

**REQUEST FOR PROPOSALS
FOR
CITY OF LAGUNA BEACH**

**Cost Study for
Citywide Undergrounding, Laguna Canyon Road and El Toro Road Undergrounding,
&
Electric Utility Distribution System Acquisition**

June 3, 2016

Dear Consultant:

The City of Laguna Beach invites your firm to submit a proposal to provide Professional Consulting services to conduct a Cost Study for the Citywide Undergrounding, Laguna Canyon Road and El Toro Road Undergrounding, and Electric Utility Distribution System Acquisition (herein referred to as the Study).

This letter, together with its enclosures, comprises the Request for Proposal (RFP) for this Study. Responses to the RFP should be submitted according to the instructions outlined herein.

STUDY DESCRIPTION

The City of Laguna Beach is soliciting proposals from qualified consulting firms to conduct a Cost Study for the Citywide Undergrounding, Laguna Canyon Road and El Toro Road Undergrounding, and City Acquisition of the Electric Utility Distribution System. The overall goals of the City's efforts related to undergrounding and electric utility acquisition are listed below:

- Significantly improve public safety by eliminating the risk of wildfires related to overhead electrical wires or electrical equipment in the very high fire hazard severity zone;
- Improve public safety by reducing the risk of vehicle and pedestrian accidents related to power poles;
- Improve reliability of electric service ;
- Reduce maintenance cost of the electric utility; and
- Enhance overall aesthetics of the City.

STUDY OBJECTIVE AND TASKS

The goal of the study is to clarify the complete costs of utility undergrounding and potential acquisition of the electrical system, specifically for each of the following three "Elements" listed below and further described in Scope of Services section. Proposers can submit a proposal on any of all Three Elements of the Scope of Service shown below:

Element 1, Citywide Undergrounding: Placing all overhead utilities underground within the city, not including Laguna Canyon Road and El Toro Road and not including any major transmission lines through the open space areas in Aliso Woods Canyon.

Element 2, Laguna Canyon and El Toro Roads Undergrounding: Placing all overhead utilities underground along Laguna Canyon Road and along El Toro Road (from Laguna Canyon Road to SR-73), including transmission lines.

Element 3, Electric Utility Distribution System Acquisition: City's Purchase of the electric distribution system in the City of Laguna Beach before or after the Citywide undergrounding.

Addenda

Any changes to the requirements of this RFP will be made by written addendum. Any addenda issued by the City shall be incorporated into the proposal.

Submitting questions/requests

All questions, requests for clarifications, and comments must be submitted in writing and must be received by no later than 5:00 p.m. on June 11.

All questions, requests for clarifications, and comments must be clearly labeled, "Written Questions" and delivered by U.S. Mail, personal courier, or email (no phone calls) to Shohreh Dupuis at the City of Laguna Beach, Public Works Department, 505 Forest Avenue, Laguna Beach, CA, 92651 or at sdupuis@lagunabeachcity.net.

The City intends to email responses to all written questions prior to June 18. All consultants receiving this RFP will receive an email copy of all written questions and responses to those questions.

Form of Proposal and Due Date

Interested firms must submit five (5) hard copies of their Proposal along with an electronic copy **no later than 4:00 p.m., June 30, 2016** to Shohreh Dupuis at the City of Laguna Beach, Public Works Department, 505 Forest Avenue, 92561. Proposals received after that date and time will not be considered.

In furtherance of the City's resource conservation policy, proposers are asked to print proposals double-sided and are encouraged to use recycled paper.

Proposals should not exceed forty (40) pages in length, excluding the transmittal letters, appendices and dividers. Proposal content and completeness are most important. Clarity is essential and will be considered in assessing the proposer's capabilities. Proposals should be typed, double-spaced and submitted on 8 ½" x 11" size papers. Proposals should not include promotional material. Each proposal should include:

A. Transmittal Letter

A transmittal letter signed by an official authorized to solicit business and enter into contracts for the firm must accompany the proposal. The transmittal letter should include the name and telephone number of a contact person, and describe the working relationship between Offeror and sub-consultants, if any. The transmittal letter should include a statement that the proposal is a firm offer to contract with City of Laguna Beach to perform the work according to the terms of the RFP for hundred twenty (120) calendar days from the due date for submission.

The transmittal letter should also include a statement that the Study Manager and key personnel will be available for the proposed duration of the Study and that the Study Manager and Key personnel shall not be removed or replaced without the prior written approval of the City.

B. Title Page

The title page should show the RFP subject, the name of the proposer's firm, local address, name of contact person, phone number and email address of the contact person, and the date.

C. Table of Contents

The table of contents should include a clear identification of the material by section and page number.

D. Overview and Summary

This section should clearly convey the consultant's understanding of the nature of the Study and the general approach to be taken. It should include, but not be limited to, the following:

- Firm's familiarity and experience working with the City of Laguna Beach
- A discussion of the purpose of the Study with clear understanding and experience with the cost estimating methods of utility undergrounding and electric utility distribution system acquisitions;
- A summary of proposed approach specific to each Element of the Scope of Services;
- Understanding of City policies, standards and practices;
- The assumptions made in selecting the approach, including requirements of the City; and
- An identification of the most difficult issues or risk factors affecting the development of the Study and how these issues will be addressed.

E. Detailed Work Plan

This section should include:

1. A detailed work plan, including a detailed task description proposed for each Element of the Scope of Services. The proposal should discuss how the consultant will conduct each task and subtask of the Study, in detail sufficient to demonstrate a clear understanding of the Study, and identify deliverables.

2. A detailed schedule, showing the expected and logical sequence of tasks, subtasks and important milestones, with start and end dates for each task for each Element of the Scope of Services. The proposer's schedule should assume a start date on or soon after August 15, 2016. The selected consultant, in consultation with City staff, will develop a final detailed work plan and schedule.
3. A detailed staffing plan for each task and subtask of each Element of the Scope of Services. (This section may be combined with the detailed work plan). Identify all staff by name and the specific tasks for which each individual will be responsible.
4. The proposal must also identify adequacy of labor resources for duration of the Study, utilizing a table documenting the labor-hour allocation to the Study by task.

F. Qualifications and References

1. A detailed statement of the firm's qualifications and previous experience in conducting similar work and studies, and one page resumes of the personnel the consultant intends to use to perform the Study, summarizing the individual's training and experience relevant to this Study. This section should demonstrate experience and expertise in all areas required to perform each of the three Elements of the Scope of Service. Include the resumes of key subcontractor personnel, as well.
2. A summary (no longer than one page each) of at least three (3) Studies similar in subject matter and scope to this Study, including the client agency, the contract term and amount, and a contact person (with telephone number) who may be contacted as a reference.

G. Proposed Budget

Provide a full description and breakdown of the expected expenditures of funds for the proposed Study by each of the Three Elements, as set forth in the, Scope of Services, in two forms: a task budget and a line item budget.

1. The task budget should present a breakdown of hours and expenses by task and subtask for each of the Three Elements of the Study identified in the Scope of Services. It should identify or refer to key personnel or job descriptions in relation to each task to provide a full explanation of the resources committed to the Study and should include the hourly rates. Anticipated Expenses should be included such that all Study costs are indicated.
2. The line item budget should present a breakdown of costs by cost categories, including billing rates for key personnel and job classifications. A line item budget should also be submitted for proposed sub-consultants with contracts.

Compensation and Study Schedule

A preliminary work plan is identified in the attached, Scope of Services. Payment for the Study will be based on a fixed-priced contract for each of the Three Elements of the Study. Consultant shall invoice the City on a monthly basis for payments corresponding to the work actually completed by consultant for each Element deliverables identified by the Consultant in their proposed Work Plan and accepted by the City. Payments will be made based on percent complete

(i.e. earned value) tied to the milestone schedule for each deliverable identified in the Consultant Work Plan approved by the City.

The City expects the Study to commence on or after August 15, 2016 and to be completed by December 15, 2016.

Selection Process

This RFP does not indicate a commitment by the City to issue a contract to any successful respondent. The City intends to evaluate the proposed services based on the following criteria:

1. **Study Understanding** – The consultant understanding of the Study specific issues, identifying Study challenges as well as possible solutions, or approaches that will successfully deliver this Study with the fewest resources and in the shortest time duration.
2. **Firm Experience and Stability and Records of Success** - Team's general experience, financial responsibility, stability, and past performance on awarded Studies, including; ability to meet Study deadlines; complexity of Study scope; and ability to react quickly to changes in Study scope. Experience with managing similar Studies, documenting how the cost estimates matched the actual cost after completion (cost estimate error margin), and the ability to follow the requirements of applicable federal, state, and local agencies, and to successfully complete the assigned work.
3. **Work Plan** – Proposers understanding of the City's requirements and overall quality of work plan; logic, clarity and specificity of work plan; ability to meet the Study deadline, reasonableness of proposed schedule; implementation of suggested technical and procedural innovations. Team familiarity with and capability to handle all aspects of the defined Scope of Services Experience with managing similar Studies, and the ability to follow the requirements of applicable federal, state, and local agencies, and to successfully complete the assigned work.
4. **Quality & Experience of Project Manager and Key Personnel** - The designated Project manager must be able to perform as the sole point of contact and provide day to day direction to team members and sub consultants. Expertise and background of the key team members and their availability to participate on this Study will be evaluated.
5. **Responsiveness to City of Laguna Beach RFP terms** - Completeness of response in accordance with RFP requirements; other relevant factors not considered elsewhere.
6. **Consultant Fee:** Reasonableness of consultant proposed fee for each Element of the Scope of Services will be evaluated.

During the evaluation period, the City may interview some or all of the proposing firms. The interviews may consist of a short presentation followed by questions from the evaluation committee related to the firm's proposal and qualifications. Proposers might be also be invited to meet with City staff or Council Subcommittee to discuss their proposals prior to preparation of recommendations to the City Council.

The City reserves the right to negotiate final pricing with the most qualified proposer. The City reserves the right to award a contract for any or all Elements of the Scope of Services.

City Point of Contact

The City requests that no contacts be made with city staff during the selection process except as indicated in this RFP (see “submitting questions/requests”).

Scope of Services:

At a minimum, the Scope of Work should include the development of a comprehensive detailed accurate overall cost for each Element of the City’s undergrounding efforts and electrical power initiative. Proposers can propose on any or all Three Elements listed below:

Element 1: Citywide Undergrounding, Placing all overhead utilities underground within the City, not including Laguna Canyon Road and El Toro Road:

City of Laguna Beach has approximately 13,000 electric power customers of which 11,000 are served by Southern California Edison (SCE) and 2,000 are served by San Diego Gas & Electric (SDG&E). Currently, 6,000 customers are served by overhead service, (5,000 by SCE and 1,000 by SDG&E). City’s current neighborhood undergrounding efforts will provide another 210 customers underground services.

A detailed accurate cost estimate should be developed with no more than a 20% error margin to identify the cost of undergrounding the remaining overhead utilities in the City (undergrounding all remaining overhead transmission (66KV lines) and distribution power poles in the City and the cost of providing underground service to the remaining customer in the City).

This cost should be developed based on an inventory of the existing poles and their ancillary equipment and wires that need to be undergrounded and at minimum should include the cost of the following:

- Design and construction of the electric power vaults and distribution systems required for undergrounding of power lines;
- Design and construction of transmission lines (66K undergrounding or relocation of ancillary utilities such (phone, Cable, fiber, etc.) ;
- Right-of-Way acquisition of any right-of-way that might be needed;
- Design and construction of required for the relocation any water/sewer infrastructure if necessary;
- Design and construction cost of any street lights that need to be installed to replace the street lights that are on the overhead poles that will be removed; and
- Legal and consulting support services.

Element 2: Placing all overhead utilities underground along Laguna Canyon Road (LCR) and El Toro Road from LCR to SR-73:

It is estimated that there are currently 181 Poles on LCR from Morro Substation to El Toro Road (99 westerly side and 82 easterly side). In addition, there are also 68 Transmission Poles (66 KV) of which 57 of carry distribution systems. Almost every other pole has a street light and many carry other ancillary utilities.

In addition, there are also 24 Poles on El Toro Road from LCR to Toll Road (22 easterly side for distribution and communications and 2 guy poles on westerly side).

A detailed accurate cost estimate should be developed with no more than a 20% error margin to identify the cost of undergrounding the overhead utilities along LCR and El Toro Road (from LCR to SR-73).

This cost should be developed based on inventory of the existing poles, wires and ancillary equipment and services that need to be undergrounded and at a minimum should include the cost of the following:

- Design and construction of the underground structures, cable and equipment required for undergrounding of power lines;
- Design and construction of undergrounding of ancillary utilities such (phone, Cable, fiber, etc.);
- Right-of-Way acquisition of any right-of-way that might be needed for placement of underground structures, cable and equipment of the utilities along LCR and El Toro Road (the City will provide the Survey results of LCR efforts currently underway);
- Design and construction of relocation any water/sewer infrastructure if necessary;
- Design and construction cost of any street lights that need to be installed to replace the street lights that are on the overhead poles that will be removed; and
- Legal and consulting support services.

Element 3: City Purchase of the electric utility distribution system in the City of Laguna Beach

The City has non-exclusive franchise agreements with SCE and SDG&E for provision of electrical services to customers in the City of Laguna Beach. The term of these agreements are indeterminate and contemplate that the City may at some point decide to own and operate the electric distribution systems themselves.

A detailed accurate cost estimate should be developed with 30% error margin to identify the City's acquisition cost of the electric distribution system, cost of formation and operation of a Municipal Energy Utility (MEU) and thus becoming a municipal utility provider. This cost at minimum should include the following cost elements:

- Cost of Purchase of the electric distribution system assets including Morro Substation based on the Replacement Cost New less Depreciation (RCNLD) of the assets.

- Legal and Consultant Support services needed for the purchase;
- Cost of forming a MEU;
- Annual operating cost of a similar sized MEU;
- The annual maintenance and operation cost of city owned and operated electrical facilities;
- Cost Savings resulted from reduced risk and reduced vegetation management; and
- Street Lights purchase cost.

The Scope of Services at minimum should also include the following Study Administration and Management Tasks:

The consultant shall be responsible for overall project management, developing and managing the Study, progress monitoring and maintenance of project files. The consultant shall lead up to 6 Study project related meetings and 4 Community/Council Subcommittee/Council meetings throughout the duration of the project. The consultant shall prepare the meeting agendas, presentation materials and minutes from these meetings. In addition, the consultant shall prepare and conduct oral presentations of their final report to the City Council Subcommittee and City Council.

Deliverables:

- 1) Detailed work plan and project schedule
- 2) Monthly project status reports
- 3) Meeting attendance, meeting agenda and minutes
- 4) All Meeting materials, agenda bills, reports and presentations
- 5) The Study Full Report (two drafts and a final report) in both hard copy and editable electronic format along with all supported materials, documenting the cost model assumptions and data.