



IMPERIAL VALLEY FOREIGN TRADE ZONE

IMPERIAL COUNTY WORKFORCE AND ECONOMIC DEVELOPMENT • 2799 S. Fourth Street, El Centro, CA, 92243

MEETING MINUTES

Monday, September 23, 2019 @ 3:15 P.M.
City of El Centro redevelopment Agency
1249 W. Main Street, El Centro, CA, 92243

PROCEEDINGS

A meeting of the Imperial Valley Foreign Trade Zone – Joint Powers Authority (IVFTZ-JPA) was held on September 23, 2019, at 3:15 p.m. at the City of El Centro Redevelopment Agency located on 1249 W. Main Street, El Centro, CA, 92243.

ATTENDEES

JPA Members

City of Brawley
City of Calexico
City of Calipatria
City of El Centro
City of Holtville
County of Imperial

Primary

Rosanna Bayon Moore
Miguel Figueroa
Romualdo Medina

Alternate

Marcela Piedra
Esperanza Colio

Consultants

None

Coordinating Staff

I.C. Workforce & Economic Development
I.C. Workforce & Economic Development
I.C. Workforce & Economic Development

Vanessa Caldera
Priscilla Lopez
Jeff Burquist

Other Invites

UPS Zone Solutions (telecommunication)

Jessica Rosen

IMPERIAL VALLEY FOREIGN TRADE ZONE, IVFTZ #257

County of Imperial · City of Brawley · City of Calexico · City of Calipatria · City of El Centro · City of Holtville



IMPERIAL VALLEY FOREIGN TRADE ZONE

MINUTES

I. Call meeting to order

- a. Roll call.

Meeting was called to order by Miguel Figueroa at 3:22 p.m. Roll call was performed by Vanessa Caldera with five (5) JPA members present; it was determined that quorum was met.

- b. Approval of 04/09/19 minutes.

Item was tabled and shall be put in next meeting's agenda.

II. Discussion/action/update

- a. Discussion/Action regarding the IVFTZ-JPA insurance policy being the responsibility of the JPA member or the FTZ operator.

E.C. WARREN provided that there is an issue addressing the specific language in the original JPA policy regarding the IVFTZ-JPA insurance policy being the responsibility of the JPA member or the FTZ operator. The bylaws state that each FTZ operator must have their own insurance policy in order to lower costs of becoming an operator. E.C. WARREN also mentioned that at the previous board meeting members discussed a comparison how much it would cost the JPA to purchase the insurance for each jurisdiction or for each jurisdiction to purchase their own insurance, and provided that the Imperial County should be able to produce a quote of the costs for including insurance. Members of the JPA provided that they have their own insurance. E.C. WARREN suggested that the members of the board provide documentation presenting their insurance coverage and that these copies are presented to County Counsel, in which they may make an amendment to the contract to explain that JPA members are providing insurance as a grantee for FTZ operators. M. FIGUEROA clarifies that County Counsel is looking for the specific language within the policy for insurance. E.C. WARREN states that if the cities are already covered, there is no need to purchase a new insurance policy. M. PIEDRA made a recommendation to E.C. WARREN that the County Counsel should consider liability and insurance as a grantee for FTZ operators when reviewing the jurisdiction's insurance policies and provide feedback to the JPA members. R. MEDINA confirms that each FTZ operator needs to provide their own insurance. M. PIEDRA asks what specific type of insurance coverage is County Counsel looking for. M. FIGUEROA states that errors and omissions may be the policy that County Counsel is looking for regarding the decision made by the IVFTZ-JPA board.

Direction to provide documentation of JPA members' insurance policy information to the County Counsel and consult with County Counsel regarding the policies of the FTZ operator was agreed upon.



IMPERIAL VALLEY FOREIGN TRADE ZONE

- b. Discussion/Action to review and approve the release of the Foreign Trade Zone RFP for consulting services.

E.C. WARREN states that she directed staff to prepare a RFP for FTZ consulting services. E.C. WARREN mentioned to create a new short-term contract with David Harlow's with ITC Diligence, the previous FTZ consultant, from October 1, 2019 to April 1, 2020. The process of releasing the RFP would consist of release for forty-five days, to which M. PIEDRA commented to making it 30 days. E.C. WARREN emphasized that the JPA clarify to County Counsel that this isn't an extension from July 1st, 2019. The members of the JPA discussed the language and terms of the contract in relation to the structure of costs for consulting, considering that these factors of the contract be reviewed by the County Counsel. E.C. WARREN recommended that JPA members review the RFP and provide comments, and with this, M. PIEDRA requests it to be changed from a RFP to a RFQ. M. PIEDRA comments that potential consultant's qualifications should be reviewed first then the potential consultants should provide itemized costs. E.C. WARREN reiterates that it will be a RFQ rather than a RFP and that costs should be submitted in a separate sealed envelope as that will not be a scoring criteria. M. FIGUEROA states that the IVFTZ-JPA needs to see a finalized RFQ with comments before proceeding forward publicizing the document. R. MOORE suggests adding a cost of services section, which M. PIEDRA further explains that it has been done before and consultants need to provide their billing rate. R. MOORE asks what would be best for the FTZ #257, an hourly rate or a lump sum. R. MOORE asks if the IVFTZ-JPA is willing to take on the financial burden of having an hourly rate consultant.

Direction was provided by E.C. WARREN and M. FIGUEROA to submit comments to V.CALDERA by October 4, 2019 to present the final RFQ during the next FTZ meeting.

- c. Discussion/Action regarding Coppel's extension to continue being an FTZ operator.

E.C. WARREN comments that Coppel is the FTZ's best operator and that they are very timely on maintaining their status as a FTZ operator. M. PIEDRA reads that the IVFTZ-JPA has the ability to extend the contract for Coppel for three separate terms and five years each term. M. FIGUEROA mentions that Coppel is looking to expand in the city of Calexico. E.C. WARREN informed JPA members that the group brought forth the idea of wanting to extend their FTZ facility to another facility in America, in which they would activate a new FTZ operator site. E.C. WARREN mentioned that she has spoken with the FTZ Board and they explained that this situation would allow for the implementation of a sub-zone, however, FTZ #257 does not have a schedule for subzones. E.C. WARREN further explains that creating a sub-zone would be cheaper for Coppel and the JPA would need to create a sub-zone fee schedule since there is only operators scheduled. This would involve the creation of a sub-zone fee schedule and provide costs for the JPA. E.C. WARREN provides the example that sub-zones are cheaper as instead of paying \$5,000.00 for each location it can be \$7,500.00 for both as it is the same client. M. FIGUEROA asks how soon does Coppel want to extend their facility to another location to which E.C. WARREN answers that Coppel is not ready yet, but they are looking into that possibility. R. MOORE motioned to extend Coppel's FTZ operator contract for another five years. 1st by R. MOORE, 2nd by M. PIEDRA. Five (5) in favor, 0 against, 0 abstain at the time of vote. **Motion passed.**



IMPERIAL VALLEY FOREIGN TRADE ZONE

- d. Discussion/Action regarding Vertiv's interest to become a FTZ operator.

It was presented that Vertiv Co. is interested in becoming a FTZ operator in Calexico, CA. J. ROSEN, FTZ Business Development Manager at UPS Zone Solutions, provided a presentation to JPA members on behalf of Vertiv Co. providing information on UPS Zone Solutions, its industry impact, a request summary, the Calexico site details, and overview of Vertiv Co., and its compliance standards. J. ROSEN provided that UPS Zone Solutions is requesting approval from the IVFTZ-JPA to begin the activation process on behalf of Vertiv Co. at their Calexico facility in becoming a FTZ operator. J. ROSEN also presented that UPS Zone Solutions has requested confirmation that the site is within the designated magnet site. J. ROSEN stated that Vertiv Co. will be the operator of the zone, however, they will utilize UPS Zone Solutions as a third party professional managed services provider, and UPS Zone Solutions be the one to complete the FTZ operator application process on behalf of Vertiv Co. E.C. WARREN asked that J. ROSEN clarify the meaning of the request for UPS Zone Solutions to own the application process, which is stated on slide six of the presentation, and J. ROSEN explained that UPS Zone Solutions will act as a consultant on behalf of Vertiv Co. and will be the entity that submits the application for Vertiv Co.. E.C. WARREN explained to the JPA members that there has been contact with the group in providing guidance, including providing an example of a past concurrence letter, in order to move forward with the JPA process of approval for Vertiv Co. to become an FTZ operator in Calexico, CA. E.C. WARREN also mentioned that P. LOPEZ is working together with the Imperial County Planning Department overlapping the map in order to make sure Vertiv Co.'s Calexico site is within the designated magnet site, and once this is confirmed the JPA may send a concurrence letter to the U.S. Customs and Border Protection so they may begin the process of the background investigation and inspection of the warehouse site. R. MEDINA motioned to allow UPS Zones Solution begin the concurrence process on behalf of Vertiv Co. at their Calexico facility located at 325 Weakley Street in Calexico, CA, 92231. 1st by R. MEDINA, 2nd by E.C. WARREN. Five (5) in favor, 0 against, 0 abstain at the time of the vote. **Motion passed.**

- e. Discussion regarding the membership forms for the FTZ-JPA.

P. LOPEZ informed JPA members that membership forms for the IVFTZ-JPA need to be submitted by the City of Brawley, City of Calipatria, and the City of Holtville. This item includes direction for JPA members to submit membership forms for the IVFTZ-JPA.

III. Future agenda items and other business

ESPERANZA COLIO-WARREN informs the JPA members that the tabled item of approval of the 04/09/19 minutes will need to be brought back to the next meeting.

M. FIGUEROA mentioned that the negotiation of David's contract for Foreign Trade Zone consulting services needs to be addressed and discussed among JPA members. P. LOPEZ also informed JPA



IMPERIAL VALLEY FOREIGN TRADE ZONE

members that she will address this to County Counsel and provide JPA members with direction that is provided by County Counsel on the negotiation of the contract for FTZ consulting services provided to the IVFTZ-JPA. R. MEDINA asked if the contract for FTZ consulting should include that it is a temporary contract for any FTZ consultant. M. PIEDRA provided that JPA members negotiate a short-term contract to begin FTZ consulting services and request the approval from County Counsel of pursuing other options in the contract negotiation for FTZ consulting services. P. LOPEZ asks if a procurement process needs to be followed for this, which E.C. WARREN answers that no because it is board decision.

ESPERANZA COLIO-WARREN informs the JPA members that the completed RFQ needs to be reviewed by JPA members in order to approve and release the Foreign Trade Zone RFQ for consulting services.

IV. Next meeting date

October, 10, 2019 in Brawley, CA at 3:15 P.M.

V. Meeting adjourned

a. Meeting adjourned at 4:25 p.m.