

Council Meeting of
April 8, 2008

Honorable Mayor and Members
 of the City Council
 City Hall
 Torrance, California

Members of the Council:

SUBJECT: COMMUNITY SERVICES/LIBRARY – Accept and appropriate donations in the amount of \$40,000 to fund the digitization of Torrance historical newspapers, and approve a contract in an amount not to exceed \$60,000 with Progressive Technology Federal Systems, Inc. (PTFS) for digitizing services.

RECOMMENDATION

Recommendation of the Community Services Director that the City Council accept and appropriate donations in the amount of \$20,000 from the Friends of the Torrance Library, and \$20,000 from the Torrance Historical Society to digitize the *Torrance Herald*, *Torrance Press*, and other historical publications, and approve a one-year contract with Progressive Technology Federal Systems, Inc. (PTFS) in an amount not to exceed \$60,000 for digitizing services.

Funding

Funding for this project will come from three sources:

- ⇒ \$20,000 gift from the Friends of the Torrance Library
- ⇒ \$20,000 gift from the Torrance Historical Society
- ⇒ \$20,000 from City of Torrance Contingency Reserve Fund

BACKGROUND

The City of Torrance is dedicated to preserving the city's rich history and heritage. From 1914 to 1970, the *Torrance Herald* and *Torrance Press* (formerly the *Peninsula Press*) were the definitive record of Torrance history, politics and affairs during the City's formative years. Regrettably, the last remaining copies of these publications are deteriorating and may not be available for future generations.

In the early 1970s, the Torrance Public Library microfilmed much of the *Torrance Herald*; the original newspapers were given to the Torrance Historical Society with the microfilm retained by the Library. The heavily-used *Herald* was microfilmed on unstable acetate film which is now fast becoming illegible. The original copies of the newspapers, maintained at the Torrance Historical Society & Museum, are crumbling and becoming further damaged with each use. The *Torrance Press* was never microfilmed and is accessible only in its original newsprint format at the Museum. Both the Library and the Museum also house donations of rare city directories dating from the early 1930s. All of these resources provide information valued by students, residents interested in their homes' history, genealogists, and the general public.

ANALYSIS

Library staff investigated several options for the preservation of the *Torrance Herald*, *Torrance Press*, and city directories including digitizing and microfilming, and were trained on preservation best practices, grant seeking, and managing preservation projects. After attending specialized seminars and conferences, staff consulted with personnel from MCLS (Metropolitan Cooperative Library System) consortium libraries conducting successful digitization projects. These libraries included Santa Monica Public Library, Whittier Public Library, and Los Angeles Public Library. Staff also consulted Western States Digital Standards Group Best Practices to gain further expertise.

Through this training and consultation, staff determined that digitization was the best course for preserving the historic newspapers and city directories. The process would enable the materials to be available through computer access allowing for keyword searching much the way Google works to locate web pages, and would create back-up copies of the resources for storage as well. While staff did seek to identify grant funding, agency restrictions, storage issues, and time constraints precluded the Library from making application. Staff met with appropriate community partners to discuss the feasibility of a joint project, and the Historical Society and Museum and the Friends of the Torrance Library each pledged \$20,000 toward the project. At its meeting of May 15, 2007, the City Council also approved using \$20,000 from the program contingency reserve to fund the project. It was determined that outsourcing to a responsible and experienced vendor would be more cost effective than purchasing equipment and training staff to digitize materials in house.

Library staff then sought potential vendors for the project. Through consultation with institutions producing similar projects, four companies were identified and recommended: Online Computer Library Center (OCLC), RCI Image Systems, Northern Micrographics, and Progressive Technology Federal Systems, Inc. (PTFS). Each company was contacted and given the parameters of the project including the requirements, an estimate of the extent of the materials (50,000 images on 71 rolls of microfilm and 18,720 pages of newsprint), and samples of the microfilm and newspapers.

One of the largest vendors, OCLC, was eliminated due to excessive initial and ongoing costs. RCI Image Systems was eliminated because the company lacked the resources and facilities to process the complete project. Two companies remained that could provide the services stipulated and had the required expertise - PTFS and Northern Micrographics. Of these two companies, PTFS was the vendor with the lowest bid and the expertise and experience to complete the digitizing project.

Scope of Project/Costs

Details:

- Collection consists of approximately 50,000 images, 71 rolls of microfilm, and 18,720 pages of newsprint. The number of pages and images are an estimation of the collection and therefore quotes may vary with actual project cost.

- Quotes include producing uncompressed TIFF images of the newspapers and microfilm of at least 350DPI, create OCR (Optical Character Recognition) searchable PDF derivatives of the material, provide backup DVD, CD-ROMs or external hard drives for preservation purposes, provide basic metadata indexing of images (date, issue, page), and create microfilm of the *Torrance Press*.
- RCI Image Systems did not quote on the digitization and microfilming of the *Torrance Press*.

Company	RCI Image Systems	OCLC	Northern Micrographics	PTFS
Estimated Project Cost	\$52,125.00 *	\$72,490.00	\$63,914.40	\$59,149.98
(*Quote does not include microfilming and digitization of the <i>Torrance Press</i>)				

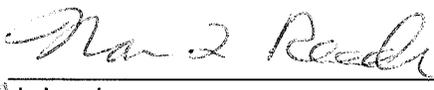
Progressive Technology Federal Systems, Inc. (PTFS) is recommended because of cost, expertise, and experience in the specialized work needed.

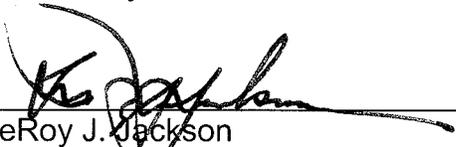
Respectfully submitted,

JOHN JONES
COMMUNITY SERVICES DIRECTOR

By 
Paula J. Welner
City Librarian

CONCUR:


for John Jones
Community Services Director


LeRoy J. Jackson
City Manager

- Attachments: A. Contract with PTFS, Inc.
B. City Council approval of the use of \$20,000 from the Contingency Reserve Fund

CONTRACT SERVICES AGREEMENT

This CONTRACT SERVICES AGREEMENT ("Agreement") is made and entered into as of March 18th, 2008 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and PTFIS, Inc., a Maryland Corporation ("CONTRACTOR").

RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONTRACTOR to Digitize the microfilm of the Torrance Herald and newsprint of the Torrance Press and city directories, producing uncompressed greyscale TIFF images of the newspapers and microfilm at the highest possible setting up to 400 DPI, create OCR (Optical Character Recognition) searchable PDF derivatives of the material, provide backup DVD, CDROMs or external hard drives, provide basic metadata indexing of images (title, edition, date and page) and create microfilm copy of the Torrance Press and city directories.
- B. CONTRACTOR represents that it is qualified to perform those services.

AGREEMENT:

1. **SERVICES TO BE PERFORMED BY CONTRACTOR**
CONTRACTOR will provide the services listed in the Scope of Services attached as Exhibit A. CONTRACTOR warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.
2. **TERM**
Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through March 18, 2009.
3. **COMPENSATION**
 - A. CONTRACTOR's Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services initially contemplated by this Agreement, exceed the sum of \$60,000 ("Agreement Sum"), unless otherwise first approved in writing by CITY.

B. Schedule of Payment.

Provided that the CONTRACTOR is not in default under the terms of this Agreement, upon presentation of an invoice, CONTRACTOR will be paid the fees described in Paragraph 3.A. above, according to the Compensation Schedule. Payment will be due within 30 days after the date of the invoice.

4. TERMINATION OF AGREEMENT

A. Termination by CITY for Convenience.

1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONTRACTOR will:
 - a. cease operations as directed by CITY in the notice;
 - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
 - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONTRACTOR will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
2. In the event this Agreement is terminated for cause by the default of the CONTRACTOR, the CITY may, at the expense of the CONTRACTOR and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys

due the CONTRACTOR under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONTRACTOR and its surety from liability for the default. Under these circumstances, however, the CONTRACTOR and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.

3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONTRACTOR or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONTRACTOR or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONTRACTOR's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONTRACTOR has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONTRACTOR authorizes CITY to deduct from any amount payable to CONTRACTOR (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONTRACTOR's acts or omissions in performing or failing to perform CONTRACTOR's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONTRACTOR, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONTRACTOR to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. CITY REPRESENTATIVE

Paula Weiner is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONTRACTOR.

8. CONTRACTOR REPRESENTATIVE(S)

The following principal(s) of CONTRACTOR are designated as being the principal(s) and representative(s) of CONTRACTOR authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Dan Quinn

9. INDEPENDENT CONTRACTOR

The CONTRACTOR is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as otherwise set forth in this Agreement. The CONTRACTOR may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONTRACTOR must obtain a City business license prior to the start of work under this Agreement, unless CONTRACTOR is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONTRACTOR warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONTRACTOR warrants that CONTRACTOR (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONTRACTOR discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONTRACTOR must immediately inform CITY of that fact and may not proceed except at CONTRACTOR's risk until written instructions are received from CITY.

13. **CARE OF WORK**

CONTRACTOR must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

14. **CONTRACTOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONTRACTOR's time pertaining to the project, and records of accounts between CITY and the CONTRACTOR, will be kept on a generally recognized accounting basis. CONTRACTOR will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONTRACTOR will maintain these records for three years after final payment.

15. **INDEMNIFICATION**

CONTRACTOR will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal

injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONTRACTOR, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONTRACTOR's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONTRACTOR and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONTRACTOR will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONTRACTOR will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES

No officer or employee of CITY will be personally liable to CONTRACTOR, in the event of any default or breach by the CITY or for any amount that may become due to CONTRACTOR.

17. INSURANCE

A. CONTRACTOR and its subcontractors must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:

1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
 - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$500,000 per occurrence; and
 - b. Primary Property Damage of at least \$250,000 per occurrence; or
 - c. Combined single limits of \$1,000,000 per occurrence.
2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
3. Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least \$1,000,000.

- B. The insurance provided by CONTRACTOR will be primary and non-contributory.
- C. CITY, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONTRACTOR must provide certificates of insurance and/or endorsements indicating appropriate coverage, to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. SUFFICIENCY OF INSURERS

Insurance required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to CITY, the CONTRACTOR agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONTRACTOR will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

19. CONFLICT OF INTEREST

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any

program requirement, contract or subcontract, or to any solicitation or proposal.

20. NOTICE

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
 2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONTRACTOR PTFS, Inc.
6400 Goldsboro Road, Suite 200
Bethesda, MD 20817

Fax: 301-654-5789

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONTRACTOR without the prior written consent of the other.

22. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. SEVERABILITY

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. TIME OF ESSENCE

Time is of the essence in the performance of this Agreement.

26. GOVERNING LAW; JURISDICTION

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. COMPLIANCE WITH STATUTES AND REGULATIONS

CONTRACTOR will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. WAIVER OF BREACH

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. ATTORNEY'S FEES

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. EXHIBITS

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. CONTRACTOR'S AUTHORITY TO EXECUTE

The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONTRACTOR is bound.

CITY OF TORRANCE
a Municipal Corporation

Frank Scotto, Mayor

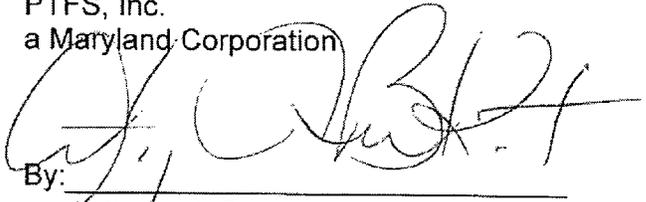
ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____

PTFS, Inc.
a Maryland Corporation



By: _____
Anthony J. Berkant
VP Finance

Attachments: Exhibit A Scope of Services
 Exhibit B Compensation Schedule

Revised: 1/30/01

CITY OF TORRANCE
a Municipal Corporation

PTFS, Inc.
a Maryland Corporation

Frank Scotto, Mayor

By: _____
Signer
Title

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____

Attachments: Exhibit A Scope of Services
 Exhibit B Compensation Schedule

Revised: 1/30/01

Exhibit A
Scope of Services

Digitization Services performed by PTFS, Inc.

Create grayscale uncompressed TIFF images of microfilm of the *Torrance Herald* (PTFS will scan the microfilm at the highest possible setting) including manual crop and deskew, OCR scanning and creation of image/text PDF derivatives of each newspaper page.

Document indexing of four metafields, title, edition, page and date.

Perform visual quality control check and rework.

Transfer images to USB external drives and ship to Torrance Public Library.

Microfilming and digitization of *The Torrance Press* and City Directories.

De-bind volumes of *The Torrance Press* and city directories for preparation for scanning.

Create grayscale uncompressed TIFF images of the newspaper and directories pages including manual crop and deskew, OCR scanning and creation of image/text PDF derivatives of each newspaper page. Create microfilm copy of *The Torrance Press* and City Directories (PTFS will scan the paper at 400 DPI).

Document indexing of four metafields, title, edition, page and date.

Perform visual quality control check and rework. Transfer images to USB external drives and ship to Torrance Public Library.

Exhibit B
Compensation Schedule

The CITY will be invoiced by the CONTRACTOR as follows:

On signing, Project Set-up	500.00
Completion of Digitization-Microfilm	20,216.67
<p>Create grayscale uncompressed TIFF images of microfilm of the <i>Torrance Herald</i> including manual crop and deskew, OCR scanning and creation of image/text PDF derivatives of each newspaper page. Document indexing of four metafields, title, edition, page and date. Perform visual quality control check and rework. Transfer images to USB external drives and ship to Torrance Public Library.</p>	
Completion of Digitization-Newspaper	19,208.48
<p>De-bind volumes of <i>The Torrance Press</i> and city directories for preparation for scanning. Create grayscale uncompressed TIFF images of each newspaper and directories page including manual crop and deskew, OCR scanning and creation of image/text PDF derivatives of each newspaper page. Create microfilm copy of <i>The Torrance Press</i> and City Directories. Document indexing of four metafields, title, edition, page and date. Perform visual quality control check and rework. Transfer images to USB external drives and ship to Torrance Public Library.</p>	

All payments are net 30 days from invoice date.

RESOLUTION NO. 2007-40

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TORRANCE ESTABLISHING THE ANNUAL APPROPRIATION
FOR THE 2007-08 FISCAL YEAR FOR THE ADOPTED 2007-2009
TWO YEAR OPERATING BUDGET**

WHEREAS, the City Manager of the City of Torrance, in accordance with the provisions of the City Charter, does hereby submit to the City Council for the fiscal years 2007-2008 and 2008-2009 City budgets which consist of:

	2007-08	2008-09
GENERAL FUND	\$ 165,541,059	\$ 170,894,509
INTERNAL SERVICE		
Fleet Services	5,392,232	5,472,634
Self Insurance	3,815,949	3,815,949
Subtotal	<u>9,208,181</u>	<u>9,288,583</u>
ENTERPRISE FUNDS		
Airport	10,787,805	11,799,237
Transit	21,644,820	22,048,684
Water	23,435,435	23,527,620
Sanitation	10,525,135	10,642,018
Cultural Arts Center	1,922,446	1,958,715
Sewer	1,962,796	1,983,400
Emergency Medical Services	8,511,608	8,591,608
Animal Control	346,934	353,477
Parks & Recreation	7,599,367	7,735,679
Subtotal	<u>86,736,346</u>	<u>88,640,438</u>
EXTERNAL FUNDS		
Home Improvement	367,548	367,548
Employment Program		
Section 8 Rental Assist.	5,025,769	5,025,769
Rehabilitation Loan Program (HCD)	3,600	3,600
Redevelopment Agency	12,725,487	12,955,683
Government Cable	1,197,463	1,225,929
Communications		
Cable TV Public Access	333,324	333,324
Street Lighting District	2,571,775	2,571,775
Air Quality Management	189,124	189,124
Vanpool/Rideshare	228,125	228,125
Gas Tax	840,000	840,000
Prop C	348,296	1,508,900
Torrance Improve. Corp.	3,312,166	3,313,166
Subtotal	<u>\$27,142,677</u>	<u>\$28,562,943</u>

WHEREAS, the City Council set May 8, and May 15, 2007, as the dates for public hearings on the proposed City budget and adopted the City budget on May 22, 2007; and

WHEREAS, the complete budget book is on file with the City Clerk's Office;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TORRANCE does hereby resolve the following:

SECTION 1

That the City Manager's proposed budget for the 2007-2008 fiscal year shall be adopted, inclusive of the following items and adjustments:

I. GENERAL FUND BUDGET PROGRAM MODIFICATIONS FOR 2007-2008:

A. City Treasurer	<ul style="list-style-type: none"> • Add 1.0 FTE Account Clerk position 	\$ 67,600
	<ul style="list-style-type: none"> Annual computer replacement cost 	400
	<ul style="list-style-type: none"> (See revenue offset below) 	<hr/> 68,000
	<ul style="list-style-type: none"> One-time computer, furniture, receipt validation machine 	7,000
	<ul style="list-style-type: none"> One-time use of professional services from 2006-07 FY 	<hr/> <7,000>
		0
B. Comm. & Info. Tech.	<ul style="list-style-type: none"> • Add 1.0 FTE Information Technology Analyst position to support the Police Department's in-car video system (FEAP 566) 	125,600
C. Comm. & Info. Tech.	<ul style="list-style-type: none"> • Add 1.0 FTE Information Technology Analyst position to provide on-going software application support 	125,600
D. Comm. & Info. Tech.	<ul style="list-style-type: none"> • Add 1.0 FTE Systems Analyst (Networks) to maintain City's network services (WAN, LAN, switching & routing etc.) 	139,900
E. Community Services	<ul style="list-style-type: none"> • Additional library operating hours which could include adding Sunday hours of service at Katy Geissert Civic Center Library 	97,000
F. Community Services	<ul style="list-style-type: none"> • Increase budget for concerts/movies in the park 	22,110
G. Community Services	<ul style="list-style-type: none"> • One-time funding to digitize local historical newspapers and directories 	20,000
H. Fire	<ul style="list-style-type: none"> • Add Continuous Quality Improvement (CQI) Coordinator Nurse position 	104,000
	<ul style="list-style-type: none"> Offset by current contract budget 	<hr/> <104,000>
		0
I. Fire	<ul style="list-style-type: none"> • Placement of peak staffing paramedic rescue unit into service 	
	<ul style="list-style-type: none"> On-going paramedic unit costs including 1 Firefighter position 	365,500
	<ul style="list-style-type: none"> One-time paramedic unit costs 	150,600
	<ul style="list-style-type: none"> One-time paramedic rescue unit offset (FEAP 513) 	<hr/> <145,142>
		5,458

J. General Services	• Add 0.5 FTE Graphics Designer position	38,800
K. General Services	• Additional General Fund operating resources for Cultural Arts Center Enterprise Fund	285,000
L. Human Resources	• Add 1.0 FTE Intern position as staff to the Risk Management Division	22,275
M. Police	• Add 1.0 FTE Police Records Supervisor position Delete 1.0 FTE Typist Clerk position	82,100 <58,700> <hr/> 23,400
N. Police	• Add 1.0 FTE Administrative Analyst position Delete 1.0 FTE Services Officer position	97,900 <76,600> <hr/> 21,300
O. Police	• Add 1.0 FTE Public Safety Communications Supervisor position	85,700
P. Police	• Additional General Fund operating resources for Animal Control Enterprise Fund	62,000
Total General Fund Expenditure Revisions		\$ 1,507,643

II. GENERAL FUND REVENUE REVISIONS FOR 2007-2008:

A. City Treasurer	• Additional citation revenue to offset Account Clerk position	\$ 68,000
Total General Fund Revenue Revisions		\$ 68,000

SECTION 2

That the City Manager's proposed General Fund operating budget, Fleet Services budget, Self-Insurance budget, Airport Fund budget, Transit Fund budget, Water Fund budget, Sanitation Fund budget, Cultural Arts Center budget, Sewer Fund budget, Emergency Medical Services budget, Animal Control budget, Parks and Recreation Fund budget, Home Improvement Employment Program budget, Rehabilitation Loan Program budget, Section 8 Rental Assistance budget, Redevelopment Agency budget, Cable TV Public Access budget, Cable TV Government Communications budget, Vanpool/Rideshare budget, Air Quality Management budget, Torrance Improvements Corporation budget, Street Lighting District budget, Gas Tax budget, Prop C budget, and expenditures authorized inclusive of specific items as set forth in Section 1 of this Resolution, and as now on file with the Finance Director, be and hereby are adopted.

SECTION 3

That the City Manager's recommended use of FY 2006-2007 year-end carry-over is ratified as follows:

General Fund:

Working capital for the acquisition of industrial property	\$750,000
Provide open space at Anza/Lomita	\$200,000
Funding of housing assistance	\$120,000
Update of City's Historical Buildings inventory	\$ 25,000

EXCERPT OF MINUTES

✓ Minutes Approved

May 15, 2007

MINUTES OF AN ADJOURNED REGULAR MEETING OF THE TORRANCE CITY COUNCIL**1. CALL TO ORDER**

The Torrance City Council convened in an adjourned regular session at 6:02 p.m. on Tuesday, May 15, 2007 in the City Council Chambers at Torrance City Hall.

ROLL CALL

Present: Councilmembers Brewer, Drevno, Nowatka, Sutherland, Witkowsky, and Mayor Scotto.

Absent: Councilmember McIntyre.

13. HEARINGS

At 10:30 p.m., the Redevelopment Agency reconvened in joint session with the City Council.

13A. SECOND PUBLIC HEARING AND BUDGET WORKSHOP ON PROPOSED BUDGET FOR FISCAL YEARS 2007-09**Recommendation**

The **Finance Director** recommends that City Council open and continue the second public hearing and budget workshop on the City of Torrance proposed two-year operating budget for fiscal years 2007-2009. (*Companion to Redevelopment Agency Item 5A*)

MOTION: Councilmember Witkowsky moved to close the public hearing. The motion was seconded by Councilmember Brewer and passed by unanimous roll call vote (absent Councilmember McIntyre).

The following straw votes were taken on the 2007-2009 Operating Budget:

Use of 2006-07 Year End Carryover:

Capital Projects - \$1,300,000

Includes:

- \$750,000 for working capital for the acquisition of industrial property
- \$200,000 for providing open space at Lomita/Anza
- \$25,000 for City Historical Building Inventory
- \$120,000 for Housing Assistance for the next two years

Reserves

Economic Anomaly	\$3,000,000
Litigation Reserve	250,000
Program Contingency	50,000
Proposition A exchanges	400,000

- Digitization of historic newspapers \$20,000 funded from Program Contingency reserve.

6-0 vote to approve (Witkowsky/Nowatka) (absent Councilmember McIntyre).

###

EXCERPT OF MINUTES

✓ Minutes Approved

May 22, 2007

**MINUTES OF AN ADJOURNED REGULAR
MEETING OF THE TORRANCE CITY COUNCIL****1. CALL TO ORDER**

The Torrance City Council convened in joint session with the Youth Council at 5:40 p.m. on Tuesday, May 22, 2007 in the George Nakano Theatre, 3330 Civic Center Drive.

ROLL CALL

Present: Councilmembers Brewer, Drevno, Nowatka, Sutherland, Witkowsky and Mayor Scotto.

Absent: Councilmember McIntyre.

At 7:16 p.m., the Council convened in joint session with the Redevelopment Agency. (*Redevelopment Agency Agenda Item 4A was considered concurrently with City Council Agenda Item 12B*)

12B. APPROVAL OF APPROPRIATIONS FOR THE 1ST YEAR OF 2007-2009 OPERATING BUDGET AND THE 2ND YEAR OF THE 2006-2011 CAPITAL BUDGET**Recommendation**

City Manager and the Finance Director recommend that City Council adopt Resolutions approving the annual appropriations for the 1st year (2007-2008 Fiscal Year) of the 2007-2009 Two Year Operating Budget and for the 2nd year (2007-2008 Fiscal Year) of the 2006-2011 Five Year Capital Budget..

Finance Director Tsao noted that the Resolutions reflect the Council's action at the May 15, 2007 Council meeting.

MOTION: Councilmember Sutherland moved to concur with the staff recommendation. The motion was seconded by Councilmember Witkowsky and passed by unanimous roll call vote (absent Councilmember McIntyre).

RESOLUTION NO. 2007-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE ESTABLISHING THE ANNUAL APPROPRIATION FOR THE 2007-2008 FISCAL YEAR FOR THE ADOPTED 2007-2009 TWO-YEAR OPERATING BUDGET

MOTION: Councilmember Nowatka moved for the adoption of Resolution No. 2007-40. The motion was seconded by Councilmember Brewer and passed by unanimous roll call vote (absent Councilmember McIntyre).

RESOLUTION NO. 2007-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE ESTABLISHING THE ANNUAL APPROPRIATION FOR THE SECOND YEAR (2007-2008) OF THE CITY'S 2006-2011 FIVE-YEAR CAPITAL BUDGET

MOTION: Councilmember Nowatka moved for the adoption of Resolution No. 2007-41. The motion was seconded by Councilmember Brewer and passed by unanimous roll call vote (absent Councilmember McIntyre).

###