

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JUNE 26, 2019

REGULAR MEETING

SUPPLEMENTAL

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

PREPARED BY: Erica Sanchez, Assistant Executive Officer

AGENDA ITEM #7: **CONSIDERATION AND APPROVAL OF THE CONTRACT WITH QK, INC. FOR THE COMPLETION OF THE MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE STUDY FOR THE EL DORADO HILLS COMMUNITY SERVICES DISTRICT**

RECOMMENDATION

Staff recommends that the Commission:

1. Approve the contract with QK, Inc. to prepare and present the Municipal Services Review and Sphere of Influence Study for the El Dorado Hills Community Services District (EDHCSD) at a cost of \$27,488, to be paid by the District.
2. Authorize the Chair to sign the final agreement. All consulting costs and LAFCO staff time for the administration of the Study will be paid for by the El Dorado Hills Community Services District.

REASON FOR RECOMMENDED ACTION

El Dorado LAFCO is required to create municipal service reviews (MSRs) and update sphere of influence (SOI) studies for all agencies in the county. Studying and preparing the MSR/SOI study for the EDHCSD is part of the current Third Cycle MSR/SOI Project Plan, but it is not scheduled to start until FY2020-2021. The EDHCSD Board requested by resolution that LAFCO move up the MSR/SOI from its scheduled start date, at the District's expense. QK has demonstrated that it has the experience, skills, resources and understanding of the scope of work to complete a report to the Commission's satisfaction. By authorizing the Chair to sign the contract, QK commits to completing and presenting the report on or about Summer 2020.

BACKGROUND

EDHCSD was last reviewed in May 2012 and is scheduled to be reviewed again in FY2020-2021 as part of the current Third Cycle MSR Project Plan.

In anticipation of impending and expected development in several areas that border the District's current boundary and SOI, EDHCSD has engaged LAFCO to advance the completion of its next MSR/SOI study so the impacts of these future developments on District facilities can be reviewed and analyzed. EDHCSD is also requesting that these areas of interest be added to its SOI as the first step towards annexing the areas in the future.

On May 30, 2018, the EDHCSD Board adopted Resolution 2018-16, requesting LAFCO complete an update of the MSR/SOI Study for the District ahead of the next scheduled review. The Board allocated \$20,000 for the study. LAFCO is responsible for the consultant selection process and the administration of the contract, with input from the EDHCSD. The District will be responsible for the consultant costs and LAFCO staff time to administer the project. The resolution also states that EDHCSD will indemnify LAFCO from any legal action related to this project.

After considerable discussions with EDHCSD staff to identify the areas of interest for consideration for inclusion in the SOI, LAFCO staff prepared and circulated a request for proposals (RFP) in February 2019 for 45 days. Only one proposal was received and its estimated cost was above the budget amount. After deliberation, LAFCO and EDHCSD staff concluded that it would be best to re-circulate the RFP to solicit additional interest and proposals. The RFP was re-circulated in April 2019 for another 45 days to a new list of consulting firms, compiled from other LAFCOs.

Two proposals were received during the second response period, both of which were also over EDHCSD's projected budget of \$20,000. LAFCO and EDHCSD staff reviewed the proposals and conducted reference checks on both consulting firms. Through this process it was determined that the proposal from QK was the most qualified, as well as the lower cost of the two proposals received. QK has experience preparing MSR/SOI Studies for similar districts, and has worked in El Dorado County, completing the cities of Placerville and South Lake Tahoe MSR and SOI updates for El Dorado LAFCO in 2017. QK also understands both the requirements under the law and the local policies adopted by this Commission. Both EDHCSD and LAFCO staff are confident QK is the most qualified to complete the District's MSR and SOI Update.

The total cost of the MSR/SOI contract is \$27,488, which is over EDHCSD's original budget allocation. The higher amount was brought back to the EDHCSD Board for consideration by EDHCSD staff, and the Board approved the higher amount on June 13, 2019. The total cost will be paid in installments at the completion of ten separate tasks and to the satisfaction of the Executive Officer.

The time period for this project is approximately eight months. Assuming the contract with QK is approved at the June 26 LAFCO meeting, QK can begin work on the MSR/SOI in July 2019.

Attachment:

Attachment A: Consulting Contract with QK, Inc. and 'Exhibit A' QK Proposal