

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION

REQUEST FOR PROPOSALS

COMPREHENSIVE FISCAL ANALYSIS FOR THE PROPOSED INCORPORATION OF DUNNIGAN

(Due Date and Time: February 11, 2011 at 5pm)

OBJECTIVE

The Yolo Local Agency Formation Commission (LAFCO) is seeking proposals from professional financial consultants to prepare a Comprehensive Fiscal Analysis (CFA) for the proposed incorporation of the community of Dunnigan in Yolo County.

BACKGROUND

On October 14, 2010, LAFCO received a petition and application for the incorporation of Dunnigan. The petition was signed by approximately 177 (26%) of the registered voters in the area. On December 16, 2010, the petition signatures were found to be sufficient by the Yolo County Elections office.

The stated reasons for the proposed incorporation are to 1) increase representation and local control in land use planning, services, and infrastructure; 2) create a local government which is politically accountable to the residents; 3) retain local tax revenues for use in and to benefit the residents; 4) preserve the community's historical and cultural heritage and maintain its unique rural environment; and 5) establish the community as a legally recognized and equal voice in the County and in regional matters.

The territory proposed for incorporation includes approximately 20 square miles located along Interstate 5 and the Yolo/Colusa County border. The proposed incorporation area is generally bound on the north by Colusa County; on the west by the Tehama Colusa Canal and County Road (CR) 83; on the south by CR 10; and on the east by CRs 91B, 91A, and 89. Major thoroughfares include Interstate 5 and CR 99W, which run parallel to each other. The majority of the proposed incorporation area is agricultural land.

The proposed incorporation area has a population of approximately 1,052, the majority of which live in the rural residential community of Dunnigan. The community is approximately 0.8 square miles (520 acres) and located around the I-5 and CR 4 interchange and northeast of the I-5 and CR 6 interchange. A 33-acre Mobile Home and RV Park is also located west of CR 99W between CRs 7 and 8.

Most of the residents in Dunnigan are on individual well and septic systems, with the exception of the residents at the Mobile Home and RV Park. Dunnigan Water Works (DWW) provides sewer and water service to the Country Fair Estates Mobile Home and Happy Time RV Park. Wastewater from the Park is conveyed to a 40-acre wastewater pond east of the Park and CR 99W. The Park's water system consists of two wells. There is currently no other potable water purveyor in the area.

Dunnigan has several industrial and commercial businesses. There are approximately 11 acres of developed industrial land and 118 acres of developed commercial land in the proposed incorporation area. Industrial uses are located along CR 99W at CR 5 and 6 and include an auto wrecking and salvage yard, a storage warehouse, and an oil distributor. Commercial uses are located at or near the I-5 and County Road 8 interchange and include a commercial trucking facility, auction house, restaurant, motel, and gas station.

The 2030 Yolo County General Plan projects significant growth for the Dunnigan area. The County designates a 2,254 acre (3.5 square mile) Dunnigan Specific Plan that would add approximately 7,500 units south and west of the community of Dunnigan; there is a remaining buildout capacity for 173 units from the previous 1983 General Plan. The development plan would add a projected 450 acres of commercial and industrial uses to the 250 remaining acres under buildout for the 1983 Plan.

Yolo County and various special districts provide services to the Dunnigan area. A list of these districts is provided below:

- Yolo County Library
- Yolo County Office of Education
- Pierce Jt. Unified School District
- Yuba Community College
- Sacramento-Yolo Mosquito and Vector Control District
- Marys Cemetery District
- Yolo County Resource Conservation District
- Colusa Basin Drainage District
- Dunnigan Fire Protection District
- Dunnigan County Service Area
- Dunnigan Water District
- Esparto Unified School District
- Capay Cemetery District
- Zamora Fire Protection District
- Woodland Joint Unified School District

PROJECT DESCRIPTION

In accordance with Government Code §56800, a CFA must be prepared prior to LAFCO's consideration of an incorporation proposal. The CFA must conform to the requirements in the Cortese Knox Hertzberg Act (CKH) Act and be consistent with the incorporation guidelines prepared by the State Office of Planning and Research.

The CFA will determine whether the proposed city is economically feasible, the estimated costs associated with providing services to the new city, the estimated revenues, and the impacts of these costs and revenues on other affected agencies. The final report will be the subject of LAFCO review and public hearings and will form the basis for fiscal determinations and findings related to the proposed incorporation. The CFA will become the property of LAFCO.

Scope of Services

Under the direction of LAFCO, the consultant will develop an independent and impartial CFA for the proposed incorporation of the community of Dunnigan, based on the most current fiscal information available. Duties include the following:

- Prepare an inventory of existing agencies and public service providers in the proposed incorporation area. LAFCO staff is available as a resource for providing contacts and other source materials as available
- Request and gather financial and service level data from all agencies and current service providers in the area. The consultant is expected to take the lead in gathering existing data and relevant information from other public agencies
- Prepare a service plan and collect data and analyze costs associated with providing the services
- Identify all County-owned assets within the incorporation study area
- Establish base year costs and revenues and develop a base year budget for the proposed city
- Identify cities appropriate for cost comparison and include their information
- Establish population estimates and projections and document all assumptions and data sources
- Establish land use and development estimates and document all assumptions and data sources
- Working with LAFCO, document and analyze boundary alternatives and the fiscal effects of such alternatives for the proposed new city
- Calculate estimated transfer of property tax from the County to the new city
- Project anticipated start-up, capital, and liability costs, which may become the responsibility of the new City
- Develop budget projections, including a minimum of 8 subsequent years of projected costs and revenues for the new city and the financial effect on any affected agencies, including, but not limited to, state legislative mandates, budget conditions,

existing revenue sources, and new revenue sources that will become available to the proposed City

- Develop a transition period budget for the initial (partial) year following incorporation
- Analyze financial feasibility for incorporation of Dunnigan
- Prepare requests for financial information from all affected agencies, County departments, and other entities necessary to calculate service costs and revenue transfers for the proposal. Provide technical assistance, as needed, to ensure adequate responses
- Determine costs and review financial effects of revenue changes on all affected agencies, the County, and other entities
- Identify options for revenue neutrality and assist LAFCO staff, as needed, in facilitating revenue neutrality negotiations between the incorporation proponents and agencies affected by incorporation
- Review, develop, and prepare proposed determinations and terms and conditions for revenue neutrality and other financial matters for consideration by LAFCO and for inclusion in the Executive Officer's report, recommendations, and LAFCO resolutions
- Provide related technical assistance to LAFCO staff and the Commission during CFA preparation, public hearing, and in any audit of the CFA by the State of California Controller's Office
- LAFCO staff is the primary contact for the consultant and is responsible for scheduling any relevant public meetings that the consultants are expected to attend. The proposal should consider consultant's attendance at up to four public workshops and /or public hearings as part of the preparation of the draft CFA
- Prepare an administrative draft CFA for internal review by staff consistent with the overall timeline for incorporation proceedings. Prepare a public review draft CFA for public review and hearing consistent with the overall timeline for incorporation proceedings. Respond to comments as directed by the Executive Officer
- Prepare final CFA report. The proposal should consider consultant's attendance at up to two public hearings for the final CFA
- Provide 10 copies of the administrative draft CFA for internal review. Provide 15 hard copies of the public review draft CFA for LAFCO to distribute. Provide 15 copies of the final CFA. All documents shall also be provided in digital format.

The final scope of services will be based on the consultant's approach to the project and will be negotiated with the firm selected and will be included in the services agreement.

Proposal Requirements

Response to this RFP must include the following:

1. A statement about the firm that describes the firm's experience and qualifications, including, if applicable, experience and qualifications in the following areas:
 - Familiarity with Cortese Knox Hertzberg Act (CKH Act), the role and functions of LAFCO, and the incorporation process
 - Knowledge of local government finance (e.g., California taxation law, Propositions 13 and 218, special assessments, etc.)
 - Experience in governmental organization analysis
 - Management level understanding of how the full range of municipal services are financed and delivered
 - Ability to analyze and present information in an organized format
 - Familiarity with public input processes and experience in handling the presentation and dissemination of public information for review and comment
 - Ability to provide flexible and creative alternatives, where necessary, to resolve service, fiscal, and policy issues
2. Identification of the lead professional responsible for the project and of each professional who will perform various aspects of the day-to-day work including resumes of the principal and all professionals who will be involved in the work. If the proposal involves a joint venture or subcontractors, identify the firm(s) and describe related experience working on a multi-firm team.
3. A list of similar projects completed by the firm with references for each such project, including the contact name, address, and telephone number. Also, provide a sample report for one project.
4. A statement regarding the anticipated approach for this project and a scope of work outlining and describing the main tasks and work products.
5. An overall project schedule, including the timing of each work task.
6. Identification of any information, materials, and/or work assistance required from LAFCO and/or involved agencies or proponents to complete the project.
8. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost for each major sub-task identified in the scope of work.
 - c. The hourly rates for each person who will be involved in the work.
9. A statement regarding the firm's ability to comply with the standard provisions of the Agreement including insurance requirements.
10. Any other information you feel is relevant to the consultant review and selection process.

Budget

Consulting firms should include a detailed project budget for the scope of services. The preparation of the CFA will be managed by LAFCO and the funding will be provided by the proponents of the Dunnigan Incorporation. Subject to negotiation of a final agreement, it is anticipated that payments will be tied to task completion increments or other milestones. Work will not be authorized beyond what the proponents have deposited with LAFCO at any given time. LAFCO will not be liable for payment beyond the balance of the proponent's deposits.

Tentative Schedule

It is anticipated that the firm will start work in **early March**. Timing is a concern to LAFCO because of the provisions in the CKH Act relative to the time sensitivity of the fiscal data. It is desired that the LAFCO hearings on the Dunnigan Incorporation occur by **December 2011**. The schedule for this project must be consistent with the overall schedule for project processing and will be negotiated with the firm selected for the work prior to reaching an agreement.

The tentative schedule associated with the circulation of the RFP and submission of proposals is in the following table:

DATE	TASK
January 19, 2011	Issue Request for Proposal
February 11, 2011	Proposals Due
February 24, 2011	Interviews of Selected Firms
March 1, 2011	Award of Contract by LAFCO

The consultant selected for the project is expected to complete the preparation of the CFA within three months or as soon as possible after receiving the authorization to proceed with the project.

Selection Process

A selection committee will be formed to review responses to this RFP. Written proposals will be evaluated by the selection committee based on the above criteria. The most qualified applicants will be invited to an oral interview. The interviews are expected to be conducted within two weeks of the RFP submittal date.

Final selection of the consultant will be based upon the evaluation of responses in the RFP and during the interview process. The successful firm will enter into a contract to be awarded by LAFCO covering the scope of services, budget, and schedule.

Evaluation Criteria

If necessary, firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Experience, knowledge, understanding, and qualifications
- Relevant work experience

- Completeness of the responses
- Overall project approaches identified
- Qualification of key project team members
- Reference checks
- Proposed project budget

Conflict of Interest

Proposers warrant and covenant that no official or employee of Yolo LAFCO, nor any business entity in which an official of Yolo LAFCO has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to Yolo LAFCO. Proposers will notify LAFCO of any potential conflict of interest regarding other work or third party contracts.

Indemnification

The successful proposer shall be required to enter into an agreement to defend and indemnify Yolo LAFCO, its officers, and employees against liability for injury or damage caused by a negligent act or omission of the contractor in the performance of the agreement and shall hold LAFCO harmless from any loss occasioned as a result of the performance of the agreement by the contractor.

Insurance Requirements

The successful proposer shall be required to maintain at all times during the performance of the agreement the following insurance coverage:

Commercial General Liability Insurance with a limit of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations.

Business Automobile Liability for owned, non-owned, or hired automobiles with a combined single limit of not less than \$1,000,000 per occurrence.

Workers Compensation & Employers Liability Insurance

1. Workers Compensation - Statutory Limits
2. Employers Liability Insurance - with a limit of not less than \$100,000 per employee.

Additional Insured Endorsement - The policy or policies providing insurance as required above, with the exception of personal automobile liability, workers compensation, and employer's liability, shall be endorsed to include Yolo LAFCO, its directors, officers, employees, and agents as Additional Insureds as respects work performed pursuant to or incidental to the Agreement.

Evidence of Insurance - Before commencing any operations under the Agreement, the successful proposer shall furnish the Yolo LAFCO with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled or materially changed without thirty (30) days advance written notice.

Duration of Insurance Coverage - All required insurance coverage shall be maintained during the entire term of the Agreement. Insurance coverage written on a claims-made basis shall be maintained during the entire term of the Agreement and further until at least 6 month(s) following termination and acceptance of all work under the Agreement, with the retroactive date of said insurance, concurrent with the commencement of activities pursuant to this Agreement.

Submission Requirements

DUE DATE AND TIME: Tuesday, February 11, 2011 at 5:00 pm

Proposals received after this date will not be considered and will not be returned.

Cost of preparation of proposals shall be borne by the proposers.

NUMBER OF COPIES: 8 original copies and one reproducible copy

DELIVER TO: Elisa Carvalho
Assistant Executive Officer
Yolo LAFCO
625 Court Street, Room 203
Woodland, CA 95695

If the delivery will be made in person, please contact the Yolo LAFCO office in advance at (530) 666-8048 to insure acceptance.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify or cancel the RFP, to request clarification of any information that is submitted, to request additional information from competitors, and to waive any irregularity in the proposal submission and review process.

Contact Information

Please direct all inquiries regarding the RFP process or proposal submission to:

Elisa Carvalho
Assistant Executive Officer
Yolo LAFCO
625 Court Street, Room 203
Woodland, CA 95695
(530) 666-8048
elisa.carvalho@yolocounty.org

Reference Information

For general information about Yolo LAFCO and its policies, refer to the following website: www.yololaftco.org.

For the State Office of Planning and Research LAFCO Incorporation Guidelines, visit www.opr.ca.gov.

Attachments

Map of Proposed City of Dunnigan Boundaries

