

Las Virgenes – Triunfo Joint Powers Authority



4232 Las Virgenes Road, Calabasas, California 91302

REQUEST FOR PROPOSALS

for

SEASONAL STORAGE FUNDING AND FINANCING STRATEGIES

Proposal Issue Date

May 4, 2016

Proposal Submittal Due Date

5:00 p.m. on May 27, 2016

LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY

REQUEST FOR PROPOSALS

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I. INTRODUCTION

A. General Information

The Las Virgenes – Triunfo Joint Powers Authority (JPA) is comprised of Las Virgenes Municipal Water District and Triunfo Sanitation District. Since 1964, the JPA has provided sanitation and recycled water services throughout the southwestern edge of Los Angeles County including the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, and the eastern portion of Ventura County, including the communities of Oak Park, Lake Sherwood, Bell Canyon, and the Westlake and North Ranch portions of Thousand Oaks. The JPA's service area is about 120 square miles with a population of approximately 95,000.

The JPA is governed by a ten-member board of directors comprised of the entire elected boards of each district. The Chair of the Board rotates between the districts each calendar year. Las Virgenes Municipal Water District is the Administering Agent of the JPA. A Joint Exercise of Powers Agreement, dated January 26, 2009, defines the relationship and allocation of costs between Las Virgenes Municipal Water District and Triunfo Sanitation District. A copy of the agreement is available upon request.

The JPA is requesting proposals from qualified firms to provide funding and financing analyses for its Recycled Water Seasonal Storage Project that is expected to cost between \$67 and \$80 million, depending on the final option selected.

To be considered, five copies of a proposal must be received by **5:00 p.m. on May 27, 2016** addressed to:

Donald Patterson
Director of Finance & Administration
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302

Proposals may also be emailed to dpatterson@lvmwd.com.

Proposals received after the above date and time will not be considered.

B. Background

The JPA has been a regional leader in developing a recycled water system that now serves approximately 6,000 acre feet of annual water demands. This amount represents approximately 60% of the outflow from the JPA's Tapia Water Reclamation Facility. Most recycled water is used to meet outdoor landscape needs, causing a disproportionate share of demand during the summer months and requiring the addition of potable water to the recycled water system during peak periods. Conversely, during cooler winter months, the JPA has insufficient demand for recycled water, requiring discharge into the watershed, primarily via Malibu Creek.

In 2014, the JPA began a stakeholder-driven process to explore ways to maximize the beneficial reuse of its recycled water and address the seasonal imbalance of supply and demand. This process has led the JPA to focus on two options:

Option 1 – Encino Reservoir Seasonal Storage

This option, with the cooperation of the Los Angeles Department of Water and Power (LADWP), would involve constructing a pipeline from the JPA's recycled water pump station located at the district's headquarters campus to LADWP's Encino Reservoir, which would be re-purposed to store the JPA's unused recycled water. A pump station would be constructed to return a portion of the recycled water to the JPA's service area to eliminate the need to supplement the system with potable water during peak periods. The option would require agreements with the City of Los Angeles regarding the use of the reservoir and transfers/reuse of stored recycled water. The cost of this option is currently estimated to be \$67.2 million.

Option 2 – Advanced Water Treatment Facility

This option would involve constructing an advanced water treatment facility to further purify the JPA's unused recycled water such that it could be used for indirect potable reuse via reservoir augmentation. The purified water would be conveyed through a new pipeline to Las Virgenes Reservoir, and a new pipeline would be constructed to dispose of brine waste. The cost of this option is currently estimated to be \$79.7 million.

Additional information on the project and specifics on the options are available online at <http://www.lvmwd.com/about-us/joint-powers-authority/recycled-water-seasonal-storage>. Respondents to this Request for Proposals are strongly encouraged to review the posted materials to obtain a complete understanding of the proposed project.

C. Term of Engagement

It is anticipated that Phase 1 of the engagement will be completed within 7 months. Proposals must include a detailed schedule that does not exceed 8 months. The following are proposed milestones.

Proposal Due Date	May 27, 2016
Presentation (if needed)	June 9, 2016
Award of Contract	July 5, 2016
Kick Off Meeting	July 11, 2016
Draft Report	October 2016
Board Workshop	January 2016
Final Report	February 2016

The selected consultant will prepare monthly updates that may be presented verbally or in writing.

II. SCOPE OF SERVICES

The Las Virgenes – Triunfo Joint Powers Authority (JPA) is seeking proposals from qualified firms to identify funding strategies and develop a financing model for its Recycled Water Seasonal Storage Project. The JPA anticipates awarding an agreement to one or more firms for a multi-phase engagement to identify funding options and assist with implementing the identified options. This Request for Proposals will result in the award of an agreement for Phases 1 and 2 of the project.

A. Phase 1 – Identifying and Evaluating Funding Options

Phase 1 consist of identifying all possible funding options, including but not limited to, grant funds, federal and/or state appropriations, bank loans, bonded indebtedness, lease-purchase agreements, and private/public or public/public partnerships. The selected firm will need to have a thorough understanding of the JPA's structure and be qualified to examine financing options that could include the JPA issuing or securing debt or the individual member agencies separately financing their respective shares of the project.

The deliverables for Phase 1 will include a report summarizing the various funding options available for the project and an evaluation of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) associated with each option. Further, the report will present an analysis of a "best case" and "worst case" funding scenarios. The best case will assume receipt of modest grant funding, subject to the limitations for the recommended funding option(s) and recognizing the competitive process. The worst case will assume relatively

unfavorable conditions for state and/or federal grant funding. The best case and worst case scenarios will be used to estimate the impact to retail and wholesale recycled water and sanitation rates for both Las Virgenes Municipal Water District and Triunfo Sanitation District customers, which should be included in the report.

B. Phase 2 – Development of Financing Plan

Phase 2 includes the development of a financing plan based on the outcome of Phase 1. This will include the development of a written financing plan, schedule with key milestones, identification of resources needed to secure the financing, and on-going financial advisory services.

The Scope of Work for Phase 2 will be dependent on the funding/financing options selected by the JPA Board Phase 1. As a result, the fee for Phase 2 will be negotiated on a not-to-exceed basis once the scope is defined and agreed to by both the selected consultant and the JPA. The response to this RFP should include an anticipated cost for the development of a Financing Plan, understanding that the exact Scope of Work is yet to be developed. The anticipated cost for Phase 2 should include hourly rates and a cost range based on similar projects.

C. Phase 3 – Securing Funding (Optional)

The final phase of work would consist of assisting to secure the funds for completion of the project and would only occur if the JPA opted to secure all, or a portion of, the financing for the project. If Phase 3 is authorized, the JPA may issue an additional RFP to select the team to provide the necessary services for completion of Phase 3, up to and including execution of contract documents, loan agreements, and/or bond issuance.

If it is decided that each of the JPA's member agencies will be responsible for financing their own proportional shares of the project, Phase 2 will be handled by each member agency independently under separate processes.

The JPA, at its sole discretion, may opt to engage the firm selected to complete Phases 1 and 2 for on-going financial consulting services during Phase 3 or for assistance with selecting the firm(s) to complete Phase 3.

III. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals **must be received in writing by 5:00 p.m. on Wednesday, May 18** to dpatterson@lvmwd.com or

Donald Patterson
Director of Finance and Administration
Las Virgenes Municipal Water District
4232 Las Virgenes Road, Calabasas, CA 91302

Answers to questions received will be sent to all known RFP holders and will be posted at <http://www.lvmwd.com/i-want-to-do-business-with-lvmwd/non-public-works-formal-bids>. It is the proposer's responsibility to ensure that they access and review any questions and answers. The Las Virgenes Municipal Water District (District), as Administering Agent of the JPA, is not responsible for notifying individual potential bidders of the availability of questions and answers beyond this notice.

CONTACT WITH PERSONNEL OF THE DISTRICT OTHER THAN ABOVE REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS.

2. Addendums – The District may post Addendums to the RFP online at the District's website (www.lvmwd.com). It is the potential proposer's responsibility to access any addendums and ensure that stated requirements are met.

B Submission of Proposals

The following material is required to be received by 5 p.m., May 27, 2016 for a proposing firm to be considered:

Five (5) copies of the Proposal to include the following:

1. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

2. Table of Contents

3. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.

4. Key Personnel

Describe the staffing model your firm will use to fulfill the Scope of Work. Provide resumes of all key personnel who will be assigned to the District. Any changes to the key personnel must be approved by the District prior to award.

5. References

List a minimum of three (3) references for whom comparable services were provided. Provide names and contact information as well as a summary of key results achieved.

6. Qualifications and Experience

Describe your firm's qualifications to complete this Scope of Work. Explain why your firm is the best to deliver this Scope of Work and provide examples of your firm's work.

7. Detailed proposal

The detailed proposal should follow the order in Section II – Scope of Services and should provide sufficient detail to understand how the scope will be accomplished.

8. Costs

Costs proposals must include a "Not to Exceed" amount for each item in Section II – Scope of Services as well as a breakdown of hourly rates by position that will be assigned to the District. Any cost not explicitly proposed will be ineligible for payment.

IV. EVALUATION PROCEDURES

A. Review of Proposals

Proposals submitted will be evaluated by key District personnel. The District reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated for both technical qualifications and price. The following represent the principal selection criteria which will be considered during the evaluation process.

1. Mandatory Elements

- a) The firm is licensed to practice in California.
- b) The firm has no conflict of interest with regard to any other work performed by the firm for the District.
- c) The firm adheres to the instructions in this Request for Proposals on preparing and submitting the proposal.

2. Technical Qualifications

- a) The firm's past experience and performance on comparable engagements.
- b) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- c) Quality of the plan and approach to complete the Scope of Services.
- d) Demonstrated results of projects with similar Scopes of Service.

3. Costs:

Cost of completing the required Scope of Services.

The District will select the firm with the highest overall ranking after considering both technical qualifications and price. For this RFP, Technical Qualifications will have a higher weight than Price.

C. Oral Presentation

During the evaluation process, the District may, at its discretion, request any one, all, or no firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the District may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The District will recommend a contract to the Board based upon the recommendation of District staff reviewing the proposals.

V. CONDITIONS GOVERNING THE REQUEST FOR PROPOSALS

A. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

The District reserves the right without prejudice to reject any or all proposals.

B. Receiving Time / Late Proposals

It is the responsibility of proposer to see that their proposal is submitted with sufficient time to be received by the District prior to the proposal closing time. Late proposals will be returned unopened to the sender. Postmarks are not accepted, all responses must be received by the District by the deadline.

C. Acceptance of Conditions Governing this RFP

Submission of a proposal constitutes acceptance of the Evaluation Factors contained in this RFP.

D. Incurring Cost

Any cost incurred by the proposer in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the proposer. Any cost incurred by the proposer for set up and demonstration or for interviews shall be borne solely by the proposer.

E. Proposer's Rights to Withdraw Proposal

Proposers will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. Any request must be submitted in writing.

F. Best and Final Offer

The District reserves the right to request Best and Final Offers from any or all proposers. This will be the only opportunity to amend or modify proposals based on feedback from the District. Information from competing proposals will not be disclosed to other proposers prior to submission of a Best and Final Offer.

G. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month.

H. Insurance

Proposer shall maintain such insurance as will protect it from claims under Workers' Compensation laws, and such liability insurance as will protect against claims for damages for bodily injury, including death, and damages to property in accordance with the terms of the Agreement. Coverage of which is to be no less than \$1,000,000/\$2,000,000 per occurrence/aggregate, with the District named as an additional insured.

The proposing firm must be willing and able to obtain an errors and omissions insurance policy for coverage of no less than \$1,000,000 per occurrence for the willful or negligent acts of the firm and its officers, employees and agents. Proposer shall maintain evidence of coverage in an updated form during the term of the Agreement.