

City of Ukiah

REQUEST FOR PROPOSAL

COMPREHENSIVE FEE AND COST STUDY & COST ALLOCATION PLAN

PROPOSALS DUE BY 5 P.M. JANUARY 5, 2009

City of Ukiah
300 Seminary Avenue
Ukiah, California 95482
www.cityofukiah.com

INTRODUCTION

The City of Ukiah is requesting proposals for a Comprehensive Fee and Cost Study and Cost Allocation Plan.

BACKGROUND

The City of Ukiah is a full service City with over 15,000 residents and is located 60 miles north of Santa Rosa in the wine country of Mendocino County. The City is noted as the County seat and the regional shopping hub. Ukiah has a Council-Manager form of government and provides a full range of municipal services including its own electric, water, and sewer utilities and a museum and golf course. The public safety services include ambulance services in addition to police and fire protection.

The total operating and capital budget, adopted for FY2008-2009, is \$84 million, with enterprise funds representing \$58 million of this total. The General Fund's appropriations of \$14 million support the main operations of the City including public safety, community development, planning, public works, recreation and community services, museum, and general administration. Special revenue funds include state and county subventions; Gas Tax, Park development grants, and public safety allocations from the State of California. The City has a Redevelopment Agency that has a separate budget of \$10 million.

The cost allocation plan the City is currently using was developed as a budget tool to distribute administrative costs to various budgets. This plan is informal and written as a policy document.

OBJECTIVE

The purpose of this project is to ensure that the City of Ukiah is accurately accounting for the true cost of providing various services within the City operations. Furthermore, this project is anticipated to result in a federally approved cost allocation rate pursuant to A-87 Cost principles.

SCOPE OF SERVICES REQUIRED – COMPREHENSIVE USER FEE AND COST STUDY & COST ALLOCATION PLAN

The consultant shall conduct a comprehensive review of the City's fee and cost structure with the goal of establishing a consistent and objectively based fee and cost structure that meets the needs of the City and its citizenry. The City's fees and costs shall be analyzed with a new Cost Allocation Plan. The consultant will provide advice and guidance to the City on the implementation and consequences of the proposed fee structure.

A review of the documentation supporting the current fee and cost structures for all departments and services is necessary. These include, but are not limited to, fees related to Community Development, Public Works, Museum, Community Services, Parks, City Clerk-Treasurer, Fire services, and Police services. Consultant should research current fees in areas the City provides services in addition to the above list. Consultant's results should also propose appropriate fees for services that the City is not currently collecting. The City reserves the right to select any or all segments of the proposal for study. Further, in utilizing the Cost Allocation Model developed as part of this project, calculation of the costs of providing current levels of City services is required as part of this project. The consultant must itemize costs for each basic service, and include a separate cost for all other departmental costs, and shall provide a detailed methodology for calculating overhead rates for direct and indirect costs. The consultant shall also describe the methods used to determine appropriate costs and fees in the absence of a Cost Allocation Plan. A survey comparison of costs and fees with similar cities (minimum of 5 cities), for information only, is also requested.

The Cost Allocation Model should include a study of the Ukiah Redevelopment Agency, including fees in the Community Development Department.

The consultant shall draft the Comprehensive User Fee and Cost Study, participate in the presentation to select City staff and City Council, and collect and document comments and concerns from staff and Council members.

The consultant shall prepare the final study and provide twenty (20) bound copies, one (1) electronic (.pdf format), and one (1) unbound copy to the City. The study and related fee and cost schedules created shall be made available to the City in an electronic form (Word, Excel) that can be updated by staff in the future.

SCOPE OF SERVICES REQUIRED – OVERHEAD COST ALLOCATION STUDY

The Consultant shall complete the following tasks:

1. Work with selected City staff to define the purpose, uses, and goals for an overhead cost allocation plan, ensuring that the development of the plan will be both accurate and appropriate for the City's current needs.
2. Develop an Overhead Cost Allocation Model, including an OMB 133 component, for the City and the Redevelopment Agency that calculates the costs of providing each City service. The requirements of the model shall allow for:
 - a. The addition or removal of direct and overhead costs so that the Overhead Cost Allocation Plan can be developed from a simple plan to a progressively more inclusive plan.
 - b. The ability to continuously update the Model and Overhead Cost Allocation Plan from year to year as the organization develops or changes.

- c. The addition of hypothetical service area information for future services enhancements, and the ability to calculate the estimated costs of providing the service under consideration.
3. Work with the City Manager and the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.
4. Draft Cost Allocation Plan and participate in the presentation to select City staff and City Council. Collect and document comments and concerns from staff and Council members.
5. Meet City timeline, which is compressed due to the FY09-10 budget process. Ideally, the study will be complete for the City Manager's proposed budget in May.
6. Prepare final plan and provide twenty (20) bound copies, one (1) electronic (.pdf format), and one (1) unbound copy to the City. The study and related fee and cost schedules created shall be made available to the City in an electronic form (Word, Excel) that can be updated by staff in the future as needed.

CITY'S RESPONSIBILITIES

City staff will provide the consultant with all relevant information it has pertaining to the City and its operations including operating and capital budgets, and current fee Resolutions and related documents. The City shall cooperate with the consultant in carrying out the work and shall provide adequate staff for liaison with the consultant and other agencies of City government. Staff availability will be flexible to allow for continuation of their other duties.

PROPOSAL FORMAT

Proposal should include the information requested below:

- Cover letter summarizing the proposal.
- Scope of work (a description of the work program including a description of deliverables and activities).
- Description of the Project Team. The names, title and qualifications (resumes) of the proposed project manager and support staff and subcontractors who will be conducting the work on this assignment, including their experience and projects in which they had "hands on" responsibility, and length of time with the firm. The project manager will be expected to be fully involved and conversant in the details of

the project on a day-to-day basis. Describe the organization structure of staff members and sub-consultants (if any).

- Description of recent projects of a similar nature including client references with names and telephone numbers.
- Outline of the proposed work plan and strategy.
- A list of proposed meetings with the City Council, City Manager, and City staff at each phase of the project, with associated costs.
- Proposed project time schedule.
- Project Budget for each of the two projects, the Comprehensive Fee and Cost Study with associated Cost Allocation Plan, and the Comprehensive Fee and Cost Study without an associated Cost Allocation Plan, itemized according to individual tasks. The consultant shall present a specific “not to exceed” fixed fee including associated costs (e.g. printing costs, travel, etc.). A requested payment schedule should accompany the work schedule. Each phase of work should have an itemized budget including labor costs and expenses for each piece of work. The proposal should include staff hourly rates.
- A list of references for your firm and any subcontractors including names and telephone numbers of contacts on similar projects.
- Identify any optional services included in the proposal and any additional optional services the City may wish to consider.
- The City uses a standard contract with its own contract terms. See Attachment “A” for a sample copy of the standard contract.

INSURANCE REQUIREMENTS

The selected consultant will be required to meet the City's insurance requirements. The insurance requirements are set forth as Attachment “B”.

AVAILABLE BUDGET/CONTRACT

The City wishes to negotiate a fixed price contract with a “not to exceed” dollar total based on a clearly defined scope of work.

SELECTION PROCEDURE

The following is an outline of the selection procedure:

- Staff screens all proposals and determines finalist(s)
- City interviews with final candidates (if necessary)
- Staff submits recommendation to City Manager
- Contract awarded by City Council
- Work begins
- Completion of project

SELECTION CRITERIA

Proposals will be evaluated based on the following criteria:

- Thoroughness and understanding of the tasks to be completed.
- Comprehensiveness of the description of the tasks proposed and the completion process.
- Background and experience in organizational analysis evaluation.
- Staff expertise and overall experience of personnel assigned to the work.
- Time required to accomplish the requested services.
- Responsiveness to requirements of the project.
- Recent public sector experience, preferably in a municipal setting, conducting similar studies.
- Cost.

DISCRETION AND LIABILITY WAIVER

The City reserves the right to reject all proposals or to request and obtain, from one or more of the consulting firms submitting proposals, supplementary information as may be necessary for City staff to analyze the proposals pursuant to the consultant selection criteria contained herein.

The City may require consultants to participate in additional rounds of more refined submittals before the ultimate selections of a consulting team are made. These rounds could encompass revisions of the submittal criteria in response to the nature and scope of the initial proposals.

The consultant, by submitting a response to this RFP, waives all right to protest or seek any legal remedies whatsoever regarding any aspect of this RFP. Although it is the City's intent to choose only a small number of the most qualified consulting teams to interview with the City, the City reserves the right to choose any number of qualified finalists.

CONTACT

All questions regarding this project should be directed to Gordon Elton, Finance Director, via email at gelton@cityofukiah.com, Mary Horger, Purchasing Supervisor, via email at mhorger@cityofukiah.com, or Sue Goodrick, Risk Manager, via email at sgoodrick@cityofukiah.com, or via telephone at (707) 463-6233.

DIRECTIONS FOR DELIVERY OF THE PROPOSAL

The proposal shall be delivered electronically to the Purchasing Supervisor no later than 5:00 p.m. on Monday, January 5, 2009. The Purchasing Supervisor's email address is mhorger@cityofukiah.com. The City reserves the right to extend the deadline if an insufficient number of proposals are received.