



Date: September 14, 2023
To: Board of Directors
Submitted by: Reorganization Committee
From: David Aranda, Interim General Manager
Subject: Discussion and Approval to Send A Request for Proposal (RFP) for Financial Reports Regarding the Reorganization of KPPCSD and KFPD

Recommendation

Recommendation from the IGM is to move forward in approving the RFP and hopefully follow the timeline in obtaining the needed information from a selected vendor to better understand the financial impact for both agencies should a merger take place.

Background

For many years there has been discussion regarding the concept of merging the Kensington Police and Community Services District with the Kensington Fire Protection District. Recently we had a presentation by the LAFCO Executive Director to better understand what is involved in moving forward with the concept.

For directors and residents, it is hard to answer the question of reorganizing into one agency without having a good knowledge base that would provide the pros and cons to reorganizing. This RFP once approved and responded to would allow both agencies and their respective directors to better understand the advantages and disadvantages of moving forward in reorganizing into one agency.

Exhibits

- Request for Proposal - Financial Analysis Evaluating Consolidation or Reorganization



Item #12

Kensington Fire Protection District and
Kensington Police Protection and Community Services District

Request for Proposals
Financial Analysis Evaluating Consolidation or Reorganization

The Kensington Fire Protection District (KFPD) and the Kensington Police Protection and Community Services District (KPPCSD) (collectively “Districts”) invite qualified firms or individuals (“consultants”) to respond to this Request for Proposals (“RFP”) to develop a financial analysis on evaluating the feasibility of consolidating or reorganizing the KFPD and KPPCSD into a single Community Services District.

RFP Schedule (placeholders for discussion)

Listed below are the events and target dates. The Districts reserve the right to change these events and dates at any time.

RFP issued	October 1, 2023
Proposals due	November 1, 2023, by 5:00 p.m.
Review of responses	November 15, 2023
Finalist notified	November 20, 2023
Contract awarded	December 20, 2023

BACKGROUND, SCOPE OF WORK, AND OBJECTIVES

Background

Kensington is an unincorporated community encompassing approximately one square mile in Contra Costa County. The population is estimated to be 5,288 according to the American Community Survey.¹

Kensington is served by two independent special districts: (1) The Kensington Police Protection and Community Services District (KPPCSD), founded in 1946 as a Police Protection District and reorganized as a CSD in 1953. The KPPCSD provides law enforcement, parks and recreation, and solid waste collection services; and (2) the Kensington Fire Protection District (KFPD), founded in 1928 and reorganized as an independent special district in 1937, provides fire protection services, since 1995 via a contract with the City of El Cerrito (though the district maintains ownership of a fire station and associated fire engines and equipment). The Sphere of Influence of both the KPPCSD and KFPD are coterminous with their respective boundaries. The two districts’ boundaries are essentially the same with KPPCSD being one parcel larger, encompassing an East Bay Municipal Utilities District water distribution reservoir

¹ <https://censusreporter.org/profiles/16000US0638086-kensington-ca/>

property. The Contra Costa County Local Agency Formation Commission (LAFCO) has conducted Municipal Service Reviews (MSR) of both the KFPD² and KPPCSD.³ A recommendation of both MSRs was that the KFPD and KPPCSD consider consolidation. The MSRs indicated that “consolidation would offer opportunities to the community in exercising greater control over the share of local property tax dollars spent on fire, emergency medical services, law enforcement, and other services. Consolidation of KFPD with KPPCSD could streamline local government and offer more options on allocating public safety funds within the community”.

Reorganization by either consolidation of the KFPD and the KPPCSD into a third special district or annexation of the KFPD by the KPPCSD with dissolution of the KFPD are both options under consideration. However, to the best of our knowledge, the financial analysis requirements are the same for either process.

Scope Of Work

The Kensington Police Protection and Community Services District (KPPCSD) and the Kensington Fire Protection District (KFPD) seek a consultant that will carry out all tasks related to the financial analysis of consolidating or reorganizing the KPPCSD with the KFPD.

The period used in all of the financial analysis should be for five years.

If the KFPD and KPPCSD boards choose to proceed with reorganization into a single special district (via consolidation or annexation with dissolution), this analysis will be used as part of the application to Contra Costa LAFCO. The analysis should be suitable for this purpose and include all information required by the application provisions of Government Code section 56653(b). This analysis will also be used by the Districts’ respective Board of Directors to aid in determining if reorganization is an appropriate choice for Kensington. Accordingly, it should include detail not just sufficient for LAFCO, but for a discussion of the benefits and shortcomings that reorganization could introduce.

Submission of a proposal shall constitute a firm offer to the KFPD and KPPCSD for 90 days from the date proposals are due to the District. By submitting the proposal, it is expected that the Proposer has carefully read and fully understands this RFP. A Proposer may withdraw its proposal at any time before the submittal deadline by delivering a written request for withdrawal signed by, or on behalf of, the Proposer.

² Municipal Service Review: Fire and Emergency Medical Service Providers, Contra Costa Local Formation Commission, August 12, 2009. https://www.contracostalafco.org/municipal_service_reviews/fire_and_emergency_medical_services/CoCo%20Fire%20MSR%20Master%20-%20FINAL.pdf

³ Contra Costa LAFCO: West County Sub-Regional Municipal Services Review, November, 2009. https://www.contracostalafco.org/municipal_service_reviews/west_county_sub-regional/WestCountySubregionalMSR_Final.pdf

Objectives

The consultant selected will be required to complete the following objectives:

Objective I – Conduct a Financial Analysis of the KPPCSD and KFPD

The consultant shall prepare a financial analysis of each district as an independent agency. The analysis shall include an assessment of existing sources of revenue and the cost of existing levels of services with a five-year projection of the financial capacity of each district to provide the services for which it is presently authorized. The analysis should account for the present and future capital needs of both districts (for example, the KFPD's needs for fire engine replacement and the KPPCSD's need for a permanent police station location).

Objective II – Conduct a Financial Analysis of the KPPCSD and KFPD as a Combined District

The consultant shall prepare a financial analysis of the two districts operating as a combined (via consolidation or annexation/dissolution) district. The analysis shall include an assessment of existing sources of revenue that would be available to a combined district and the cost of existing levels of services that would be provided by a combined district. The analysis shall include a five-year projection of the financial capacity of the new combined district to provide the services for which the two existing districts are presently authorized. The analysis shall identify any potential reduction or increase in costs that may accrue from consolidation or reorganization as well as any potential impact of consolidation or reorganization on the services presently provided. As the districts currently only employ part-time administrative staff, the analysis should identify if full-time staff options would be beneficial from either a cost or service perspective. The analysis shall be consistent with those applicable portions of Government Code section 56653(b).

Objective III – Prepare a Report and Present the Financial Analysis to the Boards of the KPPCSD and KFPD at a Public Meeting

The consultant shall prepare a report with findings and conclusions on the financial capacity of the districts to continue to provide existing services and to provide those services as a consolidated or reorganized district. The consultant will prepare a draft report for review and comment by the staff of both districts. The consultant shall develop presentation materials and submit them for review and approval by the Boards of both districts and make a presentation of the financial analysis at a public meeting.

Submittal Requirements

Each proposal shall include the following information:

1. Background information on the consultant, including details of experience with similar projects, all services offered, and a brief resume of the individual(s) assigned to this project.

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2. A description of the approach to the project that demonstrates the proposer's understanding of the desired scope of work and objectives described in the Scope of Work.
3. A detailed scope of work that describes the research, analysis, and related tasks that the consultant will complete.
4. A proposed timeline for the completion of all objectives and related activities described in the Scope of Work including the estimated time to complete those activities. The schedule shall also include an estimate of the time for review of the draft report by staff of both districts.
5. A fixed-fee or time-and-materials not-to-exceed budget that shows the proposed project cost by objective, task, or activity (as applicable) plus a description and listing of any reimbursable costs.
6. The hourly rate at which the consultant would bill for any services that the Districts might request outside the scope of the items in the RFP.
7. A listing of similar projects completed by the consultant that demonstrate the consultant's understanding of the operation of fire agencies and police departments, fiscal projections for public services, including fire protection and police services, and familiarity with the regional community context.
8. Three (3) references from jurisdictions/agencies for which consultant has provided similar services, including agency name, project name and date, name of contact person, title, email address and phone number, and type of deliverable prepared.
9. A listing of any exceptions requested to the standard contract terms listed in Attachment A.

Submit ten (10) bound copies and electronic copies of your full proposal no later than 5 p.m., November 1, 2023, to:

Bound copies:

KPPCSD/KFPD
Attn: RFP for Financial Analysis
10940 San Pablo Avenue
El Cerrito, CA

Electronic copies:

David Aranda
KPPCSD Interim General Manager

daranda@kppcsd.org

Mary Morris-Mayorga
KFPD Interim General Manager

mmayorga@kensingtonfire.org

Selection Process

The proposals submitted in response to this RFP will be used as a basis for selecting the consultant for this project. The consultant's proposal will be evaluated and ranked according to the criteria listed below:

- Responsiveness to this Request for Proposal
- Qualifications and experience of the individuals assigned to the project
- Experience with similar projects with an emphasis on the Bay Area

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- Schedule and availability
- Cost of services
- Reference contact results

The Districts reserve the right to reject any or all responses, to waive any informality in any responses, and to select the consultant that best meets the Districts' needs. Responses must be submitted no later than the date and time stated in this request for proposals. Responses shall be reviewed and rated as set forth above. The Districts will then determine which consultant best meets the Districts' requirements. The Districts reserve the right to negotiate final pricing with the most qualified consultant.

Consultants submitting proposals may be requested to make oral presentations as part of the evaluation process. Once submitted, the proposals will be the property of both districts. Submission of a proposal shall constitute a firm offer to the KFPD and KPPCSD for 90 days from the date proposals are due to the Districts. By submitting the proposal, it is expected that the consultant has carefully read and fully understands this RFP. A consultant may withdraw its proposal at any time before the submittal deadline by delivering a written request for withdrawal signed by, or on behalf of, the consultant.

Upon award of the contract, it is expected that the successful consultant will accept the agreement terms and conditions "as is" without modification. Any contract modifications are to be stated at the time of submittal. The consultant shall furnish the Districts with such additional information as they may reasonably require.

Questions about this Request for Proposals

Any questions about this RFP must be submitted to the Districts by no later than ten (10) days prior to the proposal due date. Questions may be sent via e-mail to: _____