

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JUNE 27, 2007

REGULAR MEETING

TO: Ted Long, Chairman, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

**AGENDA ITEM #5: CONSIDERATION AND APPROVAL OF THE CONTRACT
WITH PFM FOR THE COMPLETION OF THE GENERAL
GOVERNMENT SERVICES II MUNICIPAL SERVICES
REVIEW**

RECOMMENDATION

Staff recommends that the Commission:

1. Approve the contract with Public Financial Management (PFM) to prepare and present the General Government Services II Municipal Service Review at a cost of \$34,350.
2. Authorize the Chair to sign the final document. There are sufficient funds in the Professional Services – MSR Outsourcing account of the El Dorado LAFCO 2007-2008 Budget to fund this contract.

REASON FOR RECOMMENDED ACTION

El Dorado LAFCO is required to create municipal service reviews (MSRs) and update spheres of influence for districts in the County. As the Commission is aware, some of these MSRs will be outsourced to, and completed by, outside consultants. PFM 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, PFM commits to completing and presenting the report by December 2007.

BACKGROUND

The Commission allocated \$45,000 in next year's budget to outsource and complete as many municipal service reviews (MSRs) as feasible. Over the past year, the Commission has signed contracts with Dudek and Associates and PMC to conduct

three MSRs, all currently in various stages of completion. After this contract, approximately \$7,600 will be left in the budget for outsourcing MSRs.

The General Government Services II MSR request for proposals (RFP) was distributed in late March 2007 requesting a scope of services and cost to complete a study to review nine agencies and five different types of services [airport administration; cable TV and cable TV franchise fee administration; contract, covenants and requirement (CC&Rs) administration; library services and public transportation services].

Responses from various consulting firms were received in February and two of those firms were selected for an interview on June 1, 2007. The Executive Officer assembled an interview panel composed of Jeanne Amos, County Librarian; Bob Byrne, Vice President of the Cameron Park Airport District Board of Directors; and Dianna Hillyer, Planning Director for the El Dorado Hills Community Services District. Through reference checks and an interview with two of the principal members of the PFM team, most of the panel determined PFM to be the most appropriate choice between the candidates because of their strong background in public finance. Specifically, the services covered by this MSR tend to be services whose administrative cost often exceeds current revenue levels. The panel was interested in the firm's recommendations and performance metrics to assist them with revenue enhancement or lowering costs. In addition, PFM is partnering with Burr Consulting to ensure all requirements for the MSR are met.

The total cost for the project would be \$34,350, to be paid in installments at the completion of nine separate tasks and to the satisfaction of the Executive Officer. This MSR will yield eight spheres of influence, helping El Dorado LAFCO meet its deadline to complete the MSRs and SOI updates by January 2008.

Attachment:

Attachment A: Consulting Contract with PFM