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Executive Officer

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July 10, 2013 (Agenda)

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 Agenda Item 12

Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Authorize Service Contract - Countywide Second Round Water/Wastewater Municipal Service Review

Dear Members of the Commission:

DISCUSSION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that on or before January 1, 2008, and every five years thereafter, LAFCO, review and update the sphere of influence (SOI) of each local agency, as necessary. As part of the SOI update, LAFCO must prepare a corresponding Municipal Service Review (MSR) to determine the range and adequacy of governmental services provided.

In April 2013, Contra Costa LAFCO completed its inaugural MSR cycle and the comprehensive review of all 19 cities and 75 special districts and corresponding SOI updates for most agencies. In accordance with the CKH Act, LAFCO will initiate second round MSR/SOI updates. For those agencies where an SOI update is not necessary, a cursory review may be performed; and for agencies where an SOI update is necessary, a more comprehensive review will be conducted.

The second round MSR/SOI updates were previously discussed with the Commission, and an MSR progress report was provided in March 2013 in conjunction with the proposed budget. As discussed, the second round MSR cycle will begin with a countywide review of water/wastewater services.

Consultant Recruitment Process - Contra Costa LAFCO has relied primarily on consultants to prepare its MSRs. Given the technical nature of water/wastewater services, LAFCO will utilize professional consulting services for this MSR. On May 8, the Commission approved release of a Request for Proposals (RFP) and Scope of Services for this MSR. The RFP was released on May 10, was sent to over 40 firms, and posted on the Contra Costa LAFCO, CALAFCO and California Special Districts Association (CSDA) websites. Proposals were submitted by the following four firms (copies of the proposals are available upon request):

- GST Consulting
- Planwest Partners, Inc.
- Policy Consulting Associates Team
- Swale, Inc.

The proposals varied in terms of approach, number of team members and timelines; and costs ranged from \$62,240 to \$78,790.

A selection committee composed of Carole Cooper, Assistant Executive Officer - Sonoma LAFCO, Elliot Mulberg, Executive Officer - Solano LAFCO, and your Executive Officer reviewed the written proposals and interviewed all of the firms on June 25th. The interviews were structured, with questions designed to gauge the consultants' understanding of the required tasks, proposed approach to the MSR, experience and familiarity with LAFCO, qualifications of personnel assigned to work on the MSR, budget and other factors.

Following the interviews, the committee deliberated and reached a unanimous recommendation. While the committee was impressed with all of the firms, based on review of the written proposals and the oral interviews, the selection committee recommends that GST Consulting be selected to prepare the MSR. Follow-up reference calls were made and support this recommendation.

The GST Consulting team includes Gary Thompson, Harry Ehrlich, and Bob Aldrich, which collectively have over 80 years of local government and LAFCO experience as highlighted below. The team recently completed an MSR for Los Angeles LAFCO that included a review of water and wastewater services.

- Gary Thompson will serve as the *Managing Principal and Financial Analyst* for the MSR project. He has over 18 years of municipal service delivery and financing analysis experience. Mr. Thompson has extensive experience developing and analyzing comprehensive fiscal analyses, municipal budgets, infrastructure and staff analyses; and with fiscal modeling of city mergers and consolidations, shared services analyses and municipal financing. Mr. Thompson prepared initial and comprehensive fiscal analyses for eight proposed incorporations, including the proposed Town of Alamo.
- Harry Ehrlich will serve as *Water/Wastewater Services and Policy Analyst* on the project. He has over 40 years of experience in LAFCO and local government work, with the last 30 years devoted to public works and special district related issues, in particular water and wastewater services. Mr. Ehrlich has experience analyzing special district infrastructure, facility assessment, and governance structure alternatives. He currently serves as Director of Legislative Research for San Diego LAFCO. During his tenure with San Diego LAFCO, he conducted MSRs and SOI updates for over 60 special districts. Mr. Ehrlich is active in CALAFCO and currently serves as Co-Chair of the CALAFCO Legislative Committee. Previously, Mr. Ehrlich served as President and Board Member of the CSDA.
- Bob Aldrich will serve as *Project Manager and Policy Analyst* on the project. Mr. Aldrich has over 30 years of local government planning experience at city, county and LAFCO levels. He served as Assistant Executive Officer with Orange LAFCO for over 10 years during which time he led Orange LAFCO's effort to complete its first round MSRs, and personally prepared 20 MSRs/SOI updates for cities and special districts. Mr. Aldrich also managed incorporation projects, various special studies and fiscal analyses (i.e., water, sewer, fire, police), and a number of complex annexation and reorganization projects.

FINANCING

Adequate funding is included in the FY 2013-14 budget to cover costs associated with this MSR.

RECOMMENDATION

Authorize staff to execute a contract with GST Consulting to prepare a countywide second round Water and Wastewater MSR/SOI updates for the term August 1, 2013 through July 31, 2014 in an amount not to exceed \$62,240.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Consultants