



**The City of Lee's Summit**  
**Final Agenda**  
**Finance and Budget Committee**

Monday, July 10, 2017

5:30 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

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1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENTS
5. BUSINESS
  - A. [2017-1346](#) Approval of Minutes from 6-5-17 F&BC Meeting
  - B. [TMP-0548](#) AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43. (PSAB 6/20/17)
  - C. [TMP-0576](#) AN ORDINANCE APPROVING THE SOLE SOURCE ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.
  - D. [TMP-0572](#) AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, GENERAL PROVISIONS ENACTING TWO NEW SECTIONS, SECTION 1-14, ENFORCMENT; ATTORNEY'S FEES AND SECTION 1-15, VIOLATION; REMEDIES; UNAUTHORIZED HOLDOVER TO PROVIDE FOR THE RECOVERY OF ATTORNEYS' FEES AND COSTS IN ALL ENFORCEMENT ACTIONS BROUGHT BY THE CITY AND FURTHER PROVIDE FOR REMEDIES IN THE EVENT OF A HOLDOVER TENANT OR USER OF CITY FACILITIES

- E. [TMP-0573](#) AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI BY AMENDING SECTION 1-2, DEFINITIONS AND RULES OF CONSTRUCTION, TO PROVIDE THAT THE INTERPRETATION AND ENFORCEMENT OF ORDINANCES ARE TO BE COMPLIANT WITH CHANGES IN FEDERAL OR STATE LAW
  
  - F. [TMP-0571](#) AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL FUND RESERVE BALANCE.
  
  - G. [2017-1328](#) PRESENTATION OF THE MAY GENERAL FUND FINANCIAL DASHBOARD
- 6. ROUNDTABLE
  - 7. ADJOURNMENT

For your convenience, City Council agendas, as well as videos of City Council and Council Committee meetings, may be viewed on the City's Internet site at "www.cityofls.net".



## Packet Information

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**File #:** 2017-1346, **Version:** 1

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Approval of Minutes from 6-5-17 F&BC Meeting



**The City of Lee's Summit**  
**Action Letter**  
**Finance and Budget Committee**

Monday, June 5, 2017  
5:00 PM  
City Council Chambers  
City Hall  
220 SE Green Street  
Lee's Summit, MO 64063

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1. CALL TO ORDER

Meeting was called to order at 5:10 p.m.

2. ROLL CALL

**Present:** 3 - Chairperson Rob Binney  
Vice Chair Phyllis Edson  
Councilmember Craig Faith

**Absent:** 2 - Councilmember Dave Mosby  
Alternate Fred DeMoro

3. APPROVAL OF AGENDA

**Action: A motion was made by Councilmember Faith, seconded by Councilmember Edson that the Agenda be approved. The motion carried by unanimous vote.**

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

4. PUBLIC COMMENTS

No public comments.

5. BUSINESS

A. [2017-1230](#) Approval of Minutes from 5-8-17 F&BC meeting. (F&BC 6-5-17)

**Action: A motion by Councilmember Faith, seconded by Councilmember Edson, that the Minutes from 5-8-17 F&BC meeting were approved. The motion carried by unanimous vote.**

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

Finance and Budget Committee

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B. [2017-1243](#) Third Quarter Investment Report

**Presenter:** Presenter: Sherri Staub, Cash Management Officer

**Sherri Staub, Cash Management Officer, presented this report. No action required.**

C. [TMP-0495](#) AN ORDINANCE APPROVING THE AWARD OF BID NO. 2017-099 FOR PLUMBING SERVICES AS A YEARLY CONTRACT TO MECHANICAL PIPING, LLC BASED ON ATTACHED BID TABULATION AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AND EXECUTE CONTRACT NO. 2017-099 FOR THE SAME BY AND ON BEHALF OF THE CITY OF LEE'S SUMMIT MISSOURI. (F&BC 6-5-17)

**Presenter:** Presenter: Ben Calia, Procurement and Contract Services Manager

**Action: Motion by Councilmember Faith, second by Councilmember Edson, this Ordinance was recommended for approval to City Council. The vote was unanimous.**

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

D. [TMP-0525](#) AN ORDINANCE APPROVING MODIFICATION NO. 6 TO AGREEMENT NO. 2012-002 WITH TOSHIBA BUSINESS SOLUTIONS TO REMOVE AND REPLACE ONE (1) MULTIFUNCTION DEVICE IN THE TREASURY DIVISION OF FINANCE AND ADD ONE (1) NEW MULTIFUNCTION DEVICE TO THE FINANCE DEPARTMENT AND ONE (1) NEW MULTIFUNCTION DEVICE TO THE ADMINISTRATION DEPARTMENT - CREATIVE SERVICES DIVISION AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

**Presenter:** Presenter: Ben Calia, Procurement and Contract Services Manager

**Action: A motion made by Councilmember Edson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council - Regular Session due back on 6/15/2017. The motion carried by a unanimous vote.**

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

E. [TMP-0513](#) AN ORDINANCE APPROVING AWARD OF RFP 2017-110 TO THE NOVAK CONSULTING GROUP, INC. FOR A HUMAN RESOURCES DEPARTMENT ASSESSMENT FOR A ONE-YEAR CONTRACT AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NOVAK CONSULTING GROUP, INC. BY AND ON BEHALF OF THE CITY. (F&BC 6-5-17)

**Presenter:** Presenter: Nick Edwards | Director of Administration

**Action: A motion was made by Councilmember Faith, seconded by Councilmember Edson that this Ordinance be recommended for approval to the City Council - Regular Session due back on 6/15/2017. The motion carried by unanimous vote.**

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**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

- F.**      [TMP-0530](#)      AN ORDINANCE APPROVING THE FIBER OPTIC LEASE AGREEMENT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE REORGANIZED SCHOOL DISTRICT NO. 7 AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY. (F&BC 6-5-17)

**Presenter:** Presenter: Stephen Marsh, Chief Technology Officer

**Action:** A motion made by Councilmember Edson, seconded by Councilmember Faith, that this Ordinance be recommended for approval to the City Council - Regular Session due back on 6/15/2017. The vote was unanimous.

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

- G.**      [TMP-0528](#)      AN ORDINANCE APPROVING THE FY2018 PROPERTY AND LIABILITY INSURANCE PROGRAM AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS WITH CNA INSURANCE, ONE BEACON INSURANCE, AND PHYSICIANS PROFESSIONAL INDEMNITY ASSOCIATION FOR THE PROCUREMENT OF PROPERTY AND LIABILITY INSURANCE COVERAGE FOR FY2018. (F&BC 6-5-17)

**Presenter:** Presenter: Jackie McCormick Heanue, Chief Counsel Mgmt. & Ops./Deputy City Attorney

**Action:** A motion was made by Councilmember Faith, seconded by Councilmember Edson, that this Ordinance was recommended for approval to the City Council - Regular Session due back on 6/15/2017. The vote was unanimous.

**Aye:** 3 - Chairperson Binney  
Vice Chair Edson  
Councilmember Faith

**Absent:** 2 - Councilmember Mosby  
Alternate DeMoro

- H.**      [2017-1252](#)      PRESENTATION OF THE MARCH AND APRIL GENERAL FUND FINANCIAL DASHBOARDS. (F&BC 6-5-17)

**Recommendation:** Recommendation: N/A

**Presenter:** Presenter: Jack Feldman, Management Analyst

**Jack Feldman, Management Analyst, presented the March and April General Fund Financial Dashboards. No action required.**

ROUNDTABLE  
ADJOURNMENT

Meeting was adjourned at 6:10 p.m.

**Finance and Budget Committee**

**Action Letter**

**June 5, 2017**

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## Packet Information

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**File #:** TMP-0548, **Version:** 1

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AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43. (PSAB 6/20/17)

Issue/Request:

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43. (PSAB 6/20/17)

Key Issues:

This agreement will authorize the Mayor of the City of Lee's Summit to enter into a cooperative agreement with the United States Department of Justice, Drug Enforcement Administration whereby a Lee's Summit, Missouri Police Officer will be assigned to work on a special task force known as the HIDTA Task Force Group (KC) (GP 43). The mission of HTFG 43 is to disrupt the illicit drug traffic in the Kansas City area by immobilizing targeted violators and trafficking organizations, gather and report intelligence data relating to trafficking in narcotics and dangerous drugs; and conducting undercover operations where appropriate and engage in other traditional methods of investigation in order that the task force's activities will result in effective prosecution before the courts of the United States and the States of Kansas and Missouri. By partnering with the Drug Enforcement Administration it will provide a force multiplier and assist our department with combating and investigating local cases of controlled substances distribution, manufacturing, and abuse. This officer will be selected from the current authorized manning and backfilled with a new hire. Full funding from the United States Department of Justice, Drug Enforcement Administration is included with this agreement.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43.

SECOND MOTION: I move for adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43.



Proposed Committee Motion:

I move to recommend to City Council the adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) 43.

Background:

[Enter text here]

Impact/Analysis:

With this partnership, the DEA will provide necessary support to the LSPD officer assigned to the task force including salary, vehicles, fuel, mobile phone, office space and supplies, travel funds, funds for the purchase of evidence and information, investigative equipment, training and overtime during the term of this agreement.

The LSPD will be able to force multiply with the DEA in combating locally the trafficking of controlled substances.

Timeline:

The term of this agreement starts upon passage of this ordinance and finishes September 30, 2017 to conform with the federal grant year. A new agreement will be introduced for the 2017-2018 grant year.

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Major Boenker

Recommendation: Staff recommends approval of the ordinance. PSAB moved to support the participation of the Police Chiefs initiative to work with HIDTA task force to send a LS Police Officer to the HIDTA task force at the June 20, 2017 meeting.

Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE UNITED STATES DEPARTMENT OF JUSTICE, DRUG ENFORCEMENT ADMINISTRATION FOR PARTICIPATION IN THE HIDTA TASK FORCE GROUP (KC) (GP43).

WHEREAS, the United States Department of Justice Drug Enforcement Administration (hereinafter "DEA") is authorized to enter into cooperative agreement concerning the use and abuse of controlled substances under the provisions of 21 U.S.C. § 873; and,

WHEREAS, there is evidence that trafficking in narcotics and dangerous drugs in the metropolitan Kansas City area and that such illegal activity has a substantial and detrimental effect on the health and general welfare of the people of Lee's Summit, Missouri; and,

WHEREAS, the City of Lee's Summit (the "City") is desirous to enter into a cooperative agreement with the DEA to address the use and abuse of controlled substances in the metropolitan area and assign a Lee's Summit Police Officer to the HIDTA Task Force Group (KC) (GP43) (hereinafter "HTFG") for the above stated purpose; and,

WHEREAS, it is in the interests of public health and safety of the citizens of Lee's Summit, Missouri to cooperatively address the use and abuse of controlled substances by participating in the TDS.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the State and Local HIDTA Task Force Agreement, appended hereto and made a part hereof by reference, is hereby approved and the Mayor is hereby authorized to execute the same on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That the Mayor is hereby authorized to execute any consecutive renewals of the agreement on behalf of the City of Lee's Summit, Missouri for the next five years to continue participation in the HTFG.

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its adoption, passage and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

**BILL NO. 17-**\_\_\_\_\_

**ORDINANCE NO.** \_\_\_\_\_

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\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
City Clerk *Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
*Beth Murano*  
*Chief Counsel of Public Safety*



## Kansas Bureau of Investigation

Kirk D. Thompson  
*Director*

Derek Schmidt  
*Attorney General*

June 28, 2017

Randall Rhoads, Mayor  
City of Lee's Summit Missouri  
220 SE Greene Street  
Lee's Summit, MO 64086

Dear Mayor Rhoads:

Attached for your review and signatures are documents relating to the Lee's Summit Police Department's 2016 operating budget for the Midwest HIDTA Kansas City / Overland Park DEA Task Force Initiative.

Please review the package carefully, as signatures are required on several separate documents. Return to our office a copy of the original signature pages and after all other signatures are acquired a copy of the signature pages only will be returned for your files.

Please forward a copy of this MOU to your fiscal office. Changes to the OMB's now called "Super Circulars" will affect the accounting portion of the grant and your fiscal office should be aware of these changes. In this MOU the new "Super Circulars" has changed the Assurances, Invoicing, Audit Readiness and Compliance Sections.

Thank you for your continuing support of the Midwest HIDTA.

**Award #:** G16MW0003A  
**Initiative:** Kansas City / Overland Park DEA Task Force  
**Award Maximum:** \$70,909.00  
**Award Period:** January 1, 2016 - December 31, 2017

Sincerely,

Teresa Goza  
HIDTA Accountant III  
Kansas Bureau of Investigation

**MIDWEST HIGH INTENSITY DRUG TRAFFICKING AREA (HIDTA)  
MEMORANDUM OF UNDERSTANDING  
KANSAS CITY/OVERLAND PARK DEA TASK FORCE**

**G16MW0003A  
01-01-2016 / 12-31-2017  
CFDA number 95.001**

The Office of National Drug Control Policy (ONDCP) has awarded HIDTA funding to federal, state and local law enforcement agencies in the region comprised of the states of Kansas, Missouri, Nebraska, Iowa, South Dakota and North Dakota for the purpose of combating the manufacture and importation of methamphetamine and the disruption of poly-drug trafficking organizations. The Kansas Bureau of Investigation (KBI) has been designated as the fiscal agent for award proceeds to be distributed to state and local agencies participating in the Midwest HIDTA program within Kansas and in selected regional initiatives. These funds shall be used for purposes designated in the KANSAS CITY/OVERLAND PARK DEA TASK FORCE (Appendix A) and associated budget (Appendix B), as approved by ONDCP.

**Scope of Service**

The services carried out under this Memorandum of Understanding shall be consistent with those contained in the initiative proposal and budget as approved for funding by ONDCP. Changes shall not be made in the subject or the proposed objectives of the initiative without prior written approval from The Midwest HIDTA State Coordinator for Kansas, the Midwest HIDTA Executive Director and the Midwest HIDTA Executive Committee.

The signatories agree to provide written notice to the KBI and to the Midwest HIDTA Kansas State Coordinator, at least (30) days in advance of any planned withdrawal from this agreement. In the event of withdrawal from this initiative by any party, all property and equipment acquired with HIDTA funds by the withdrawing party shall be re-distributed as per Midwest HIDTA policy and procedure. Upon the date specified in the written notice of withdrawal, this agreement shall become void with respect to the agency giving notice but shall remain in effect for all other participants. The KBI shall process all allowable reimbursement requests for the withdrawing agency through the date of the withdrawal.

**Reprogramming of Funds**

Reprogramming of funds within a HIDTA award requires different levels of approval based upon the amount to be reprogrammed and whether the reprogramming is inter-agency or inter-initiative. In all cases the recipient agency is responsible for forwarding a request for authorization for reprogramming to the KBI to be forwarded to the Midwest HIDTA State Coordinator for Kansas, the Midwest HIDTA Executive Director and Midwest HIDTA Executive Committee. The recipient agency is also responsible for maintaining detailed records of any reprogramming activities.

**Reporting Requirement**

All participants may be required to prepare a final report of initiative expenditures, which shall be submitted to the KBI within 30 days of the close of the program fiscal year. The financial report will be of a form approved by the KBI and shall contain a listing of expenditures/costs by cost category from the approved initiative budget (Appendix B). The report shall also contain a comparison of actual costs/expenditures against budget estimates. Failure to submit reports on a timely basis may result in the interruption or termination of the initiative funding for your agency. Detailed information on the financial reporting requirements is found in the HIDTA Program Policy and Budget Guidance (PPBG) publication and the Midwest HIDTA Policies and Standard Operating Procedures document (SOP).

### **Program Standards**

Each agency agrees to abide by the standards and rules defined in the HIDTA Program Policy and Budget Guidance publication and the Midwest HIDTA Policies and Standard Operating procedures document as well as all formal written program guidance regarding financial management standards, reporting, records retention, equipment, vehicles, and procurement and supplanting requirements for any agency accepting HIDTA funds. You can download the full version from National HIDTA Assistance Center (NHAC) nhac.org.

### **Assurances**

Each agency agrees to abide by the terms and conditions set out in Application for Federal Assistance SF 424B, Assurances - Non-Construction Programs (Appendix D) and ONDCP Certifications regarding Lobbying, Debarment, Suspension and Other Responsibility Matters; Drug Free Work Place Requirements; Federal Debt Status and Nondiscrimination Statutes and Implementing Regulations (Appendix E). Each agency will also submit a signed OMB form, Certification Regarding Lobbying (Appendix F) and will abide by all applicable special conditions included as a part of the award agreement (Appendix H).

### **Invoicing**

Each agency receiving reimbursements will invoice once per month no more than quarterly, due the fifteenth of the month, for expenditures incurred during the prior month. Reimbursement form shall be a form approved by the KBI (Appendix G) and shall contain a listing of expenditures by category. Each agency shall retain the original supporting documentation and provide a copy to the KBI with the monthly report. Each agency agrees that the NHAC and Midwest HIDTA Executive Director and Midwest HIDTA Executive Committee have the right to terminate suspend or delay any payment to sub-recipient if the reimbursements clearly fails to meet HIDTA PPBG. In the event that such an act is necessary the agency will be notified within three days of the decision.

### **Inventory**

Equipment purchased with HIDTA funds shall be identified by cost, type and serial number and reported to the Kansas State Coordinator on the Midwest HIDTA Inventory Form (Appendix C). The Kansas State Coordinator shall maintain an inventory of all equipment purchased and provide the same to HIDTA. A copy of all inventory transactions shall be provided to the KBI. Any change to the inventory of HIDTA purchased equipment shall be reported promptly and in writing to the KBI.

### **Audit Readiness and Compliance**

Each agency agrees to maintain appropriate and detailed records of its receipt and use of the funds, in accordance with the generally accepted accounting principles applying to government agencies. Each agency understands that it may be subject an audit. Each agency also understands that there will be a site audit every two years for awardees that receive \$25,000 or more, and every three years for awardees that receive \$25,000 or less.

### **Operations**

1. The KBI will serve as the purchasing agent for all services, equipment and supplies for the general use of the task force and will make direct payments from HIDTA funds. Individual agencies shall be responsible for the initial payment of costs for phones, pagers, travel and overtime associated with their agent/officer. Each agency agrees to compile those costs on a monthly basis and submit the same to the KBI for reimbursement as per the section of this document titled Invoicing. In the event all available travel funds for non-federal participants are expended, the DEA will assume responsibility for all necessary travel costs associated with this initiative. Reimbursement to each

agency is limited to the amount specified in the respective funding category, for that agency, as set out in the approved initiative budget and this agreement.

2. Signatories agree to provide all required statistical, financial and programmatic documentation to the Midwest HIDTA, including but not limited to non-supplanting agreements, monthly performance reports and yearly threat assessment information.
3. Signatories agree to participate in and support all Midwest HIDTA information and intelligence programs, including but not limited to, HIDTA SAFETYNET, EPIC NCLSS,
4. The signatories agree that in event that any additional funds are received from HIDTA for the benefit of the initiative, those funds shall be distributed pursuant to the written award authorizing those additional funds.
5. **Lee's Summit Police Department** shall agree to designate one commissioned officer to the Kansas City/Overland Park DEA HIDTA Task Force pursuant to the terms and conditions of the DEA document titled State and Local HIDTA Task Force Agreement.

### **Acceptance**

Acceptance of this MOU by participating agencies is acceptance of all standards and conditions of the HIDTA Award, included as Appendix A, B, C, D, E, F, G, H, and I.

Appendix A: Task Force Initiative

Appendix B: Task Force Budget

Appendix C: Midwest HIDTA Inventory Form

Appendix D: OMB Form 424B, Assurances - Non-Construction Programs

Appendix E: ONDCP Certifications regarding Lobbying, Debarment, Suspension and Other Responsibility Matters; Drug Free Work Place Requirements; Federal Debt Status and Nondiscrimination Statutes and Implementing Regulations

Appendix F: OMB form, Disclosure of Lobbying Activities

Appendix G: HIDTA Reimbursement Form

Appendix H: HIDTA Award Agreement

Appendix I: HIDTA Single Audit Certification

**Fiscal Contact KBI:** Teresa Goza  
Kansas Bureau of Investigation  
15700 College Blvd., Suite 100  
Lenexa, Kansas 66219  
913-671-2046  
teresa.goza@kbi.state.ks.us

**Project Manager KBI:** Frank Papish, Assistant Director  
Kansas Bureau of Investigation  
15700 College Blvd., Suite 100  
Lenexa, Kansas 66219  
913-671-2043

**State Coordinator:** Steve Riley  
Midwest HIDTA  
10220 NW Ambassador Dr., Suite 720  
Kansas City, MO 64153  
816-891-5217  
sriley@midwest-hidta.org

**Fiscal Contact LSPD:** Major John Boenker  
Lee's Summit Police Department  
10 NE Tudor  
Lee's Summit, Mo 64086  
816-969-1702  
jboenker@cityofls.net

**Project Manager LSPD:** Travis Forbes, Chief  
Lee's Summit Police Department  
10 NE Tudor  
Lee's Summit, MO 64086  
816-969-1774  
E-mail: [tforbes@cityofls.net](mailto:tforbes@cityofls.net)

**Participating Agency:** Randall Rhoads, Mayor  
City of Lee's Summit Missouri  
220 SE Greene Street  
Lee's Summit, MO 64086  
816-969-1010

**Participating Agency:**  
City of Lee's Summit

\_\_\_\_\_  
Randall Rhoads, Mayor Date

Through Lee's Summit Police Department

\_\_\_\_\_  
Travis Forbes, Chief Date

**Fiscal Agent:**  
Kansas Bureau of Investigation

\_\_\_\_\_  
Kirk D. Thompson, Director Date



**FY 2016 ENFORCEMENT INITIATIVE BUDGET PROPOSAL**

**HIDTA:** Midwest  
**INITIATIVE TITLE:** Kansas City/Overland Park DEA Task Force  
**LEAD AGENCY(S):** Drug Enforcement Administration  
**LOCATION:** Overland Park, KS

**1. INITIATIVE DESCRIPTION**

(Includes initiatives involved in Investigative, prosecution, and interdiction activities.)

- A. This Task Force was first funded in 1999. The Kansas City/Overland Park DEA Combined Task Force is composed of the Task Force Group 3, the Tactical Diversion Group, and the Task Force Group 41, all three of which are collocated in the Kansas City District Office of DEA. The Task Force also consists of representatives from the FBI, ATF, IRS, and multiple State and local agencies. The Kansas City/Overland Park DEA Combined Task Force continues to conduct investigations targeting PTOs, CPOTs, RPOTs, DTOs, and major poly drug trafficking organizations, as well as investigating the sale and diversion of precursor and essential chemicals utilized in the manufacture of methamphetamine; the investigation of individuals and criminal organizations involved in the clandestine manufacture and distribution of poly-drugs and methamphetamine; and the investigation of prescription drug abuse and diversion. The task force also initiates investigations of drug trafficking organizations operating in the KCDO area of responsibility.

All enforcement and investigative operations are coordinated through the de-confliction system at the Midwest HIDTA ISC to enhance officer safety and increase efficiency by reducing duplication of effort.

The Kansas City/Overland Park DEA Combined Task Force is a Drug Enforcement Administration managed full time co-located, federal, state and local task force located in Overland Park, Kansas in the DEA Kansas City District Office.

- B. Is this initiative collocated with other HIDTA initiatives?  
 Yes  
 No
- C. Is this initiative staffed with fulltime federal and fulltime state/local personnel?  
 Yes  
 No

(If not, attach Program Policy Waiver Request.)

(Note: If this initiative only funds a prosecutor, a waiver is not required.)

- D. Are fulltime members of the initiative collocated and commingled with federal and state/local personnel?  
 Yes  
 No

(If not, attach Program Policy Waiver Request.)

(Note: If this initiative only funds a prosecutor, a waiver is not required.)

# Budget Detail

## 2016 - Midwest

Initiative - Kansas City/Overland Park DEA Task Force

Award Recipient - Kansas Bureau of Investigation (G16MMW0003A)

Resource Recipient - Kansas Bureau of Investigation

**Awarded Budget (as approved by ONDCP) \$502,106.00**

Personnel	Quantity	Amount	Comments
Investigative - Law Enforcement Officer	6	\$231,889.00	1 Belton PD @ \$40,593, 2 Independence PD (1 @ \$33,600 & 1 @ \$40,450), 1 Jackson Co SO @ \$31,916, 1 Lenexa PD @ \$31,916 & 1 KBI @ \$53,414
<b>Total Personnel</b>	<b>6</b>	<b>\$231,889.00</b>	<b>Olathe</b>

Fringe	Quantity	Amount	Comments
Investigative - Law Enforcement Officer	6	\$73,031.00	1 Belton PD @ \$11,476, 2 Independence PD @ \$10,449 each, 1 Jackson Co SO @ \$10,449, 1 Lenexa PD @ \$10,449 & 1 KBI @ \$19,759
<b>Total Fringe</b>	<b>6</b>	<b>\$73,031.00</b>	

Overtime	Quantity	Amount	Comments
Investigative - Law Enforcement Officer	8	\$100,872.00	1 Belton PD @ \$12,609, 2 Independence PD @ \$12,609 ea, 1 Jackson Co SO @ \$12,609, 1 Olathe PD @ \$12,609, 1 KC KS PD @ \$12,609, Wyandotte Co SO @ \$12,609 & 1 KBI @ \$12,609 each
<b>Total Overtime</b>	<b>8</b>	<b>\$100,872.00</b>	

Travel	Quantity	Amount	Comments
Investigative/Operational	1	\$5,614.00	Mileage for KBI Agent
<b>Total Travel</b>	<b>1</b>	<b>\$5,614.00</b>	

Services	Quantity	Amount	Comments
Communications - mobile phones & pagers	0	\$5,480.00	Cell service for 6 phones. 1 Jackson County SO \$720, 2 Independence PD @ \$1k each, 1 KBI @ \$1,020, 1 Wyandotte Co SO \$540, 1 Olathe PD \$1,200
Vehicle lease - passenger	8	\$59,340.00	8 vehicle leases. 1 Belton PD @ \$7,800, 2 Independence PD @ \$7,500 each, 1 Jackson Co SO @ \$7,140, 2 KC KS PD @ \$7,200 each, 1 Wyandotte, Co SO @ \$7,200 & 1 Olathe PD @ \$7,800
<b>Total Services</b>	<b>8</b>	<b>\$64,820.00</b>	

# Budget Detail

## 2016 - Midwest

Initiative - Kansas City/Overland Park DEA Task Force

Award Recipient - Kansas Bureau of Investigation (G16MMW0003A)

Resource Recipient - Kansas Bureau of Investigation

**Awarded Budget (as approved by ONDCP)**

**\$502,106.00**

Supplies	Amount	Comments
Investigative/Operational	0	Fuel for Belton PD \$3,900, Jackson Co SO \$3000, 2 Independence PD @ \$4,500 ea, 1 KC KS PD @ \$3,250 & Olathe PD @ \$3,480 & Wyandotte \$3,250
<b>Total Supplies</b>	<b>\$25,880.00</b>	
<b>Total</b>	<b>\$502,106.00</b>	

# Midwest HIDTA Inventory Action Form

Grantee: \_\_\_\_\_  
 Funding Year \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Funding NO# \_\_\_\_\_

Agency Inventory #	Vendor Name	Date Purchased	Item Description Description/Model/Brand	Location	Purchase Price	Serial Number
		12/11/2016				

Authorizing Officer \_\_\_\_\_ Title \_\_\_\_\_ Telephone \_\_\_\_\_ Appendix - C

**ASSURANCES - NON-CONSTRUCTION PROGRAMS**

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMS Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
X _____	City Mayor
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Lee's Summit Missouri	

## ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and 111 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
X _____	City Mayor
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Lee's Summit Missouri	



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## CERTIFICATION REGARDING LOBBYING

### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
X _____	City Mayor
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Lee's Summit Missouri	

APPENDIX F

**MIDWEST HIDTA  
Reimbursement Form**

**Agency**

Lee's Summit PD  
10 NE Tudor  
Lee's Summit, MO 64086

**Dept. Code**

KBI use only  
v-40381-2-001  
Grant #1203      Ordinance #

Invoice for the month of: \_\_\_\_\_

2016 Funding Year 1/1/16 to 12/31/17

Initiative: Kansas City Overland Park DEA Task Force G16MW0003A

**CFDA # 95.001**

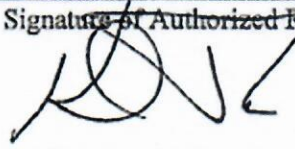
Enter Data This Column only

Category	2016 Allocation	Expenditures through	Balance Available	Expenditures This Period
Salary	\$ 35,000.00		35,000.00	
Benefits	\$ 12,000.00		12,000.00	
Overtime	\$ 12,609.00		12,609.00	
Cell Phone	\$ 1,020.00		1,020.00	
Car Lease	\$ 6,800.00		6,800.00	
Fuel	\$ 3,480.00		3,480.00	
<b>Total</b>	<b>\$ 70,909.00</b>	<b>0.00</b>	<b>70,909.00</b>	<b>0.00</b>

Agency Authorization / Date Major John Boenker	Midwest HIDTA Authorization/Date	KBI Authorization / Date
Finance Officer Please Print	Phone Number	

Reimbursement Forms are due the 15th of every month

Please attach all supporting documents

Executive Office of the President Office of National Drug Control Policy		Grant Agreement	
1. Recipient Name and Address  Kansas Bureau of Investigation 1620 SW Tyler Topeka, KS 66612		4. Award Number (FAIN): G16MW0003A	
		5. Period of Performance: From 01/01/2016 to 12/31/2017	
2. Total Amount of the Federal Funds Obligated: \$3,499,563.00		6. Federal Award Date: March 7, 2016	7. Action: Initial
2A. Budget Approved by the Federal Awarding Agency \$3,499,563.00		8. Supplement Number	
3. CFDA Name and Number: <i>High Intensity Drug Trafficking Areas Program - 95.001</i>		9. Previous Award Amount:	
3A. Project Title  <i>High Intensity Drug Trafficking Areas (HIDTA) Program</i>		10. Amount of Federal Funds Obligated by this Action: \$3,499,563.00	
		11. Total Amount of Federal Award: \$3,499,563.00	
12. This Grant is non-R&D and approved subject to such conditions or limitations as are set forth on the attached seven pages.			
13. Statutory Authority for Grant: <i>Public Law 114-113</i>			
AGENCY APPROVAL		RECIPIENT ACCEPTANCE	
14. Typed Name and Title of Approving Official Michael K. Gottlieb National HIDTA Director Office of National Drug Control Policy		15. Typed Name and Title of Authorized Official Director Kirk D. Thompson  Kansas Bureau of Investigation	
16. Signature of Approving ONDCP Official  <i>Michael K. Gottlieb</i>		17. Signature of Authorized Recipient/Date   3/8/2016	
AGENCY USE ONLY			
18. Accounting Classification Code DUNS: 150943496 EIN: 1486029925L2		19. HIDTA AWARD <i>OND1070DB1617XX OND6113</i> <i>OND2000000000 OC 410001</i>	

## GRANT CONDITIONS

### A. General Terms and Conditions

1. This award is subject to The Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 C.F.R. Part 200 (the “Part 200 Uniform Requirements”), as adopted and implemented by the Office of National Drug Control Policy (ONDCP) in 2 C.F.R. Part 3603. For this 2016 award, the Part 200 Uniform Requirements supersede, among other things, the provisions of 28 C.F.R. Parts 66 and 70, as well as those of 2 C.F.R. Parts 215, 220, 225, and 230.

For more information on the Part 200 Uniform Requirements, see <https://cfo.gov/cofar/>. For specific, award-related questions, recipients should contact ONDCP promptly for clarification.

2. This award is subject to the following additional regulations and requirements:
  - ^ 28 CFR Part 69 – “New Restrictions on Lobbying”
  - ^ 2 CFR Part 25 – “Universal Identifier and System of Award Management”
  - ^ Conflict of Interest and Mandatory Disclosure Requirements, set out in paragraph 7 of these terms and conditions
  - ^ Non-profit Certifications (when applicable)
3. Audits conducted pursuant to 2 CFR Part 200, Subpart F, “Audit Requirements” must be submitted no later than 9 months after the close of the grantee’s audited fiscal year to the Federal Audit Clearinghouse at <https://harvester.census.gov/facweb/>.
4. Recipients are required to submit Federal Financial Reports (FFR) to the Department of Health and Human Services, Division of Payment Management (HHS/DPM). Federal Financial Report is required to be submitted quarterly and within 90 days after the grant is closed out.
5. The recipient gives ONDCP or the Government Accountability Office, through any authorized representative, access to, and the right to examine, all paper or electronic records related to the grant.
6. Recipients of HIDTA funds are not agents of ONDCP. Accordingly, the grantee, its fiscal agent (s), employees, contractors, as well as state, local, and Federal participants, either on a collective basis or on a personal level, shall not hold themselves out as being part of, or representing, the Executive Office of the President or ONDCP.
7. These general terms and conditions as well as archives of previous versions of the general terms and conditions are available online at [www.whitehouse.gov/ondcp/grants](http://www.whitehouse.gov/ondcp/grants).

## 8. Conflict of Interest and Mandatory Disclosures

### A. Conflict of Interest Requirements

As a non-Federal entity, you must follow ONDCP's conflict of interest policies for Federal awards. Recipients must disclose in writing any potential conflict of interest to an ONDCP Program Officer; recipients that are pass-through entities must require disclosure from subrecipients or contractors. This disclosure must take place immediately whether you are an applicant or have an active ONDCP award.

The ONDCP conflict of interest policies apply to sub-awards as well as contracts, and are as follows:

- i. As a non-Federal entity, you must maintain written standards of conduct covering conflicts of interest and governing the performance of your employees engaged in the selection, award, and administration of subawards and contracts.
- ii. None of your employees may participate in the selection, award, or administration of a subaward or contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an organization considered for a sub-award or contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from subrecipients or contractors or parties to subawards or contracts.
- iii. If you have a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, you must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, you are unable or appear to be unable to be impartial in conducting a sub-award or procurement action involving a related organization.

### B. Mandatory Disclosure Requirement

As a non-Federal entity, you must disclose, in a timely manner, in writing to ONDCP all violations of Federal criminal law involving fraud, bribery or gratuity violations potentially affecting the Federal award. Non-Federal entities that have received a Federal award that includes the term and condition outlined in 200 CFR Part 200, Appendix XII "Award Term and Condition for Recipient Integrity and Performance Matters," are required to report certain civil, criminal, or administrative proceedings to SAM. Failure to make required disclosures can result in remedies such as: temporary withholding of payments pending correction of the deficiency, disallowance of all or part of the costs associated with noncompliance, suspension, termination of award, debarment, or other legally available remedies outlined in 2 CFR 200.338 "Remedies for Noncompliance".

9. FFATA / DATA Act Compliance. Each applicant is required to (i) Be registered in the System for Award Management (SAM) before submitting its application; (ii) provide a valid DUNS number in its application; (iii) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award; and (iv) provide all relevant grantee information required for ONDCP to collect for reporting related to FFATA and DATA Act requirements.
10. Subawards are authorized under this grant award. Subawards must be monitored by the award recipient as outlined in 2 CFR 200.331.
11. Recipients must comply with the Government-wide Suspension and Debarment provision set forth at 2 CFR Part 180.
12. As specified in the HIDTA Program Policy and Budget Guidance, recipient must:
  - a) Establish and maintain effective internal controls over the Federal award that provides reasonable assurance that Federal award funds are managed in compliance with Federal statutes, regulations and award terms and conditions. These internal controls should be in compliance with the guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
  - b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
  - c) Evaluate and monitor compliance with applicable statute and regulations, and the terms and conditions of the Federal award.
  - d) Take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.
  - e) Take reasonable measures to safeguard protected personally identified information (PII) and other information ONDCP or the recipient designates consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

## B. Recipient Integrity and Performance Matters

### Reporting of Matters Related to Recipient Integrity and Performance

#### 1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain and report current information to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee

Performance and Integrity Information System (FAPIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition (below). This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

## 2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent 5 year period; and
- c. Is one of the following:
  - (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition (below);
  - (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
  - (3) An administrative proceeding, as defined in paragraph 5 of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
  - (4) Any other criminal, civil, or administrative proceeding if:
    - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;
    - (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
    - (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

## 3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

## 4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent 5 year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative

agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

## 5. Definitions

For purposes of this award term and condition:

- a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.
- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—
  - (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
  - (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

## C. Program Specific Terms and Conditions

The following special conditions are incorporated into each award document.

1. This grant is awarded for above program. Variation from the description of activities approved by ONDCP and/or from the budget attached to this letter must comply with the reprogramming requirements as set forth in ONDCP's HIDTA Program Policy and Budget Guidance.
2. This award is subject to the requirements in ONDCP's HIDTA Program Policy and Budget Guidance.
3. No HIDTA funds shall be used to supplant state or local funds that would otherwise be made available for the same purposes.
4. The requirements of 28 CFR Part 23, which pertain to information collection and management of criminal intelligence systems, shall apply to any such systems supported by this award.
5. Special accounting and control procedures must govern the use and handling of HIDTA Program funds for confidential expenditures; i.e., the purchase of information, evidence, and services for undercover operations. Those procedures are described in Section 6 of the HIDTA Program Policy and Budget Guidance.
6. Property acquired with these HIDTA grant funds is to be used for activities of the Midwest HIDTA. If your agency acquires property with these funds and then ceases to participate in the HIDTA, this equipment must be made available to the HIDTA's Executive Board for use by other HIDTA participants.



7. All law enforcement entities that receive funds from this grant must report all methamphetamine laboratory seizure data to the National Clandestine Laboratory Database/National Seizure System at the El Paso Intelligence Center.

#### D. Federal Award Performance Goals

1. All entities that receive funds from this award are responsible for achieving performance goals established in the HIDTA Performance Management Process (PMP) and approved by the HIDTA's Executive Board and ONDCP.
2. All entities that receive funds from this award must report progress in achieving performance goals at least quarterly using the PMP.

See also Section A. 4 regarding Federal Financial Reports.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
X _____	City Mayor
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Lee's Summit Missouri	

# Single Audit Certification

## Sub-Recipient Audit Requirements of the A-133 Single Audit (§200.502)

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Agreement between the Lee's Summit Police Department and the Kansas Bureau of Investigation under the *Midwest HIDTA* CFDA # 95.001 for the period of 1/1/16 – 12/31/17 in the amount of \$70,909.00 "DEA."

The Kansas Bureau of Investigation is subject to the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133: Audits of Dates, Local Governments and Nonprofit Organizations. As such, OMB Circular A-133 requires the Kansas Bureau of Investigation to monitor our sub recipients of federal awards and determine whether they have met the audit requirements of the circular and whether they are in compliance with federal laws and regulations. This document must be completed and signed by the sub-recipient's organization.

Accordingly, we are requesting that you circle one of the numbers below, provide all appropriate documentation regarding your organization's compliance with the audit requirements, This is part of the sub recipient's grant agreement with the Kansas Bureau of Investigation.

Name of organization: Lee's Summit Police Department

Sub recipient's DUNS # \_\_\_\_\_

Federal Employer Identification Number (FEIN): \_\_\_\_\_

1. We have completed our OMB Circular A-133 audit for the fiscal year ending \_\_\_\_\_

Here is the link to our audit report.  If material exceptions were noted, please enclose a copy of the responses and corrective actions taken.

2. We expect our OMB Circular A-133 audit for the fiscal year ending \_\_\_\_\_

to be completed by \_\_\_\_\_. A copy of our audit report will be forwarded to the Kansas Bureau of Investigation within 30 days of receipt of the report.

3. We are not subject to Circular A-133 audit because:

- a) We are a for-profit organization.
- b) We expend less than \$500,000 in federal awards annually.
- c) Other (*please explain*): \_\_\_\_\_



U.S. DEPARTMENT OF JUSTICE  
OFFICE OF JUSTICE PROGRAMS  
OFFICE OF THE COMPTROLLER

**CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS**

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 28 CFR Part 69, "New Restrictions on Lobbying" and 28 CFR Part 67, "Government-wide Department and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon reliance will be placed when the Department of Justice determines to award the covered transaction, grant, or cooperative agreement.

**1. LOBBYING**

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the applicant certifies that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, Disclosure of Lobbying Activities, in accordance with its instructions;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

**2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECIPIENT)**

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510-

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a

public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

**3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)**

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart E, for grantees, as defined at 28 CFR Part 67 Sections 67.615 and 67.620-

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an on-going drug-free awareness program to inform employees about-

(1) The dangers of drugs abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will-

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted-

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site (s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, country, state, zip code)

DEA/KCDO/HIDTA TF Group 43  
7600 College Blvd., Suite 100  
Overland Park, KS 66210

Check  if there are workplace on file that are not identified here.

Section 67. 630 of the regulations provides that a grantee that is a State may elect to make one certification in each Federal fiscal year. A copy of which should be included with each application for Department of Justice funding. States and State agencies may elect to use OJP Form 4061/7.

Check  if the State has elected to complete OJP Form 4061/7.

**DRUG-FREE WORKPLACE  
(GRANTEES WHO ARE INDIVIDUALS)**

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67; Sections 67.615 and 67.620-

A. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in condition any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

1. Grantee Name and Address:

Lee's Summit Police Department  
10 NE Tudor Rd  
Lee's Summit, MO 64086

2. Application Number and/or Project Name

3. Grantee IRS/Vendor Number

4. Typed Name and Title of Authorized Representative

Chief Travis Forbes

5. Signature

6. Date

## Packet Information

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**File #:** TMP-0576, **Version:** 1

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AN ORDINANCE APPROVING THE SOLE SOURCE ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.

Issue/Request:

AN ORDINANCE APPROVING THE SOLE SOURCE ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.

Key Issues:

The maintenance of the heating and cooling system at the Police and Court Facility is an ongoing project with many components that need to be continually maintained. The facility was opened in January of 1999 and since that time numerous parts of the system have had to have both minor and major repairs or replacement, including replacement of large expensive compressors. Without a contract, which covers the cost of the repairs and replacement of major parts, the cost to the City would be much higher via emergency repair calls with the premium price for technician's time and materials used to repair the unit. Additionally, being a 24/7 facility, the City would be paying a premium price for emergency repair and support calls occurring outside normal business hours to keep the system operational.

The HVAC system is a Trane brand with proprietary software that operates the system. We have sole sourced the maintenance contract with Trane since 2003, primarily because of the Trane proprietary software system being used to operate the HVAC units and because of their high quality service performance. The City's Trane unit has had numerous software revisions provided by Trane at no charge since the system's inception. Compressors and other costly equipment have on occasion been replaced at no charge due to our standing maintenance contract. Trane provides quarterly backups of the software.

Trane customers get priority service which is essential for a 24/7 operational facility. This eliminates charges for service calls.

Contract customers have the benefit of software updates.

Factory direct access for trouble-shooting for equipment and building automations.

Proposed City Council Motion:

I MOVE TO RECOMMEND TO THE CITY COUNCIL APPROVAL OF AN ORDINANCE APPROVING THE SOLE SOURCE

ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.

Background:

The Police and Court facility HVAC system is a Trane brand that is controlled by Train software. The software provides remote access to both Trane technicians and police personnel.

Since 2003 after the initial Trane warranty expired, the HVAC maintenance contract has been sole sourced to Trane due to their factory trained technicians and proprietary software.

Impact/Analysis:

The cost of the contract is approximately \$57,880.00 per year. The funding source for the contract is in the general operating budget of the Police Department. There have been modest increases since inception. The performance of the Trane company since 2003 has been outstanding.

Timeline:

Start: \_\_\_\_

Finish: \_\_\_\_

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Major Curt Mansell

Recommendation: STAFF RECOMMENDS APPROVAL OF AN ORDINANCE APPROVING THE SOLE SOURCE ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.

Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE APPROVING THE SOLE SOURCE ANNUAL MAINTENANCE CONTRACT BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND THE TRANE COMPANY FOR HVAC MAINTENANCE SERVICES FOR THE POLICE AND COURT FACILITY FOR A PERIOD OF ONE YEAR IN THE AMOUNT OF \$57,880.00 AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SAME BY AND ON BEHALF OF THE CITY.

WHEREAS, the Lee's Summit Police Department and Court Facility (hereinafter "the Facility") opened in January 1999; and,

WHEREAS, the original HVAC equipment installed in the Facility is Trane equipment that utilizes proprietary software that operates the system which requires periodic updates and revisions; and,

WHEREAS, since 2003, the City has engaged the Trane Company under a sole source agreement to provide maintenance services to the Facility's HVAC equipment due to the proprietary software requirements and the high quality service performance received from the Trane Company; and,

WHEREAS, the maintenance agreement provides the City access to 24/7 emergency services as well as scheduled software updates and revisions for a fixed annual fee, which includes equipment replacement and repair of equipment; and,

WHEREAS, City desires to enter into a sole source annual maintenance contract with the Trane Company for the provision of said services in order to ensure the provision of continued service for the Facility.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the sole source annual maintenance contract by and between the City of Lee's Summit, Missouri and the Trane Company for HVAC maintenance services for the Police and Court facility for a period of one year in the amount of \$57,880.00 is hereby approved and the City Manager is hereby authorized to execute said contract as well as any and all additional documents necessary to effectuate the intent of this Ordinance by and on behalf of the City of Lee's Summit, Missouri.

SECTION 2. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2017.

ATTEST:

\_\_\_\_\_  
Mayor *Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise Chisum*

**BILL NO. 17-**

**ORDINANCE NO.**

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APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2017.

ATTEST:

\_\_\_\_\_  
Mayor *Randall L. Rhoads*

\_\_\_\_\_  
City Clerk *Denise Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management & Operations/Deputy City Attorney  
*Jackie McCormick Heanue*



SERVICE AGREEMENT  
for HVAC Service and Maintenance  
PSA Number 2013-086/2R

This AGREEMENT made and entered into this \_\_\_ day of \_\_\_\_\_ 2017, by and between the City of Lee's Summit, Missouri, a Municipal Corporation of the State of Missouri, hereinafter referred to as "City," and The Trane Company, a Company in the State of Missouri, hereafter referred to as "Service Provider." Witnesseth, that:

WHEREAS, Service Provider has offered to provide the services described in Exhibit A, payment terms described in Exhibit B Insurance requirements described in Exhibit C, subject to the General Conditions described in Exhibit D; and

WHEREAS, City desires to engage Service Provider to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, it is hereby agreed by the parties hereto as follows:

1. City employs Service Provider to perform the services hereinafter set forth.
2. Services. The Service Provider represents that it is equipped, competent, and able to perform, and that it will perform all services hereinafter set forth in a diligent, competent, and workmanlike manner. Service Provider will perform all such services in accordance with the following provisions, incorporated into this Agreement as if set forth in full herein: the Service Provider's Proposal, ("Proposal"); Scope of Services ("Scope"), attached hereto as Exhibit A; Payment Terms, attached hereto as Exhibit B Insurance requirements, attached hereto as Exhibit C; and General Conditions, attached hereto as Exhibit D. In the event of any conflict between provisions in the exhibits attached herein, the provisions set forth in Exhibit C shall control.
3. Compensation. It is expressly understood that in no event will the compensation to be paid to the Service Provider under the terms of this agreement for the services set forth in the Scope, and for reimbursement of authorized expenses exceed the line item costs outlined in Exhibit B. Service Provider agrees that the price for all line items outlined in Exhibit B shall not increase for a period of one (1) year from the date of agreement execution. If additional services are requested by the City, the Service Provider will prepare and submit to the City an estimate of the total cost associated with such additional services. The City will review and approve in writing such cost estimate for additional services, and the total compensation and reimbursement to be paid by the City to the Service Provider for such approved additional services shall not exceed the approved amount. Service Provider's fees for additional services shall be billed on an hourly basis at Service Provider's current standard rates, which will in no event exceed the amount approved by the City in writing for such additional services.
4. The term of this Agreement shall be for a one (1) year period from May 20, 2017 through May 19, 2018.
5. This agreement shall be binding on the parties thereto only after it has been duly executed and approved by the City and the Service Provider.

CITY OF LEE'S SUMMIT

\_\_\_\_\_  
Stephen A. Arbo, City Manager

\_\_\_\_\_  
Date

SERVICE PROVIDER:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

EXHIBIT A – EXISTING FACILITIES

**Executive Summary**

Thank you for choosing Trane Building Services as your HVAC support partner. We are committed to working with you to help you ensure your building serves the needs of your organization. The details of that commitment are in the following pages.

A Trane Select Service Agreement will provide planned maintenance and repair for your HVAC systems as specified in the scope of the Agreement. The Agreement assures that factory recommended services are executed on scheduled intervals, while also allowing you to accurately budget repairs to maintain peak performance. With repairs included in your annual planned maintenance, the Agreement should help you minimize unplanned down time and unexpected expense.

Beyond the benefits of a typical service plan, a Trane Select Service Agreement can deliver enhanced value through an optional Performance Package. Trane is continuously collecting data from your HVAC system that can be streamed into a report to provide insight into the overall system performance of your building. Based on a professional analysis of the report's findings, we can demonstrate opportunities for improvement, and recommend actions to help you achieve performance objectives for energy usage, operational efficiency, environmental impact, air quality and more.

Additionally, as a Trane customer you can count on:

- Priority Response – as a Trane Service Agreement customer you will have service priority, above time and materials customers.
- Advanced Diagnostics – Trane proprietary applications and technologies equip technicians to analyze system performance and make actionable service recommendations.
- Trane OEM Service Delivery – ensures the right services are completely and consistently performed to keep your equipment running efficiently and reliably.
- Dedicated Trane Service Team – a local service team consisting of a Service Coordinator, one or more Service Technicians and an Account Manager, all of whom will be familiar with your service requirements, your HVAC equipment and your facility.

**SERVICE PROPOSAL FOR:**

Lee's Summit Police Department  
10 Northeast Tudor Road  
Lee's Summit, MO 64086 U.S.A.

**SITE ADDRESS:**

Lee's Summit Police Department  
10 Northeast Tudor Road  
Lee's Summit, MO 64086 U.S.A.

**LOCAL TRANE OFFICE:**

Trane U.S. Inc. dba Trane  
8014 Flint St.  
Lenexa, KS 66214-3334

**LOCAL TRANE REPRESENTATIVE:**

Mark Lister  
Cell: 816-401-1991  
Office: (913) 599-4664

**PROPOSAL ID / AGREEMENT NUMBER:**

LSPOLICE17

**DATE:**

March 14, 2017

WE VALUE THE CONFIDENCE YOU HAVE PLACED IN TRANE AND LOOK FORWARD TO WORKING WITH YOU.

**Added Value**

Proper maintenance can save an estimated 12-18%\* of your budget compared to a run-to-fail approach. A Service Agreement is structured to help you capture those savings. In addition to financial value, when you partner with Trane you can expect:

**Dependability and Consistency**

Assigned Service Team - Your service team will consist of our professional Service Coordinator, Service Technicians, and Account Manager with extensive HVAC experience. Our technicians have a thorough understanding of controls, heating, refrigeration, and airside systems.

Priority Response - Lee's Summit Police Department will receive preferred service status. Priority Emergency Response is available on a 24-hour-per-day basis.

Automated Scheduling System - Trane utilizes a computerized scheduling program to ensure that all services included in the agreement are performed.

**Superior Service Delivery**

Trane's OEM Service Delivery Process ensures consistent quality through:

- Uniform service delivery
- Pre-job parts planning
- Documented work procedures
- Efficient and economical delivery of services
- Emphasis on Safety & Environments

### Superior Service Delivery (continued)

Service Work Flow - Trane's industry exclusive service flow process includes detailed procedures that identify steps for: safety, parts, materials, tools, and sequence for execution. Trane's procedures also include steps for safety, quality control, work validation, and environmental compliance.

This process assures a complete service event. No critical steps are skipped or lost. Systems serviced in this way offer a higher degree of reliability and operational longevity. Trane's exclusive service procedures deliver superior service and most reliable outcomes at the most cost-effective price.

Where applicable, Trane's exclusive service process meets or exceeds ASHRAE 180-2008 Standard Practice for Inspection and Maintenance of Commercial Building HVAC Systems.

Trane's proprietary program is unequalled in the industry.

### Knowledge Transfer

Documentation - Work performed on your equipment will be documented by the technician and reviewed with you at the completion of each visit.

Operational System Optimization - Trane Technicians will review operating sequences and practices for the equipment covered by the agreement and advise you of operational improvement opportunities.

Training for Facility Staff - Concurrent with annual start-up, your Trane Technician will instruct your operator how to operate the equipment covered by the agreement.

### Health and Safety

Safety Management Program - Trane Building Services employs several full time Occupational Safety and Health Administration (OSHA) 30-hr certified safety managers who are available to perform safety consultations related to the service performed at your site. Our Safety Management Program includes monthly safety training for all Trane Building Services field personnel, field supervisor jobsite audits, technician job safety analyses, and other key risk assessments and control strategies.

Personal Safety - Trane service technicians are, at a minimum, OSHA 10-hr certified, or equivalent with yearly retraining on all key occupational safety and health topics. Most of our technicians have participated in "Smith Safe" driver training and are Department of Transportation (DOT) Hazmat certified. They are provided with up to date personal protective equipment (PPE), training on its use and limitations, and FR protective apparel. Trane maintains an industry leading position in National Fire Protection Agency (NFPA) 70E Electrical Safety, technician ergonomics and fall protection programs.

Drug-Free Workplace - Trane service maintains a Drug-Free Workplace, with a robust drug and alcohol testing program.

### Environmental Management

Refrigerant Policy - Trane Building Services practices and procedures are compliant with all Federal and State laws and regulations concerning the proper handling, storage, and repair of leaks of ozone-depleting refrigerants and their substitutes according to Environmental Protection Agency regulation 40 CFR Part 82. Trane service technicians are Universal-certified and use only certified recovery equipment.

Refrigerant Management Program - Trane Building Services maintains and uses Trane Refrigerant Management Software (RMS) to capture, manage and report Refrigerant Activity. The Refrigerant Activity Report Form is used by the technician to record all refrigerant activity that has occurred on each piece of equipment. The form data is entered into RMS after it is submitted to and checked by central office personnel. Annually, Trane prints a report from RMS of all Refrigerant activity that has occurred at each site. The report details all refrigerant activity performed by Trane Building Services Technicians for each piece of equipment, and can be used to satisfy reporting requirements.

Oil Disposal - Trane Building Services removes used oil from your refrigeration units and disposes of it in accordance with applicable environmental regulations. Trane has a national contract with a leading provider of used oil services to recycle used oil where allowed and properly dispose of used oil which does not meet recycling requirements (in states where used oil is a hazardous waste, Trane will remove used oil from refrigeration units for the customer to arrange disposal).

### Scope of Services – Standard Inclusions

#### Trane Scheduled Maintenance

Scheduled number of specific service events and associated labor performed during Trane normal business hours as outlined in the Equipment Coverage and Services section of this Agreement. Basic materials and supplies determined necessary by the Trane Technician for the normal performance of Scheduled Maintenance are covered by the annual fee and include grease, cleaning solvents, and wiping cloths.

## Refrigerant Management

This scope includes:

- Refrigerant Replacement at 0% of Charge per unit per year
- Trane Technicians will capture and track all refrigerant activity performed by Trane for each piece of Covered Equipment
- Refrigerant Usage Reports can be generated annually

## Trane Laboratory Analysis

The Trane Chemical Laboratory performs routine analysis and trending of oil, absorption solutions, and refrigerants as required. Equipped with this knowledge and Trane's extensive experience we can identify and head off potential system failures more definitively than service providers who depend on third party testing laboratories.

## Specified System Repair Coverage

Covers the cost of all required repairs to maintainable components on the systems specified during Trane normal business hours. Non-specified equipment repairs will be invoiced separately on a time and materials basis.

Overtime repair labor for emergency failures (outside of Trane regular business hours) will be invoiced separately on a time and material basis.

## Cooling Contingency Planning

Trane emergency preparedness personnel will provide Cooling Contingency Planning to anticipate and respond to unusual or unplanned cooling needs. Planning will address temporary chillers, portable auxiliary power units, and recommendations for facility modifications to prepare your system for temporary cooling.

Additional Scope of Services:

## Equipment Coverage and Services

Trane will perform the following scheduled services on the described equipment located at:

The following "Covered Equipment" will be serviced at Lee's Summit Police Department:

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Tracer Summit Building Management Systems (BMTS)	1	Trane	BMTS000AAB	E98D09716	

Description	Quantity Per Term
CNT-145 (Service 6)	1
SUMMIT PANEL RUN INSPECTION (Service 13)	3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Indoor Modular Climate Changer air handler	1	Trane	MCCA100AEG	K98C19994	
Indoor Modular Climate Changer air handler	1	Trane	MCCA100BDJ	K98C19996	
Indoor Modular Climate Changer air handler	1	Trane	MCCA100GAU	K98C19997	
Indoor Modular Climate Changer air handler	1	Trane	MCCA100HBE	K98C19995	
Indoor Modular Climate Changer air handler	1	Trane	MCCA100NGB	K98C19993	

Description	Quantity Per Term
M Series Annual (Service 8)	1
M Series Quarterly (Service 9)	3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
80-120 Ton Air-Cooled Condensing Unit	1	Trane	RAUCD104BG	J97M84301	1
80-120 Ton Air-Cooled Condensing Unit	1	Trane	RAUCD104BG	J97M84302	2

Description	Quantity Per Term
Air Cooled Recip Condensing Unit Quarterly Maintenance (Service 3)	1
Air Cooled Recip Condensing Unit Monthly Maintenance (Service 2)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
VAV Fan Powered	78	Trane	VAV BOXES		

Description	Quantity Per Term
1. Report in with the Customer Representative. 2. Record and report abnormal conditions, measurements taken, etc. 3. Review customer logs with the customer for operational problems and trends. 4. Verify proper air valve operation. 5. Check and adjust (Service 1)	2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
2-25 Ton Packaged Heat Pump (not current)	1	Trane	WCD120B40G	N04101262D	JAIL RTU

Description	Quantity Per Term
Voyager Cooling Pre-Season Annual Start Up (Service 15)	1
Voyager Quarterly Inspection (Service 17)	2
Voyager Heating Pre-Season Annual Start Up (Service 16)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Unit Heaters - Generic	4	UNKNOWN	CABINET UN		
Unit Heaters - Generic	3	UNKNOWN	ELECTRIC U		

Description	Quantity Per Term
Unit Heater Maintenance (Service 14)	2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Computer Room Air Conditioners-Generic	1	UNKNOWN	DAAU0834	980167B	

Description	Quantity Per Term
RUN INSPECTION (Service 12)	4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Rooftop Air Conditioners - Generic	1	UNKNOWN	EMA5G4AS10	980853	

Description	Quantity Per Term
ANNUAL COOLING MAINTENANCE (Service 4)	1
MIDSEASON COOLING INSPECTION (Service 10)	1
MIDSEASON HEATING INSPECTION (Service 11)	1
ANNUAL HEATING MAINTENANCE (Service 5)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Centrifugal Roof Exhaust Fans - Downblast-obsolete	12	UNKNOWN	EXHAUST FA		

Description	Quantity Per Term
EXHAUST FAN MAINTENANCE (Service 7)	2

### Pricing and Acceptance

Lee's Summit Police Department  
 10 Northeast Tudor Road  
 Lee's Summit, MO 64086 U.S.A.

Site Address:  
 Lee's Summit Police Department  
 10 Northeast Tudor Road  
 Lee's Summit, MO 64086 U.S.A.

### Trane Service Agreement

This Service Agreement consists of the pages beginning with the title page entitled "The Agreement," the consecutively numbered pages immediately following such title page, and includes and ends with the Trane Terms and Conditions (Service) (collectively, the "Service Agreement" or "Agreement"). Trane agrees to inspect and maintain the Covered Equipment according to the terms of this Service Agreement, including the "Terms and Conditions," and "Scope of Services" sections. Trane agrees to give preferential service to Customer over non-contract customers.

### Service Fee

As the fee(s) (the "Service Fee(s)") for the inspection and maintenance services described in the Scope of Services section with respect to the Covered Equipment, Customer agrees to pay to Trane the following amounts, plus applicable tax, as and when due.

Contract Year	Annual Amount USD	Payment USD	Payment Term
Year 1	\$31,680.00	\$31,680.00	Annual

### Term

The initial term of this Service Agreement is 1 year, beginning May 20, 2017. However, Trane's obligation under this Agreement will not begin until authorized representatives of Trane and Customer have both signed this Agreement in the spaces provided below. Following expiration of the initial term on May 19, 2017, this Agreement shall renew automatically for successive periods of 1 year until terminated as provided herein.

### Executive Summary

Thank you for choosing Trane Building Services as your HVAC support partner. We are committed to working with you to help you ensure your building serves the needs of your organization. The details of that commitment are in the following pages.

A Trane Select Service Agreement will provide planned maintenance and repair for your HVAC systems as specified in the scope of the Agreement. The Agreement assures that factory recommended services are executed on scheduled intervals, while also allowing you to accurately budget repairs to maintain peak performance. With repairs included in your annual planned maintenance, the Agreement should help you minimize unplanned down time and unexpected expense.

Beyond the benefits of a typical service plan, a Trane Select Service Agreement can deliver enhanced value through an optional Performance Package. Trane is continuously collecting data from your HVAC system that can be streamed into a report to provide insight into the overall system performance of your building. Based on a professional analysis of the report's findings, we can demonstrate opportunities for improvement, and recommend actions to help you achieve performance objectives for energy usage, operational efficiency, environmental impact, air quality and more.

Additionally, as a Trane customer you can count on:

- Priority Response – as a Trane Service Agreement customer you will have service priority, above time and materials customers.
- Advanced Diagnostics – Trane proprietary applications and technologies equip technicians to analyze system performance and make actionable service recommendations.
- Trane OEM Service Delivery – ensures the right services are completely and consistently performed to keep your equipment running efficiently and reliably.
- Dedicated Trane Service Team – a local service team consisting of a Service Coordinator, one or more Service Technicians and an Account Manager, all of whom will be familiar with your service requirements, your HVAC equipment and your facility.

**SERVICE PROPOSAL FOR:**

Lee's Summit Police Department  
10 Northeast Tudor Road  
Lee's Summit, MO 64086 U.S.A.

**SITE ADDRESS:**

Lee's Summit Police Department New Training Facility  
Lee's Summit, MO 64086 U.S.A.

**LOCAL TRANE OFFICE:**

Trane U.S. Inc. dba Trane  
8014 Flint St.  
Lenexa, KS 66214-3334

**LOCAL TRANE REPRESENTATIVE:**

Mark Lister  
Cell: 816-401-1991  
Office: (913) 599-4664

**PROPOSAL ID / AGREEMENT NUMBER:**

LSPOLICE-New Facility17

**DATE:**

March 14, 2017

WE VALUE THE CONFIDENCE YOU HAVE PLACED IN TRANE AND LOOK FORWARD TO WORKING WITH YOU.

### Added Value

Proper maintenance can save an estimated 12-18%\* of your budget compared to a run-to-fail approach. A Service Agreement is structured to help you capture those savings. In addition to financial value, when you partner with Trane you can expect:

#### Dependability and Consistency

Assigned Service Team - Your service team will consist of our professional Service Coordinator, Service Technicians, and Account Manager with extensive HVAC experience. Our technicians have a thorough understanding of controls, heating, refrigeration, and airside systems.

Priority Response - Lee's Summit Police Department will receive preferred service status. Priority Emergency Response is available on a 24-hour-per-day basis.

Automated Scheduling System - Trane utilizes a computerized scheduling program to ensure that all services included in the agreement are performed.

#### Superior Service Delivery

Trane's OEM Service Delivery Process ensures consistent quality through:

- Uniform service delivery
- Pre-job parts planning
- Documented work procedures
- Efficient and economical delivery of services
- Emphasis on Safety & Environments

### Superior Service Delivery (continued)

Service Work Flow - Trane's industry exclusive service flow process includes detailed procedures that identify steps for: safety, parts, materials, tools, and sequence for execution. Trane's procedures also include steps for safety, quality control, work validation, and environmental compliance.

This process assures a complete service event. No critical steps are skipped or lost. Systems serviced in this way offer a higher degree of reliability and operational longevity. Trane's exclusive service procedures deliver superior service and most reliable outcomes at the most cost-effective price.

Where applicable, Trane's exclusive service process meets or exceeds ASHRAE 180-2008 Standard Practice for Inspection and Maintenance of Commercial Building HVAC Systems.

Trane's proprietary program is unequalled in the industry.

### Knowledge Transfer

Documentation - Work performed on your equipment will be documented by the technician and reviewed with you at the completion of each visit.

Operational System Optimization - Trane Technicians will review operating sequences and practices for the equipment covered by the agreement and advise you of operational improvement opportunities.

Training for Facility Staff - Concurrent with annual start-up, your Trane Technician will instruct your operator how to operate the equipment covered by the agreement.

### Health and Safety

Safety Management Program - Trane Building Services employs several full time Occupational Safety and Health Administration (OSHA) 30-hr certified safety managers who are available to perform safety consultations related to the service performed at your site. Our Safety Management Program includes monthly safety training for all Trane Building Services field personnel, field supervisor jobsite audits, technician job safety analyses, and other key risk assessments and control strategies.

Personal Safety - Trane service technicians are, at a minimum, OSHA 10-hr certified, or equivalent with yearly retraining on all key occupational safety and health topics. Most of our technicians have participated in "Smith Safe" driver training and are Department of Transportation (DOT) Hazmat certified. They are provided with up to date personal protective equipment (PPE), training on its use and limitations, and FR protective apparel. Trane maintains an industry leading position in National Fire Protection Agency (NFPA) 70E Electrical Safety, technician ergonomics and fall protection programs.

Drug-Free Workplace - Trane service maintains a Drug-Free Workplace, with a robust drug and alcohol testing program.

### Environmental Management

Refrigerant Policy - Trane Building Services practices and procedures are compliant with all Federal and State laws and regulations concerning the proper handling, storage, and repair of leaks of ozone-depleting refrigerants and their substitutes according to Environmental Protection Agency regulation 40 CFR Part 82. Trane service technicians are Universal-certified and use only certified recovery equipment.

Refrigerant Management Program - Trane Building Services maintains and uses Trane Refrigerant Management Software (RMS) to capture, manage and report Refrigerant Activity. The Refrigerant Activity Report Form is used by the technician to record all refrigerant activity that has occurred on each piece of equipment. The form data is entered into RMS after it is submitted to and checked by central office personnel. Annually, Trane prints a report from RMS of all Refrigerant activity that has occurred at each site. The report details all refrigerant activity performed by Trane Building Services Technicians for each piece of equipment, and can be used to satisfy reporting requirements.

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### Scope of Services – Standard Inclusions

#### Trane Scheduled Maintenance

Scheduled number of specific service events and associated labor performed during Trane normal business hours as outlined in the Equipment Coverage and Services section of this Agreement. Basic materials and supplies determined necessary by the Trane Technician for the normal performance of Scheduled Maintenance are covered by the annual fee and include grease, cleaning solvents, and wiping cloths.

### Refrigerant Management

This scope includes:

- Refrigerant Replacement at 0% of Charge per unit per year
- Trane Technicians will capture and track all refrigerant activity performed by Trane for each piece of Covered Equipment
- Refrigerant Usage Reports can be generated annually

### Trane Laboratory Analysis

The Trane Chemical Laboratory performs routine analysis and trending of oil, absorption solutions, and refrigerants as required. Equipped with this knowledge and Trane's extensive experience we can identify and head off potential system failures more definitively than service providers who depend on third party testing laboratories.

### Specified System Repair Coverage

Covers the cost of all required repairs to maintainable components on the systems specified during Trane normal business hours. Non-specified equipment repairs will be invoiced separately on a time and materials basis.

Overtime repair labor for emergency failures (outside of Trane regular business hours) will be invoiced separately on a time and material basis.

### Cooling Contingency Planning

Trane emergency preparedness personnel will provide Cooling Contingency Planning to anticipate and respond to unusual or unplanned cooling needs. Planning will address temporary chillers, portable auxiliary power units, and recommendations for facility modifications to prepare your system for temporary cooling.

Additional Scope of Services:

### Equipment Coverage and Services

Trane will perform the following scheduled services on the described equipment located at:

The following "Covered Equipment" will be serviced at Lee's Summit Police Department-Training Facility 2014:

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
Tracer Summit Building Management System (Expanded system hardware to original)	1	Trane	SUMMIT	TBD	SUMMIT EXP

Description Quantity Per Term  
 Summit Hardware Quarterly Inspections 4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
15 Ton Packaged Unitary RTU 1	1	Trane	THD180F	TBD	RTU 1
33,000 CFM Engineered Air- RTU 2	1	Engineered Air	FW1608	FW1608	RTU 2
50 ton Packaged Unitary RTU 3	1	Trane	TED600B4BL1B	TED600B4BL1B	RTU 3 C13H05287

Description Quantity Per Term  
 Packaged Rooftop Cooling Pre-Season Annual Start Up 1  
 Packaged Rooftop Mid-Season Inspection 2  
 Packaged Rooftop Heating Pre-Season Annual Start Up 1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tag
FFU1-Filter Fan Unit 36,300 CFM	1	Engineered Air	LM36	TBD	FFU 1
ERV 1 Energy Recovery Units	1	TBD	TBD	TBD	ERV 1
ERV 2 Energy Recovery Units	1	TBD	TBD	TBD	ERV 2
ERV 3 Energy Recovery Units	1	TBD	TBD	TBD	ERV 3
ERV 4 Energy Recovery Units	4	TBD	TBD	TBD	ERV 4

Description Quantity Per Term  
 Air Handling/ERV units quarterly maintenance inspections 4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tags
VAV w/ Electric Heat	11	Trane	VAV BOXES	NA	VAV3-01 thru VAV 3-11



Description  
 1. Report in with the Customer Representative. 2. Record and report abnormal conditions, measurements taken, etc. 3. Review customer logs with the customer for operational problems and trends. 4. Verify proper air valve operation. 5. Check and adjust

Quantity Per Term  
2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tags
Electric Unit Heaters - Generic	9	UNKNOWN	CABINET UN	NA	UH1-UH10

Description  
 Unit Heater Maintenance

Quantity Per Term  
2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tags
Computer Room Air Conditioners-Generic	2	LG	LSN181HSV2	Multiple	CRU 1-2

Description  
 RUN INSPECTION

Quantity Per Term  
4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Asset Tags
Fans	4	UNKNOWN	EXHAUST FA	Multiple	EF12, EF14, SEF1, TF1

Description  
 FAN MAINTENANCE

Quantity Per Term  
2

### Pricing and Acceptance

Lee's Summit Police Department  
 10 Northeast Tudor Road  
 Lee's Summit, MO 64086 U.S.A.

Site Address:  
 Lee's Summit Police Department-New Training  
 Facility

### Trane Service Agreement

This Service Agreement consists of the pages beginning with the title page entitled "The Agreement," the consecutively numbered pages immediately following such title page, and includes and ends with the Trane Terms and Conditions (Service) (collectively, the "Service Agreement" or "Agreement"). Trane agrees to inspect and maintain the Covered Equipment according to the terms of this Service Agreement, including the "Terms and Conditions," and "Scope of Services" sections. Trane agrees to give preferential service to Customer over non-contract customers.

### Service Fee

As the fee(s) (the "Service Fee(s)") for the inspection and maintenance services described in the Scope of Services section with respect to the Covered Equipment, Customer agrees to pay to Trane the following amounts, plus applicable tax, as and when due.

Contract Year	Annual Amount USD	Payment USD	Payment Term
Year 1	26,200.00	26,200.00	Annual

### Term

The initial term of this Service Agreement is 1 year, beginning May 20, 2017. However, Trane's obligation under this Agreement will not begin until authorized representatives of Trane and Customer have both signed this Agreement in the spaces provided below. Following expiration of the initial term on May 19, 2017, this Agreement shall renew automatically for successive periods of 1 year until terminated as provided herein.

## EXHIBIT B – EXISTING FACILITIES

The following "Covered Equipment" will be serviced at Lee's Summit Police Department:

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Tracer Summit Building Management Systems (BMTS)	1	Trane	BMTS000AAB	E98D09716	\$6,380.00

Description	Quantity Per Term
CNT-145 (Service 6)	1
SUMMIT PANEL RUN INSPECTION (Service 13)	3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Indoor Modular Climate Changer air handler	1	Trane	MCCA100AEG	K98C19994	\$1,600.00
Indoor Modular Climate Changer air handler	1	Trane	MCCA100BDJ	K98C19996	\$1,600.00
Indoor Modular Climate Changer air handler	1	Trane	MCCA100GAU	K98C19997	\$1,600.00
Indoor Modular Climate Changer air handler	1	Trane	MCCA100HBE	K98C19995	\$1,600.00
Indoor Modular Climate Changer air handler	1	Trane	MCCA100NBG	K98C19993	\$1,600.00

Description	Quantity Per Term
M Series Annual (Service 8)	1
M Series Quarterly (Service 9)	3

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
80-120 Ton Air-Cooled Condensing Unit	1	Trane	RAUCD104BG	J97M84301	\$2,500.00
80-120 Ton Air-Cooled Condensing Unit	1	Trane	RAUCD104BG	J97M84302	\$2,500.00

Description	Quantity Per Term
Air Cooled Recip Condensing Unit Quarterly Maintenance (Service 3)	1
Air Cooled Recip Condensing Unit Monthly Maintenance (Service 2)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
VAV Fan Powered	78	Trane	VAV BOXES		\$2,935.00

Description	Quantity Per Term
1. Report in with the Customer Representative. 2. Record and report abnormal conditions, measurements taken, etc.	2
3. Review customer logs with the customer for operational problems and trends. 4. Verify proper air valve operation.	
5. Check and adjust (Service 1)	

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
2-25 Ton Packaged Heat Pump (not current)	1	Trane	WCD120B40G	N04101262D	\$3,934.00

Description	Quantity Per Term
Voyager Cooling Pre-Season Annual Start Up (Service 15)	1
Voyager Quarterly Inspection (Service 17)	2
Voyager Heating Pre-Season Annual Start Up (Service 16)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Unit Heaters - Generic	4	UNKNOWN	CABINET UN		\$1,260.00
Unit Heaters - Generic	3	UNKNOWN	ELECTRIC U		\$ 970.00

Description	Quantity Per Term
Unit Heater Maintenance (Service 14)	2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Computer Room Air Conditioners-Generic	1	UNKNOWN	DAAU0834	980167B	\$1,095.00

Description	Quantity Per Term
RUN INSPECTION (Service 12)	4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Rooftop Air Conditioners - Generic	1	UNKNOWN	EMA5G4AS10	980853	\$1,508.00

Description	Quantity Per Term
ANNUAL COOLING MAINTENANCE (Service 4)	1
MIDSEASON COOLING INSPECTION (Service 10)	1
MIDSEASON HEATING INSPECTION (Service 11)	1
ANNUAL HEATING MAINTENANCE (Service 5)	1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Centrifugal Roof Exhaust Fans - Downblast-obsolete	12	UNKNOWN	EXHAUST FA		\$ 598.00

Description	Quantity Per Term
EXHAUST FAN MAINTENANCE (Service 7)	2

## EXHIBIT B – NEW FACILITY

The following "Covered Equipment" will be serviced at Lee's Summit Police Department-Training Facility 2014:

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Tracer Summit Building Management System (Expanded system to original)	1	Trane	SUMMIT	TBD	\$3,238.00

Description  
Summit Hardware Quarterly Inspections

Quantity Per Term  
4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
15 Ton Packaged Unitary RTU 1	1	Trane	THD180F	TBD	\$2,228.00
33,000 CFM Engineered Air-RTU 2	1	Engineered Air	FW1608	FWTBD8	\$3,584.00
50 ton Packaged Unitary RTU 3	1	Trane	TED600B4BL1B	TED600B4BL1B	\$2,964.00

Description  
Packaged Rooftop Cooling Pre-Season Annual Start Up

Quantity Per Term  
1

Packaged Rooftop Mid-Season Inspection

2

Packaged Rooftop Heating Pre-Season Annual Start Up

1

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
FFU1-Filter Fan Unit 36,300 CFM	1	Engineered Air	LM36	TBD	\$2,821.00
ERV 1 Energy Recovery Units	1	TBD	TBD	TBD	\$1,694.00
ERV 2 Energy Recovery Units	1	TBD	TBD	TBD	\$1,694.00
ERV 3 Energy Recovery Units	1	TBD	TBD	TBD	\$1,694.00
ERV 4 Energy Recovery Units	4	TBD	TBD	TBD	\$1,694.00

Description  
Air Handling/ERV units quarterly maintenance inspections

Quantity Per Term  
4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
VAV w/ Electric Heat	11	Trane	VAV BOXES		\$513.00

Description  
1. Report in with the Customer Representative. 2. Record and report abnormal conditions, measurements taken, etc. 3. Review customer logs with the customer for operational problems and trends. 4. Verify proper air valve operation. 5. Check and adjust

Quantity Per Term  
2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Electric Unit Heaters - Generic	9	UNKNOWN	CABINET UN		\$1,685.00

Description  
Unit Heater Maintenance

Quantity Per Term  
2

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Computer Room Air Conditioners- Generic	2	LG	LSN181HSV2	Multiple	\$2,149.00

Description  
RUN INSPECTION

Quantity Per Term  
4

Equipment	Qty	Manufacturer	Model Number	Serial Number	Contract Price
Roof Exhaust	4	UNKNOWN	EXHAUST FA	Multiple	\$242.00

Description  
EXHAUST FAN MAINTENANCE

Quantity Per Term  
2

EXHIBIT C  
INSURANCE REQUIREMENTS:

**CERTIFICATE OF INSURANCE.** The Consultant shall secure and maintain, throughout the duration of this contract, insurance of such types and in at least the amounts that are required herein. Consultant shall provide certificate(s) of insurance confirming the required protection on an ACORD 25 (or equivalent form). The City shall be notified by receipt of written notice from the insurer at least thirty (30) days prior to material modification or cancellation of any policy listed on the certificate(s). The City reserves the right to require formal copies of any Additional Insured endorsement, as well as the right to require completed copies of all insuring policies applicable to the project. The cost of such insurance shall be included in the Consultant's bid.

**NOTICE OF CLAIM.** The Consultant shall upon receipt of notice of any claim in connection with this contract promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability. The Consultant shall also promptly notify the City of any reduction in limits of protection afforded under any policy listed in the certificate(s) of insurance in excess of \$10,000.00, whether or not such impairment came about as a result of this contract. If the City shall subsequently determine that the Consultant's aggregate limits of protection shall have been impaired or reduced to such extent that they are inadequate for the balance of the project, the Consultant shall, upon notice from the City, promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.

**INDUSTRY RATING.** The City will only accept coverage from an insurance carrier who offers proof that it:

Is licensed to do business in the State of Missouri;  
Carries a Best's policyholder rating of "A" or better;  
Carries at least a Class VII financial rating.

OR

Is a company mutually agreed upon by the City and the Consultant.

**SUB-CONSULTANT'S INSURANCE.**

If any part of the contract is to be sublet, the Consultant shall either:

Cover all sub-consultant's in the Consultant's liability insurance policy or,

Require each sub-consultant not so covered to secure insurance in the minimum amounts required of the Consultant and submit such certificates to the City as outlined herein.

**INDEMNIFICATION.** The Consultant shall indemnify and hold the City harmless from any and all damage, loss or liability of any kind whatsoever arising out of this contract to the extent permitted by the Constitution and the Laws of the State of Missouri.

**SELF-INSURED RETENTIONS/DEDUCTIBLES.** Any Consultant that maintains a Self-Insured Retention or Deductible (in excess of \$50,000) must be declared on the Certificates provided the City such amounts shall be the sole responsibility of the Consultant. The City reserves the right to approve such self-insured retentions/deductibles and may require guarantees from the Consultant for such assumed limits.

**PROFESSIONAL LIABILITY.** Professional liability insurance protection must be carried by the consultant, for the duration of the contract, in the minimum amount of \$1,000,000 including errors and/or omissions.

**COMMERCIAL GENERAL LIABILITY POLICY**

Limits:

Each occurrence:	\$1,000,000
Personal & Advertising Injury:	\$1,000,000
Products/Completed Operations Aggregate:	\$1,000,000
General Aggregate:	\$1,000,000

Policy must include the following conditions:

Bodily Injury and Property Damage  
Insured Contract's Contractual Liability  
Explosion, Collapse & Underground (if risk is present)  
Additional Insured: City of Lee's Summit, Missouri

**AUTOMOBILE LIABILITY.** Policy shall protect the Consultant against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:

Any Auto

OR

All Owned Autos; Hired Autos; and Non-Owned Autos

Limits:

Each Accident, Combined Single Limits, Bodily Injury and Property Damage:	\$500,000
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City of Lee's Summit, Missouri does NOT need to be named as additional insured on Automobile Liability

WORKERS' COMPENSATION. This insurance shall protect the Consultant against all claims under applicable state Workers' Compensation laws. The Consultant shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation law and contain a waiver of subrogation against the City. The policy limits shall not be less than the following:

Workers' Compensation:	Statutory
Employer's Liability:	
Bodily Injury by Accident:	\$100,000 Each Accident
Bodily Injury by Disease:	\$500,000 Policy Limit
Bodily Injury by Disease:	\$100,000 Each Employee

GENERAL INSURANCE PROVISIONS.

- 1) The insurance limits outlined above represent the minimum coverage limit and do not infer or place a limit of liability of the Consultant nor has the City assessed the risk that may be applicable to the Consultant.
- 2) The Consultant's liability program will be Primary and any insurance maintained by the City (including self-insurance) will not contribute with the coverage maintained by the Consultant.
- 3) Coverage limits outlined above may be met by a combination of primary and excess liability insurance programs.
- 4) Any coverage provided on a Claims Made policy form must contain a 3-year tail option (extended reporting period) or the program must be maintained for 3-years subsequent to completion of the Contract.
- 5) Any failure on the part of the Consultant with any policy reporting provision shall not affect the coverage provided to the City.
- 6) When "City" is utilized, this includes its officers, employees and volunteers in respect to their duties for the City.

Before, entering into contract, the successful respondent shall furnish to the City of Lee's Summit Purchasing Office a Certificate of Insurance verifying all of the foregoing coverages and identifying the City of Lee's Summit as an "additional insured" on the general liability. This inclusion shall not make the City a partner or joint venture with the contract consultant in its operations hereunder.

Prior to any material change or cancellation, the City of Lee's Summit will be given thirty (30) days advance notice by registered mail to the stated address of the certificate holder. Further, the City will be immediately notified of any reduction or possible reduction in aggregate limits of any such policy where such reduction, when added to any previous reductions, would exceed 10% of the aggregate.

In the event of an occurrence, it is further agreed that any insurance maintained by the City of Lee's Summit, shall apply in excess of and not contribute with insurance provided by policies named in this contract.

Personal/Advertising Injury  
Independent Contractors  
Additional Insured: City of Lee's Summit, Missouri

The certificate holder on the Certificate of Insurance shall be as follows:

City of Lee's Summit  
Procurement and Contract Services Division  
220 S.E. Green Street  
Lee's Summit, MO 64063 -2358

**EXHIBIT D****GENERAL CONDITIONS FOR SOLE SOURCE CONTRACTS AND OTHER CONTRACTS NOT PROCURED THROUGH THE RFP, RFO, OR BID PROCESSES**

1. **SCOPE:** The provisions contained in this Exhibit C represent the final manifestation of intent and agreement between the City and the Seller with regard to the subject matter contained herein. It is the intent of the City and the Seller that the provisions contained in this Exhibit C take precedence over any other Contract provisions (particularly the other Exhibits attached to this Contract) which may be in conflict with, or inconsistent with, the provisions contained in this Exhibit C.
2. **DEFINITIONS AS USED HEREIN:**
  - a. The term "City" means City of Lee's Summit, MO.
  - b. The term "City Council" means the governing body of the City of Lee's Summit, MO. The term "Board" means the governing body of the City of Lee's Summit Parks and Recreation Board. The term "Board Administrator" means the Parks and Recreation Board's department administrator.
  - c. The term "seller" means the party awarded the contract referenced above.
  - d. The term "Unit cost" or "Unit price": Unit price for each unit bid shall be shown and such price shall include packing unless otherwise specified. Freight or shipping shall not be included in the Unit Price.
3. **BONDS:** When a Bond is required it shall be executed with the proper sureties, through a company licensed to operate in the State of Missouri, and hold a current Certificate of Authority as an acceptable surety under 31 CFR Part 223 (and be listed on the current U.S. Department of the Treasury Circular 570 and have at least A Best's rating and a FPR9 or better financial performance rating per the current A.M. Best Company ratings.)
4. **TERMINATION:** Subject to the provisions below, the contract may be terminated by either party upon thirty (30) days advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then said contract may be extended upon written approval of the City until said work or services are completed and accepted.
  - a. **Termination For Convenience:** In the event that the contract is terminated or cancelled upon request and for the convenience of the City, without the required thirty (30) days advance written notice, then the City shall negotiate reasonable termination costs, if applicable.
  - b. **Termination For Cause:** Termination by the City for cause, default or negligence on the part of the seller shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause.
  - c. **Termination Due To Unavailability Of Funds In Succeeding Fiscal Years:** When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract shall be cancelled and the seller shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the contract.
5. **TAX EXEMPT:** The City is exempt from State and local sales taxes. Sites of all transactions derived from this proposal shall be deemed to have been accomplished within the State of Missouri.
6. **SAFETY:** All practices, materials, supplies, and equipment shall comply with the Federal Occupational Safety and Health Act, as well as any pertinent Federal, State and/or local safety or environmental codes.
7. **RESPONDENT PROHIBITED:** The contract may not be assigned or transferred without the prior written approval of the City.
8. **DISCLAIMER OF LIABILITY:** The City, or any of its agencies, will not hold harmless or indemnify the seller for any liability whatsoever.
9. **INDEMNITY AND HOLD HARMLESS:** Seller agrees to indemnify, release, defend, and forever hold harmless the City, its officers, agents, employees, and elected officials, each in their official and individual capacities, from and against all claims, demands, damages, loss or liabilities, including costs, expenses, and attorneys fees incurred in the defense of such claims, demands, damages, losses or liabilities, or incurred in the establishment of the right to indemnity hereunder, caused in whole or in part by Seller, his sub-contractors, employees or agents, and arising out of services performed by Seller, his subcontractors, employees or agents under this contract to the extent permitted by the Constitution and the Laws of the State of Missouri.
10. **LAW GOVERNING:** All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Missouri. Any lawsuit arising from or relating to this contract shall only be filed in the Circuit Court of Jackson County, Missouri.
11. **COMPLIANCE WITH APPLICABLE LAW:** Seller shall comply with all federal, state or local laws, ordinances, rules, regulations and administrative orders, including but not limited to Wage, Labor, Unauthorized Aliens, EEO and OSHA-type requirements which are applicable to Seller's performance under this contract. Seller shall indemnify and hold the City harmless on account of any violations thereof relating to Seller's performance under this contract, including imposition of fines and penalties which result from the violation of such laws.
12. **ANTI-DISCRIMINATION CLAUSE:** The seller shall not in any way, directly or indirectly discriminate against any person because of age, race, color, handicap, sex, national origin, or religious creed.
13. **DOMESTIC PRODUCTS:** The City of Lee's Summit has adopted a formal written policy to encourage the purchase of products manufactured or produced in the United States (City of Lee's Summit Resolution No. 87-18, MO. State Statute No. 34.353, Section 3, (5)).
14. **CONFLICTS:** No salaried officer or employee of the City and no member of the City Council shall have a financial interest, direct or indirect, in this contract. A violation of this provision renders the contract void. Federal conflict of interest regulations and applicable provisions of Sections 105.450 – 105.496 shall not be violated. Seller covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services to be performed under this contract. The Seller further covenants that in the performance of this contract no person having such interest shall be employed.
15. **DEBARMENT:** By submission of its response, the Seller certifies that neither it nor its principals is presently debarred or suspended by any Federal Department or agency, including listing in the U.S. General Services Administration's List of Parties Excluded from Federal Procurement or Non-Procurement programs; or if the amount of this response is equal to or in excess of \$100,000, that neither it nor its principals nor its subcontractors receiving sub-awards equal to or in excess of \$100,000 is presently disbarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by an Federal Department, agency or provision of law. If the Seller is unable to certify any of the statements in this certification, the responder must attach an explanation to its response.
16. **FUND ALLOCATION:** Continuance of this Contract or issuance of Purchase Orders there under, is contingent upon the available funding and allocation of City funds. The Seller understands that the obligation of the City to pay for goods and/or services under the contract is limited to payment from available revenues and shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City nor shall anything contained in the contract constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the contract shall be construed so as to give effect to such intent.
17. **FREIGHT/SHIPPING:** The City of Lee's Summit has its own Freight/Logistics Management Agent, therefore freight/shipping for the products and or services proposed shall be FOB Origin and via the City's Freight Management Representative unless it is more advantageous for the City to use F.O.B. destination, whereby all transportation charges shall be paid by Seller.
18. **DAVIS BACON ACT:** The wages for any work utilizing this contract in which federal funding is utilized shall comply with any and all applicable federal laws and/or requirements to include but not limited to the Davis Bacon Act.



**The Trane Company**  
Kansas City District  
8014 Flint St  
Lenexa KS 66214

**Chris Smith**  
Account Executive  
913 307 8623 phone  
913 599 4669 fax

May 22, 2006

Tammy Shaw  
Lee's Summit Police Department  
10 N.E. Tudor Road  
Lee's Summit, Missouri 64086

RE: Sole Source Justification

Tammy,

We are pleased to present the following justification regarding the importance of a sole source provider.

There are many benefits to receiving service from a sole source provider. The first benefit is having factory direct access for trouble-shooting for equipment and building automation systems. Other servicing companies cannot directly call the plant engineers when experiencing difficulties with Trane HVAC systems. Only the manufacture has this capability.

Trane's technicians are also factory trained on the equipment and automation components. Competitors are not granted factory direct instruction on Trane systems.

Trane contract customers not only get priority response in emergency calls, they can receive consultation via the phone, as well as direct dial-up into their building automation system. This eliminates the need of a chargeable service call to the customer site. Not to mention the access to factory trained personnel correcting any and all problems.

Trane's software is licensed for the automation systems. No other company has the programming guide or capability to write sequencing for the Trane systems. This means one must obtain a license in order to use the automation software. Contract customers also have the benefit of having access to up-to-date revisions of the software, which keeps the system current.

In summary Trane is the only company that can provide their customers with this prospect. These benefits allow Trane to stand apart from all others. Thank you for the chance to provide this information. Trane appreciates the opportunity to continue to provide Lee's Summit Police Department with service over the years and hope to continue the relationship in the future.

Sincerely,

Chris Smith

**SOLE SOURCE PURCHASE JUSTIFICATION FORM**

**SUBMIT THIS FORM TO THE PROCUREMENT AND CONTRACT SERVICES DIVISION FOR APPROVAL PRIOR TO PLACING AN ORDER  
DOCUMENTATION FROM THE SUPPLIER/CONTRACTOR/MANUFACTURER IDENTIFYING SPECIFICS AS TO WHY THEY SHOULD BE CONSIDERED A "SOLE  
SOURCE" IS REQUIRED TO BE SUBMITTED WITH THIS FORM**

Date: 06/29/2017      Department: Police      Requested By: Major Curt Mansell

Vendor Contacted & Address: The Trane Company  
8014 Flint St.  
Lenexa, KS 66214  
 Phone Number: 913 307 3623

Comprehensive maintenance and repair of multiple HVAC systems at the Police and Court Facility  
 The police dept has current license of the proprietary software that allows both Trane technicians and police personel to monitor and acces the system. Trane updates the software regularly and trains police staff on it's use. The building is equipped with Trane equipment. Trane Tech's have factory direct access for tech support and parts. Emergency on call service for 24/7 operations. Have provided high quality and Prompt service as a sole source provider since 2003.

Estimated Annual Cost: \_\_\_\_\_ Was the request budgeted? X Yes  No

Term of this sole source is: July 2017 through \_\_\_\_\_

Sole source term is valid for one year unless a contract with multiple renewals is established based on the sole source request. Any exceptions must be approved as designated below. Will a yearly contract be established based on this sole source?  Yes  No

Other Contacts	Their Responses:
Name: _____	_____
Address: _____	_____
Phone #: _____	_____
Name: _____	_____
Address: _____	_____
Phone #: _____	_____

Was the manufacturer contacted for other distributors?  Yes  No

Please explain:

\_\_\_\_\_

I concur with the above explanations and approve this request:

[Signature]      Date 6-29-17      City Manager      Date \_\_\_\_\_

[Signature]      Date 6-30-17      Park Administrator      Date \_\_\_\_\_

City Clerk as approved by Council      Date \_\_\_\_\_

**APPROVALS REQUIRED:**

<b>APPROVALS REQUIRED FOR ALL CITY DEPARTMENTS (EXCLUDING PARKS &amp; RECREATION):</b>	
\$ 1,000 - \$ 9,999	Department Director, Procurement and Contract Services Manager Approval
\$ 10,000 - \$ 19,999	Department Director, Procurement and Contract Services Manager Approval, City Manager Approval
\$ 20,000 & Above	Department Director, Procurement and Contract Services Manager Approval, City Manager & City Council Approval
<b>APPROVALS REQUIRED FOR PARKS &amp; RECREATION ONLY:</b>	
\$ 1,000 - \$ 9,999	Parks Administrator & Procurement and Contract Services Manager Approval
\$ 10,000 - \$ 19,999	Parks Administrator, Procurement and Contract Services Manager Approval
\$ 20,000 & Above	Parks Administrator, Procurement and Contract Services Manager Approval & Park Board Approval



## Packet Information

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**File #:** TMP-0572, **Version:** 3

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AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, GENERAL PROVISIONS ENACTING TWO NEW SECTIONS, SECTION 1-14, ENFORCMENT; ATTORNEY'S FEES AND SECTION 1-15, VIOLATION; REMEDIES; UNAUTHORIZED HOLDOVER TO PROVIDE FOR THE RECOVERY OF ATTORNEYS' FEES AND COSTS IN ALL ENFORCEMENT ACTIONS BROUGHT BY THE CITY AND FURTHER PROVIDE FOR REMEDIES IN THE EVENT OF A HOLDOVER TENANT OR USER OF CITY FACILITIES

Issue/Request:

To make a recommendation on the adoption AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, GENERAL PROVISIONS ENACTING TWO NEW SECTIONS, SECTION 1-14, ENFORCMENT; ATTORNEY'S FEES AND SECTION 1-15, VIOLATION; REMEDIES; UNAUTHORIZED HOLDOVER TO PROVIDE FOR THE RECOVERY OF ATTORNEYS' FEES AND COSTS IN ALL ENFORCEMENT ACTIONS BROUGHT BY THE CITY AND FURTHER PROVIDE FOR REMEDIES IN THE EVENT OF A HOLDOVER TENANT OR USER OF CITY FACILITIES

Key Issues:

- Clarify that when the City enforces its Code that it is entitled to all its costs including attorneys' fees when permitted by law
- Set out City's rights when a person or entity holdover on City property or in facilities

Proposed Committee Motion:

I move to recommend to City Council the adoption of AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, GENERAL PROVISIONS ENACTING TWO NEW SECTIONS, SECTION 1-14, ENFORCMENT; ATTORNEY'S FEES AND SECTION 1-15, VIOLATION; REMEDIES; UNAUTHORIZED HOLDOVER TO PROVIDE FOR THE RECOVERY OF ATTORNEYS' FEES AND COSTS IN ALL ENFORCEMENT ACTIONS BROUGHT BY THE CITY AND FURTHER PROVIDE FOR REMEDIES IN THE EVENT OF A HOLDOVER TENANT OR USER OF CITY FACILITIES [Enter text here]

Background:

The City has utilized outside Counsel on various enforcement actions. As a part of this representation outside Counsel has called the Law Department's attention to some best practices other cities are using such as adopting Code provisions specifically setting out and clarifying rights of the City to recover attorneys' fees and costs upon successful completion of Code or collection enforcement actions and setting out in the Code the rights of the City when someone holds over past a license, franchise or lease in a City facility or on City property. Adopting the new Section 1-14 will put persons and entities on notice who do business with the City or violate Code sections that a Court may order them to pay the City's costs including attorney fees. Adopting Section 1-15 will place its provisions in all future franchises, licenses and leases for use of the City's facilities

and properties and again places persons and entities on notice of the City's expectations.

Presenter: Nancy Yendes, Chief Counsel, Infrastructure and Planning

Recommendation: The Law Department recommends approval and adoption of the two new Code Sections

Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, GENERAL PROVISIONS ENACTING TWO NEW SECTIONS, SECTION 1-14, ENFORCMENT; ATTORNEY'S FEES AND SECTION 1-15, VIOLATION; REMEDIES; UNAUTHORIZED HOLDOVER TO PROVIDE FOR THE RECOVERY OF ATTORNEYS' FEES AND COSTS IN ALL ENFORCEMENT ACTIONS BROUGHT BY THE CITY AND FURTHER PROVIDE FOR REMEDIES IN THE EVENT OF A HOLDOVER TENANT OR USER OF CITY FACILITIES

WHEREAS, the City is authorized to protect the taxpayer and public funds from incurring expenses such as attorneys' fees and costs resulting from enforcement against violators of laws, contracts, or other obligations to the City including holdover use of City property, and the City Council desires to further amend the Code to provide for such protection.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. That Chapter 1, General Provisions, of the Code is hereby amended by enacting two new Sections dealing with enforcement and remedies available to the City which new Sections shall read as follows:

Sec. 1-14. Enforcement; Attorneys' Fees.

The City shall be entitled to enforce any provision of this Code through all remedies lawfully available, and any person determined to have violated the terms of this Code shall further be liable to pay the City's costs and attorneys' fees in enforcing such Code provisions. Additionally, any user of City services, rights-of-way or other City facilities or property, shall, as a condition of such use or continued use, to the full extent permissible by law, be liable to pay the City's costs and attorneys' fees incurred in enforcing any lawful requirement applicable to such use, whether arising in contract, statute, ordinance, or otherwise.

Sec. 1-15. Violation; Remedies; Unauthorized Holdover.

Any person who fails to hold and maintain a current and valid agreement with the City to use the City's land or facilities has no right to holdover and shall be subject to the provisions and City remedies of this subsection in addition to all other remedies and penalties as may otherwise exist in applicable law. Any claimed holdover right shall be deemed void and terminated upon expiration of a valid use agreement unless the City has affirmatively in writing authorized the holdover, or as otherwise may be required by law. Where an agreement, lease, or other agreement for use of public land or facilities expires, and in addition to any penalties or other requirements therein, the licensee during any period without a valid agreement shall, during any period of unauthorized use: (1) indemnify the City from any liability arising from the use, (2) pay any damages and costs of the City from such use, including attorneys' fees incurred in enforcing this ordinance, and (3) make payment of compensation in the amount of two times the monthly rent of the last expired agreement, if a holdover, and two times the market rental value reasonably determined by the City, if no prior agreement, until a valid agreement is executed with the City or the attachments and/or use is fully removed, the property restored and all obligations to the City satisfied. Unless otherwise provided in an unexpired agreement, Licensee shall also be responsible for interest on all amounts owed and at a rate of one and one-half percent per month. Nothing in these provisions,

remedies or compensation requirements, or acceptance or enforcement thereof by the City, shall be deemed to accept or authorize any use of public property without a required agreement, or after the expiration of such agreement, or otherwise in violation of applicable requirements.

SECTION 2. If any one or more of the terms, provisions or conditions of this ordinance shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, none of the remaining terms, provisions or conditions of this ordinance shall be affected thereby and each provision of this ordinance shall be valid and enforceable to the fullest extent permitted by law.

SECTION 3. That this ordinance shall be in full force and effect from and after the date of passage and approval by the Mayor of Lee's Summit.

PASSED by the City Council of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian Head, City Attorney

## Packet Information

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**File #:** TMP-0573, **Version:** 1

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AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI BY AMENDING SECTION 1-2, DEFINITIONS AND RULES OF CONSTRUCTION, TO PROVIDE THAT THE INTERPRETATION AND ENFORCEMENT OF ORDINANCES ARE TO BE COMPLIANT WITH CHANGES IN FEDERAL OR STATE LAW

Issue/Request:

To recommend adoption of AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI BY AMENDING SECTION 1-2, DEFINITIONS AND RULES OF CONSTRUCTION, TO PROVIDE THAT THE INTERPRETATION AND ENFORCEMENT OF ORDINANCES ARE TO BE COMPLIANT WITH CHANGES IN FEDERAL OR STATE LAW

Key Issue:

To address the need to update the Code for enforcement actions to bring it into compliance with state and federal law as those laws are changed in a proactive way to preserve the Code's validity and the ability of the City to act expeditiously when necessary.

Proposed Committee Motion:

I move to recommend to City Council the adoption of AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI BY AMENDING SECTION 1-2, DEFINITIONS AND RULES OF CONSTRUCTION, TO PROVIDE THAT THE INTERPRETATION AND ENFORCEMENT OF ORDINANCES ARE TO BE COMPLIANT WITH CHANGES IN FEDERAL OR STATE LAW.

Background:

The City has utilized outside Counsel on various enforcement actions. As a part of the representation outside Counsel has called the Law Department's attention to some best practices other cities are using such as adopting a "self-preemption" provision to make certain the Code is in compliance with federal and state law changes. Congress and the General Assembly, as well as Courts, adopt changes or interpret laws in a way that may change the City's Code or limit City authority to act in certain circumstances. An example of this would be changing requirements for mailing notices of violations. In addition as a Charter City, Lee's Summit may enact Codes without specific authority in state statutes, but must still comply with the test of validity of any Code sections that the City not allow what State law prohibits, or prohibit what State law allows. Having a provision like the one proposed in the Code protects to the greatest extent possible what the City may enact and also allows the City enforcement officials to immediately change their actions to match any new requirement. By having in place a provision expressing the desire and intent that all City Codes should be interpreted to be in compliance with changes allows a Court or regulatory body to apply Code provisions as if already amended to comply with federal and State law.

Presenter: Nancy K. Yendes, Chief Counsel, Infrastructure and Planning

Recommendation: The Law Department recommends adoption of the proposed Ordinance.

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**File #:** TMP-0573, **Version:** 1

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Committee Recommendation: [Enter Committee Recommendation text Here]

AN ORDINANCE AMENDING CHAPTER 1 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT, MISSOURI BY AMENDING SECTION 1-2, DEFINITIONS AND RULES OF CONSTRUCTION, TO PROVIDE THAT THE INTERPRETATION AND ENFORCEMENT OF ORDINANCES ARE TO BE COMPLIANT WITH CHANGES IN FEDERAL OR STATE LAW

WHEREAS, various new state or federal statutes and regulations continue to be enacted, supplemented, promulgated, amended, as well as subjected to judicial challenge regarding regulation of certain communications providers, services, and operations as they pertain to local Rights-of-way, Zoning Regulations, and other municipal authority; and

WHEREAS, despite the uncertainty created by these circumstances, the City Council desires to continue at all times to ensure compliance with such changing applicable law, and therefore, finds it in the best interest of the public to amend the Code of Ordinances of the City of Lee's Summit, Missouri ("Code") to be deemed to conform with any changes in state or federal law that may be validly enacted and lawfully applicable; and

WHEREAS, the City Council desires to enact a "self-preemption provision" to the entire Code to ensure provisions that superseded or preempted by the frequently-changing legal requirements imposed on cities are interpreted in a lawful manner until such provisions are amended or repealed, when appropriate.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

SECTION 1. That Section 1-2, Definitions and rules of construction, of Chapter 1, General Provisions, of the Code is hereby amended by enacting and adding one new sentence to be added to the end of Section 1-2 which new sentence shall read as follows:

No provision of this Code shall apply to any circumstance in which such application shall be unlawful under superseding federal or state law and furthermore, if any section, subsection, sentence, clause, phrase, or portion of this Code of Ordinances of the City of Lee's Summit, Missouri is now or in the future superseded or preempted by state or federal law or found by a court of competent jurisdiction to be unauthorized, such provision shall be automatically interpreted and applied as required by law.

SECTION 2. If any one or more of the terms, provisions or conditions of this ordinance shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, none of the remaining terms, provisions or conditions of this ordinance shall be affected thereby and each provision of this ordinance shall be valid and enforceable to the fullest extent permitted by law.

SECTION 3. That this ordinance shall be in full force and effect from and after the date of passage and approval by the Mayor of Lee's Summit.

PASSED by the City Council of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED by the Mayor of said city this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Randall L. Rhoads

ATTEST:

\_\_\_\_\_  
City Clerk Denise R. Chisum

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian Head, City Attorney



## Packet Information

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**File #:** TMP-0571, **Version:** 2

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AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL FUND RESERVE BALANCE.

Issue/Request:

AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL FUND RESERVE BALANCE.

Key Issues:

The proposed amendment will authorize a \$1,410,378 transfer from the General Fund Reserve Balance to the Health Insurance Reserve Fund for the purpose of funding health insurance liabilities.

The need for this transfer was caused by two items.

1. Calendar year 2016 claims increased 19% per capita over the prior year. This unexpected utilization increase, driven heavily by catastrophic large claims, yielded a \$501,600 deficit versus City funding and did not allow for an intended additional accrual of \$342,654 in reserve for the Health Insurance Fund.
2. The calendar year 2017 contract renewal with Blue Cross and Blue Shield contained a math error which artificially reduced the 2017 maximum and expected health insurance claim liability. The claim liability increase of 1.5% forecast for the City actually calculated to 9.9%. The miscalculation yields a shortfall of \$566,124 in 2017 calendar year funding. As a result, the City has had to pay the difference from the Health Insurance Reserve Fund. At maximum 2017 calendar year liability, a deficit beyond Fund Balance could occur projected at \$163,132.

The direct result of the preceding factors is the erosion of the Health Insurance Reserve Fund. The City is now without necessary funding to cover the contractually obligated terminal liability coverage (run-out). The run-out period covers 12 months following termination of the Blue Cross Blue Shield Cost Plus contract and the funds are required to cover any claims which are incurred in a self funded plan year but have not yet been paid out. The maximum terminal liability for this coverage is estimated to cost \$1,250,626. This amount does not constitute a penalty or other fee. In the event that the City does opt to move from a self funded plan to a fully insured plan and claims incurred in the self funded plan year do not meet or exceed the maximum terminal liability amount estimated, the City will retain any remaining balance at the end of the run-out period.

If approved, this transfer will provide funding to cover the health insurance liability for the remaining plan year and provide a source of funds for terminal liability to potentially change carriers and/or insurance models in 2018 (fully insured vs. self-funded).

The identified funding source for this transfer is the General Fund Reserve Balance. In FY16, the reserve balance increased \$5.2m as a result of increased revenues and expenditures under budgeted levels. At the conclusion of FY17, the reserve balance is estimated to increase \$400,000 to \$25.5 million. The proposed amendment would reduce the General Fund reserve balance to 38% of operating expenditures at year end.

Proposed City Council Motion:

I move to recommend to City Council approval of AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL FUND RESERVE BALANCE.

Background:

In 2011/2012, following a health insurance bid, the City of Lee's Summit left Midwest Public Risk (MARCIT) to obtain health insurance from Blue Cross and Blue Shield. Following the change, the City received a refund from MARCIT for excess coverage which was combined with a refund in 2014 from Blue Cross and Blue Shield to build a health insurance reserve fund. In addition, plan renewals in 2015 - 2017 budgeted increases to further fund the health insurance reserve fund with the goal of setting aside money for terminal liability coverage (run-out). As of June 30, 2016, the Health Insurance Reserve Fund had a fund balance of \$726,680. The balance for this fund has been eroded following an increase in the number and severity of health insurance claims.

The contract with Blue Cross and Blue Shield established rates using a self insured model. Under this arrangement, the City was liable for the first \$150,000 of a health insurance claim costs. Once a claim exceeded this amount the remainder would be paid by Blue Cross and Blue Shield. A self insured model can financially benefit an organization if claims experience shows minimal and routine usage. A fully insured model is opposite where the carrier will insure all claims up to the maximum liability.

The City is in the final year of the Blue Cross and Blue Shield contract and is in the process of reviewing requests for proposal (RFP) for health, dental, and vision insurance. With help from Holmes & Murphy, the City's insurance broker, City staff will work with the Health Insurance Task Force employee group to evaluate funding and carrier options. The goal is to bring forward to the City Council a recommendation to award a new health, dental, and vision contract in September/October so that open enrollment can begin in November with the new contract beginning on January 1, 2018.

Presenter: Nick Edwards, Director of Administration | Matt Wheeler, Vice President, Holmes & Murphy

Recommendation: Staff Recommends Approval of AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL

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**File #:** TMP-0571, **Version:** 2

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FUND RESERVE BALANCE.

Committee Recommendation: N/A

**BILL NO.****ORDINANCE NO.**

AN ORDINANCE APPROVING AMENDMENT NO. 1 TO THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2018, AS ADOPTED BY ORDINANCE NO. 8162, BY REVISING THE AUTHORIZED BUDGET EXPENDITURES OF THE CITY OF LEE'S SUMMIT, MISSOURI WITH FUNDS TO BE BUDGETED FOR AND PAYMENT TO BE ISSUED IN FY2018 FROM THE GENERAL FUND RESERVE BALANCE.

WHEREAS, Ordinance No. 8162, passed by the City Council on June 1, 2017, adopted the City's Budget for the Fiscal Year ending June 30, 2018; and,

WHEREAS, the City has identified the need for additional funding for the purpose of funding contractual obligations and liabilities relating to health insurance claims.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the Budget for the Fiscal Year ending June 30, 2018, as adopted by Ordinance No. 8162, is hereby amended by increasing the appropriations to and expenditures of the below identified funds for the fiscal and budget year of 2017-2018, in the manner shown below.

Amended Fund	Amended Department	Added/ (Reduced)	New Amended budget
F100 General Fund	Administration	\$1,410,378	\$5,304,196
F670 Health Insurance Reserve Fund		\$1,410,378	\$2,137,058

SECTION 2. All other provisions of Ordinance No. 8162 shall remain in full force and effect.

SECTION 3. That this ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

SECTION 4. That should any section, sentence, or clause of this ordinance be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining sections, sentences or clauses.

**BILL NO.**

**ORDINANCE NO.**

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PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*City Clerk Denise R. Chisum*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
*Mayor Randall L. Rhoads*

ATTEST:

\_\_\_\_\_  
*City Clerk Denise R. Chisum*

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel of Management and Operations/Deputy City Attorney  
*Jackie McCormick Heanue*

## Packet Information

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**File #:** 2017-1328, **Version:** 1

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### PRESENTATION OF THE MAY GENERAL FUND FINANCIAL DASHBOARD

Issue/Request:

PRESENTATION OF THE MAY GENERAL FUND FINANCIAL DASHBOARD

Key Issues:

The FY17 Monthly Financial Report for May is the YTD budget performance of the General Fund as of May 31. Preliminary unaudited total revenues are \$62,048,797. This is \$2,598,741 (4.4%) over budgeted total revenue. Preliminary total expenditure for May YTD is \$59,440,325.

Background:

**Revenue Details:**

*Sales Tax* receipts are continuing to experience growth, but at a slower pace than earlier this fiscal year. In January, gross sales tax was 5.03% above budget, but that has reduced to 1.74% in May. Staff will monitor sales tax for the presence of changing trends, if applicable. Net sales tax receipts YTD is \$13,801,599, which is 0.9% above FY17 budgeted amounts and 3.5% ahead of FY16 YTD.

*Franchise tax*, in aggregate, is 4.13% below budget. Three of four franchise taxes are below estimates, with Natural Gas (-14.9%) the greatest. Electric (-2.9%) and Cable (-2.3%) are more modestly underperforming budget amounts, while Telephone is 0.5% above current budget, but -4.5% below FY16 YTD.

*Licenses, Permits & Fees* continue to be strong. Revenues totaling \$2,440,210 is 54.8% above budget and 8.8% ahead of this point last year.

*Charges for Service* revenue YTD is \$5,827,005, which is \$942,465 (19.3%) above budgeted amounts. This is primarily as a result of the changes to the schedule of fees for Ambulance Fees and Police Special Detail. The former was raised to ensure 50% cost recovery of the EMS program, and the latter to incent more officers to sign up for special detail opportunities available in the community.

**Expenditure Details:**

Total Expenditure of the General Fund through May 31, 2017, is \$59,440,325. Preliminary total expenditures are currently 2.9% under budgeted amounts YTD.

*Fuels and Lubricants* appear \$253,295 (49%) under budget. This category is expected to be under budget this fiscal year, but the figure is over-stated as there is a lag until the monthly expense is booked.

*Capital Outlay, Interdepartment Charges, and Transfers Out* will all be at budgeted levels by the end of fiscal year though they are under budget YTD.

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**File #: 2017-1328, Version: 1**

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Presenter: Jack Feldman, Management Analyst

Recommendation: N/A

**FY17 Monthly Financial Report - May**

**GENERAL FUND REVENUES FOR FY2017**

Revenue Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Property Tax	\$20,143,598	\$19,341,788	\$801,810	4.1%	\$19,093,510	\$1,050,088	5.5%
Sales Tax	\$13,801,599	\$13,672,876	\$128,723	0.9%	\$13,336,874	\$464,725	3.5%
Franchise Tax:							
Natural Gas	\$1,797,043	\$2,110,702	(\$313,659)	-14.9%	\$1,743,654	\$53,389	3.1%
Telephone	\$2,534,472	\$2,522,635	\$11,837	0.5%	\$2,654,724	(\$120,252)	-4.5%
Electric	\$6,538,783	\$6,732,456	(\$193,673)	-2.9%	\$6,525,937	\$12,846	0.2%
Cable TV	\$1,334,634	\$1,365,507	(\$30,873)	-2.3%	\$1,371,612	(\$36,978)	-2.7%
Motor Vehicle Taxes	\$3,339,365	\$3,077,055	\$262,310	8.5%	\$3,283,275	\$56,090	1.7%
Other Taxes	\$306,961	\$306,071	\$890	0.3%	\$308,303	(\$1,342)	-0.4%
Fines & Forfeitures	\$1,138,871	\$1,362,707	(\$223,836)	-16.4%	\$1,309,421	(\$170,550)	-13.0%
Licenses, Permits & Fees	\$2,440,210	\$1,576,712	\$863,498	54.8%	\$2,241,898	\$198,312	8.8%
Intergovernment	\$953,282	\$737,450	\$215,832	29.3%	\$838,757	\$114,525	13.7%
Charges for Service	\$5,827,005	\$4,884,540	\$942,465	19.3%	\$4,178,169	\$1,648,836	39.5%
Investment Earnings	\$67,730	\$61,222	\$6,508	10.6%	\$141,983	(\$74,253)	-52.3%
Other	\$908,605	\$823,363	\$85,242	10.4%	\$1,375,934	(\$467,329)	-34.0%
Transfers In	\$916,639	\$874,972	\$41,667	4.8%	\$1,309,725	(\$393,086)	-30.0%
<b>Total</b>	<b>\$62,048,797</b>	<b>\$59,450,056</b>	<b>\$2,598,741</b>	<b>4.4%</b>	<b>\$59,713,776</b>	<b>\$2,335,021</b>	<b>3.9%</b>

**GENERAL FUND EXPENDITURES FOR FY2017**

Expenditure Type	*Actual YTD	Budget YTD	Variance Actual to Budget		Prior Year YTD	Variance Actual to Prior Year	
			\$	%		\$	%
Personnel Services	\$41,055,143	\$41,143,630	(\$88,487)	-0.2%	\$38,437,992	\$2,617,151	6.8%
Supplies for Resale	\$208,292	\$231,500	(\$23,208)	-10.0%	\$162,034	\$46,258	28.5%
Other Supplies & Services	\$8,712,539	\$9,245,260	(\$532,721)	-5.8%	\$6,475,871	\$2,236,668	34.5%
Repairs & Maintenance	\$1,278,038	\$1,289,095	(\$11,057)	-0.9%	\$1,279,908	(\$1,870)	-0.1%
Utilities	\$1,491,417	\$1,600,804	(\$109,387)	-6.8%	\$1,372,645	\$118,772	8.7%
Fuels & Lubricants	\$263,845	\$517,140	(\$253,295)	-49.0%	\$338,341	(\$74,496)	-22.0%
Miscellaneous	\$44,586	\$252,477	(\$207,891)	-82.3%	\$45,641	(\$1,055)	-2.3%
Interest	\$0	\$0	\$0	0.0%	\$318	(\$318)	-100.0%
Capital Outlay	\$410,243	\$675,000	(\$264,757)	-39.2%	\$0	\$410,243	0.0%
Interdepartment Charges	\$5,408,012	\$5,408,097	(\$85)	0.0%	\$5,022,532	\$385,480	7.7%
Transfers	\$568,210	\$875,805	(\$307,595)	-35.1%	\$931,873	(\$363,663)	-39.0%
<b>Total</b>	<b>\$59,440,325</b>	<b>\$61,238,808</b>	<b>(\$1,798,483)</b>	<b>-2.9%</b>	<b>\$54,067,155</b>	<b>\$5,373,170</b>	<b>9.9%</b>

**Revenue Over/Under Exp:      \$2,608,472      (\$1,788,752)      \$5,646,621**

\*As of June 30, 2017