



City of Rialto

Legislation Details (With Text)

File #: CC-19-924 **Version:** 1 **Name:**
Type: Resolution/Agreement **Status:** Approved
File created: 9/9/2019 **In control:** City Council
On agenda: 10/22/2019 **Final action:** 10/22/2019
Title: Request City Council to Approve a Professional Services Agreement with Webb Municipal Finance, for the 1972 Act and Mello-Roos Act Annual Administration Services for Three Years at \$111,000 each Year.
(ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Exhibit A-1 - Webb Proposal.pdf, 2. Attachment 2 - PSA Long Form Over 50K.pdf, 3. Webb Disclosure Statement.pdf

Date	Ver.	Action By	Action	Result
10/22/2019	1	City Council		

For City Council Meeting [October 22, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Sean Grayson, Acting Public Works Director

Request City Council to Approve a Professional Services Agreement with Webb Municipal Finance, for the 1972 Act and Mello-Roos Act Annual Administration Services for Three Years at \$111,000 each Year.

(ACTION)

BACKGROUND:

Under the provisions of the Landscaping and Lighting Act of 1972, (the "1972 Act") and Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act"), and in compliance with the substantive and procedural requirements of the California State Constitution, Article XIID (hereafter referred to as the "California Constitution"), the City has established and formed six (6) special districts identified as:

- Street Lighting District No.1 (SLD 1)
- Landscape Maintenance District No. 1 (LMD 1)
- Landscape and Lighting Maintenance District No. 2 (LLMD 2)
- Community Facilities District 87-1 (CFD 87-1)
- Community Facilities District 87-2 (CFD 87-2)
- Community Facilities District 2006-1 (CFD 2006-1)
- Community Facilities District 2016-1 (CFD 2016-1)

SLD 1 was established throughout the entire City to fund the operation of the City's street light

system consisting of over 4,800 streetlights, and to fund costs for tree trimming and maintenance. The special assessments to be levied in SLD 1 are limited by the historic maximum special assessment prior to November 1996, pursuant to Proposition 218's limitations. SLD 1 includes the entire incorporated territory of the City of Rialto.

LMD 1 was first established in 1977 to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. LMD 1 is comprised of over 100 separate annexed areas throughout the City, which occurred with the development of various subdivision tracts. Within LMD 1, the City maintains 1,000,000 square feet of turf and 3,700 trees within a total area of 61 acres. The special assessments to be levied in LMD 1 are limited by the historic maximum special assessment prior to November 1996, pursuant to Proposition 218's limitations.

LLMD 2 was first established in January 2005, and was originally set up to fund costs for the operation of new streetlights added to the City's streetlight system, and to fund costs for the maintenance of exterior parkway and median irrigation and landscaping adjacent to and associated with private land development. LLMD 2 is smaller than LMD 1 in size, and is comprised of 12 separate annexed areas throughout the City, which occurred along with various developments approved after 2005. Within LLMD 2, the City maintains a total area of over 11 acres.

LLMD 2 is intended for the annexation of all new developments within the City, was established with current costs in mind, and incorporates the ability to adjust the special assessments annually by a cost inflator tied to the Consumer Price Index ("CPI"), to accommodate increasing annual operational costs. Annexation into LLMD 2 is a condition of approval for all new development projects required to provide exterior landscaped parkways or medians, or required to install new street lights. The special assessments to be levied in LLMD 2 are not limited to any historic maximum special assessment, and pursuant to Proposition 218, the maximum assessment may increase commensurate with the CPI.

CFD 87-1 was established on July 21, 1987 and comprises a master planned community ("Las Colinas") consisting of approximately 550 acres in the northwest portion of the City adjacent to the southwesterly side of Riverside Avenue. CFD 87-1 was financed by bonds for construction of public facilities, including police and fire protection facilities, public street improvements, storm drains, sanitary sewers and domestic water facilities. All of the public improvements have been completed, and CFD 87-1 is maintained to ensure annual payment of bond debt service.

CFD 87-2 was established for the same territory as CFD No. 87-1, with a special tax levy to support police and fire protection services for the District. However, since 2004 the City Council has annually established the special tax rate for CFD 87-2 at \$0.

CFD 2006-1 was established on July 20, 2006 and comprises a master planned community ("Elm Park") consisting of approximately 14.0 acres located on the south side of Baseline Road between Cactus Avenue and Lilac Avenue. CFD 2006-1 was financed by bonds for construction of public street improvements, storm drains, sanitary sewers and domestic water facilities. All of the public improvements have been completed, and CFD 2006-1 is maintained to ensure annual payment of bond debt service.

CFD 2016-1 was established on November 22, 2016 and is intended for all future new development to annex into this district to fund increases in police protection services, fire protection and

suppression services, ambulance and paramedic services, park maintenance and other public services within the City.

ANALYSIS/DISCUSSION:

The Public Works Department prepared a solicitation document to solicit proposals from professional firms to provide the assessment engineering and administration services for the six special districts established within the City, identified as Request for Proposals ("RFP") No. 19-144 for the 1972 Act and Mello-Roos Act annual administration services. The City released RFP #19-144 on Monday, May 20, 2019 with proposals due by Monday, June 10, 2019. A Notice Inviting Proposals was on the City of Rialto website.

On Monday, June 10, 2019 the City received five (5) proposals in response to the RFP from the following firms (in alphabetical order):

1. 30 Three Sixty Public Finance; Carlsbad, CA
2. DTA; Newport Beach, CA
3. Harris & Associates; Irvine, CA
4. Webb Municipal Finance; Riverside, CA
5. Willdan Financial Services; Temecula, CA

In accordance with state law (California Government Code Section 4526) and Sections 2.48.430 and 2.48.440 of the Rialto Municipal Code, City Council must make the selection for professional services on the basis of the firm's demonstrated competence and professional qualifications in accordance with specific evaluation criteria identified in the RFP; cost must not be the sole criteria for rating these consultants.

An evaluation panel consisting of City staff reviewed the proposals which resulted in a final ranking of the firm's qualifications, establishing a most qualified firm.

As a result of RFP evaluations, the evaluation panel's consensus was that Webb Municipal Finance was the most qualified firm, based primarily on the prior experience in, and its ability to most effectively provide, under the provisions of the 1972 Act and Mello-Roos Act, the requested services for the City. A copy of Webb's proposal is included as **Attachment 1**.

Staff has prepared a negotiated Agreement with Webb Municipal Finance for the requested services related to the 1972 Act and Mello-Roos Act. A copy of the proposed Agreement is included as **Attachment 2**. The important points for City Council consideration related to the Agreement include:

- Contract Sum: Section 2.1 "Maximum Contract Amount" of the Agreement. Section 2.1 of the Agreement states:

This Agreement is a multi-year Agreement extending over an initial three year period from July 9, 2019 through June 30, 2022 and subject to two (2) discretionary one year extensions pursuant to Section 3.4 herein below. Upon the City's approval of this Agreement, for the Services rendered pursuant to this Agreement for the 2019/2020 fiscal year, Consultant shall be compensated by City in accordance with the Schedule of Compensation, which is attached hereto as Exhibit "C" and is incorporated herein by reference, but not exceeding the initial contract amount of One Hundred Eleven Thousand Dollars (\$111,000) for the 2019/2020 fiscal year (hereinafter referred to as the "Initial Maximum Contract Amount"), except as may be

provided pursuant to Section 1.9 above. The initial contract amount may increase for the 2020/2021 and 2021/2022 fiscal years pursuant to the percentage change in the United States Bureau of Labor Statistics Consumer Price Index "All Urban Consumers for Los Angeles, Riverside and Orange County, CA" (CPI) for the most recent twelve months for which statistics are available, as identified on Exhibit "C".

Upon the City's subsequent approval, if exercised, of an amendment to this Agreement, for the Services rendered pursuant to this Agreement for the 2022/2023 and 2023/2024 fiscal years, Consultant shall be compensated as may be identified on the Schedule of Compensation included with this Agreement approved by the City, generally in accordance with Exhibit "C".

- **Contract Term:** The proposed Agreement may extend to a maximum length of five years. Section 3.4 "Term" reflects an initial term of three years, with two one-year optional extensions, and states:

The term of this Agreement shall commence on September 24, 2019. Unless earlier terminated under the terms of this Agreement, this Agreement shall continue in full force and effect for three (3) years until June 30, 2022. At the sole discretion of the City, upon written notice to Consultant, the term of this Agreement may be extended for two (2) additional one (1) year terms. Said notice shall be delivered prior to June 30, 2022, for the initial one (1) year extension (if granted); and prior to June 30, 2023, for the final one (1) year extension (if granted).

ENVIRONMENTAL IMPACT:

The request is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved this staff report.

FINANCIAL IMPACT:

Operating Budget Impact:

The following table indicates the expenditure breakdown for the services to be provided which are included in the FY2019/2020 budget:

Community Facilities Districts Administration

Account Name	Account Number	Annual Amount
CFD 87-1 / Arbitrage Services	870-500-2141-4020	\$ 8,857
CFD 87-2	010-500-0001-4020	\$ 2,250
CFD 2006-1	871-500-2141-4020	\$ 6,066
CFD 2016-1	872-500-2141-2011	\$ 6,810
Total Community Facilities District		\$ 23,983

Landscape and Lighting District Administration

Account Name	Account Number	Annual Amount
LMD No.1	225-500-7680-2011	\$ 12,000
SLD No.1	490-500-4860-2011	\$ 12,000
LLMD No. 2	224-500-7670-2011	\$ 12,000
New Annexation	224-500-7670-2011	\$ 75,000
Total Landscape and Lighting District Administration		\$ 111,000

Budget authority for this item was insufficient in the FY 2019/20 budget. A budget adjustment to increase budget authority in the amount of \$60,000 in account 224-500-7670-2011, will be included in the next quarterly budget report.

Capital Improvement Budget Impact:

This action will not affect the Capital Improvement budget.

Licensing:

Prior to execution of the Professional Service Agreement, the vendor shall submit a business license application and pay a Business License tax at the rate of \$154, as well as Administration and State fees.

RECOMMENDATION:

Staff recommends that the City Council to approve a Professional Services Agreement with Webb Municipal Finance, for the 1972 Act and Mello-Roos Act annual administration services for three years at \$111,000 each year.