

REVISED REQUEST FOR PROPOSALS

LAFCo Municipal Service Review and Sphere of Influence Update for North County Cities and Special Districts

May 6, 2014

Overview

San Mateo Local Agency Formation Commission (LAFCo) invites proposals from qualified consultants to perform a municipal service review (MSR) and sphere of influence (SOI) update for North County cities and special districts. The area under study includes the following agencies:

- City of Daly City
- North San Mateo County Sanitation District
- City of Pacifica
- North Coast County Water District
- Town of Colma
- Broadmoor Police Protection District
- Colma Fire Protection District
- City of Brisbane
- Guadalupe Valley Municipal Improvement District
- Bayshore Sanitary District

This work is to be completed in compliance with California Government Code Section 56430 (see [Attachment B](#)).

Background

The mandate for LAFCos to conduct service reviews is part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in Section 56000 et seq. LAFCos are required to conduct service reviews prior to or in conjunction with SOI updates, and are required to review and update as necessary the SOI for each city and special district every five years or as needed.

Study Area and Scope of Services

San Mateo LAFCo is responsible for establishing, reviewing, and updating as necessary the SOIs for approximately 65 public agencies in San Mateo County (20 cities, 23 independent special districts, and 32 county-governed districts). The MSR project area includes cities and districts in the North County and assesses all municipal services (typical city-provided services such as police, fire, emergency medical, street lights, animal control, code enforcement, parks and

recreation, roadway capacity and maintenance, water, wastewater collection and treatment, et cetera).

Services studied are subject to determinations in the following areas:

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the SOI
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery as required by LAFCo policy

Budget

Proposals that demonstrate that the final product will meet the requirements of the CKH Act and provide useful information in a concise format at the lowest cost will be considered more favorably.

Schedule

Proposals due	Thursday, June 5, 2014, 5:00 pm
Screening	Monday, June 16 - 19, 2014
Commission consideration of contract approval	Wednesday, July 16, 2014
Consulting work begins	Monday, August 1, 2014

Proposal Requirements

Responses to this Request for Proposals (RFP) must include all of the following items:

1. A statement regarding the anticipated approach for this project, discussing and identifying suggested changes and/or additional details to the draft scope of services (SOS) (see [Attachment D](#)).
2. An overall project schedule, including the timing of major work tasks.
3. Identification of the lead staff responsible for the project and identification of the staff that will be performing the day-to-day work.

4. Identification of any subcontractors who will be involved and a description of the work they will perform. Please include the information outlined in Items 1 and 2 above for each subcontractor.
5. References of similar work performed for past projects by the proposing firm.
6. Documentation from the proposing firm’s insurance carrier confirming the coverage outlined below:

Insurance Type	Coverage Limit
General Liability	\$1,000,000
Professional Liability	\$1,000,000
Motor Vehicle Liability	\$1,000,000
Workers’ Compensation	Statutory

7. Completion of the Equal Benefits Compliance Declaration Form (see [Attachment F](#))
8. The anticipated project cost, including:
 - a. The total cost (not to exceed the total budget amount)
 - b. The cost for each major subtask identified in the draft SOS as outlined in the proposal.
 - c. The hourly rates for each staff member who will be involved in the work, including the rates for any subcontractors.
9. A copy of a completed MSR prepared by the proposing firm

Submittal Requirements

Deadline: Complete proposals must be received by LAFCo by **5:00 pm on or before Thursday, June 5, 2014.**

Number of Copies: Please submit four (4) bound copies and one (1) unbound, fully reproducible copy.

Mail to (USPS):

San Mateo LAFCo
Attention: Martha Poyatos
455 County Center, LAF124
Redwood City, CA 94063

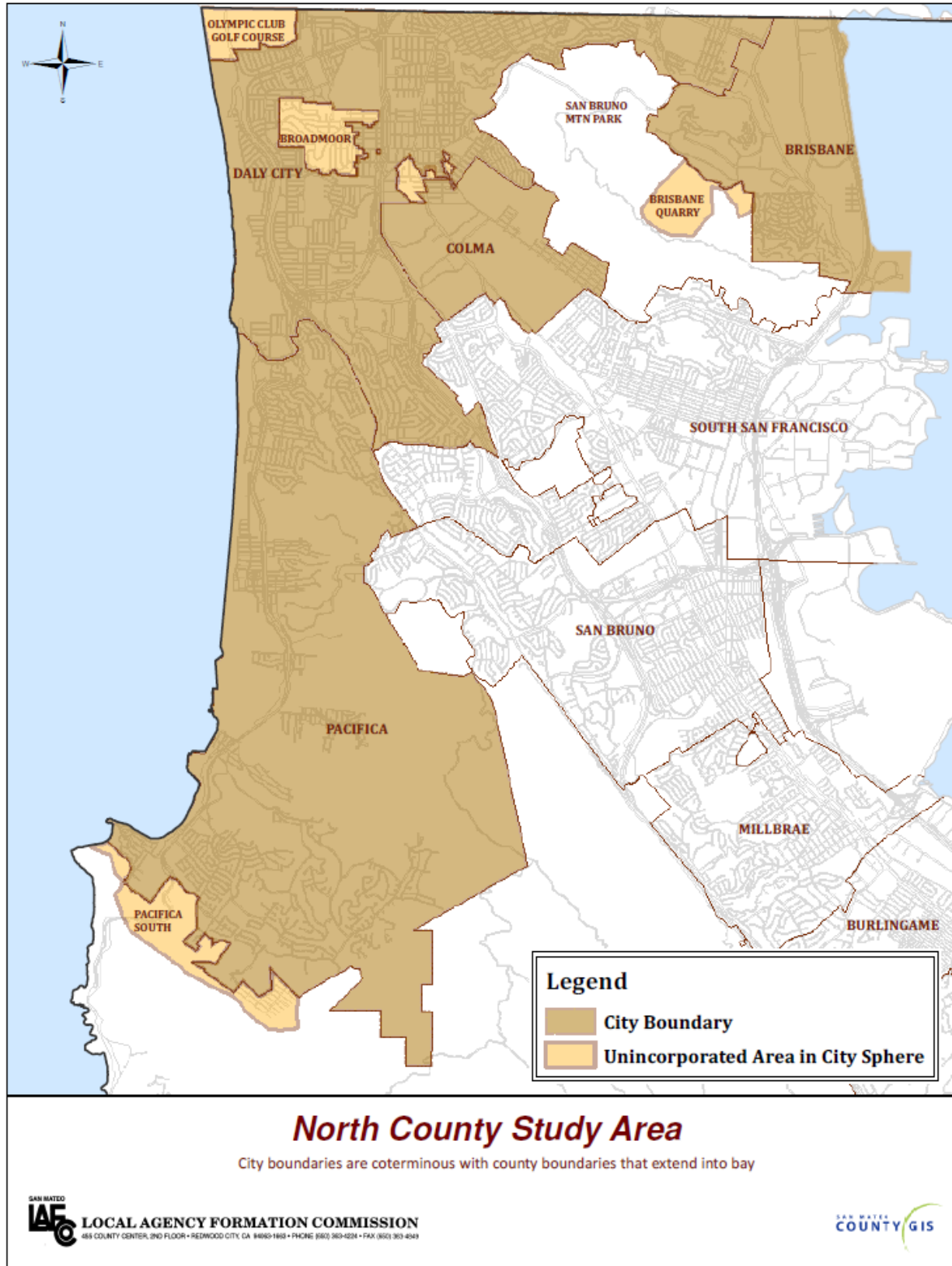
Deliver to (Other Delivery Services):

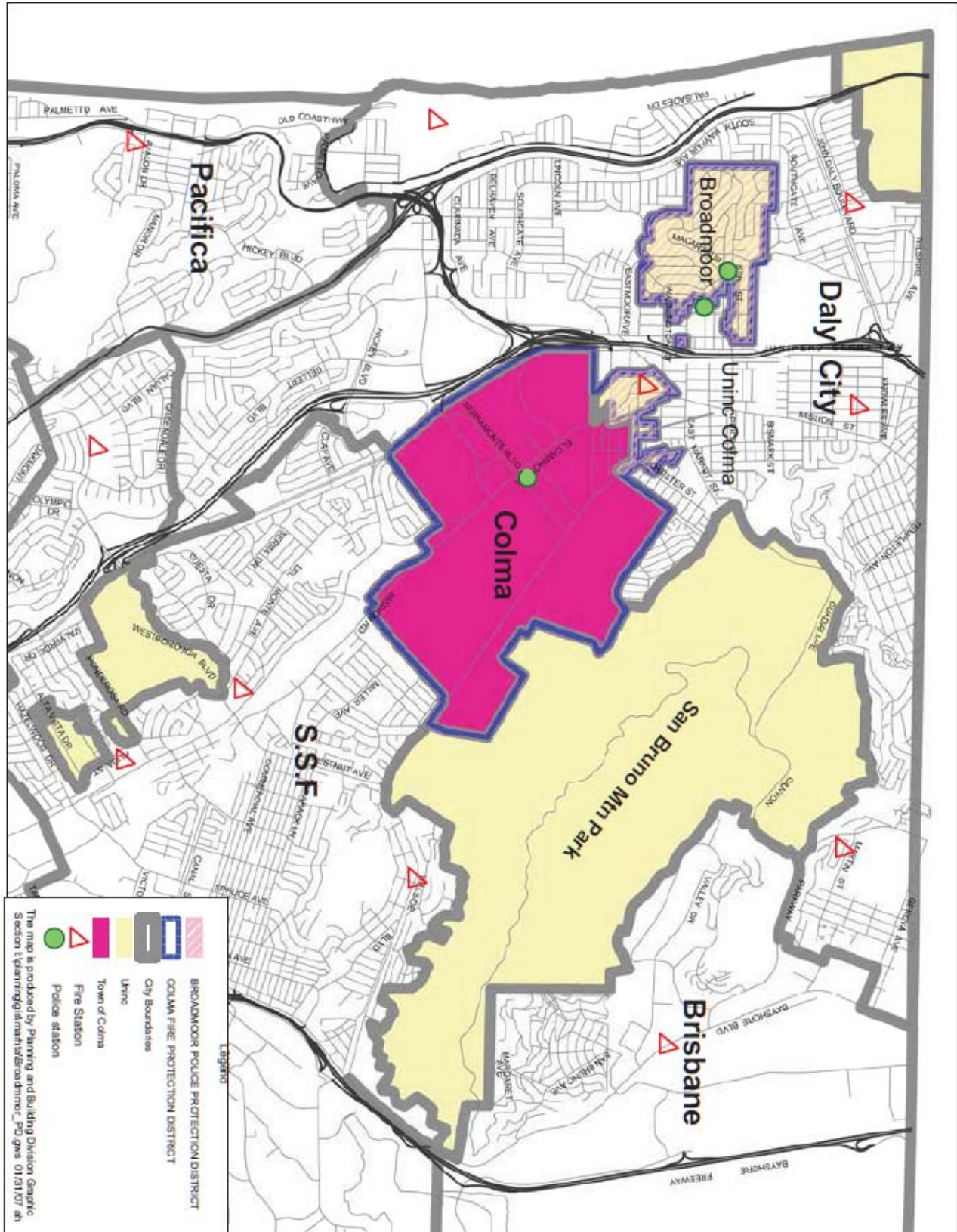
San Mateo LAFCo
Attention: Martha Poyatos
411 Middlefield Road
Redwood City, CA 94063
(650) 363-4224

LAFCo Contact:

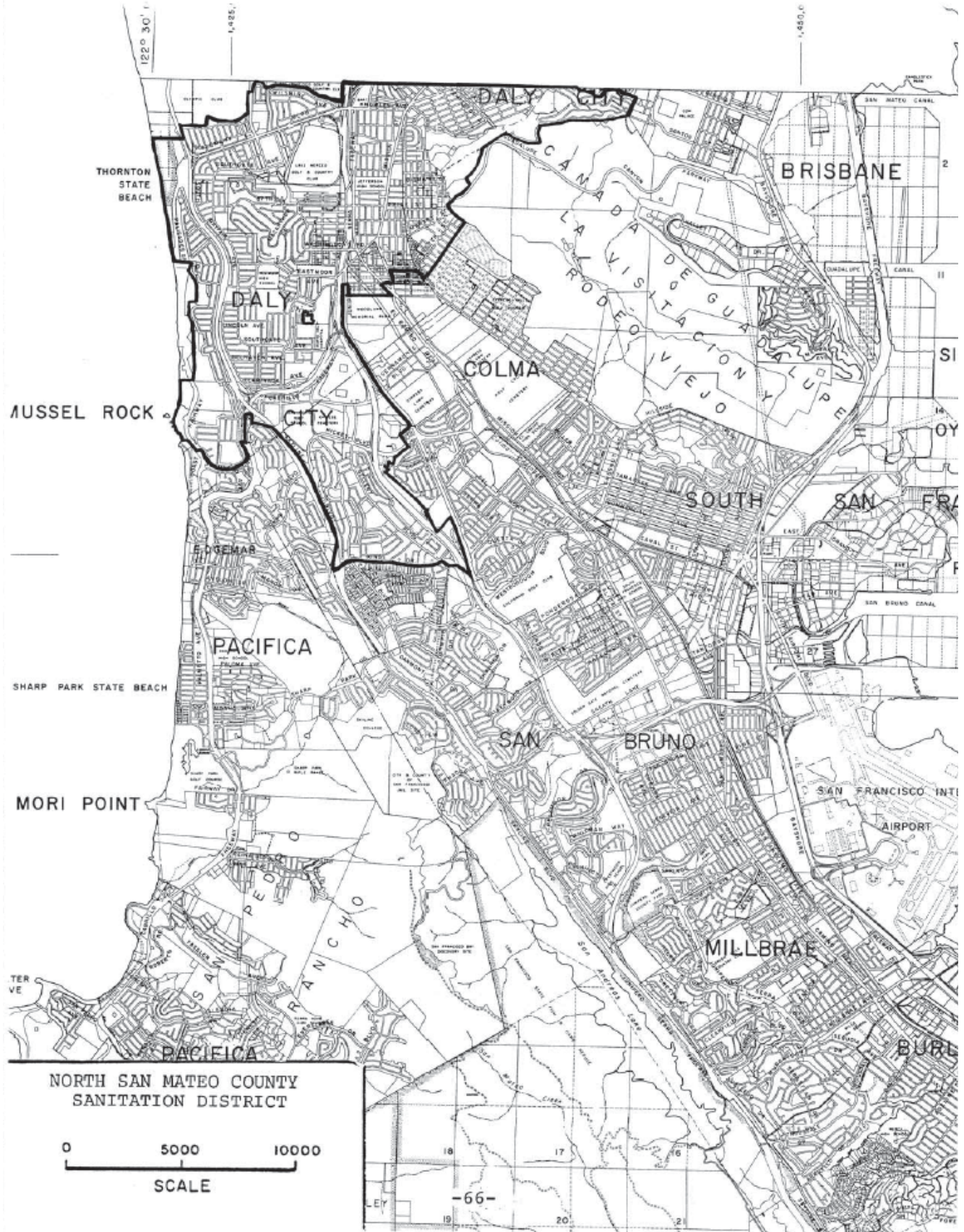
Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 94063
(650) 363-4224 voice
(650) 363-4849 fax
mpoyatos@smcgov.org

Attachment A. Maps of Study Area and Special Districts

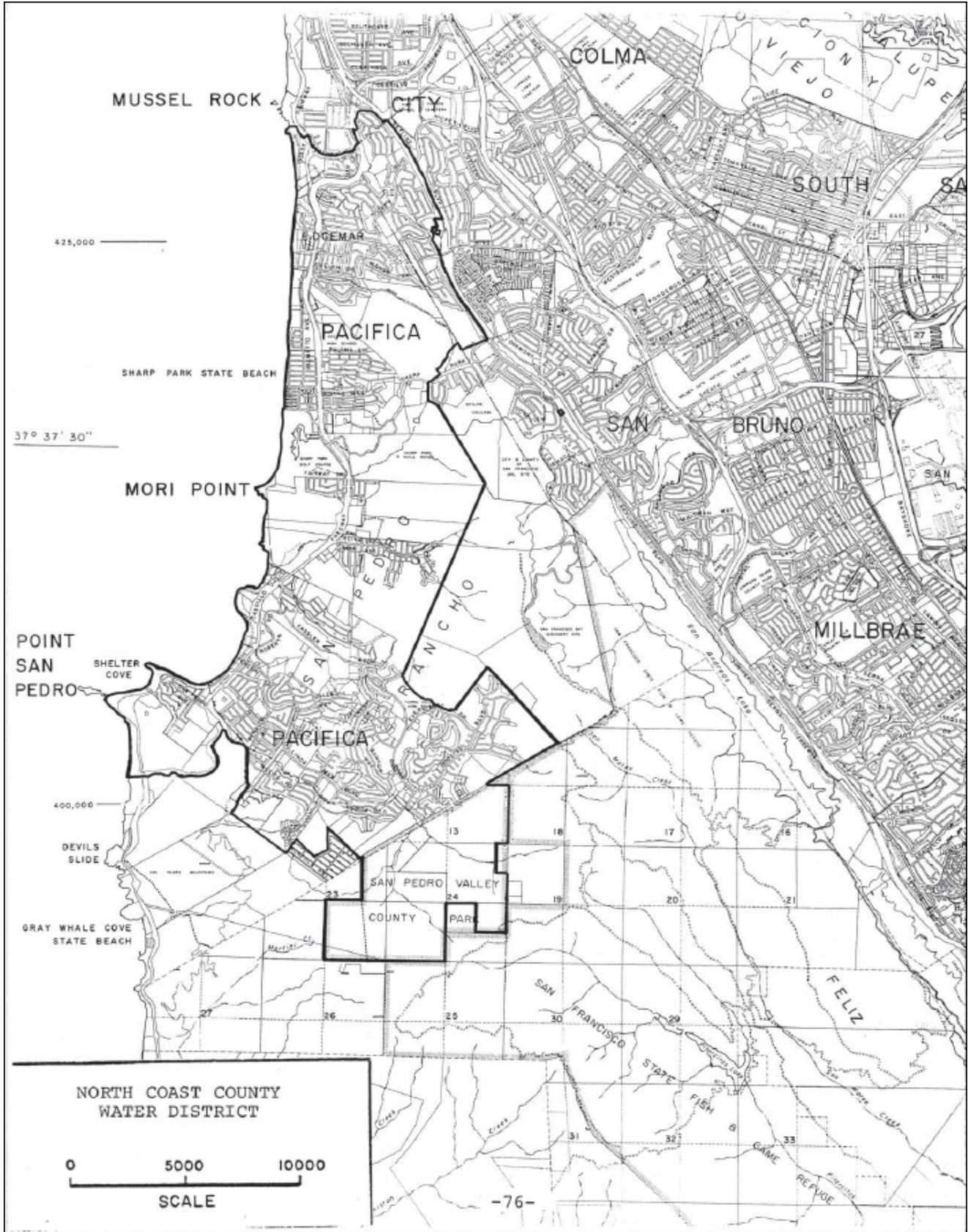




Broadmoor Police District, Colma Town & Colma Fire District







Attachment B. California Government Code Section 56430

(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

(d) Not later than July 1, 2001, the Office of Planning and Research, in consultation with commissions, the California Association of Local Agency Formation Commissions, and other local governments, shall prepare guidelines for the service reviews to be conducted by commissions pursuant to this section.

Attachment C. San Mateo LAFCo Municipal Service Review Policies

Purpose

These policies are intended to provide guidance to the San Mateo Local Agency Formation Commission (LAFCo) and staff in the preparation and implementation of municipal service reviews (MSRs) as required by Government Code Section 56430.

Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that, in order for LAFCo to review and update spheres of influence, LAFCo shall conduct MSRs. The mandate for MSRs is the product of the Commission on Local Governance of the 21st Century report *Growth Within Bounds*. The report identified a need to comprehensively study existing and future public service conditions, evaluate organizational options for accommodating growth and preventing urban sprawl, and ensuring that critical services are provided in an efficient and cost-effective manner. *Growth Within Bounds* identified service reviews as an opportunity for LAFCOs to encourage agencies to work cooperatively to more effectively accomplish their shared public service objectives including public participation in decision-making.

Goals and Objectives

Effective January 1, 2000, Section 56430 required LAFCo to conduct MSRs and prepare a written statement of determination with respect to *nine determinations and effective January 1, 2008, amended the determinations as follows:*

1. Growth and population projections

Analysis will include Census population, California Department of Finance, and Association of Bay Area Government population projections and other information where appropriate in assessing existing and future service needs.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence (SOI)

“Disadvantaged unincorporated community” means inhabited territory, as defined by Section 56046, that constitutes all or a portion of a “disadvantaged community,” a community with an annual median household income that is less than 80 percent of the statewide annual median household income as defined by Section 79505.5 of the Water Code.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the SOI

4. Financial ability of agencies to provide services

Analysis will include agency budgets, budget trends, audits, fee schedules, revenue sources, and other information necessary to assess the fiscal viability/health of the agency.

5. Status of and opportunities for shared facilities

Replaces former determinations of shared resources and cost-avoidance opportunities. Analysis will include existing practices and potential opportunities in regard to sharing common facilities and/or contracting for services, et cetera, with other agencies.

6. Accountability for community service needs, including governmental structure and operational efficiencies

Replaces management efficiencies and government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, local accountability, and governance.

Analysis will include public availability of agency budget, agenda, reports, and other documents; source data such as organizational charts, budgets, website, and survey information provided by agencies; and potential reorganization pursuant to the CKH Act, enabling legislation and State legislative policies that encourage efficient delivery of services and logical boundaries.

7. Any other matter related to effective or efficient service delivery, as required by Commission policy

This is a new determination that permits the Commission to adopt other determinations on a case-by-case basis based on unique local conditions. These may vary based on changes in enabling legislation, operations, or regulatory requirements since agency formation; unusual events impacting the agency; or other unforeseen factors.

Section 56430 does not require LAFCo to initiate changes of organization based on service review findings, but rather that LAFCo make determinations regarding the provision of public services pursuant to Section 56430 (1) through (7). The Commission's MSR determinations may be used by LAFCo and affected public agencies or the community to initiate changes to services, local jurisdictions, or spheres of influence. However, in adopting these policies, San Mateo LAFCo acknowledges that the preferred form of initiation of a change of organization is an application submitted by affected agencies, residents, property owners, or voters. Service reviews shall therefore be conducted in a manner to inform and to serve as a tool for any actions a public agency or community may wish to initiate by application to LAFCo.

Conduct of Municipal Service Reviews in Conjunction with Sphere of Influence Reviews

Generally, reviews will be prepared in conjunction with SOI studies or updates; however, service reviews may also be conducted independent of the SOI process. Minor amendments to a sphere of influence, as determined by LAFCo, will not require an MSR.

Services to be Included

The term “municipal service” refers to the full range of services an agency is authorized to provide. Municipal service reviews will include water, sewer, drainage, harbor, libraries, roads, parks, police, and fire protection. General government services such as courts, social services, human resources, treasury, tax collection, and administrative services will generally not be included. LAFCo will determine which services will be included in each service review.

Agencies to be Included

Local agencies that are subject to LAFCo review, or are required to have an SOI, are subject to MSRs. Whenever possible, data on services provided by other agencies providing the same services will also be included. These agencies include private water utilities, mutual water companies and county-governed districts that are not subject to LAFCo SOI designations.

Boundaries

LAFCo will determine the final geographic boundary and agency(ies) that will be the subject of a service review. Factors that may be considered in determining a service review boundary include, but are not limited to: existing city and special district jurisdictional and sphere boundaries; topography; geography; community boundaries; tax/assessment zones; infrastructure locations; transportation systems and roads; areas with shared facilities; areas with shared social and economic communities of interest, plus other factors as determined by LAFCo.

With the exception of single-purpose, countywide special districts, service reviews will generally be conducted for subregional areas within the County of San Mateo. However, as determined by the Commission, a service review may be done for a single agency or multiple agencies as the need may arise.

Data Collection Criteria

Categories set forth in (1) through (6) of Section 56430 will require input from affected agencies based on budgets, capital improvement plans, engineering studies, general plans and other agency documents. Information shall also be gathered from Association of Bay Area Government Projections Reports, California Department of Finance, Bay Area Water Users. Data will be presented to the extent possible in comparative format showing rates per unit, cost per capita, etc. according to industry standards. Analysis shall also acknowledge unique circumstances that may exist for a specific agency or type of agencies. Examples include challenges posed by topography or external influences or challenges such as those faced by the County’s water agencies.

California Environmental Quality Act

Local agencies that submit applications for SOI amendments requiring MSRs will be considered lead agencies for purposes of environmental review and should approve whatever environmental determination is appropriate under the California Environmental Quality Act (CEQA), i.e., exemption, negative declaration, or environmental impact report.

For MSRs conducted as part of periodic SOI review, LAFCo shall determine the necessary environmental review or exemption under CEQA.

Municipal Service Review Process

- A. LAFCo will determine the priority, schedule, procedure and content for service reviews as required for SOI reviews for the County's 20 cities and 23 independent special districts. LAFCo will develop a priority work plan of service reviews to be addressed during the fiscal year.
- B. Municipal service reviews will be prepared by staff unless the Commission finds that due to complexity, controversy or staff resources, the review should be conducted by an independent consultant.
- C. LAFCo will mail a survey/questionnaire to the affected agency(ies) identified in the service review work plan. The survey/questionnaire shall contain questions related to Section 56430 (1) through (6).
- D. Staff shall prepare a preliminary report for review and comment by affected agencies, residents, property owners, or other interested parties.
- E. LAFCo may hold public scoping meetings or study sessions, as necessary, for selected service reviews to gather additional input.
- F. LAFCo may establish a service review committee to provide technical and/or policy advice to LAFCo staff. The service review committee may consist of LAFCo Commissioners from each representative category (county, cities, special districts and the public).
- G. LAFCo staff will prepare a final MSR report that includes the determinations required by State Law. The report may identify future studies or actions, which LAFCo or other agencies may take to implement the recommendations of the report.
- H. The Commission will consider the MSR report and determinations at a noticed public hearing prior to reaffirming or amending an SOI. The report will be available for a public review period prior to the hearing.

Adopted March 20, 2002

Revised February 20, 2008

Updated April 2014 to incorporate revised areas of determination

Attachment D. Draft Scope of Services*

The area under study includes the following agencies:

- City of Daly City
- North Coast San Mateo County Sanitation District
- City of Pacifica
- North Coast County Water District
- Town of Colma
- Broadmoor Police Protection District
- Colma Fire Protection District
- City of Brisbane
- Guadalupe Valley Municipal Improvement District
- Bayshore Sanitary District

* While San Mateo County is not subject to review under an MSR, services such as police, road maintenance, and parks and recreation should be considered for comparison purposes using existing county documents or studies.

TASK 1 – Preparation

Based on the survey document (see [Attachment E](#)) and preliminary information provided, prepare supplemental survey instrument(s) for additional comments or materials needed from the agencies under study. (Initial materials provided to the contractor will include current and previous fiscal year budget and financial statements.)

Data collection should include:

1. The total assessed valuation, total population, and total number of current users for each service by agency.
2. All areas currently receiving municipal services that are a) outside the existing boundaries and b) that are outside the existing SOI for each agency.
3. Enumeration of the services provided by each district, county service area or city.
4. The level of service standards, service policies or service objectives for each district, county service area or city.
5. The existing and projected demand for services.
6. The approximate cost for provision of each service provided.
7. Any contracted services provided by the district, county service area or city including services provided by agreement/contract.

8. The major service related issues facing each agency, and potential actions by LAFCo (e.g., SOI changes or initiation of mergers, consolidations, or dissolutions) that could address these issues, if any.

TASK 2 – Supplemental Information Collection and Verification

1. San Mateo LAFCo will have distributed and received survey data and relevant source documents for each agency such as applicable statutes, service area maps, master service plans, general plans, and other information relevant to completing MSRs.
2. Gather growth projection information from relevant state, regional, subregional, and local agencies, e.g., Association of Bay Area Governments (ABAG), California Department of Finance (DOF).
3. In conjunction with LAFCo, hold “kick-off” meeting with agencies under study.
4. Contact or meet as necessary with the appropriate representative(s) of each agency to ensure that all necessary information has been collected in a consistent format.
5. Enter all information collected in profile format on each agency.

TASK 3 – Working Draft Service Review

1. Prepare a working draft service review report that includes:
 - a. A summary description about each agency, including applicable maps (to be provided by LAFCo), tables, and graphs.
 - b. Quantitative information concerning budgets, fees, et cetera.
2. Prepare a working draft summary service review report for the subregion that summarizes and compares the data collected for all agencies and includes the following:
 - a. Recommended written determinations for each of the nine factors in Section 56430.
 - b. Recommendations for SOI update actions, mergers, consolidations or dissolutions, if any, and any other significant observations.
3. In conjunction with LAFCo staff, distribute the working draft service review and summary comparison reports to agencies for review and comment; meet with agencies and LAFCo staff to discuss.

TASK 4 – Final Draft Service Review

1. Based on the input received on the working draft service review reports, prepare a final draft service review including all updated information from Task 3.
2. In conjunction with LAFCo staff, distribute or make available the final draft service review to all agencies, LAFCo, and the general public
3. Present the public draft reports to LAFCo for review and comment at a public hearing.

TASK 5 – Final Service Review Report

Based on direction from LAFCo subsequent to the public hearing on the final draft service review report, finalize the service review report for each agency.

Attachment E. San Mateo LAFCo Municipal Service Review Survey

Date issued: _____

Response requested by: _____

Agency Profile

1. Agency name, address, and website
2. District Principal Act (special districts only)
3. Incorporation/formation date
4. Services provided
5. Total number of employees
6. Acreage or square miles within agency
7. Total population within agency (specify source of information)
8. Please provide links to the following items:
 - a. Strategic plan
 - b. Current organizational chart
 - c. Annual report
 - d. Mission statement
 - e. Copy of two most recent adopted budgets
 - f. Copy of two most recent financial audits
 - g. Copies of newsletters, including a parks and recreation guideIf any of the above items are not available, please explain.
9. Agency contact, e-mail, and phone
10. Approving official's signature (e.g., district manager, city manager, finance director)

Infrastructure – Facilities and Services

1. How are infrastructure needs determined? If needs are addressed in the agency's Capital Improvement Program (CIP) or Master Plan, please provide links to these documents.
2. If additional or upgraded infrastructure is required to accommodate growth, how will it be financed?
3. Provide infrastructure upgrade and replacement schedules. Describe how the schedules are being met.

4. List and describe infrastructure deficiencies. Explain how deficiencies will be addressed; indicate if the deficiencies have resulted in any permit or other regulatory violations.
5. Describe any capital facilities that are underutilized, or facilities that could be shared by another agency.
6. How are service needs forecasted?
7. How are growth and population projections integrated with the agency's plans for future service needs?
8. If a particular service is provided less than city or district-wide, provide a map showing the geographic area where the service is provided.
9. Describe any inequities (variations) in service levels within your agency. Explain why the inequities (variations) exist.
10. Identify areas within the agency that might be more efficiently served by another agency.
11. Identify areas outside the agency boundaries that your agency could provide services in an efficient manner.
12. List planned or pending development and jurisdictional boundary changes that may require agency services. Provide description and location.
13. Describe any joint power agreements or arrangements with other agencies regarding shared facilities, infrastructure, or services.
14. Provide the assessor parcel numbers or addresses of properties located outside the agency's jurisdictional boundaries that receive services from your agency.
15. Identify the service(s) provided to the affected property(ies) and date that service commenced.

Management Efficiencies and Accountability

1. What awards or recognition has the agency received?
2. List the total number of employees in your agency by category (e.g., executive, management, administrative, professional, operational), the number of vacant positions for the last three years, and the number of new hires each year for the last three years.
3. Describe staff reorganizations that have occurred within the last three years.
4. What administrative, management, and operational functions are provided to the agency by private companies or other public agencies? Explain any management efficiencies and/or cost avoidance opportunities associated with these arrangements.
5. Describe cooperative arrangements with other agencies that produce administrative, management, and/or operational efficiencies.

6. Describe policies covering employee and contractor performance incentives, both financial and otherwise.
7. Explain agency policies and procedures pertaining to competitive bidding and sole source procurement. List and describe the services provided to the agency on a sole-source procurement basis for the last three years. Identify the cost of each contract.

Finance

1. Describe all revenue sources (e.g., property taxes, special taxes, service charges, fees, assessments, grants).
2. Please explain your agency's policy and practice in budgeting Education Revenue Augmentation Fund (ERAF) revenues, i.e., are these revenues included as annual property tax revenue or designated as revenues for one-time expenditures?
3. Please describe the impact of dissolution of redevelopment agencies, if applicable.
4. Explain any constraints associated with your agency's ability to generate revenue.
5. Provide and describe agency policies establishing limitations on the level of expenditures that staff may make without obtaining approval from the board of directors/city council.
6. Describe policies and procedures in place to provide for segregation of duties in areas of accounting, purchasing, and finance.
7. Indicate your agency's bond rating and provide a discussion of the rating.
8. Describe your agency's investment policies and practices.
9. Discuss your agency's policies and procedures for maintaining and establishing reserves/retained earnings. What is the ratio of undesignated/contingency/emergency reserves to annual gross revenues? In your discussion, please indicate if your agency limits the amount of reserves/retained earnings that may be accumulated.
10. Explain any variances within your agency regarding differing rates, fees, taxes, charges, et cetera, including nonresident fees for parks and recreation, sewer, or water service.
11. Explain agency policies and procedures regarding fee rebates, tax credits, or other relief provided to service users. Discuss any rebates, credits, et cetera that have been issued during the past three years and the circumstances and conditions under which they occurred.
12. Describe and discuss any increases or decreases that your agency has implemented regarding rates, fees, taxes, or other charges during the past three years. Explain any opportunities for rate restructuring within your agency.
13. Discuss your agency's financial policies and practices for depreciation and replacement of infrastructure.

14. Please explain any weaknesses identified in the three most recent audits of your agency.

Governance

1. Explain the composition of your agency's governing body. Discuss whether board members/city council members are elected or appointed, at large or by district.
2. Explain the compensation and benefits package provided to members of the governing body.
3. How frequently does the governing body of your agency meet? Indicate the number of cancelled meetings by year in last three years.
4. How far in advance of meeting dates are meeting agendas made available to your agency's governing body and to the public? Are meetings accessible to the public, i.e., are there evening meetings, is there adequate meeting space, advance notice?
5. Explain agency rules, procedures, programs for public notification of agency operations, meetings, programs, et cetera. How is public participation encouraged (e.g., open meetings, access to staff, service user suggestion opportunities)?
6. List and describe any violations or investigations within the past three years related to the Ralph M. Brown Act and the Political Reform Act. Include in your response any grand jury or law enforcement agency violations and investigations.
7. Explain opportunities for and obstacles to future functional (departmental) or structural (e.g., consolidation, merger) reorganizations. Provide copies of any relevant studies that your agency has conducted on reorganization and discuss the outcome.
8. Provide additional information that LAFCO should evaluate as part of the service review. If you believe LAFCO should obtain any additional information from other agencies, please list the information in your response.

Road Maintenance and Development

1. How many lane-miles of roads are maintained by your agency?
2. What is the average maintenance cost per lane-mile?
3. Is road maintenance subsidized by the general fund?
4. How are new roads financed?
5. What is the average Pavement Condition Index (PCI) of your agency's roadways?
6. What percentage of your agency's roads is above the PCI target minimum?
7. Discuss any issues, problems, or incompatibilities associated with the circulation element or maintenance standards of your agency with the circulation elements or maintenance standards of adjacent jurisdictions. Also describe any areas where road segments that are split between jurisdictions might be maintained more efficiently.

Please email this survey Word document to:

Martha Poyatos
San Mateo LAFCo
650-363-4224
mpoyatos@smcgov.org

Attachment F. Equal Benefits Compliance Declaration Form

COUNTY OF SAN MATEO
Equal Benefits Compliance Declaration Form

I. Vendor Identification

Name of Contractor: _____
Contact Person: _____
Address: _____

Phone Number: _____ Fax Number: _____

II. Employees

Does the Contractor have any employees? Yes No
Does the Contractor provide benefits to spouses of employees? Yes No

If the answer to one or both of the above is no, please skip to Section IV.

III. Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on or before **July 1, 2001** and expires on _____(date). (Section 2.93.050)
If this box is checked, attach a complete copy of the collective bargaining agreement relied upon for this exemption.

IV. Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _____, _____ at _____, _____
(City) (State)

Signature

Name (Please Print)

Title

Contractor Tax Identification Number