and any amendments thereto. Notwithstanding any other provision herein, Consultant shall not be paid any compensation until Consultant has complied with City's Business License Ordinance.

3. Term. The term of this Agreement commences on the Effective Date, and terminates on December 31, 2018 unless sooner terminated in accordance with Section 4. Upon termination, any and all of City's documents or materials provided to Consultant and any and all of the documents or materials prepared for City or relating to the performance of the Services.

shall be delivered to City as soon as possible. but not later than fourteen (14) days after termination of the Agreement.

4. Termination. City may terminate this Agreement without cause upon ten (10) days' written notice. City may immediately terminate or suspend this Agreement for cause. Cause for immediate termination or suspension shall include, but not be limited to, any breach of this Agreement by Consultant or Consultant's bankruptcy or insolvency. Upon receipt of notice of termination or suspension for cause, Consultant shall immediately stop all work in progress under this Agreement. In the event of early termination of this Agreement by City, Consultant shall be entitled to payment for all Services performed to the date of termination to the extent such Services were performed to the satisfaction of City in accordance with the terms and conditions of this Agreement. If City terminates this Agreement for cause, Consultant shall be liable to City for any excess cost City incurs for completion of the Services.

5. Consultant's Representation; Independent Contractor. Consultant represents that Consultant possesses distinct skills in performing the Services. City has relied upon said representation as a material inducement to enter into this Agreement. Consultant shall, therefore, provide properly skilled and technical personnel to perform all Services under this Agreement. It is expressly understood that Consultant, its agents and employees shall act in an independent capacity and as an independent contractor and not as officers, employees or agents of City. This Agreement shall not be construed as an agreement for employment.

6. Facilities and Equipment. Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing Services pursuant to this Agreement. City shall furnish to Consultant no facilities or equipment, unless the City otherwise agrees in writing to provide the same.

7. Licenses, Permits, Etc. Consultant shall, at Consultant's sole cost and expense, keep in effect and require its subcontractors, if any, to keep in effect at all times during the term of this Agreement any licenses, permits or other such approvals which are legally required for performing the Services.

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

9. Inspection. Consultant shall provide City every reasonable opportunity to ascertain that the Services are being performed in accordance with the requirements and intentions of this Agreement. All work done and materials furnished, if any, shall be subject to inspection and approval by City. The inspection of such work shall not relieve Consultant of any of its obligations pursuant to this Agreement.

10. Progress Reports. Upon City's request, Consultant shall provide, in a form acceptable to City, written progress reports of all oral and written observations, opinions, recommendations, analyses, progress and conclusions related to Consultant's performance of the

Services.

11. Confidentiality. In the course of providing services for City, Consultant may have access to trade secrets and confidential information, disclosure of which is protected or limited by law. Consultant shall not directly or indirectly disclose or use any such confidential information, except as required for the performance of the Services.

12. Conflict of Interest. Consultant represents that it presently has no interest, and covenants that it shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services hereunder. Consultant further covenants that, in the performance of this Agreement, it shall not employ any subcontractor or person having such a conflict of interest. Consultant represents that no one who has or will have any financial interest under the Agreement is an officer or employee of City. If such conflict of interest arises during this Agreement or any extension, Consultant will immediately advise City and City may, at its sole discretion, immediately terminate this Agreement.

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

14. Standard of Performance. Consultant shall perform all the Services in a manner consistent with the standards of Consultant's profession or, if no such professional standard, in a manner consistent with the standards applicable to said Consultant or type of work. All instruments of service of whatsoever nature, which Consultant delivers to City pursuant to this Agreement, shall be prepared to comply and conform to the standards of Consultant's type of work. All such instruments of service shall become the sole and exclusive property of City upon delivery of the same.

15. Assignment/Transfer. Consultant shall make no assignment or transfer in whole or in part of this Agreement shall be made without the prior written consent of City.

16. Subcontractors. Consultant shall directly perform all Services, and shall not subcontract any portion of performance of the Services without the prior written consent of City. Any such subcontractors shall be required to comply, to the full extent applicable, with the terms and conditions of this Agreement. Upon execution of this Agreement, Consultant shall furnish a separate schedule of names and addresses of subcontractors, if any, and shall notify City in advance if changes in subcontractors occur.

17. Statement of Economic Interests. The City may determine that the Consultant must file a Form 700, Statement of Economic Interests, as required by the City's Conflict of Interest Code. If such is the case, the City Clerk's office will provide the Consultant with the form and Consultant shall file form with the City Clerk's office. Said filing shall include an

Assuming Office Statement within thirty (30) days of execution of this contract, annual statements on or before April 1 of each year, and a Leaving Office Statement within thirty (30) days after termination of this Agreement or any extensions thereto.

18. Internal Revenue Service Form W-9. The City may determine that the Consultant must file an Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification, as required by City to comply with regulations of the United States Department of the Treasury. If such is the case, the Finance Department shall provide the Consultant with the required form. Consultant shall complete and file the form with City before any payment for Services under this Agreement is rendered.

19. Business License. Consultant shall file and require all its subcontractors to file, a Business License Application as required by the City. The Finance Department shall provide the Consultant with the required form. Consultant shall and require all its subcontractors to complete and file the form with the City and shall pay or cause to be paid the business license fee before any payment for Services under this Agreement is rendered.

20. Compliance With All Laws. Consultant and any subcontractors shall fully comply with all applicable local, state and federal rules, laws, regulations and ordinances pertaining to performance of the Services required hereunder, including the Americans with Disabilities Act and any copyright, patent or trademark law. To the extent that any other government agency or entity provides compensation for any Services, Consultant shall comply with all rules and regulations applicable to such fiscal assistance. Consultant's failure to comply with any law(s) or regulations(s) applicable to the performance of the Services hereunder shall, at the discretion of the City, be deemed to constitute a breach of contract.

Such laws include, but are not limited to, the California Prevailing Wage Law; California Labor Code section 1720 et seq. Because the services described in Exhibit A include "work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work," the services constitute a public works within the definition of section 1720(a)(l) of the California Labor Code.

Therefore, the services described in Exhibit A shall be performed in accordance with all applicable requirements of the California Prevailing Wage Law including, but not limited to, all applicable requirements contained in Exhibit B, which is attached to and made a part of this Agreement. To the extent that any other government agency or entity provides compensation for any services, consultant shall comply with all rules and regulations applicable to such fiscal assistance.

21. Discrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, ancestry, gender, sexual orientation, age or physical or mental disability in violation of any applicable law.

22. Notice. Except as otherwise specified in this Agreement, all notices to be sent

pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:

A. Personal delivery, in which case notice is effective upon delivery;

B. Certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt;

C. Nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service; or

D. Facsimile transmission, in which case notice shall be deemed delivered upon transmittal, provided that (a) a duplicate copy of the notice is promptly delivered by first-class or certified mail or by overnight delivery, or (b) a transmission report is generated reflecting the accurate transmission thereof. Any notice given by facsimile shall be considered to have been received on the next business day if it is received after 5:00 p.m. recipient's time or on a non-business day.

City:

City Manager
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562
FAX: (707) 764-5480

Consultant:

SICPA Product Security, LLC
Attn: Alexander Spelman
8000 Research Way
Springfield, VA 22153

23. Ownership of Documents. All original papers, documents or computer material on disk or microfilm, and copies thereof, produced as a result of this Agreement (collectively "Project Documents"), shall be the property of the City and may not be used by Consultant without the written consent of City. Consultant shall provide documents in electronic form in a format required by the City. Copies of such documents or papers shall not be disclosed to others without the written consent of the City Manager or his or her designated representative. City agrees to indemnify and hold Consultant harmless for claims resulting from City's alteration for another City project, of said Project Documents.

24. Internet-Ready Deliverables. If applicable to this Agreement, each contract deliverable shall be delivered as a data file suitable for publication on the Internet. The following specifications define the formats that satisfy this requirement:

A. Brochures, reports, plan documents, catalogues, flyers with graphics included, and forms are to be formatted as screen-optimized ".pdf' files, if possible.

B. Freestanding, individual graphics such as logos, small maps and photos

are to be formatted as ".tif' files, with the largest side no larger than four inches.

C. Large maps are to be formatted as ".jpg" files with the largest side no larger than four inches, unless mutually agreed otherwise by the Parties.

D. Short text documents with no graphics are to be in MS Word.

E. Freestanding charts, graphs and listings are to be in MS Excel.

25. Indemnification. To the fullest extent allowed by law, Consultant shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers from and against any and all liability, loss, damage, claims, suits, actions, arbitrations proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in connection with Consultant's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the sole negligence or willful misconduct of City.

The Consultant's obligation to defend and indemnify shall not be excused because of the Consultant's inability to evaluate Liability or because the Consultant evaluates Liability and determines that the Consultant is not liable to the claimant. The Consultant must respond within thirty (30) days to the tender of any claim for defense and indemnity by the City, unless this time has been extended by the City. If the Consultant fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due the Consultant under and by virtue of this Agreement as shall reasonably be considered necessary by the City, may be retained by the City until disposition has been made of the claim or suit for damages, or until the Consultant accepts or rejects the tender of defense, whichever occurs first. Furthermore, Consultant and Subcontractors' obligations to indemnify and defend the City are binding on their successors and assigns and shall survive the termination or completion of this Agreement for the fullest extent and duration allowed by law.

With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type to express or implied indemnity against the Indemnitees.

Notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code section 2783, as may be amended from time to time, such duties of Consultant to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

Notwithstanding the foregoing, to the extent that this Agreement includes design professional services under Civil Code Section 2782.8, as may be amended from time to time, such duties of Consultant to indemnify shall only be to the full extent permitted by Civil Code Section 2782.8.

The defense and indemnification obligations of this Agreement are undertaken in

addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. If any term or portion of this section is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, said section shall be interpreted to allow the broadest indemnity permitted by law.

26. Insurance. Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, Consultant's agents, representatives and employees.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 12/90) covering Automobile Liability, code 1(any auto), or code 8, 9 if no owned auto.

3. Workers' Compensation Insurance as required by the State of California and Employers' Liability Insurance. If no employees are utilized, the Consultant shall sign a declaration as described in California Health and Safety Code Section 19825.

4. Professional liability insurance appropriate to the Consultant's profession. Architects' and Engineers' coverage is to be endorsed to include contractual liability.

1. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: $2,000,000 per accident for bodily injury and property damage.

3. Workers ' Compensation: statutory limit; Employer's Liability: $1,000,000 per accident for bodily injury or disease.

4. Professional liability: $1,000,000 per occurrence or claim as approved by the City's City Manager.

2. Umbrella or Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's insurance or self-insurance shall be called upon to protect it as a named insured.

3. Deductibles and Self-Insured Retention. Any deductibles or self-insured retentions must be declared to and approved by the City and shall not reduce the limits of liability. Policies containing any self-insured retention provision shall provide or be endorsed to provide that the self-insured retention may be satisfied by either the named Insured or the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers, or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses. The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to so exercise later.

4. Other Insurance Provisions.

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

a. The City, its officers, officials, employees and volunteers (the "Additional Insureds") are to be covered as insureds as respects: liability arising out of work or operations as performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.

b. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Consultant's insurance and shall not contribute with it. The Additional Insured coverage under the Consultant's policy shall be at least as broad as ISO Form CG 20 01 04 13.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either Party, unless thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

2. The Workers' Compensation endorsement shall contain a Waiver of Subrogation against the City. The Consultant shall provide to the City an

endorsement from the Workers' Compensation insurer, if any, agreeing to waive all rights of subrogation against the City for injuries to employees of the Insured resulting from work for the City or use of the City's premises or facilities.

3. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits included above shall be available to the City. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

5. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

6. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to the City's requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

H. Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor prior to commencement of subcontractor's work. Consultant agrees to include with all subcontractors in their subcontract the same requirements stated herein including the indemnity and insurance requirements. Subcontractors hired by Consultant agree to be bound to Consultant and the City in the same manner and to the same extent as Consultant is bound to City under this Agreement. Subcontractor further agrees to include these same provisions with any Sub-subcontractor. A copy of these indemnity and insurance provisions shall be furnished by Consultant to any subcontractor. The Consultant shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the agreement prior to commencement of any work and Consultant shall provide proof of compliance to the City. If City is not furnished separate endorsements for each subcontractor prior to the commencement of subcontractor's work, then Consultant shall include all subcontractors as insureds under its policies.

27. Amendment. This Agreement may be amended only by a written instrument executed by both Parties.

28. Litigation. If litigation ensues between City and a third-party which pertains to the subject matter of Consultant's services hereunder, Consultant, upon request from City, agrees to testify therein at a reasonable and customary fee.

29. Construction. This Agreement is the product of negotiation and compromise on the part of both Parties and that the Parties agree that, notwithstanding Civil Code Section 1654, any uncertainty in the Agreement shall not be construed against the drafter of the Agreement.

30. Governing Law: Venue. This Agreement shall be enforced and interpreted under the laws of the State of California and the City of Rio Dell. Any action arising from or brought in connection with this Agreement shall be venued in a court of competent jurisdiction in the County of Humboldt, State of California.

31. Non-Waiver. The City's failure to enforce any provision of this Agreement or the waiver thereof in a particular instance shall not be construed as a general waiver of any part of such provision. The provision shall remain in full force and effect.

32. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

33. No Third Party Beneficiaries. The Parties do not intend to create, and nothing in this Agreement shall be construed to create, any benefit or right in any third party.

34. Mediation. The Parties agree to make a good faith attempt to resolve any dispute arising out of this Agreement through mediation prior to commencing litigation. The Parties shall mutually agree upon the mediator and shall divide the costs of mediation equally.

35. Consultant's Books and Records.

A. Consultant shall maintain any and all ledgers, books of accounts, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to the City for a minimum period of three (3) years or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement.

B. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years or for any longer period required by law, from the date of termination or completion of this Agreement.

C. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager or City Attorney, or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at Rio Dell City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

D. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained by the City. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor in interest.

36. Headings. The headings used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of any provisions herein.

37. Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination or completion of this Agreement for the fullest period of time allowed by law.

38. Entire Agreement. This Agreement, including the exhibits attached hereto and incorporated herein, constitutes the entire agreement between the Parties with respect to the Services, and supersedes all prior agreements or understandings, oral or written, between the Parties in this regard.

CITY OF RIO DELL:

By: _____ Dated: _____
Kyle C. Knopp, City Manager

Approved as to form:

By: _____
Russ S. Gans, City Attorney

Attest:

By: _____
Karen Dunham, City Clerk

CONSULTANT:

By:

_____
Consultant Name

Dated: _____
1099 Information
Tax Payer ID #

_____
Social Security #

_____
Incorporated: Yes _____ No _____

EXHIBIT A

DEFINITION OF SERVICES

CONTRACTOR shall provide the following services:

1. Maintenance and Operations:

SICPA will provide maintenance and operations services to enable and support City use of the SICPA Inventory Tracking Software System (ITSS) for the term of the Agreement in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

- Software management: the vendor shall regularly provide systems enhancements, systems maintenance, as well as, adaptive and preventive maintenance.

- Help Desk Support: the vendor shall maintain the systems help desk support. Help desk support is defined the Service Level Agreement (SLA) incorporated in to this agreement as Exhibit F.

- System performance and maintenance: the vendor shall monitor the system to make sure it is continually in operation and report problems to the Agricultural Commissioner as defined in Exhibit F.

- Business continuity and disaster recovery: The vendor shall ensure the system is protected against natural disasters, hardware and software failures, human error, and other contingencies that could interrupt services.

2. System Capabilities:

SICPA will provide the City with enablement and use of the SICPA ITSS for the term of the Agreement in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

- ITSS platform shall track cannabis through the entire plant/product lifecycle pursuant to State of California track and trace requirement's, from nursery to dispensary.

- The ITSS system will provide the City full visibility of every permitted entity's activities and balance of products and stamps including: the quantity of stamps ordered, used and on hand; production balance by product type and weight; disposed products and product transfer and products in transit.

- ITSS will produce chain of custody, shipping manifest and other required forms.

- ITSS will track transport of cannabis and manufactured cannabis products and means of transport.

• ITSS ability to integrate with hardware, such as scales, barcode scanners, and cash registers.

• ITSS ability to interface with common commercial inventory tracking software system.

• Track the form of cannabis product produced, unique lot identifier, quantity, manufacture date and expiration date.

• ITSS ability to create user security groups and access privileges for permittees and City users.

• ITSS ability to produce reports electronically in a specified format (CSV, PDF, etc.) including but not limited to growing, manufacture, laboratory testing, distribution, dispensing history, patient dispensing history, transport, medical cannabis product availability, cannabis product utilization, destruction, and production statistics.

• ITSS ability to retain history of modifications to records, provide system backup and archiving.

• ITSS ability to set up and maintain multiple locations for a given User Account.

• ITSS ability to turn over data from User Account to other regulatory and enforcement agencies upon the City's request.

3. Training:

SICPA will provide training for use of the SICPA ITSS in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

• The vendor shall provide training outlined in the proposal to train City users to effectively monitor the System after implementation, as well as provide each permitee - system administration and user account training.

4. Project Implementation Plan:

SICPA shall implement the ITSS project in accordance with the Implementation Timeframe.

5. Technology and Configuration Specifications:

SICPA will meet the technology and configuration specification requirements set forth in Mendocino County's RFP 34-16.

6. Collection of Fees for Services from Permittees:

a. ITSS Account payment pages and reports

i. ITSS page to collect account fee of $90 per site per month, paid quarterly.

ii. Warning messages to ITSS users and alerts generated to City Administrative Users if account fees are overdue.

iii. Account fees report that displays fees paid.

iv. Disabling of overdue sites will be manual.

b. Cash or Money Order/Checks

d. City will administer these Cash or Money Order/Checks payments.

7. System enhancements:

Enhancements and changes to the ITSS platform shall be made by SICPA to ensure the ITSS continues to accommodate changing local, state, and federal regulations and other conditions as necessary. These modifications shall be mutually agreeable for vendor and CITY.

a. Any System enhancements or changes requested by CITY will be mutually reviewed between CITY and SICPA staff. CITY requested changes that require development of functionality that does not currently exist in ITSS or cannot be supported through current ITSS configurations will be subject to the following change order process:

i. SICPA will log all CITY requested enhancements or changes

ii. SICPA will review scope of CITY requested enhancement of change with appropriate CITY staff

iii. SICPA will provide a Change Order request to CITY detailing the functional requirement, proposed solution, level of development effort and associated cost estimate for CITY requested enhancements or changes based on priority identified by CITY.

iv. CITY will review and approve all Change Order requests prior to SICPA commencement of associated work.

b. SICPA will submit an invoice for any work completed under Change Order the work upon completion. Invoices are subject to payment terms as detailed in Exhibit B of the Agreement

8. Deliverables:

a. Maintenance and operations services for a track and trace system

b. Training

c. Appropriate equipment to be used by City and law enforcement for purposes of validating track and trace information

9. Acceptance Criteria:

a. The list below highlights some of the capabilities that the plant to sale solution must provide.

i. The ability to track cannabis, including weight and/or volume, at each stage of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction. This would include the amount of unused organic material produced by each plant at harvest.

ii. The ability to track the total amount of cannabis in possession of any City-permitted entity from either plant and products, including all plants that are derived from cuttings or cloning, until the cannabis, cannabis plants, or manufactured cannabis product is sold or destroyed;

iii. The ability to produce chain of custody, shipping manifests, and other forms that are typically required to track, monitor and enforce compliance during all stages of the process.

iv. The ability to track the transport of cannabis and manufactured cannabis products between cultivation/production centers and retail dispensing locations and the means of transport including the make, model, and vehicle identification number of the vehicle used for transport.

v. The ability for the system to integrate with hardware, such as scales, barcode scanners, and cash registers.

vi. The ability to interface with other common commercial inventory tracking software systems that permittees may be utilizing for their own internal purposes. SICPA shall provide a list of compatible software programs and hardware that may be typically utilized in conjunction with the proposed ITSS.

vii. The ability for the permittee and City to track the form of cannabis product produced, unique lot identifier (number or barcode), quantity, manufacture date, and expiration date.

viii. The ability for the system to create user security groups and for a security administrator to grant read-only access to some user security groups or to grant specific privileges to a user security group.

ix. The ability to produce reports electronically in a specified format

(CSV, PDF, etc.) including but not limited to growing, manufacture, laboratory testing, distribution, dispensing history, patient dispensing history, transport, cannabis product availability, cannabis product utilization, destruction, and production statistics.

x. The abilify to retain history of modifications to records, provide system backup and archiving.

xi. The ability to set up and maintain multiple locations for a given User Account.

xii. The ability to turn over data from User Account to other regulatory and enforcement agencies upon the City's request.

Implementation Timeframe

ITSS implementation is subject to presentation and finalization of the project implementation and enablement plan and discussions between the SICPA Project Manager and the City. SICPA anticipates delivery of the ITSS for the use by the City during the term of the Agreement in two primary phases. Phase One is anticipated to go live in before December 2017 with associated training to enable plant tagging and reporting. Phase Two will be scheduled for late fall 2017 to prepare cultivators and other licensees to utilize the solution for subsequent production activities from the plant harvests

EXHIBIT B

PAYMENT TERMS

On a monthly basis, upon completion of activities as identified in the Statement of Work, CONTRACTOR shall submit an invoice to the CITY detailing the activities along with associated costs for those activities as identified in Table 1 of this exhibit. Any additional claim for approved change orders agreed to between CONTRACTOR and CITY shall include a copy of the CITY'S written approval in advance of such services being provided. If requested by the CITY, Contractor shall provide any further documentation to verify the compensation and reimbursement sought by the CONTRACTOR.

Within fifteen (15) calendar days of the receipt of CONTRACTOR'S detailed invoice, the CITY shall either authorize payment or advise Contractor in writing of any concerns that the CITY has with the invoice and any need for further documentation. Within thirty (30) calendar days of the CITY'S authorization for payment of an invoice, the CITY shall issue the payment.

Description	Unit of Measure	Price
Secure Unique Identifier (stamp)	Each	$.02
Industry Participant Account Fee	Per Month	$90.00
Secure Unique Identifier Shipping and Handling	Per Order	$25.00
Training Fee	Per Permittee (2 resources per permittee)	$400.00

[END OF PAYMENT TERMS]

EXHIBIT C

PROVISIONS REQUIRED FOR PUBLIC WORKS PROJECTS PURSUANT TO CALIFORNIA LABOR CODE SECTION 1720 *ET SEQ.*

HOURS OF WORK:

A. In accordance with California Labor Code Section 1810, eight (8) hours of labor in performance of the Services shall constitute a legal day's work under this Agreement.

B. By signing this Agreement, Consultant agrees that Consultant is aware of the provision of California Labor Code section 3700 which requires every employer to be insured against liability for workers compensation or to undertake self-insurance in accordance with the provisions of the California Labor Code, and that Consultant will comply with such provisions before commencing performance of the Services.

C. The Consultant and its subconsultants shall forfeit as a penalty to the City $50 for each worker employed in the performance of the Services for each calendar day during which the worker is required or permitted to work more than eight (8) hours in any one calendar day, or more than forty (40) hours in any one calendar week, in violation of the provisions of California Labor Code Section 1810 and following.

WAGES:

A. The services of the Consultant shall be done on or in the execution of a "public works" project as defined by Law. In accordance with California Labor Code Section 1773.2, the City has determined the general prevailing wages in the locality in which the Services are to be performed for each craft or type of work needed to be as published by the State of California Department of Industrial Relations, Division of Labor Statistics and Research, a copy of which is on file with the City and shall be made available on request. The Consultant and subconsultants engaged in the performance of the Services shall pay no less than these rates to all persons engaged in performance of the Services. The Consultant shall be responsible for the compliance of its subcontractors.

EXHIBIT D

SERVICE LEVEL AGREEMENT

This Service Level Agreement ("Agreement") sets forth the details regarding the level of service and technical support of the CalOrigin Track & Trace system by SICPA ("Vendor") to users of the system designated by the City of Rio Dell ("City").

Service Scope: The following services are covered by the Agreement:

1. System Availability;
2. Support Services;
3. System Maintenance; and
4. Incident Management.

1. System Availability
    a. The system will be continuously available for use excluding planned maintenance windows. For purposes of this Agreement, system availability does exclude outages resulting from:
        i. Problems caused by factors outside of Vendor's reasonable control;
        ii. Problems resulting from any actions or inactions by the City or any third party; or
        iii. Problems resulting from the City's equipment and/or third party equipment not within Vendor's sole control.
    b. Vendor will work to ensure the functioning of all network infrastructures, however, Vendor has no control over third party services including, without limitation, the internet. VENDOR'S SERVICES ARE SUBJECT TO THE LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. VENDOR IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.
2. Support Services
    a. Vendor's technical support staff will be available to assist the City with problems and questions regarding the Service and shall provide the services listed below during regular hours.
        i. Regular Hours: Support staff will provide support during regular hours from 8 a.m. to 6 p.m. Pacific Time, Monday through Friday, excluding holidays designated by the state of California ("business day").
        ii. Telephone Support: Support staff will answer calls received during regular hours. Calls received outside of office hours will be directed to voicemail and will be returned within one hour of the start of the next business day.
        iii. Email Support: Support staff will monitor email requests during regular hours. For email requests received outside of office hours, support staff will respond within one hour of the start of the next business day.
3. System Maintenance

From time to time Vendor may upgrade the service or components of the service. Vendor will notify the City in advance of such upgrades along with a description of changes that affect the City. System maintenance may include bug fixes, security patches, or feature enhancements.

4. Incident Management

   Vendor will provide incident resolution for events that impact the service availability of use of the system based on the severity of the impact. For the purposes of this agreement severity levels are defined as:

   a. Severity Level 1: The system is fully unavailable, or a major business function of the system is fully unavailable and no workaround exists to allow users to perform the function. The Vendor will respond to the City within 1 hour during regular hours, or if the incident occurs outside of regular hours, the vendor will respond within 1 hour of the start of the next business day. The Vendor will report progress to the City continually until the incident is resolved or a workaround provided that downgrades the severity level.
   b. Severity Level 2: An incident occurs that impairs some business functionality and a workaround exists that allows the function to be performed in a limited fashion until the problem can be fully resolved. Vendor will respond to the City within 2 business days with the plan for full resolution.
   c. Severity Level 3: An incident is found that does not impact the functionality of the system or may be cosmetic in nature. The Vendor will address the issue at a mutually agreeable time.

EXHIBIT E

See SICPA's Proposal for Mendocino County's use of the Medical Cannabis Inventory Tracking Software System during the term of the Agreement

EXHIBIT D
SICPA PRODUCT SECURITY, LLC
RFP NO. 34.16 PROPOSAL

MEDICAL CANNABIS INVENTORY TRACKING SOFTWARE SYSTEM

COUNTY OF MENDOCINO

RFP NO. 34-16

OCTOBER 7, 2016
2:00 PM

SICPA Product Security, LLC

SICPA

Enabling trust

RESPONSE TO
COUNTY OF MENDOCINO
RFP NO. 34-16

MEDICAL CANNABIS INVENTORY TRACKING SOFTWARE SYSTEM

SUBMITTED BY:
SICPA PRODUCT SECURITY, LLC
OCTOBER 7, 2016

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The material and information contained in – or derived from – these pages may therefore not be copied, exploited, disclosed or otherwise disseminated, in whole or in part, without SICPA's prior written approval.

ATTACHMENT A
PROPOSAL SUMMARY AND STATEMENT OF RESPONSIBILITY (SIGNATURE PAGE)

County of Mendocino
Executive Office/Central Services Division
Medical Cannabis Inventory Tracking Software System

RFP No. 34-16

RFP No.	**34-16**
RFP Issue Date:	**August 26, 2016**
RFP Submission Deadline:	**September 30, 2016**

Proposals must be enclosed in a sealed envelope or package, clearly marked "Mendocino County RFP No.34-16, and delivered by 2:00 p.m. September 30, 2016 to: Mendocino County, Executive Office, Attn: Christopher Shaver, 501 Low Gap Road, Room 1010, Ukiah, CA 95482.

Questions regarding this RFP should be directed to:

- Procedural inquires: Christopher Shaver
  Executive Office/Central Services Division
  (707) 463-4441
  shaverc@co.mendocino.ca.us

- Technical inquires: Sarah Dukett
  Executive Office
  (707) 463-4441
  duketts@co.mendocino.ca.us

This Proposal Summary and Statement of Responsibility (Signature Page) must be included with your submittal in order to validate your proposal. Proposals submitted without this page will be deemed non-responsive.

Vendor Authorized Representative

Company Name:	SICPA Product Security, LLC.	Date:	9/22/2016
Representative:	James E. Bonhivert		
Title:	President		
Phone:	(703) 455-8050		
Address:	8000 Research Way, Springfield, VA. 22153-3131	Fax:	703-451-4508
Federal Tax ID No.:	41-2046760	Email:	jim.bonhivert@sicpa.com

RFP Contact Information (if different then above)

Contact Person:	Stephen Sheiko		
Title:	Proposal Manager		
Phone:	(703) 440-7764	Fax:	(703) 455-4518
Address:	8000 Research Way, Springfield, VA. 22153-3131	Email:	stephen.sheiko@sicpa.com

Certifications:

1. Do you agree to comply with specifications, RFP instructions, draft contract requirements and other pertinent references contained in this RFP?

   ☒ YES ☐ NO

2. Do you agree that the proposal will stand firm and will not be withdrawn for a period of 90 days after the proposal is opened?

   ☒ YES ☐ NO

3. Do you certify that all statements in the proposal are true? This shall constitute a warranty, the falsity of which shall entitle the County to pursue any remedy authorized by law, and shall include the right, at the option of the County, of declaring any contract made as a result thereof to be void.

   ☒ YES ☐ NO

4. Do you agree to provide the County with any other information the County determines is necessary for accurate determination of your qualifications to provide services?

   ☒ YES ☐ NO

5. Do you agree that the proposal amount includes all costs incident to the proposed contract?

   ☒ YES ☐ NO

6. The County of Mendocino has adopted a Local Vendor Preference. Does your company meet the criteria for the five percent cost preference as a local vendor for the County of Mendocino, as described in Section IX(H)(2) AWARD AND CONTRACTING INFORMATION?

   ☐ YES ☒ NO

7. Do you agree to be an ePayable as described in Attachment H?

   ☒ YES ☐ NO

To the best of my knowledge and belief, the information provided in this initial determination of responsibilities is true and correct.

Authorized Representative:	James E. Bonhivert (Printed name)
Signature:	
Date:	September 22, 2016

ATTACHMENT B
PROPOSAL CHECK LIST/TABLE OF CONTENTS

This proposal checklist identifies the various components that must be submitted with your proposal. This form is to be completed and included in the proposal and must be located directly behind Attachment A.

Follow this sequence in presenting your proposal with the checklist serving as your table of contents.

Proposal Check List/Table of Contents	Page No.
Signature Page, signed by authorized representative (RFP Attachment A)	1
Proposal Check List/Table of Contents (RFP Attachment B)	3
Executive Summary	4
Scope of Services (in relation to providing services described in Section XI, Scope of Work)	9
Company Background and Experience (including staff resumes)	39
Proposal Cost Plan and Narrative	46
Exceptions to the RFP (RFP Attachment C)	49
Letters of Reference (minimum of two (2)) (RFP Attachment D)	50
Certificate of Non-Collusion, signed by authorized representative (RFP Attachment E)	54
Insurance Coverage (Certificate of Insurance)	55
Appendix A - Sample Service Level Agreement	56
Acknowledgment of Addendum No. 1	58

1 EXECUTIVE SUMMARY

The County of Mendocino ("the County") intends to select a responsive and qualified contractor to provide technical services related to the acquisition, implementation, and support of a hosted Plant to Sale Inventory Tracking Software System (ITSS) for the County, for use by both County permittees and County personnel having oversight and enforcement responsibilities over the Medical Cannabis Cultivation and Facilities Programs. To that end, the County has indicated that prospective vendors' implementation plan and schedule, relevant experience, cost, overall proposal, and references represent the key evaluation factors in selecting a contractor to provide these services.

As a global leader in product authentication, identification, and secure traceability solutions and services, SICPA Product Security, LLC (SICPA) offers the County a partner with a well-established presence in California, a history of financial stability, demonstrated delivery of innovation and growth, a commitment to enabling government agencies to administer regulatory compliance requirements, and a proven tracking platform that securely regulates and controls more than 77 billion unique items annually.

1.1 EXPERIENCE AND QUALIFICATIONS

Founded in 1927, SICPA is a global leader in product authentication, identification and secure traceability solutions and services. Protecting banknotes globally since the 1940s, SICPA's core business is based on proven anti-counterfeiting and authentication technologies. SICPA offers customers industry leading tax stamp solutions with associated stamp fulfillment, tax processing, compliance and audit selection IT capabilities.

SICPA has unique and unparalleled experience in working with national, state, and local governments to secure products subject to regulatory control:

- SICPA anti-counterfeiting solutions secure more than 109 global currencies, including the U.S. Dollar.
- More than 100 national governments, 45 U.S. states, and more than 160 local U.S. jurisdictions utilize SICPA solutions.
- SICPA solutions assist governments across the globe in regulating, controlling, and collecting tax due on more than 77 billion unique items annually including beer, wine, spirits, cigarettes and other high-value consumer goods.
- SICPA provides the State of California with its current track and trace architecture through the SICPATRACE® solution used by the Board of Equalization since 2005. This solution assists the BOE in uniquely identifying over 800 million items annually and was cited by the California Auditor in March, 2016 as helping the state protect over $90 million in annual revenues previously lost to illicit activity.

- Humboldt County has deployed SICPA's track and trace solution to support administration and enforcement of its medical cannabis ordinances consistent with California state requirements as designated by MCRSA.

The SICPA team being proposed for the County ITSS includes a partnership with Form 10 Group, an industry leader in training and enablement. Form 10 Group is SICPA's enterprise partner at the Board of Equalization and in Humboldt County and together we have successfully delivered and supported the State's track and trace infrastructure for over 10 years. As the prime contractor, SICPA will be fully responsible for all project performance and together with Form 10 Group offers the County a proven team in implementing and supporting Track and Trace solutions.

1.2 STABILITY AND GROWTH

In order to ensure the long-term viability and support of its selected ITSS, the County seeks a provider with a history of stability and growth. Over the course of nearly 90 years in business, SICPA has demonstrated these characteristics to a degree that virtually no competing vendor can match. From its founding in 1927 to its entry into the field of banknote security inks in the 1940s and onward through the introduction of its integrated product authentication and traceability solutions in the 2000s, SICPA has earned a reputation for stability based on a long-term vision, quality execution, and a commitment to customer success. Over the decades SICPA has grown to a position of leadership in each of its markets through its continuous investment in research and development as well as an ongoing commitment to customer service. SICPA's long-term relationships with many of its government clients—nearly 60 years of service to several of its U.S. state customers, as well as more than 10 years as the State of California's track and trace provider—demonstrate that SICPA possesses the resources and commitment to support the proposed ITSS over the term of the proposed contract and beyond.

1.3 COMMITMENT

With the nationwide movement toward legalization of medical cannabis, SICPA recognized the market's need for an independent, neutral, government-focused provider of secure authentication and traceability to support the regulatory frameworks required to effectively administer these programs. SICPA has been an active participant in dialogues with California state agencies, municipal governments, law enforcement agencies, and industry to learn the needs of the various stakeholders in this emerging field, and we have dedicated significant corporate resources to developing solutions that meet those needs.

The cannabis market in California is in the midst of a significant transition—from its initial establishment under Proposition 215 and SB 420, to the introduction of the Medical Marijuana Regulation and Safety Act (MMRSA), subsequently renamed and amended as the Medical Cannabis Regulation and Safety Act (MCRSA), to the pending adult recreational use cannabis legalization initiative (Proposition 64). With Federal law still uncertain in its long term treatment of cannabis, local governments, industry and solution providers will face pressure to change as

needs and requirements evolve. SICPA intimately understands and can anticipate—based on actual experience—the actions required for a smooth transition to this new program. Over time SICPA has demonstrated that it can operate efficiently and effectively by leveraging lessons learned from its current programs instead of theoretical assumptions. SICPA understands the key concerns and critical success factors for the County and its stakeholders in this project and provides the capability and experience needed to assist the County in a successful implementation:

- **Permittees** – Many Industry operations have traditionally operated under mechanisms that avoided detailed record keeping or use of technology that could create an audit trail of activity. Many of these permittees are not fully literate on the use of modern technology and will require significant enablement to effectively utilize the County ITSS. SICPA has successfully overseen similar transitions with more than 100 unique track and trace distributor deployments in the U.S. alone, and thousands of production lines worldwide. Currently SICPA is supporting the transition of numerous cultivators and other permittees in Humboldt County to a system similar to the proposed ITSS. Based on these experiences, SICPA has developed a thorough transition plan that will be adopted for the County's permittees to reduce the risks associated with adoption to the new environment.
- **Infrastructure** – Many permittees are based in remote locations with limited Wi-Fi or cellular coverage. Permittees will also be using a variety of third party solutions for managing their operations (e.g., grow management, inventory management, Point of Sale) that will need to communicate with the County ITSS. SICPA knows the importance of enabling interaction with the ITSS in a manner convenient for permittees and the critical requirement of integration with third parties and existing solutions such as the County's e-payments platform and permittee software and equipment. SICPA's proposed ITSS is designed and built on open industry protocols such as J2EE and XML so that the solution can be quickly integrated with legacy assets at the County and its permittees.
- **Information Management** – The majority of the product historically produced in Mendocino County has been outside of the regulatory structure established by the introduction in County ordinance 9.31 in 2008. The prevalence of black market activity will continue to present challenges in effectively administering and regulating the industry under the County's permanent ordinance currently under consideration (Chapter 10A.17). Preventing both injection of black market product into the regulated supply chain and the diversion of legitimate product into the black market will be critical factors in establishing a healthy, regulated, environmentally compliant and responsible industry. The proposed ITSS provides a complete data capture and reporting solution to support the County's tracking and management of critical data points related to medical cannabis cultivation, transportation, manufacturing, and distribution. SICPA has been supplying track and trace solutions to government entities since 2005 and as an established supplier understands the criticality in providing timely reporting and information to external stakeholders such as law enforcement.

As the County reviews the information in this response, SICPA believes that its passion for assisting its government clients with regulatory control solutions will become evident. That passion has grown out of the demonstrated effectiveness of SICPA's partnering efforts with other localities, states, and countries. SICPA is committed to working tirelessly with the County

and its stakeholders towards the success of the proposed program and to position the County as a model for other California counties and municipalities—as well as the State of California and other states—to follow.

1.4 PRODUCTS AND SERVICES

As part of the "Emerald Triangle," Mendocino County has a significant legacy cannabis cultivation industry. While this industry has been an invisible contributor to the County's economy, it has also left visible effects including environmental, health and safety impacts. The County is currently considering a permanent ordinance (Chapter 10A.17) for the regulation of cannabis intended for medicinal use. This continues efforts that began with the original implementation of 9.31 in 2008 to provide a regulatory framework for medical cannabis and related activities in the County. With the current request for proposals, the County has further outlined the needs and requirements for a technical solution that can support the effective oversight of this significant local industry.

In regulating legal medical cannabis products, SICPA understands the County's objectives including reducing illicit activity, enhancing the protection of public health, protecting environmentally sensitive areas such as watersheds and TPZs, and increasing visibility into medical cannabis product sourcing and movement. The State of California has identified requirements for administering and enforcing regulations for medical cannabis through the Medical Cannabis Regulation and Safety Act (MCRSA). This act has specifically identified the use of track and trace technology as the means for supporting appropriate regulatory and enforcement regimes. To meet MCRSA and County requirements for regulating medical cannabis, SICPA is pleased to offer the County with a unique solution for assisting with activities related to Medical Cannabis administration and enforcement programs.

The proposed SICPA Inventory Tracking Software Solution (ITSS) for Medical Cannabis will capture and reconcile activity at any point in the County medical cannabis supply chain. Starting from nursery through cultivation, initial production, and dispensary sale, the system will enable inventory and tracking all of all medical cannabis production and derived product movements within the permittee chain of custody. The proposed ITSS solution is based on similar medical cannabis track and trace program that SICPA implemented with Humboldt County (CA) that successfully rolled out in August of this year. Providing a solution hosted by SICPA, the proposed ITSS is consistent with County and MCRSA guidelines—supporting both plant identifier and batch/lot tracking concepts—and is designed to support potential future requirements for recreational cannabis should California adopt Prop 64 (AUMA). The SICPA ITSS is a modular and open platform that utilizes an open integration architecture to enable seamless interaction with legacy County solutions and any medical cannabis track and trace solution the State of California Department of Food and Agriculture (CDFA) may choose to deploy in the future for its own requirements.

The SICPA ITSS will provide the County with a robust control and enforcement framework for tracking and tracing medical cannabis while enabling patients to uniquely verify the testing, safety, and security of products produced and manufactured in Mendocino County. The solution

includes secure, counterfeit-resistant stamps that provide unique identifiers for each plant and product within the medical cannabis supply chain. These secure stamps link to information captured in the ITSS database to enable both material- and information-based security and product authentication. The stamps will feature a design unique to the County to enable immediate visual identification of products sourced from County permittees. By utilizing a combination of material and information security, the SICPA ITSS will support the ability of County inspectors, auditors, and enforcement agents, local and state law enforcement, and medical cannabis permittees and patients to validate the authenticity of products confidently.

2 APPROACH TO SCOPE OF SERVICES

Per Section XII.B of the RFP, this section describes SICPA's proposed process/approach for providing the services described in Section XI, Scope of Work. SICPA has addressed each element of Section XI, including, but not limited to, descriptions for all system modules.

2.1 MAINTENANCE AND OPERATIONS

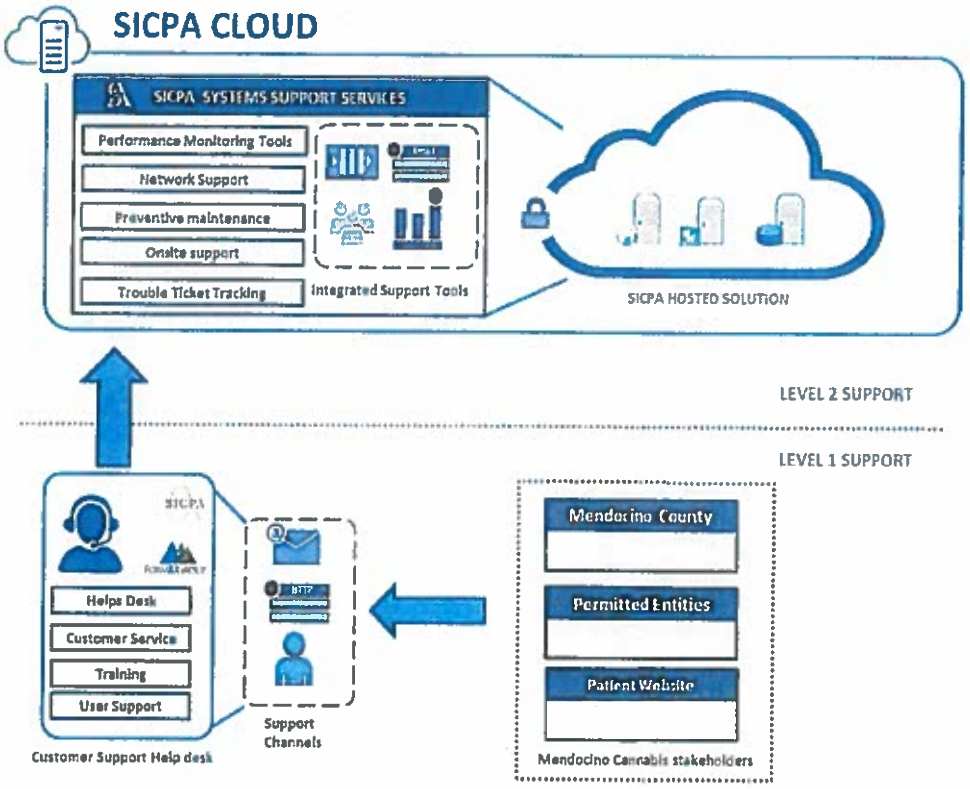
SICPA proposes to provide maintenance and operations services for the ITSS in accordance with the standards set forth in this proposal, including the areas described in detail below.

2.1.1 SOFTWARE MANAGEMENT

SICPA and its partner, Form 10 Group—a certified California Disabled Veteran Business Enterprise (DVBE)—bring unparalleled experience in help desk support, maintenance and operations. Together, SICPA and Form 10 Group have provided enterprise technical and application support in California for over 10 years—including all help desk support, software enhancements, systems maintenance, and adaptive and preventative maintenance for the SICPATRACE® track and trace solution utilized by the Board of Equalization since 2005. The SICPA team has the capability to scale to support the needs of Mendocino County as the regulated industry base expands. With significant uncertainty as to the number of cultivating operations that may seek to enter into a regulatory regime in the next few years—from 200 to 1500 or more—a vendor's ability not only to effectively support existing permittees, but also to add more permittees seamlessly, is critical.

2.1.1.1 Help Desk Support

For Mendocino County, the SICPA team is proposing a tiered support structure that combines field support, on-site support, and help desk support with remote monitoring and diagnostic tools to identify potential points of failure before they impact County or industry operations. SICPA has developed a comprehensive suite of customer support tools, processes, and procedures to continuously monitor the system health for software updates, enhancements, and preventive maintenance tasks beyond the first level support.



For all maintenance and operations, SICPA is responsible for meeting service level agreement (SLA) expectations set by the County. SICPA will leverage our Information Technology Service Management (ITSM) helpdesk system to provide typical helpdesk functions as well as automated helpdesk management and 24/7 monitoring systems. All help desk requests and system detail information is loaded into the ITSM system. Should any component of the overall solution— software, hardware, or network—reach a preset threshold in the monitoring system, the monitoring system is capable of automatically placing a call to the ITSM. The ITSM system then automatically creates a support ticket and assigns it to the appropriate support person.

The SICPA ITSM helpdesk is built on IT service standard Service Now® and captures and manages service tickets and assigns priority and resources. ITSM uses workflow to assure that issues are routed to the appropriate resources and alerts and escalations are generated automatically based on completion timeframes.

All service calls from the County or Industry are

actively monitored by dispatchers at SICPA's help desk using dashboards and drill-down screens. For inbound hotline calls, SICPA utilizes a tiered approach to handle technical issues. Tier 1 support calls are used to address simple questions for which call center personnel handle the initial level of troubleshooting. Tier 2 inquiries require escalation for troubleshooting by a technician with specialized skills to resolve the issue. Tier 3 calls may require dispatching a technician to address unresolved technical issues. The SICPA team has effectively utilized this process at the BOE, with California EBT retailers, and with the California DMV and has found this approach to be effective in resolving issues in a timely manner.

SICPA ITSS help desk functions are typically available 24 hours a day, 7 days a week using a combination of call center resources and on call resources. Call center resources typically provide primary support during normal business hours, from 6 AM to 6 PM Pacific Time, Monday through Friday. For assistance during other hours, calls are routed to on-call resources with access to ITSS help desk capabilities. To offer support during off hours and throughout extended business days, the SICPA team will support the ITSS program using help desk service centers in Tampa, Florida and Monterey, California to ensure continuous coverage and help desk redundancy.

As part of the ITSS contract, SICPA expects to discuss the specific support requirements for Mendocino County and capture these as part of a Service Level Agreement. We have provided a copy of a standard SLA in Appendix A.

2.1.1.2 System Enhancements

SICPA recognizes that the needs of the County will evolve over the contract term of the ITSS. California voters are considering Proposition 64, the Adult Use of Marijuana Act (AUMA) in November 2016; the Medical Cannabis Regulatory and Safety Act is subject to continued amendment; the County Permanent Ordinance may be subject to revision; and the Federal Government's long-term approach to medical and recreational cannabis remains uncertain. With a variety of potentially impactful changes affecting the regulatory environment, the ITSS must provide a flexible platform that meets the needs of today while also providing a foundation to meet future needs. SICPA has designed the proposed ITSS solution to meet this challenge by using an open, extensible architecture that can integrate with third-party applications and assets. Functional components are adapted using configuration instead of customization wherever possible, enabling the solution to respond to changes quickly and efficiently. SICPA develops these components using a continuous maintenance and upgrade path, with new system capabilities being released on a periodic, controlled basis to enable the County to ensure the platform meets future requirements.

Mutually agreeable enhancements could include changes to a higher grade of service or changes to the scope or functionality of components of the system or of the complete system, and are subject to the integrated change management process. Examples may include:

- New reporting requirements that will involve software development beyond what is included in the base product;
- New and additional interfacing with equipment or IT systems not in the scope of the current contract;
- New and additional features in the system not in the scope of the current contract; or
- Complete replacement of secure stamps, or type of marking, or major technology change.

SICPA will accommodate changes to forms, site attributes, and other legislative mandates. The process will consist of the following steps:

- The County notifies SICPA of new changes and updates to the regulatory regime, and provides the images or content as applicable.
- Upon receiving the change request, SICPA will acknowledge the request with the estimated time and cost required to implement the requested changes.
- SICPA will make the changes to the new form and wait for the County's approval before making the new/modified or information available in ITSS. If the changes include business logic or new calculations SICPA may ask for further follow up with the County prior to approval to assure there are no additional impacts on the information to be collected.

2.1.1.3 System Maintenance

During the duration of the contract, SICPA will update the hardware and software components when required to maintain the performance and security of the system within the scope and requirements defined in this contract at no additional cost. These updates include:

- Software version updates, bug fixes and patches;
- Life cycle management/maintenance of infrastructure (i.e. storage capacity, memory, networking, etc.)
- Upgrade of firmware of inspection readers;

SICPA will schedule updates based on assessment of the risk posed by the vulnerabilities identified. SICPA will communicate updates to Mendocino County.

2.1.1.4 Adaptive and Preventive Maintenance

To minimize any service disruptions to the County and its permitted entities due to hardware, software, or network failures, SICPA monitors all connected system components 24/7 utilizing sophisticated monitoring systems. These systems operate

mostly autonomously, with limited human supervision, to proactively collect performance data and generate actionable alerts and warnings to SICPA engineers via the Information Technology Service Management (ITSM) platform. This enables SICPA to react quickly, often before users report a problem. This consolidated monitoring system covers all infrastructure components including routers, switches, firewalls, servers, and network connections.

SICPA monitors all deployment sites for the program and performs proactive maintenance to reduce the risk of future service disruptions. If a problem occurs outside normal maintenance windows, an alert is sent to the application support staff where it is logged into the trouble ticket system for immediate resolution.

2.1.2 SYSTEM PERFORMANCE

Today's users expect excellent system performance, so SICPA tunes each component of the system to deliver fast performance. This includes the network, database, web pages, data retrieval services, and reports. Furthermore, the system is designed to handle the higher loads expected during the fall harvest season in this seasonal industry. SICPA based the solution on the number of permittees specified by the County in the RFP (30 or more County users and 1500 or more industry permittees, each with one or more authorized users). This will ensure smooth operation at all times for meeting and surpassing agreed service levels.

SICPA's performance measurement and optimization process begins during the system implementation process, before end-users interact with the solution in the production environment. SICPA performs system testing using large traffic loads to simulate client-specific test cases. The performance testing stresses the system with loads that will meet or exceed expected loads, ensuring that potential performance bottlenecks are identified and fixed. After optimization, SICPA re-tests the system with expected loads to ensure that the problem has been corrected.

Once in production, SICPA's Information Technology Service Management (ITSM) system monitors system performance. The ITSM system uses best-of-breed COTS component such as GroundWork, Check_MK, Nessus, Oracle/MySQL Admin tools, Nagios, Java monitoring components, and Splunk in order to enable SICPA to monitor IT infrastructure, platform and application levels for security, uptime and, and duration of events that are critical to end user satisfaction (e.g., transactions, queries, and batch processing).

ITSM management dashboards monitor the health of the system and infrastructure to identify potential failure points. Dashboard metrics also provide a quick indication of the health of outstanding service requests.

The results are presented in a dashboard format to facilitate quick assimilation of data. This dashboard allows SICPA engineers to focus on potential performance optimization. The dashboard can also be used to generate regular KPI reports on system performance measurements, which SICPA will provide to the County at agreed-upon intervals.

As part of the ITSS program, SICPA will provide the County a Service Level Agreement outlining network and system performance. An example of the SICPA SLA is included in Appendix A.

2.1.3 BUSINESS CONTINUITY AND DISASTER RECOVERY

SICPA has implemented backup and disaster recovery plans (DRP) for its entire portfolio of hosted platforms. SICPA solutions typically are considered 'mission critical' as they facilitate regulatory controls and revenue collection, and therefore demand high degrees of redundancy and failover. This includes large system-wide backup plans for Canada, Turkey, Brazil, California, Massachusetts, and other SICPA customers. SICPA will leverage this expertise for the ITSS to ensure to the highest degree the operations continuity for County officials and permitted entities.

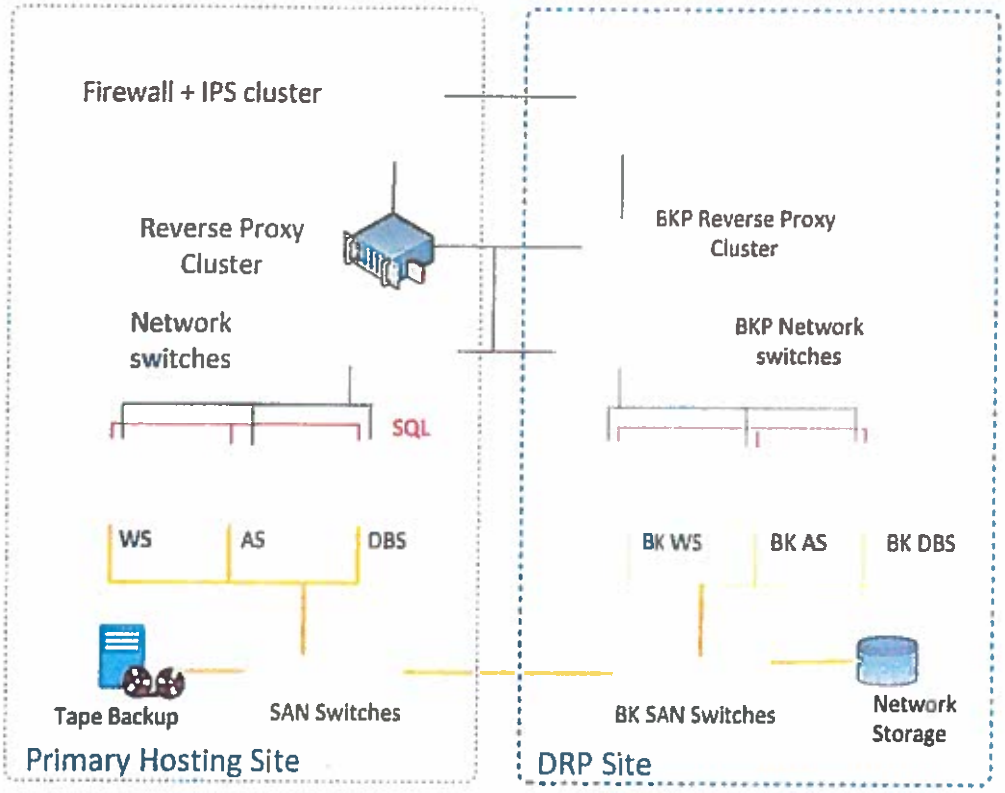
SICPA will back up system data using the same backup approach we use for other customer, which includes daily incremental backups plus weekly full backups. All backups are archived for a minimum of 30 days. Full system backups are put on tape and stored offsite in a secure facility.

In the event of a disaster, SICPA's objective is to activate the failover site within 24 hours. During any downtime event, SICPA will also implement the required manual operations that will be used until the system is fully operational.

The Mendocino County's ITSS technical architecture contains a disaster recovery (DR) site that mirrors the production environment at a different location for use if the primary location becomes unavailable for any reason.

In the unlikely case of a disaster, the DR site will be activated as the primary site. This means that all the network, hardware infrastructure, database and related applications become functional at the DR site, providing full operational capability.

The figure below illustrates how the proposed solution and network architecture for the SICPA ITSS Solution is typically configured:



SICPA will operate the ITSS using the disaster recovery plan (DRP) and business continuity plan (BCP) in place today for our existing customers.

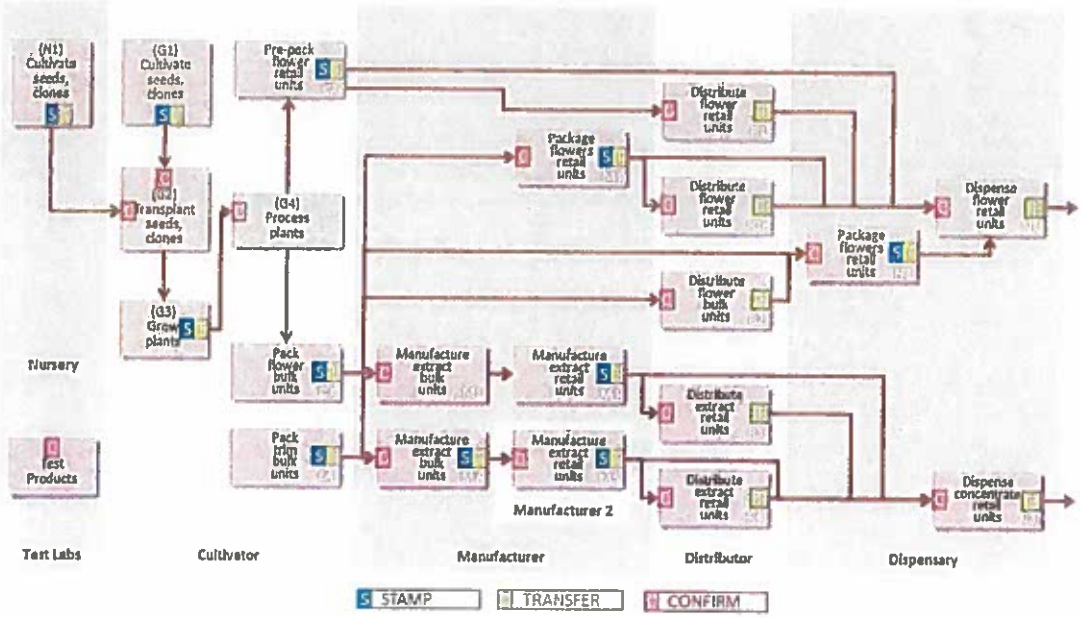
In addition to planning for large-scale disasters, SICPA recognizes that sometimes a service disruption can be caused by a failure in a small component. To reduce the risk of such a service disruption, SICPA uses best-of-breed hardware components that offer a high level of hardware redundancy (power supply units, fault-tolerant memory, RAID disk storage, multi-CPU architecture); uninterruptible power supplies (UPS); and RAID Storage Access Network (SAN) disk storage so failed disks can be replaced online without causing a service disruption.

2.2 REQUIRED SYSTEM CAPABILITIES

In the following section, SICPA has described how its proposed ITSS provides the required capabilities outlined in RFP Section XI.F.

2.2.1 TRACK CANNABIS AT EACH STAGE OF THE PROCESS

The SICPA ITSS platform tracks cannabis through the entire plant/product lifecycle pursuant to MCRSA track and trace requirements, from nursery to dispensary, as depicted in the following diagram:



The ITSS provides access to three core modules to the various permitted entities throughout the supply chain:

1) The stamped product activation ([S] in the diagram above) associates a unique identifier located on the stamps with the product data, site, user, manufacture date/time, and quantity and weight of a series of units from the same product.

   The system allows the County to track any discrete item after it has been stamped with the secure stamp. The stamp provides a unique identifier linked to information in the ITSS associated with the product and custody enabling the County to fulfill its requirement of tracking cannabis in any of its form, for example but not limited to live plants, processed flower in bulk or prepackage retail form, trim, extracts in bulk or prepackage retail form, THC infused and edible products.

2) The product transfer ([T] in the diagram above) enables permitted entities to declare any movement of a unique product that was activated, using its unique identifier for that purpose. These transfers are typically sales to another entity. The system also supports the use of transfers to record special exception processes such as distribution of commercial samples or destruction.

3) The product delivery confirmation ([C] in the diagram above) enables permitted entities to acknowledge formally the receipt of a transfer of product using the associated unique identifier, thus maintaining a record of the chain of custody for that product.

The table below identifies how each type of permittee uses these three basic functions to track products in the supply chain:

Permitted entity type	Stamping and activation	Product transfers	Delivery confirmation
Nursery	Stamping of clone pots or stakes, and activation with their strain type	Sale of clones to cultivators or other stakeholders as allowed by County	N/A
Cultivators (any type)	• Stamping of clone pots or stakes, and activation with their strain type • Stamping of plants using zip-tie tags and activation with their strain type • Stamping of any byproducts of processing (flowers, trims, etc.) in their bulk or retail packaging form	Transfer of clone to their cultivation area Transfer of plants to processing Sales of processed flower and by products to manufacturers, distributors, test lab or dispensary (Proposition 215) if allowed by County	Confirmation of delivery from any nursery Confirmation of internal transfers for clones and plants
Manufacturers (any type)	• Stamping of any byproducts of extraction (shatter, oil, etc.) in bulk or	Sales of extracts to second level (ingestible or topical product) manufacturer	Confirmation of delivery from any upstream trading partners

Permitted entity type	Stamping and activation	Product transfers	Delivery confirmation
	retail packaging form • Stamping of any cannabis infused ingestible or topical products in retail form	Sales of products to distributor or dispensary Transfer of product to test labs	
Distributors / Transporters	No stamping	Transfer of product to test labs	Confirmation of delivery from any upstream trading partners
Dispensary	Optional stamping for product repackaged in Dispensary (Proposition 215 legacy support)	Sales of products to "generic patient" per County's response to RFP question. The goal is to capture Sales volume and inventory balance	Confirmation of delivery from any upstream trading partners
Test Labs	No stamping	No transfer or destruction declaration if in county	Confirmation if in county

All activations and movement of products recorded by a permittee are visible to the permittee and county officials at any time.

For more details on the process, please refer to Section 2.5, Technology and Configuration Specifications.

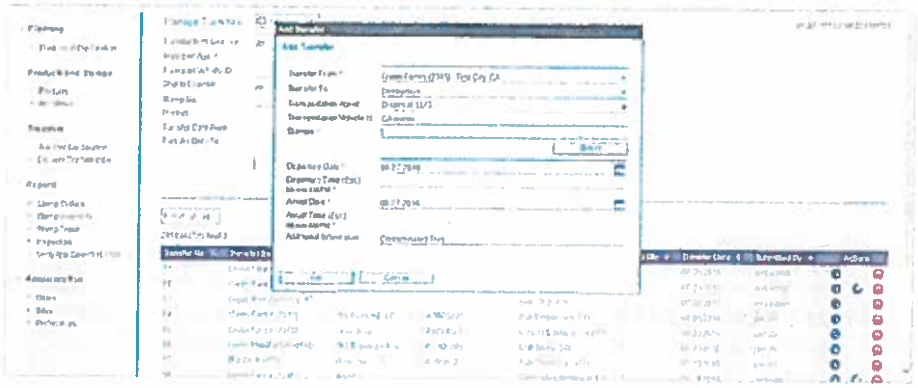
2.2.2 TRACK TOTAL AMOUNT OF CANNABIS IN POSSESSION OF PERMITTED ENTITIES

The ITSS system will provide the County full visibility of every permitted entity's activities and balance of products and stamps, including:

- The quantity of stamps ordered, used, and on hand;
- Product balance by product type and weight;
- Disposed products;
- Product transfers and products in transit;

Products that need to be destroyed must be routed to a specific disposal location identified in the ITSS. Products intended for disposal are registered in the system and are recorded in a transfer indicating the disposal location. Upon receipt of the product, the disposal location records acknowledgement of receipt. The system supports capture of justification or documentation for the disposal event. Disposal events and their attributes (site, date/time stamp, type of product and quantity/weight, etc.) can be easily monitored by the County through ITSS reporting.

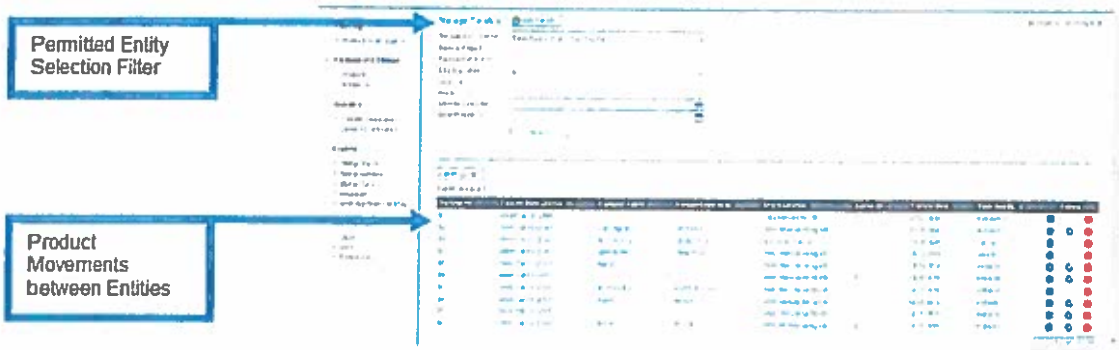
The following example illustrates a disposal transfer using five products selected for disposal in one operation:



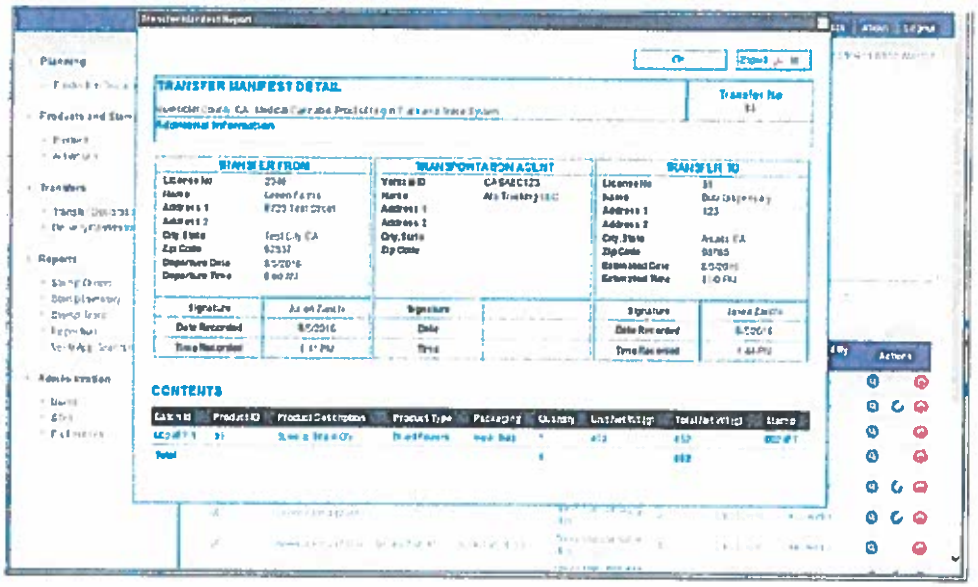
In addition to providing support for complete supply chain reconciliation from plant to sale, the flexibility of the ITSS and stamps also support tracking of an incomplete supply chain if desired. With the scheduled implementation of the ITSS for early 2017, the 2016 outdoor harvest season will be complete; however, cultivators may still be holding flower products and trim products for planned release in 2017. The SICPA ITSS, through the use of parent/child relationships between stamps, can support tracking starting at any level of the supply chain (nursery plant, cultivated plant, harvest batch/lot, product unit). This flexibility will allow the ITSS to support County reconciliation of 2016 outdoor harvest products that have not already been distributed when the system is deployed, as well as any indoor cultivation that is in process.

2.2.3 PRODUCE CHAIN OF CUSTODY, SHIPPING MANIFESTS, AND OTHER REQUIRED FORMS

The SICPA ITSS transfer module enables permitted entities to record sales or other transfers of plant, bulk or packaged goods to registered trading partners. After a user records a transfer, the user can view or print a report about this transfer called the transfer manifest. The transfer manifest contains information about the sender, recipient, and transporter; as well as detailed information about each product and stamp in the transfer. The transfer manifest can be printed to accompany the transfer so that all interested parties—sender, recipient, transportation agent, and government officials—can see a simple and complete record of the transfer and all the information needed to confirm the authenticity of the products and the transfer. Senders and recipients can also use the transfer manifest to support confirmation of the shipment contents.

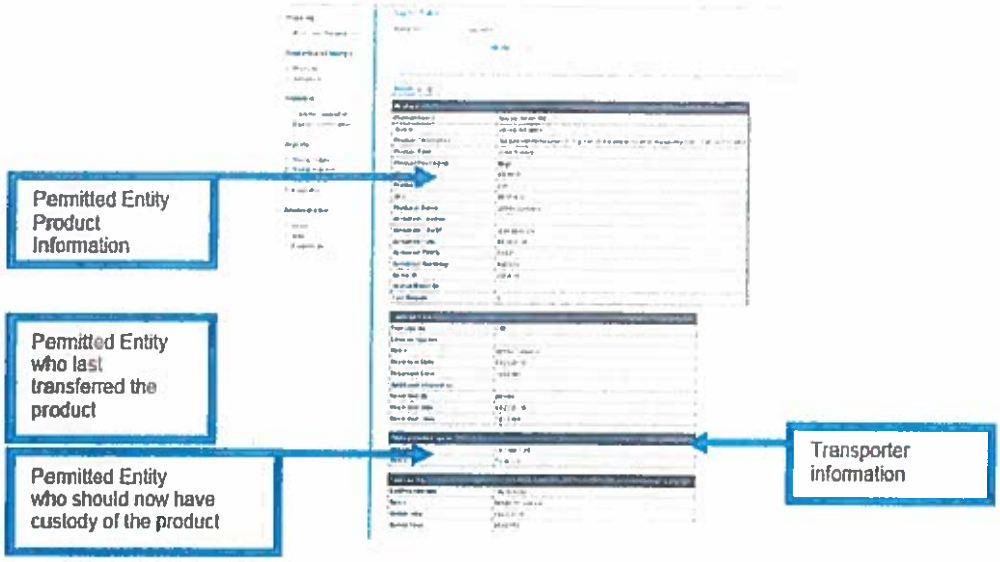


The following image displays a transfer manifest that the system generates and that can be exported to PDF and printed:



The SICPA ITSS stamp trace service is available solely to authorized county officials and enables them to trace the product and custody chain of custody information for any activated stamp.

This module can be accessed through mobile phone:



2.2.4 TRACK TRANSPORT OF CANNABIS AND MANUFACTURED CANNABIS PRODUCTS AND MEANS OF TRANSPORT

The SICPA ITSS Transfer declaration module enables the permittees to register sales of bulk or packaged goods to registered trading partners. The user interface enables the permittees to swiftly process transfers by:

- Selecting stamped products from a list by batch and/or by individual products;
- Selecting a recipient from their list of preregistered trading partners;
- Registering means of transport including the make, model, and vehicle identification number of the vehicle used for transport per MCRSA requirements

The ITSS registers the transaction with the permittee's ID, date/time, etc. to build a full product pedigree that can be traced by officials or permittees for verification.

2.2.5 INTEGRATE WITH HARDWARE

The SICPA ITSS platform supports data entry through peripheral devices such as scales and barcode scanners that comply with the following specifications:

- Devices that emulate keyboard input devices, such as scales that send product weight to the system
- 2D barcode scanners that support ISO/IEC 16022 - ECC200 2D datamatrix codes

While SICPA qualifies and tests the platform with a specific model of device in each category, we also plan to survey the permittee community at the beginning of the project to ensure that the supported devices meet permittee needs.

2.2.6 INTERFACE WITH COMMON COMMERCIAL INVENTORY TRACKING SOFTWARE SYSTEMS

The system is open and interoperable and can be interfaced via web services with common commercial inventory tracking software systems via web services or file exchange. Specific business functions such as stamp activation on products or product movement for sale at dispensary will have specific services that industry solutions developed by third parties can use to reduce data entry requirements.

2.2.7 TRACK THE FORM OF MEDICAL CANNABIS PRODUCT PRODUCED, UNIQUE LOT IDENTIFIER, QUANTITY, MANUFACTURE DATE, AND EXPIRATION DATE

The SICPA ITSS platform uses a unique identifier present in the **secure stamp** to track each discrete unit of cannabis product, including but not limited to unique lot identifier, quantity, manufacture date, and expiration date.

The following diagram depicts the features of a sample future County secure, encrypted, stamp:

Redacted

The stamp fulfils the following functions in the SICPA ITSS:

1) ***Track and trace:*** The stamp serves as the vehicle for tracking the medical cannabis in its various forms.
2) ***Material authentication***: The stamps clearly identify Mendocino County products and feature tamper evidence, overt, semi-covert and covert material security to prevent re-use, replication and easily detect simulated stamps attempts by illicit players.
3) ***Information-based security protecting product information and compliance pedigree***: The stamp's covert code carries information enabling county officials to confidently verify product information and obtain information about the permittee that used the stamp and the pedigree of the stamp throughout the supply chain. The stamp will also use an overt QR code that enables dispensaries and patients to validate product attributes, view testing certificates and further explore product and grower qualities such as farm information (e.g., clean green or certification of organic growing), strain information, appropriate use instructions, health and safety information, and cultivation care.
4) ***Production output reconciliation***: Stamps enable accurate product counting and classification, providing a secondary source of information to the permittees and officials to monitor and improve operations, and to cross-check production declaration against expected production yields.

The proposed stamp provides a secure, counterfeit-resistant design and will feature multiple layers of capabilities (security features, data interrogation features) on a pressure-applied (self-adhesive) frangible substrate. Because cannabis plants and

derivative products have significant economic value, protection of the unique identifier associated with each plant or product against illicit duplication or misuse is critical for ensuring that the County can effectively administer and regulate permittee activity. To prevent counterfeiting, the proposed ITSS stamp utilizes banknote-grade security inks that are not commercially available and that are offered exclusively by SICPA for government applications. This provides industry-leading security for field validation and authenticity confirmation, enabling County officials to quickly confirm that observed unique identifiers are legitimate. Using a modular construction approach, the stamps are manufactured at SICPA's secure, NASPO Certified facility using a secure process that incorporates several impressions or layers. Each layer provides a different security feature that work in combination to allow inspectors to detect counterfeits and illegal reproductions of the stamps using proven methods and tools.

The product activation module allows permittees to associate a unique identifier located on the secure stamps with the product data, site, user, activation date/time, and quantity and weight of a series of units from the same product:

Products	Stamp Location	Associated Data in the Database
Clones	Pot or stalk	Site, User, Date/time, Strain
Plants	Plant zip-tie tags	Site, User, Date/time, Strain
Processed flower in bulk or prepack retail form	Bag	Site, User, Date/time, Product attributes such as weight, potency, product type, packaging, test results
Trim	Zip-tie tags or tote case	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Extracts in various bulk forms	Jars and other containers	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Extracts in various retail forms	Boxes	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Processed goods such as edible, topical	Boxes, Pouches	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results

Other attributes such expiration date, product description, product and packaging type, etc. can also be associated at the same time. When the product is manufactured from a batch of source material, the unique identifiers associated with this source material can also be documented, providing a full pedigree to the point of origin.

2.2.8 CREATE USER SECURITY GROUPS AND ACCESS PRIVILEGES

SICPA's system uses role-based access controls (RBAC) to limit privileged functions only to authorized users. Each privileged user is assigned to a role that defines the privileged functions available to users who perform common privileged functions. Shown below is a typical set of roles with the associated privileged functions:

- ***Government officials***: This role provided full access to reports and to management and approval privileges in the system. More granular roles can be defined if needed for different departments like health, tax, or law enforcement.
- ***Permittees***: Users are restricted to view only their own site data, products, and transactions.

Redacted

2.2.9 PRODUCE REPORTS

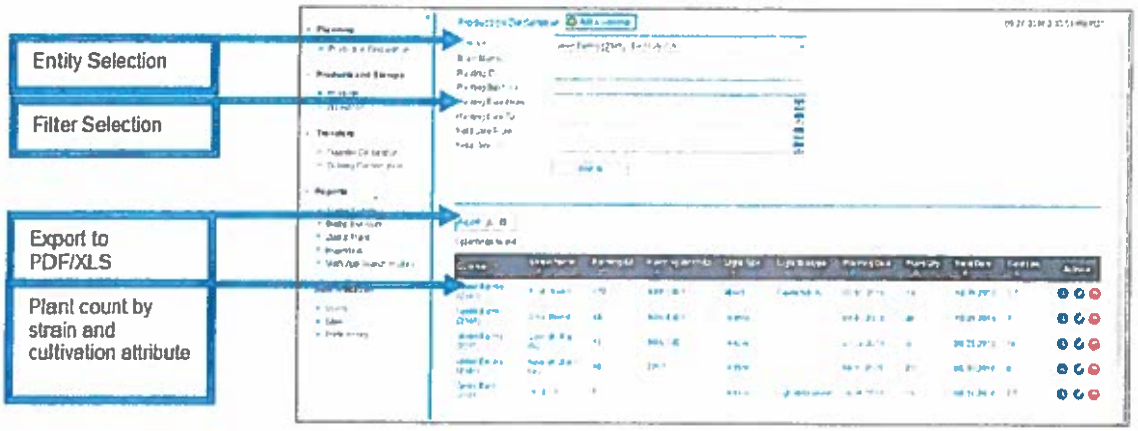
Reports can be displayed in web page format, or exported to Excel or PDF if desired. ITSS Reports can be generated as static pre-defined formats that are run on a periodic, regular basis or ad-hoc inquiries where users may be looking specific information sets on demand. Examples of static and ad-hoc reports include:

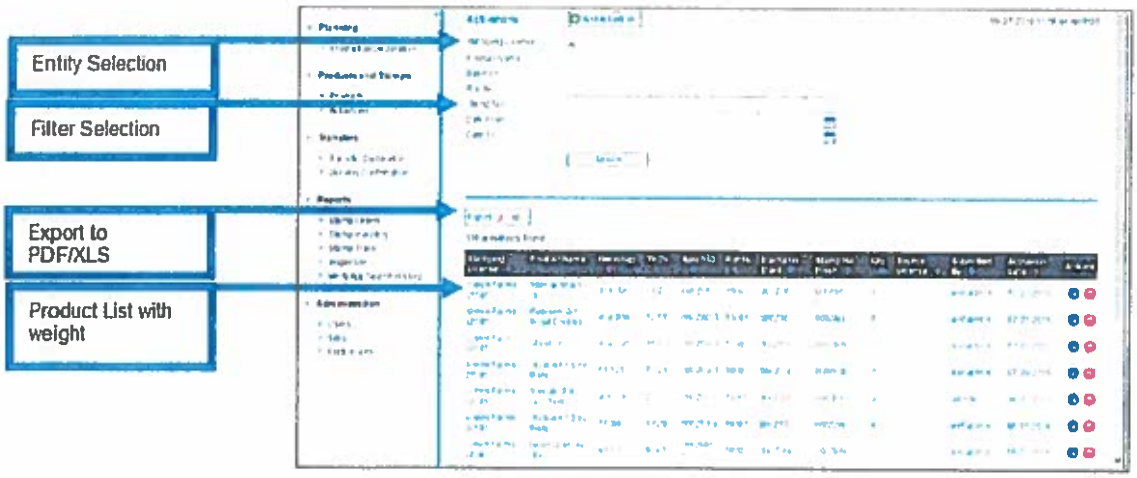
- Production Declarations
- Activations: Reporting of all the tagging and labelling activities or products ranging from plants to retail level units
- Transfer declaration and Delivery confirmation: Reporting of all the product movements (sales and incoming material)
- Product Catalog: list of products with their attributes

In addition to the module specific reports, the ITSS platform provides additional reports such as:

- Stamp order, inventory and usage
- Product inventory
- Trace report - Restricted to government officials, enabling enforcement to understand the pedigree and last known location of a given product

The following images depict the report generation process within the software:





2.2.10 RETAIN HISTORY OF MODIFICATIONS TO RECORDS, BACKUP AND ARCHIVING

The system logs all record creations/modifications/deletions, creating an audit trail for each transaction that can be examined by County officials or SICPA. In the event a transaction needs to be reversed or adjusted, both the original and adjusted transactions are recorded and available for examination.

The complete system, including the database (and therefore all audit logs) are mirrored, backed up, and archived as part of the Business Continuity and Disaster Recovery approach described in Section 2.1.3.

2.2.11 SET UP AND MAINTAIN MULTIPLE LOCATIONS PER USER ACCOUNT

The SICPA ITSS platform enables a given user to access multiple licensed sites. The user can access the system with a single sign-on and select the license that will be relevant to the desired query, operation or report. The image below depicts the creation of a user account assigned to multiple locations in the system.

Redacted

2.2.12 TURN OVER DATA FROM USER ACCOUNTS TO REGULATORY AND ENFORCEMENT AGENCIES UPON COUNTY REQUEST

The SICPA ITSS platform provides full, 24/7 access to County officials. County officials with system access can retrieve information directly using standard reports to find information about users, permittees and trading partners, stamps, products, transfers, and delivery confirmations. If information is not available through a standard report, SICPA can retrieve the data directly from the database and provide it upon county request.

2.2.13 PROVIDE COMPREHENSIVE PAYMENT COLLECTIONS SOLUTION OR INTEGRATE WITH CURRENT COUNTY PAYMENT SOFTWARE

SICPA's system can integrate with existing or future County electronic payment gateway and clearinghouse capabilities; in addition, SICPA has an existing partnership with US Bank that can be made available to the County as an option. The U.S. Bank e-Payment solution provides a robust set of payment processing and clearing capabilities that has

been integrated with the SICPA stamp ordering and management solution as part of a deployment of those capabilities for the State of Washington.

2.3 TRAINING PLAN

The SICPA team understands the importance of training so that County and industry users can leverage the system to its fullest potential. SICPA recognizes that use of this system may be the first time some County and industry users are exposed to any regulatory compliance system. County officials will also be executing new administrative and oversight processes in addition to having to effectively use the new ITSS solution. Many industry permittees have for years avoided recordkeeping to reduce the risk of prosecution.

These challenges drive the need for a comprehensive training plan that ensures success. The SICPA approach to training recognizes these challenges and we incorporate a variety of assets and techniques to ensure that all users in government and industry can effectively operate the ITSS solution. Led by our partner, Form 10 Group, the SICPA ITSS training approach for Mendocino County is based upon our similar, recent experience with training for our project with Humboldt County. Leveraging the academic research of training scholars David Kolb and Malcolm Knowles, ITSS training is targeted toward adults who are learning to adapt to, and embrace new technologies, processes and equipment in the workplace. We combine the introduction of new concepts and system requirements in an academic learning environment and follow-on with hands on training and applications. Adult learning is especially effective when the students can enjoy success and gain confidence through participation and repetition.

The ITSS solution offers unique challenges, but ones that are not insurmountable. The SICPA team has a proven track record of training organizations and groups of individuals on new technologies and processes. SICPA and its partner, Form 10 Group, have successfully worked together for the California Board of Equalization for over 10 years to enable and support the State's current track and trace solution for regulatory control of cigarettes. Form 10 Group brings an unparalleled capacity in training and enablement as demonstrated by their ability to support small (<100 user) to large training requirements (Form 10 Group has trained and supported more than 3500 users under its support contract with the California Department of Motor Vehicles). The ability to not only deliver initial training but also deliver sustained training over the duration of the ITSS project, and do so in reaction to various requirements for scale as permits are issued will be the critical success factors in the effective adoption of the ITSS solution – both for the County and for Industry.

2.3.1 DELIVERY OF TRAINING

The SICPA approach includes the establishment of a dedicated team focused on training to make a smooth transition to a new environment. The objective is to identify, develop, and provide the right education and training to the right people at the right time in order for them to attain the skills to be successful and meet performance expectations.

The primary training delivery method is classroom-based learning supported by remotely available materials and self-help guides. For the ITSS project, SICPA is proposing to conduct all classroom training locally at the Agriculture Commissioner offices in Ukiah. Classroom courses are structured to provide a curriculum aligned to different resources functions and needs, so that all resources from County administrators to Industry product packers are provided appropriate training required to effectively interact with the solution.

2.3.2 TRAINING CONDUCT

Courses will provide a combination of instructor-led learning and hands-on learning exercises to introduce topics and ensure content retention. The County has identified approximately 25 users and 5 account administrators who require training. Depending on the number of permittees, courses will typically be offered 1 to 3 days a week to ensure permittees receive training close to their operational use of the ITSS solution. Class sizes will be limited to 15 participants to ensure an appropriate teacher-to-student ratio.

Given the nature of permitting, SICPA understands that training will be an ongoing process. Rather than enabling all permittees at once, the ITSS solution training will constantly be required for new permittees over the term of the contract. SICPA also understands that after initial training, some permittees may hire new employees who need to be trained. Furthermore, resources that have been already training may need remedial training. To facilitate these needs, in addition to continuous classroom training, SICPA will also offer an online repository of guides and training materials accessible to County and Industry staff to mitigate these impacts.

The figures below provide a brief overview of some of the classroom-based training proposed for the ITSS solution.

Course 1. ITSS Planning for Industry	
Audience:	Industry permittee owners, managers or operations staff with basic computer and Internet skills
Prerequisites:	None
Description:	This course provides industry business owners and managers the information they need to prepare to use ITSS within their organization. The workshop describes how the system is used by different types of permittee and what information permittees need to provide to use the system. Participants in the workshop learn by using the system to create a production declaration and product catalog entries; and then stamp and transfer products. Upon successful completion of the course, class participants will be able to describe the basic functions of the system and identify the information needed to operate the system.
Topics:	Track and Trace Concepts and Supply Chain Product Flows Production Declaration Product Catalog Stamp Activation Creating and Confirming Transfers
Materials provided:	Instructor-led with practical hands-on exercises
Format:	Instructor-Led
Duration:	4 hours

Course 2. ITSS Permittee Training Workshop	
Audience:	Industry Permittees
Prerequisites:	This class is intended for employees and contractors who work for industry entities that have successfully completed Course 1.
Description:	This module is focused on how to train operations staff how to use the system on a daily basis. This is intended for larger permittees who have staff dedicated to using the system, and whose duties are limited primarily to applying stamps, stamp activation, transfers, and confirming transfers. Participants in this class learn by using the system to stamp and transfer products and confirm deliveries. Upon successful completion of the course, class participants will be able to perform the basic stamping and transfer functions of the system.
Topics:	Track and Trace Concepts and Supply Chain Product Flows Applying Stamps and Stamp Activation Creating and Confirming Transfers Reports
Materials provided:	Course workbook
Format:	Instructor-led with practical hands-on exercises
Duration:	3 hours

Course 3. ITSS for Government Officials	
Audience:	Government officials only
Prerequisites:	None
Description:	This module trains government officials on how permittees use the system and how government can use the system to perform regulatory compliance functions. The course begins with an overview of the basic track and trace concepts and product supply chain flows This class is designed for County officials involved with field compliance activities. The course is structured to enable compliance resources to look up and export required datasets prior to a field inspection, familiarize resources with the field tools included with ITSS for authenticating and validating ITSS plant identifiers and ITSS secure stamps.
Modules:	Basic Track and Trace Concepts and Product Supply Chain Flows Production Declaration Product Catalog Applying Stamps and Stamp Activation Creating and Confirming Transfers Users and Sites Inspections
Materials provided:	Course workbook
Format:	Instructor-led with practical hands-on exercises
Duration:	4 hours

2.4 PROJECT IMPLEMENTATION PLAN

SICPA plans to implement the project using proven project management methodology we have used to successfully implement similar projects.

The project implementation plan begins with establishing effective communication between SICPA and project stakeholders. This begins with a kickoff meeting, followed by regular weekly and monthly meetings with stakeholders. Weekly meetings are used to quickly get answers to questions; raise questions and identify blocking issues; and to set expectations regarding upcoming project activities. Monthly meetings are used to communicate with more peripheral stakeholders who hold interest in the outcome of the project but are not involved in day-to-day project execution.

Next implementation tasks begin, starting with collection of reference data, primarily licensed sites and trading partners. Infrastructure will be provisioned for the test and production environments. The ITSS server application will be configured, and then scripts will be run to load system reference data. Integration testing will be performed to ensure that functional and performance requirements are met.

At the same time, stamp design will be finalized and stamp production will take place. Once testing is complete, the system will be promoted from the test environment to the production environment. Shakeout tests will be performed to ensure that the software and configuration data was promoted correctly.

Training materials will be updated to reflect approved requirements. Training and user acceptance testing will take place, followed by "go live", the date on which users begin using the system with live data.

Support turnover takes place to ensure that support staff have the necessary information needed to support the system after rollout.

Throughout this process, the project manager will update the project schedule to ensure that if schedule problems arise, they will be identified early and managed appropriately.

Requirements will be tracked in a requirements traceability matrix to ensure that user acceptance testing will test all approved requirements.

The project implementation plan described above is illustrated below in Section 2.4.1 Project Timeline.

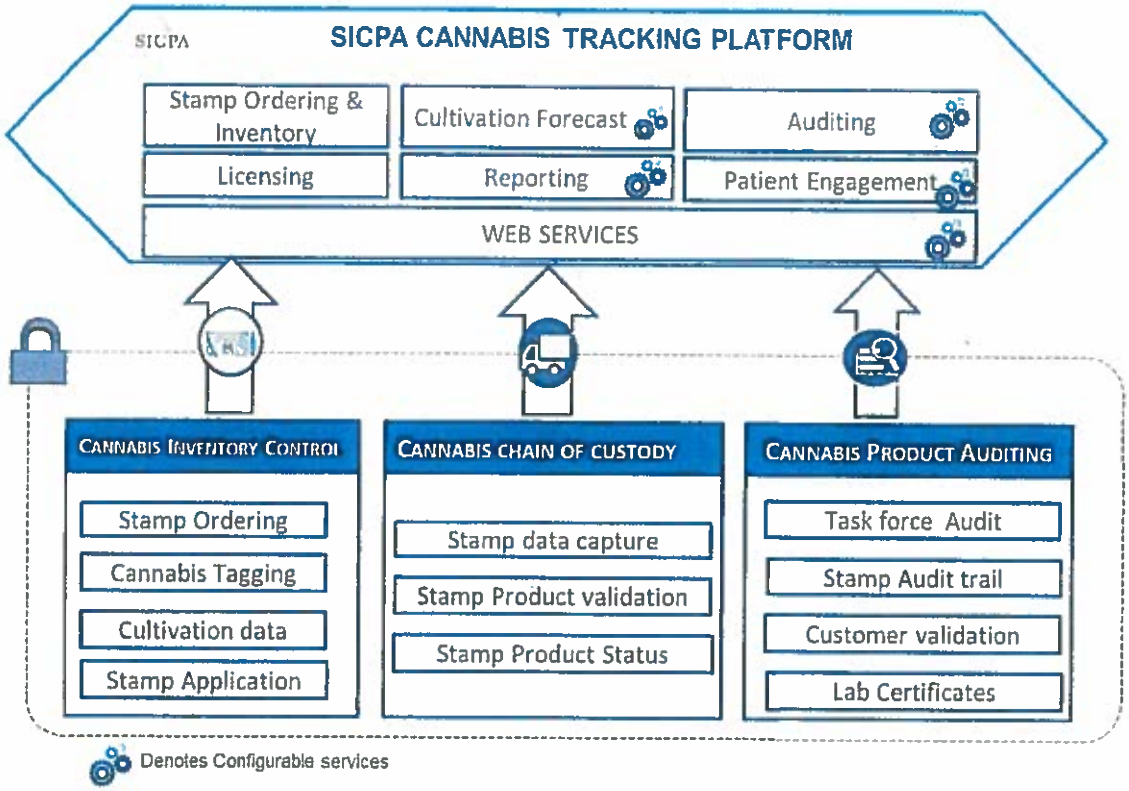
2.4.1 PROJECT TIMELINE

Per RFP Section XII.I, SICPA has provided a preliminary project plan and timeline on the following page.

Redacted

2.5 TECHNOLOGY AND CONFIGURATION SPECIFICATIONS

SICPA's proposed ITSS solution for medical cannabis control represents a State of California MCRSA-compliant track and trace system under the governance of the County. The following diagram depicts the functional architecture of the proposed system.



All servers are virtualized, which allows resources such as CPUs and memory to be added quickly and easily with minimum disruption. The software architecture is based on a relational database backend with Java-based code components and JBoss application server.

The platform is designed to provide end-to-end tracking of the cannabis product movement. The operational functional modules can be classified into three main categories:

1. Cannabis inventory control – This uses product stamping or plant tagging to uniquely identify and track cannabis. Plant tagging is used to track plants before harvest. After harvest, the permittee will indicate in the system the cultivation parameters, such as cannabis strain, plot or canopy size, yield, etc. The cannabis permittee will then aggregate the unit product transfer with a stamp that captures all the information in the system. The stamp is applied to the conveyance and is correlated to the cultivation batch.

2. Cannabis chain of custody tracking – This tracks products as they are moved from point to point as part of a transfer, enabling the system to capture product movement and chain of custody throughout the supply chain.
3. Cannabis product auditing - Cannabis product auditing enables task force members to scan and audit the cannabis product for compliance and origin authentication. This helps officials to determine whether the product transfer complies with the county's regulations. At dispensaries, the stamp can also be scanned to access laboratory quality results for safety and consumption.

Each of these modules is covered in more depth in our response to Section 2.1.

As shown above, the system tracks movement and transformation of goods throughout the supply chain from cultivation to dispensary.

The system implements interfaces using web services or file transfer to expose data and functions to authorized third-party solutions. These interfaces are configurable to fit the County's needs.

Most of the configuration is performed by SICPA during the product implementation for a specific project. SICPA will collect information from the County about licensed sites and their trading partners, and add that data to the system before the system is deployed. SICPA will continue to update this information as needed to add, update or deactivate sites as needed. Once users receive training, they will be granted access to the system, at which time they can enter their production declarations and product catalogs, and begin using the system. After deployment, users have access to this data, and can update them at their convenience.

3 COMPANY BACKGROUND AND EXPERIENCE

3.1 COMPANY OVERVIEW

3.1.1 SICPA

As a global leader in track and trace solutions SICPA is uniquely qualified to provide the services outlined in the County's RFP. Founded in 1927, SICPA is a global leader in product authentication, identification and secure traceability solutions and services. Protecting banknotes globally since the 1940s, SICPA's core business is based on proven anti-counterfeiting and authentication technologies. SICPA works with governments to secure excise tax and control product supply chains for more than 77 billion products annually, including beer, wine, spirits, cigarettes and other products with significant regulatory control requirements. SICPA is the leading excise tax stamp provider in the U.S. with customers that include 45 states. SICPA offers customers industry-leading tax stamp solutions with associated stamp fulfilment, tax processing, compliance and audit selection IT capabilities.

3.1.2 FORM 10 GROUP

Form 10 Group was founded in 2003 in San Jose, California. Since its inception Form 10 Group has focused on providing a wide range of services to federal, state and local government agencies. In the last several years, Form 10 Group has been involved in major system deployments for state agencies in California, Nevada, Oregon, Louisiana, Nebraska, and Georgia. Form 10 Group has also worked with many major corporations and non-governmental organizations. Form 10 Group has always focused on three key elements: Innovation, Intelligence and Integrity. Form10 has a culture to continuously challenge its staff to listen to its customers, analyze their problems, and offer customized solutions from a fresh perspective.

Form 10 Group has a network of trainers and customer support staff that will support the ITSS training and system support requirements. All of Form 10 Group's staff is evaluated by a criminal and financial background check prior to starting work—critical when working with confidential information and programs.

3.2 EXPERIENCE AND CAPABILITIES

SICPA has unique and unparalleled experience in working with national, state, and local governments on supply chain control systems for regulatory compliance, public health protection, volume reconciliation, and revenue and fee collection using secure track and trace technology:

- Ten countries currently utilize SICPA track and trace solutions to secure over 77 billion items annually. These systems have effectively assisted government agencies in

identifying and deterring black market activity across variety of products including tobacco, cigarettes, soda, water, beer, wine, and spirits

- In the United States, 45 states and more than 160 local jurisdictions utilize SICPA solutions for revenue collection and protection. SICPA provides the State of California with its current track and trace architecture through the SICPATRACE® solution used by the Board of Equalization since 2005. This solution assists the BOE in uniquely identifying over 800 million items annually and was cited by the California Auditor in March, 2016 as helping the state protect over $90 million in annual revenues previously lost to illicit activity.
- Humboldt County has deployed SICPA's track and trace solution to support administration and enforcement of its medical cannabis ordinances consistent with California state requirements as designated by MCRSA.

Form 10 Group, SICPA's partner in this proposal for training and support, has a proven track record of training organizations and groups of individuals on new technologies and processes. Form 10 Group strives to understand its customer's needs and learning objectives. Various training styles and delivery methods are examined for each client in order to enhance the likelihood of success. Form 10 Group's training customers include numerous federal, state and local government customers; as well as corporate entities and non-profit groups.

As organizations implement changes in the workplace, employees can exhibit unease, anxiety and even resistance to this change. Having a well-designed training program to overcome user apprehension is critical to effective adoption of the new technology and vital to any meaningful return on investment for the organization. Form 10 Group has successfully provided training to thousands of individuals facing organizational change during the past 13 years.

3.2.1 CURRENT CLIENT LISTING

3.2.1.1 SICPA

SICPA's current track and trace clients in the United States include Humboldt County, California for its Medical Cannabis Provenance Control Solution, the State of California Board of Equalization for its Alternative Cigarette Tax Stamp program, and the Commonwealth of Massachusetts Department of Revenue for its Counterfeit-Resistant Cigarette Excise Stamp Program. Details on each of these clients have been provided in the Letters of Reference section of this proposal.

In addition to these domestic clients, worldwide SICPA currently operates secure track-and-trace solutions on behalf of the governments of Canada, Brazil, Turkey, Morocco, Albania, Georgia, Malaysia, Kenya, Ecuador, and the Delhi state territory of India.

3.2.1.2 FORM 10 GROUP

Form 10 Group currently provides services in partnership with SICPA similar to those proposed herein to the California State Board of Equalization and the Commonwealth of

Massachusetts Department of Revenue in conjunction with SICPA's track-and-trace contracts in those states. Form 10 Group also currently provides training services to the California Department of Motor Vehicles and Florida Tax Collectors and has recently performed training services under contracts with the Texas Department of Public Safety and California Department of Health and Human Services.

3.2.2 NUMBER OF YEARS IN BUSINESS

SICPA was founded in 1927 and has operated continuously for the last 89 years. Form 10 Group has been in business for 13 years since its founding in 2003.

3.2.3 NUMBER OF YEARS OFFERING SERVICES DESCRIBED IN THIS PROPOSAL

SICPA has offered secure track-and-trace systems and related services since 2004 with the inception of its first SICPATRACE® contract in Malaysia, and has offered these services in the United States since 2005 with the initial California State Board of Equalization contract.

Form 10 Group has offered training and support services continuously since its founding in 2003, for a total of 13 years.

3.3 KEY PERSONNEL

SICPA's implementation team for the proposed project brings years of experience in secure track and trace solutions, overseeing multiple implementations of the SICPATRACE® platform—including the Humboldt County program. Our team's key personnel include:

- **Alex Finkel, Project Executive:** Mr. Finkel has more than 16 years of experience working in the areas of software development and operations. He joined SICPA in 2003 as a Systems Integration Manager, and has rapidly moved through the organization to his current role as Chief Operating Officer. He architected several global Track and Trace programs currently in operation and was on the implementation team for the Brazilian Track & Trace program, a multi-product platform that currently tracks over 46 billion unique items per year. In addition, he led the teams responsible for the implementation of SICPA's Track & Trace contracts in California, Massachusetts, and Canada. He is a member of SICPA's North American Executive Management team.

- **John Connors, Program Manager:** Mr. Connors has more than 25 years of professional government and private sector experience in program and project management for a variety of technical applications. Specifically, his background includes the bidding, planning, and managing of custom IT projects—including application software development, COTS integration, infrastructure support, full life cycle development, and systems engineering. Mr. Connors joined SICPA in 2014 where he is currently responsible for the implementation of the Medical Cannabis Provenance Control Solution for Humboldt County, as well as all secure track and trace stamp contracts including California and Massachusetts.

Per the RFP requirements, SICPA has provided resumes for these key personnel on the following pages.

3.3.1 ORGANIZATIONAL CHART

SICPA Product Security LLC has provided below its organizational chart depicting the positions of our named personnel within the organizational structure.

Redacted

ALEX FINKEL

Highlighted Experience

- More than 16 years of hands-on, technical development experience
- Manages all aspects of operations for SICPA's Track & Trace solutions in CA, MA and Canada
- Member of SICPA North American executive management team

PROGRAM EXECUTIVE

Mr. Finkel has more than 16 years of professional experience working in the areas of software development and operations. He joined SICPA in 2003 as a Systems Integration Manager. His academic credentials include a Bachelor of Science degree in Computer Systems Engineering from Boston University and MBA from New York University Leonard N. Stern School of Business. He has been recognized for his contributions to the organization overall through several roles held that included Project Management and Government Solutions Consulting. Mr. Finkel currently holds the role of Chief Operating Officer. He architected several global Track and Trace programs currently in operation and was on the implementation team for the Brazilian Track & Trace program, a multi-product platform, which currently tracks over 46 billion unique items per year. In addition, he led the teams responsible for the implementation of SICPA's Track & Trace contracts in California, Massachusetts and Canada. He is a member of SICPA's North American Executive Management team.

RELEVANT EXPERIENCE

- **Massachusetts – SICPATRACE®, Encrypted Tax Stamp Project, 05/2010 – Present**
  COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **California – SICPATRACE®, Tobacco Tax Stamp Project, 07/2004 – Present**
  COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **Canada – SICPATRACE®, Stamping Regime Program, 09/2010 – Present**
  COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **Brazil – SICPATRACE® Track and Trace System, 08/2007 – Present**
  System Integration Manager - Led technical sales and product strategy of an integrated solution encompassing item level serialization of tobacco products targeting tax revenue increase and lower illicit trade for Brazil's Internal Revenue Service. Managed the activities of a 20 person technical team responsible for the implementation of the project's first production site

EDUCATION

- **MBA, Finance**
  New York University—Leonard N. Stern School of Business
- **BS, Computer Systems Engineering**
  Boston University

JOHN CONNORS, PMP

Highlighted Experience

- More than 25 years of technical development experience
- Manages all tax stamp contracts including CA & MA

PROGRAM MANAGER

Mr. Connors has more than 25 years of professional government and private sector experience in program and project management for a variety of technical applications. Specifically, his background includes the bidding, planning, and managing all custom IT projects—including the application software development, COTS integration, infrastructure support, full life cycle development, and systems engineering. Mr. Connors joined SICPA in 2014 where he is currently responsible for all tax stamp contracts including California & Massachusetts.

RELEVANT EXPERIENCE

- **Humboldt County, California – SICPATRACE®, Medical Cannabis Track and Trace Project, 03/2016 – Present**
  Project Manager – Oversees the ongoing operations of this project, including planning, development, and implementation.
- **California – SICPATRACE®, Tobacco Tax Stamp Project, 09/2014 – Present**
  Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.
- **Massachusetts – SICPATRACE®, Encrypted Tax Stamp Project, 09/2014 – Present**
  Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.
- **Canada – SICPATRACE®, Stamping Regime Program, 09/2014 – Present**
  Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.

EDUCATION

- **Bachelor's Degree, Electrical Engineering / Computer Science**
  Stevens Institute Of Technology, Hoboken, NJ

CERTIFICATIONS

- **Project Management Professional (PMP)**

3.4 REFERENCES

Per the requirements of the RFP, SICPA has provided contact information for three client references, as well as letters of references from these points of contact. The information has been provided on the form included as Attachment D to the RFP.

4 PROPOSAL COST PLAN AND NARRATIVE

SICPA is pleased to submit our pricing proposal to the County for our proposed Inventory Tracking Software Solution (ITSS). SICPA has developed its pricing for the proposed ITSS program based on our experience implementing similar types of information technology projects and our comprehensive program cost methodology. SICPA's pricing includes the all required hardware, software, professional services, secure stamps, field validation tools, licenses and resources required to deliver the scope of work we have outlined in our proposal.

SICPA's proposed costs provide for all costs incident to the proposed contract and delivers the components requested by the County for this procurement including:

- All professional services required for the implementation of the ITSS solution to meet the County's requirements as outlined in the Request for Proposal.
- Hosting services including required infrastructure hardware and software to provide ITSS as an open platform that offer offering world-class availability, scalability, security and performance.
- Implementation of the technical architecture and ongoing technical support for the entire contract period
- Provision and delivery of secure stamps - inclusive of County specific design - to industry permittees for the entire contract period.
- Training and mentoring to enable County staff and other users authorized by the County (law enforcement, planning, and industry) to effectively utilize the solution and associated field validation tools.
- Ongoing customer service and support for industry and county staff including both in person and remote support.

After analyzing the RFP requirements and based on the detailed requirements that we have seen from similar types of projects, we believe the County should make several considerations when evaluating vendor pricing proposals.

- **Do the Vendor's costs align with desired County Outcomes?** The County has recognized the need to provide existing, legacy permittees a chance to absorb regulation prior to new permittees entering the market. Under the proposed County permanent ordinance, new operations (those not existing prior to Jan 1, 2016) may have to wait up to five years to seek a license while those already existing establish a market foothold. We have structured our price proposal to progressively align costs to legacy permittees which have traditionally been smaller, artisanal cultivators. Under our approach, smaller permittee costs are different from large, commercial scale operations. A progressive cost of ownership structure creates a more level playing field for ensuring access to the market while acknowledging the ability of different sized permittees to competitively absorb regulatory costs.

- **Does the vendor truly deliver the County's requirements?** The County has provided high-level requirements in the RFP documents but not a detailed requirements matrix. SICPA recognizes that there are many detailed items that must be considered in support to the documented requirements for actionable deliverables. Our experienced team fully understands the County's need to implement a solution quickly and the need to minimize the amount of system customization required. As part of our program, SICPA will conduct a robust and thorough up-front requirements validation and analysis with the County, to reduce the risk of potential misunderstanding later in the project that would expose the county to inconvenient re-design work.

- **Is the vendor experienced at identifying and managing the risks of a large and complex project?** The County has identified a significant number of potential permitted operations, estimated between 200 to 1500 or more, that a vendor will be required to train and support. These permittees may have varying degrees of competence using computers and technology solutions and will require timely and comprehensive training, enablement and support. The County also has identified regulatory account administrators and users, both in the field and in office, who will require training on system functions and cannot afford downtime when conducting critical compliance and administrative tasks. Covering a large geographic area with significant remote locations, the County will also face challenges for timely communication and online/offline support for system functions where cellphone and Wi-Fi coverage is inadequate. SICPA has accommodated the significant time and solution capabilities required for these types of activities that are critical to a successful achievement of this implementation.

- **What is the long term total cost of ownership (TCO) for the solution?** SICPA's policy is to provide clear, accurate, and complete up-front pricing for the project, and not subject the County to change orders, add-ons or other cost inflators. While SICPA recognizes that this may put our solution cost at an initial disadvantage, we believe that our proposed cost is based on a true understanding of the complexities of this initiative, not wishful thinking from an inexperienced offeror.

The professionals of the SICPA team (SICPA and Form 10 Group) bring deep domain expertise and experience in track and trace and technology enablement to work with the County for ensuring that requirements are appropriately understood, implemented and fully supported. Our pricing approach also is based on a strong belief that SICPA team staff must have a presence with the County during the project, and that SICPA must be a key stakeholder with the County that will ensure the success of this project. Our pricing includes significant on-site time to ensure effective communications with all the stakeholders on the project. SICPA has also structured its pricing so project payments from the County and industry are paid only upon the production delivery of the solution. With its proposed pricing approach, SICPA is investing with the County as trusted partner for ensuring the success of this project with costs only being borne by the County and industry upon successful production system deployment.

Based on the above, we believe the County will find our pricing provides a compelling value proposition, one unmatched by other solution providers in the market with one-size-fits-all offerings. The pricing table is provided below and is inclusive of all the costs, including per hour costs, chargeable to the County and costs borne for each permittee:

Redacted

ATTACHMENT C
EXCEPTIONS TO RFP

Company Name: SICPA Product Security, LLC.

Representative:

Title:

Address: 8000 Research Way, Springfield, VA. 22153-3131

Phone: Email:

I have reviewed the RFP and General Contract Terms in their entirety and have the following exceptions: (Please identify and list your exceptions by indicating the section or paragraph and page no. as applicable. Be specific about your proposed exception(s) to content, language, or omissions. Add as many pages as required.)

None

Authorized Representative: James E. Bonhivert
(Printed name)

Signature:

Date: September 22, 2016

ATTACHMENT D
LETTERS OF REFERENCE

Please list the references (minimum of two (2)) in the section provided below and attach corresponding letters to this form.

Agency	Contact Name/Address	Phone No.	Dates Services Provided (From/Through)
California State Board of Equalization	Richard Parrott 450 N Street Sacramento, CA 94279	Redacted	2005 – Present
County of Humboldt Department of Agriculture	Jeff M. Dolf 5630 South Broadway Eureka, CA 95503	Redacted	2016 – Present
Commonwealth of Massachusetts Department of Revenue	Evan J. Garcia 200 Arlington St. Rm. 4300 Chelsea, MA 02150	Redacted	2010 – Present

STATE OF CALIFORNIA
STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0057
1-916-552-6637 • FAX 1-916-324-2554
www.boe.ca.gov

SEN. GEORGE RUNNER (RET.)
First District, Lancaster

FIONA MA, CPA
Second District, San Francisco

JEROME E. HORTON
Third District, Los Angeles County

DIANE L. HARKEY
Fourth District, Orange County

BETTY T. YEE
State Controller

DAVID J. GAU
Executive Director

September 28, 2016

Christopher Shaver
Executive Office/Central Services Division
Mendocino County
501 Low Gap Rd, Room 1010
Ukiah, CA 95482

RE: SICPA Letter of Reference
RFP 34-16 Medical Cannabis Inventory Tracking Software

Dear Mr. Shaver:

SICPA Product Security, LLC (SICPA) has been providing the California Board of Equalization (BOE) with secure cigarette tax stamps successfully since the inception of the original contract in 2005. During this period SICPA has continuously met all of the State's requirements and has delivered a high level of capability and service.

Under the scope of their contract, SICPA provides the BOE with an integrated secure track and trace system that utilizes an encrypted tax stamp as the secure unique identifier. The system is fully hosted by SICPA and provides the State with a centralized, secure database to manage all encrypted stamp orders, process inquiries from state officials, and generate reports on revenue collection, distributor activity, stamp inventory, investigation management, and reporting.

Using SICPA's solution, the State sells approximately 800 million tax stamps per year, protecting and generating almost $700 million in revenue. Since full-scale implementation in July 2005, the BOE reports that the SICPA solution has contributed to significant gains in tax revenue collection, market protection, and criminal activity prevention and enforcement. In May of 2014, the BOE reported that due to the Cigarette and Tobacco Products Licensing Program, the counterfeit-resistant encrypted tax stamps and retail inspections, the total excise tax and sales and use tax compliance improvement benefits to the state are $135.7 million annually.

Please do not hesitate to contact me at Redacted with any questions.

Sincerely,

Richard Parrott

Richard Parrott, Chief
Special Taxes and Policy and Compliance Division

DEPARTMENT OF AGRICULTURE
COUNTY OF HUMBOLDT
5630 SOUTH BROADWAY EUREKA, CALIFORNIA 95503
PHONE (707) 441-5260

September 23, 2016

Christopher Shaver
Executive Office/Central Services Division
Mendocino County
501 Low Gap Rd, Room 1010
Ukiah, CA 95482

RE: SICPA Letter of Reference
RFP 34-16 Medical Cannabis Inventory Tracking Software

Dear Mr. Shaver

With the passage of the Medical Marijuana Regulation and Safety Act (subsequently amended to MCRSA) the State of California established its regulatory framework for Medical Cannabis. Under MCRSA, the State enumerated requirements for the use of Track and Trace technology utilizing a unique identifier for reporting the movement of medical cannabis items throughout the distribution chain.

In March, 2016 Humboldt County has entered into an agreement with SICPA Product Security, LLP ('SICPA') to engage in a first of its kind pilot program for track and trace of Medical Cannabis consistent with MCRSA regulations. Humboldt County decided to work with SICPA based on its unique domain knowledge, understanding of track and trace technology, and experience implementing this technology globally and with the California Board of Equalization. Under the program, SICPA is providing the County with a track and trace solution utilizing secure, encrypted unique identifier stamps along with patient engagement and field enforcement verification tools to provide the County with a comprehensive proof of origin capability for identifying and tracking Medical Cannabis products derived from Humboldt County.

The Office of the Humboldt County Agricultural Commissioner has overseen the program with SICPA and confirms that SICPA has fully met the County requirements and expectations for performance. The program went live on August 1st, 2016 and during our engagement SICPA has consistently delivered on the requirements and timeframes of the program and provided both the County and industry with a strong level of training and support. Based on SICPA's performance and the success of SICPA's track and trace solution in meeting County requirements for Medical Cannabis Track and Trace, the County has subsequently requested SICPA extend the program for an additional month through December 31, 2016.

Please do not hesitate to contact me at Redacted with any questions.

Thank you,

Jeff M. Dolf
Agricultural Commissioner/
Sealer of Weights & Measures

The Commonwealth of Massachusetts
Department of Revenue
Audit Division
200 Arlington St., Room 4300
Chelsea, MA 02150

MICHAEL J. HEFFERNAN
COMMISSIONER

STEPHEN MOFFATT
ACTING DEPUTY COMMISSIONER

September 30, 2016

To Whom It May Concern,

This letter will confirm that the Massachusetts Department of Revenue ("DOR") has contracted with SICPA Products Security LLC to implement a Counterfeit-Resistant Cigarette Excise Stamp Program utilizing its SICPATRACE platform.

SICPATRACE has been in operation in the Commonwealth of Massachusetts since May 2010, reaching full implementation by March 2011. The contract is governed by the requirements set forth in the Request for Response for Counterfeit-Resistant Cigarette Excise Stamps ("RFR") issued March 18, 2009 and numbered RFR 08-623.

DOR awarded SICPA a contract for encrypted cigarette stamps and services that:

1. Manufacture stamps that are counterfeit-resistant due to the integration of multiple overt and covert features, including encrypted features.
2. Produce stamps with unique stamp numbers.
3. Ensure receipt by DOR of accurate reports regarding the manufacturers and brands of cigarette stamped.
4. Prevent stamps from being affixed by Stampers to cigarettes that are not listed on the Commonwealth's Tobacco Product Manufacturer Directory.
5. Allow stamps to be affixed only by designated Stampers/stamping machines.
6. Allow Stampers to order encrypted stamps through a secure Web-Based application, thereby streamlining DOR's order process and allowing stamps to be shipped from the contractor directly to Stampers.

SICPA has provided roughly 200 million stamps per year since July 2011. Any issues with the program have been minor and SICPA has addressed all issues timely and efficiently. To date SICPA has satisfactorily met its requirements under the contract.

Very truly yours,

Evan G.

Evan J Garcia
Director, Miscellaneous Excises Unit
Massachusetts Department of Revenue

ATTACHMENT E
CERTIFICATE OF NON-COLLUSION

The undersigned certifies, under penalty of perjury, that this proposal has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

SICPA Product Security, LLC.
(Name of Proposer)

(Signature of Authorized Agent)

September 22, 2016
Date

APPENDIX A
SAMPLE SERVICE LEVEL AGREEMENT (SLA)

This Service Level Agreement ("Agreement") sets forth the details regarding the level of service and technical support for the Service that will apply to the County of Mendocino's account.

1. Downtime

(a) For purposes of this Agreement, a unit of Downtime is one period of at least thirty (30) minutes up to sixty (60) minutes ("Unit") during which the Service or a material components of it is unavailable because of problems with or the unscheduled maintenance of Vendor's hardware or system software("Downtime"). Downtime does not include (i) problems caused by factors outside of Vendor's reasonable control, (ii) problems resulting from any actions or inactions by the County or any third party, (iii) problems resulting from the County's equipment and/or third party equipment not within Vendor's sole control, or (iv) network unavailability during scheduled maintenance of Vendor's network and/or servers. Vendor will periodically monitor Vendor network and server availability using software and hardware components capable of measuring application traffic and responses. Based on its monitoring, Vendor will determine Downtime for the purposes of this Agreement.

(b) Vendor's servers connect to the Internet through redundant high-speed connections on diverse backbones, enabling data delivery to the end user in a quick and efficient manner. Subject to the limitations set out below, in any calendar month, Vendor guarantees that Downtime will not exceed four (4) Units of Downtime excluding regularly scheduled maintenance. Any regularly scheduled maintenance will be performed during the hours of 11:00 PM and 5:00 AM EST on a Saturday or Sunday. Vendor works to ensure the functioning of all network infrastructures through continuous monitoring by Vendor's staff, however, Vendor has no control over third party services including, without limitation, the Internet. VENDOR'S SERVICES ARE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. VENDOR IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

(c) If Downtime exceeds four (4) Units of Downtime in any calendar month, Vendor will, upon the County's written request, credit the County's account (a "Downtime Credit") in an amount equal to the prorate price for one (1) day of service, for each 4 Units of Downtime in any calendar month.

(d) To receive Downtime Credit, the County must request such credit by sending an email to vendor within seven (7) days after the occurrence of Downtime. Downtime Credits will be applied upon issue of the first invoice following the request for Downtime Credit, unless the Downtime occurs in the County's final month of service. In such case, a refund for the dollar value of the Downtime Credit will be mailed to the County within thirty (30) days of the expiration of the County's service agreement.

2. Technical Support

(a) A member of Vendor's technical support help desk staff will be available to assist the County with problems and questions regarding the Service. Vendor will supply telephone and/or email support to County regarding the Service twenty four (24) hours a day, seven (7) days a week.

(b) The county may contact Vendor's technical support help desk via email at Xxxxxxx.Xxxx@sicpa.com or by telephone at 1 800 313 xxxx. Vendor may, from time to time, develop additional methods for the County to contact the help desk, and will make information regarding such methods available at Vendor's website.

3. Software Upgrades

From time to time Vendor will release new versions of the Software and will automatically upgrade the Software to the latest version. Vendor will provide seven (7) days' notice to the county, of any such scheduled maintenance on the Administrator login screen and by email.

COUNTY OF MENDOCINO
Executive Office
Central Services Division

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COUNTY OF MENDOCINO ♦ REQUEST FOR PROPOSAL ADDENDUM NO. 1

Medical Cannabis Inventory Tracking Software System

RFP No.	**34-16**
Addendum Issue Date:	**September 13, 2016**
RFP Issue Date:	**August 26, 2016**
RFP Submission Deadline:	**September 30, 2016 - 2:00 pm**
NEW RFP Submission Deadline	**October 7, 2016 – 2:00 pm**

GENERAL RFP CLARIFICATION PROVIDED TO ALL VENDORS AND POTENTIAL PROPOSERS:

To allow for adequate time for proposal submission, the new RFP Submission Deadline will be October 7, 2016.

VENDOR INQUIRIES/MENDOCINO COUNTY RESPONSES

1. **Vendor Inquiry:** *The RFP states that the selected service may be made available for use by "other local government agencies." Does this include agencies within Mendocino County only, or agencies anywhere within the State of California?*

County of Mendocino Response/Clarification: Services may be made available for use by other government agencies throughout the State of California as the County included piggy back language. As stated in the RFP, *"The use of the contract, by the other government agencies, will be optional. Sales to these governmental agencies by the Contractor shall be optional. If bidders choose to extend prices offered on this proposal to other governmental agencies, any resulting contract will be solely between the supplier and the third party unit of government. Mendocino County shall not be responsible for any problems which may arise between other government agencies and the contractor as a result of any sales and/or purchases made."*

2. **Vendor Inquiry:** *Section X states, "The County's authority under its local permitting authority does not make it possible to track and trace medical cannabis grown outside of jurisdictional boundaries from seed or cutting." XI.F. 1 however does not refer to nurseries. Should the system support nursery users and shipments from nurseries?*

County of Mendocino Response/Clarification: Yes, the system should support nursery users and shipments from nurseries.

3. **Vendor Inquiry:** *These RFP sections refer to training. Will the County please provide an estimate of the number of county regulatory account administrators and users and permittee system administrators and users?*

County of Mendocino Response/Clarification: The County estimates at this time there would be 25 county users and five (5) account administrators.

4. **Vendor Inquiry:** *The RFP states the solution must provide the "...ability to track cannabis, including weight and/or volume, at each state of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction" [emphasis added]. MCRSA track and trace requirements include movement to dispensaries, but not dispensing of products to patients or the capture of patient information. Please clarify whether or not the County requires track and trace of products to patients?*

County of Mendocino Response/Clarification: The system should include movement to dispensaries and tracking mechanism to monitor gross sales, but no patient information is required.

5. **Vendor Inquiry:** *In regard to track and trace of cannabis storage/transporting: Does the County require the ability to track and trace product movement occurring within the same permitted entity location (for example from Room 1 to Room 2 within the same licenses manufacturing location)?*

County of Mendocino Response/Clarification: The product, at minimum, should be able to track the various stages in the product life cycle of cannabis, including stages occurring within the same permitted location.

6. **Vendor Inquiry:** *The County specifies the ITSS must provide a comprehensive payment collections solution and references current software systems including RevQ, Aumentum and other in-house systems. Does the County payment collection requirement include a need to process payments received electronically (in other states some industry payments are electronically remitted) and if so, does the County have a current payment clearinghouse vendor? Are payments currently cleared through any of the referenced solutions or other existing County systems? For what business functions does the County anticipate collection payments? Does the County anticipate supporting payment bonds or deferred payment options?*

County of Mendocino Response/Clarification: The RFP states ability to provide payment collection solution or ability to integrate with County systems. Yes, electronic payments will be accepted; the vendor is Point & Pay. Yes, payments are currently being received through RevQ by GovPayNet and the in-house system by ACI Official Payments; however, total transition to Point & Pay is anticipated to be complete by the end of the calendar year. The County anticipates collection of permit fees. The County does not anticipate supporting payment bonds or deferred payment options.

7. **Vendor Inquiry:** *Requires offerors to submit "A description of the experience/qualifications of all persons who may perform services under contract, including staff resumes that cover all experience and educational background." Is it acceptable to limit staff resumes to key personnel?*

County of Mendocino Response/Clarification: Yes, key personnel are sufficient.

8. **Vendor Inquiry:** *Requires "A list of key personnel, including full name, position, licenses or degrees held and brief summary of relevant experience as related to proposed services; organization chart; list of Board of Directors (if applicable); licenses (where appropriate)." For which positions should key personnel be proposed?*

County of Mendocino Response/Clarification: Executive and project management staff is sufficient.

ALL OTHER SPECIFICATIONS REMAIN IN FULL FORCE AND EFFECT.

Acknowledgment of receipt of this addendum is required to be included in your proposal. You may indicate such inclusion in narrative form within your proposal or by attaching a copy this addendum to your proposal.

Any questions or concerns regarding this matter should be directed to Janelle Rau, Deputy Chief Executive Officer, at (707) 463-4441 or email addresses below:

Janelle Rau, Deputy Chief Executive Officer
rauja@co.mendocino.ca.us