

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF SEPTEMBER 23, 2009

REGULAR MEETING

TO: Francesca Loftis, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #5: **CONSIDER APPROVING THE CONTRACT WITH CITYGATE ASSOCIATES TO PREPARE A FIRE AND EMERGENCY SERVICES STUDY ON BEHALF OF THE COUNTY OF EL DORADO AND THE LOCAL FIRE AGENCIES**

RECOMMENDATION

Staff recommends that the Commission approve the attached contract with Citygate Associates LLC to prepare the Fire and Emergency Services Study on behalf of the County and the fire districts and authorize the Chair to sign the final document. The County of El Dorado will pay the cost of completing the study

REASON FOR RECOMMENDED ACTION

LAFCO was asked by the County and the local fire agencies to administer a fire and emergency services study on their behalf. In July and August a Request for Responses was circulated among 40 consulting firms. After a review of eleven responses and the interview of three strong candidates, Citygate Associates was selected as the consulting firm to conduct the review.

BACKGROUND

Since 2001, the County of El Dorado has transferred monies out of its general fund to support eight of the county's 14 fire agencies. This year the County terminated the contract on the grounds that it cannot continue this financial arrangement. With the financial viability of several districts in question, the County and the fire districts agreed that an independent consultant should be brought in to evaluate fire services in the County and provide actionable recommendations for increased cooperation, enhancing revenue streams and/or re-evaluate its governmental structure. In addition, they agreed a neutral third party should administer the study and have asked LAFCO to oversee the process. In July LAFCO entered into a memorandum of understanding (MOU) with the County outlining the financing process for this study.

With the help of the fire chiefs, who assisted in the development of the scope of the study, LAFCO and the County circulated a Request for Proposals to approximately 40 firms. By the response deadline, LAFCO received eleven proposals. Of those, a selection committee composed of Chiefs Veerkamp and Keating, Assistant CAO Ron Grassi and your Executive Officer selected three strong candidates to interview. The fire chiefs, the fire district boards of directors, County Supervisors and Commissioners were invited to attend the interviews. Approximately 17 people attended the interviews and provided feedback on the candidates. Citygate Associates was the clear favorite among the group.

Approach to the Study

Citygate proposes a “divide and conquer” strategy, whereby the Scope of Services is divided into two categories. Aspects of the Scope that are necessary towards establishing an understanding of the current condition of the fire agencies and an analysis to move them forward are included in Phase I. The end result will be a short and long term strategy to create a more viable and stable fire and emergency services system that the Board of Supervisors and each agency’s board of directors can follow and implement. Aspects of the Scope that would not assist in the development of this strategy and are more technical in nature are relegated to Phase II. However, decisions and choices made in the first phase will determine the direction and the information that is needed into the second phase. The approach ensures that time and resources are not expended on choices that prove to be unpopular or unrealistic. As outlined in pages 6 and 7 of their response, the Phase I objectives are:

- Use a Regional Standard of Response Cover Analysis to review the existing fire and emergency medical risks to be protected and the current and desirable response system to meet these needs;
- Identify available revenue and the estimated revenue shortfall at a regional level to provide the desired level of service and a summary discussion of available fiscal approaches to closing the fiscal gap;
- Identify existing governance structures and any gap between the way the structures are designed to work and actual practice;
- Provide the fact-based background necessary for LAFCO and the affected fire agencies to decide if they want to achieve suggested improvements in fire service levels, and if the most effective operational approach is one of the following:
 - County-wide fire system;
 - Series of sub-regional systems;
 - All agencies continuing to operate independently;
 - A combination of sub-regional and independent fire operations.
- Recommend next steps for a Phase II to define specific governance and financing approaches based upon the level of service and operational approach chosen by LAFCO and other agencies.

Citygate is not contracted to generate Phase II reports. Instead, the Phase I report and the political decisions made by the governing bodies on how to proceed will provide sufficient direction to local agency staffs to generate the more detailed and technical analysis of a Phase II report. For example, the Phase I Citygate report would analyze the finances for District A, determine its revenue shortcomings, provide possible solutions, the pros and cons of each solution and a recommendation of what would be feasible to implement. If District A's board of directors chooses a special tax, the engineering report necessary to satisfy the requirements of a Proposition 218 special tax would be a Phase II report that is not covered under this contract.

Negotiated Contract Highlights

The negotiated contract is attached to this report. The contract specifies for the completion of both phases for a not to exceed amount of \$99,937. While the consultant submits an invoice every 30 days, LAFCO has 60 days to pay it. This was placed in the contract mostly to protect LAFCO's finances in case of an unforeseen delay in the reimbursement process. The contract also specifies that a draft document containing preliminary findings and actionable recommendations must be delivered no later than January 15, 2010. A final report will be delivered in the May/June timeline. All of these tenets are within the framework outlined in the MOU between the County and LAFCO. In addition, the contract includes the usual requirements LAFCO imposes on consultants relating to insurance, ownership of materials and subcontracting.

Attachments

- Attachment A: Consulting Contract with CityGate Associates LLC (Draft LAFCO Resolution L-2009-08)
- Attachment B: Citygate RFP Response (Proposal to Perform a Fire and Emergency Services Study for the El Dorado LAFCO), on CD