

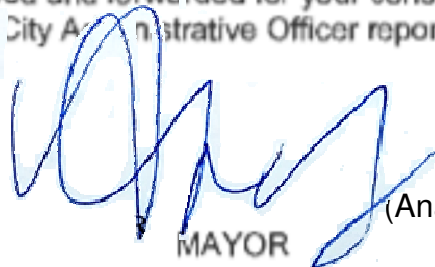
0150-10352-0000

TRANSMITTAL

TO The Council	DATE 6/11/15	COUNCIL FILE NO.
FROM The City Administrative Officer		COUNCIL DISTRICT All

Authority for the Board of Public Works to award and execute a Personal Services Contract With SCI Consulting Inc. for a Detailed Plan for Los Angeles City Lighting District (LACDL) Ballot Proceeding.

Approved and forwarded for your consideration.
See the City Administrative Officer report attached.



(Ana Guerrero)

MAYOR

MAS:SMC:06150165f

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 06-08-15	C.D. No. Citywide	CAO File No.: 0150-10352-0000				
Contracting Department/Bureau: Bureau of Street Lighting		Contact: Carleen Marquez					
Reference: January 30, 2015 Report from the Board of Public Works, referred for Report on February 2, 2015							
Purpose of Contract: To execute a personal service contract for a detailed plan for Los Angeles City Lighting District (LACL D) ballot proceeding							
Type of Contract: (x) New contract () Amendment		Contract Term Dates: 4 months (120 days) from date of execution					
Contract/Amendment Amount: Proposed amount \$ 183,461+ Prior award(s) \$ 0= Total \$ 183,461							
Source of funds: Street Lighting Maintenance Fund (SLMAF) No. 347, Dept No 50							
Name of Contractor: SCI Consulting Group							
Address: 4745 Mangels Boulevard, Fairfield, CA 94534							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: 0 %				*N/A = not applicable ** Contracts over \$100,000			

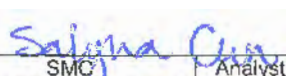
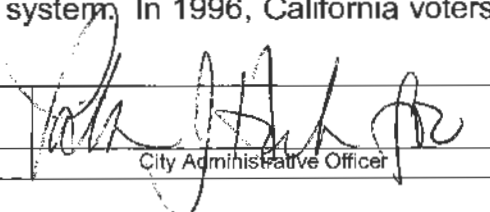
COMMENTS

The Board of Public Works, on behalf of the Bureau of Street Lighting, requests authority to award and execute a four month personal services contract with SCI Consulting Group (SCI) for a detailed plan for Los Angeles City Lighting District (LACL D) Ballot Proceeding. The plan will provide a road map for the City to best prepare a Ballot Proceeding to include an inflationary index on approximately 500,000 parcels. The plan will include, but not be limited to the following:

- A feasibility study of conducting a ballot measure to the public;
- Public outreach and a survey to inform property owners of the assessments and the needs for an increase;
- Legal requirements;
- An effective approach for mailing out the ballot assessments for the 500,000+ parcels; and
- Contingency plans if the ballot measure fails.

Background

The City currently collects approximately \$42 million in assessments from property owners who directly benefit from the street lights. These assessments are the main funding source for the Bureau of Street Lighting, which maintains and operates the street lighting system. In 1996, California voters

 SMC Analyst	06150165	Assistant CAO	 City Administrative Officer
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passed Proposition 218, the "Right to Vote on Taxes Act". This froze a significant amount of assessment revenues since the City could not impose a tax increase without obtaining voter's approval.

Proposition 218 changed the City's ability to levy assessments on benefitting property owners. It required local governments to conduct a voter approval process on benefitting property owners for any proposed increased in assessments before it can be levied. The proposition also limited how the assessments can be levied in two ways: the assessments have to be directly related to a "special benefit" provided to that property owner and the amount of assessment has to be proportionate to the amount of benefits provided to that given parcel. This requires local governments to separate and quantify the general benefits from the special benefits.

As a result of Proposition 218, the City's street lighting system is segmented into three different districts with their own requirements.

1. Los Angeles City Lighting District (LACDL) – Assessment frozen: includes all districts confirmed prior to 1996/97 and totals about two-thirds of the City's streetlights. Requires Proposition 218 vote to increase.
2. 1996/97 Z Series Districts – Assessment frozen: includes districts confirmed just prior to approval of Proposition 218. Requires Proposition 218 vote to increase.
3. Proposition 218 Confirmed Districts – Districts confirmed after 1996/97: incorporates CPI index for inflationary increases.

The proposed ballot proceedings will affect the 500,000+ parcels that are a part of the LACDL and 1996/97 Z Series Districts.

The current assessments collected by the City are not sufficient to support the Bureau's cost to operate and maintain the street lighting system. In order for the Bureau to maintain the current level of services, the assessments for the pre-Proposition 218 districts (LACDL and 1996/97 Z Series Districts) have to be adjusted closer to the special benefit that is conferred on that property owner.

Charter 1022 Determination

Pursuant to Charter Section 1022, the Personnel Department determined on June 20, 2013 that one class, Street Lighting Engineer, can perform some of the tasks related to street lighting district analysis. However, this class does not have the expertise to perform other tasks required for a detailed plan for the LACDL. The City Administrative Officer conducted a Charter Section 1022 review on June 27, 2013, which recommended allowing the Bureau to contract.

Contractor Selection Process

On April 16, 2014, the Board of Public Works authorized the Bureau of Street Lighting to issue a Request for Proposal (RFP) and negotiate a personal services contract for a detailed plan for LACDL Ballot Proceedings. The Bureau posted the RFP on the City's Business Assistance Virtual Network website and on the LA Times and Daily News. The Bureau received two proposals by the deadline date of June 11, 2014. SCI Consulting Group submitted a proposal in the amount of \$183,461 and Harris and Associates submitted a proposal in the amount of \$248,210.

The proposals were evaluated by a three member panel consisting of Bureau of Street Lighting's management and key staff. The evaluation process involved two stages. First, the panel evaluated

the written proposal and then they interviewed representatives from each of the firms. The panel members scored the proposals based on the following criteria, as provided in the RFP:

Stage 1 – Proposal Evaluation Criteria

- Methodology and Work Plan 25 points
- Comparable Experience 30 points
- Evaluation of Key Personnel 15 points
- Fee for Service 30 points

Stage 2 – Interview Evaluation Score

- Project Team, Qualifications, Organization, and Experience 50 points
- Project Understanding and Approach to Addressing Issues 50 points

Total Possible Evaluation Points: 200 points

SCI Consulting Group received a possible evaluation score of 195 and Harris and Associates scored 185 as shown in the table below. Since both firms reside outside the City, they were not certified as a Local Based Enterprise (LBE) firms and were not granted an additional eight (8) percent of the total possible evaluation points. However, both firms had qualified LBE-certified subconsultants to perform the work under the contract and may be granted a one (1) percent preference, up to a maximum of five (5) percent, of the total possible evaluation point added to their evaluation score for every 10 percent of the cost of the proposed work to be performed by LBE subconsultants. SCI, which listed one LBE-certified subconsultant for a total of 23.30 percent of their contract amount, received a two (2) percent preference of the total possible evaluation points. This resulted in a four-point addition to their possible evaluation score. Harris and Associates, which listed one LBE-certified subconsultant for a total of 8.21 percent of their contract amount, did not meet the requisite 10 percent of the contract amount needed to receive LBE preference. As such, they received a zero-point addition to their evaluation score. Provided are their final evaluation score, which accounts for the points granted for LBE-Certified subconsultants:

	Possible Evaluation Score	Points for LBE-Certified Subconsultants	Final Evaluation Score
SCI Consulting Group	195	4	199
Harris and Associates	185	0	185

Based on the final evaluation score, the Bureau of Street Lighting selected SCI Consulting Group. On January 30, 2015, the Board of Public Works approved a Joint Board Report, submitted by Bureau of Street Lighting and the Bureau of Contract Administration, which authorized the Bureau to award and execute a proposed contract with SCI Consulting Group. The Bureau drafted the attached proposed contract, which is based on the RFP provisions and the proposal submitted by SCI Consulting Group.

SCI realizes the short timeline to complete their scope of work and ensures that the project team's priority will only be this project during the contract period. SCI will subcontract the public outreach work to S. Groner Associates, Inc in the amount of \$42,750.

The proposed term of this agreement is four months from the date of contract execution.

Scope of Services

Under the terms of Article 4.4 of the proposed contract, the consultant's scope of work will include, but not be limited to, a complete detailed document that addresses the following items: cost analysis and recommendations on timing for presenting a ballot measure to the public, public outreach to communicate the needs for the increase in assessments to property owners, best practices, legal requirements, an effective approach for mailing out the ballot assessments for the 500,000+ parcels and other proposed revenue mechanisms if the ballot proceedings is not feasible. The scope of work is incorporated into the following five tasks, which are detailed in SCI's proposal.

- Task 1: Preliminary Assessment Engineering
- Task 2: Public Opinion Research and Survey
- Task 3: Education Outreach
- Task 4: Prepare Blueprint for Engineer's Report
- Task 5: Comparison to other Districts & Methodologies/Prop 218 Compliance/Contingency Plan

SCI's proposal provides for five meetings and any additional meetings will cost \$650/person per meeting. Under the RFP, the Bureau requests seven meetings in total, which consists of an initial meeting with the consultant, monthly update meetings (total of four meetings) and two formal presentations, one midway through the process and a final presentation upon completion of the project. However, the Bureau may waive the monthly meetings if deemed unnecessary. The Bureau confirms that they will not exceed the five meetings to ensure that they do not exceed the contractual amount.

Compensation

Under the terms of Article 10 – Compensation, Invoicing and Payment, SCI will receive compensation upon satisfactory completion of each task milestone as provided in the table below. SCI's cost for each task is calculated based on staff's hourly rate and the number of hours worked. The staff's hourly rate is inclusive of salary, fringe benefits, profit, overhead, expenses and materials. SCI has included a provision of \$7,500 for incidental costs to cover out-of-pocket expenses by SCI and the subcontractor.

The subcontractor's cost for public outreach work is \$42,750. Under SCI's proposal, it lists the subcontractor's cost as \$37,250 under Task 3: Educational Outreach. SCI was informed of this discrepancy and reported that the remaining subcontractor's cost of \$5,500 is included under Task 2: Public Opinion Research and Survey.

		Fees
Task 1:	Preliminary Assessment Engineering	\$ 14,800
Task 2:	Public Opinion Research and Survey	\$ 60,061
Task 3:	Educational Outreach	\$ 51,750
Task 4:	Prepare Blueprint for Engineer's Report	\$ 24,150
Task 5:	Comparison to other Districts & Methodologies/Prop 218	\$ 25,200
Subtotal:		\$ 175,961
Incidentals		\$ 7,500
Total Project Fee:		\$ 183,461

Contractor Compliance

SCI Consulting Group is in compliance with the City's various contracting policies, including the Living Wage Ordinance, the Equal Benefits Ordinance, the Service Worker Retention Ordinance and the Contractor Responsibility Ordinance. SCI has a Business Tax Registration Certification with the City.

Risk Management has completed their analysis and reports that SCI has sufficient indemnification and liability insurance. Risk Management recommends that the Standard Provisions for City Contracts be incorporated as an exhibit in the contract.

RECOMMENDATION

That the Mayor and Council authorize the President of Board of Public Works, or designee, to execute the proposed personal services contract between the Bureau of Street Lighting and SCI Consulting Group in the amount of \$183,461, for a detailed plan for the Los Angeles City Lighting District ballot proceeding, subject to the review and approval of the City Attorney as to form.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funds were appropriated in Fiscal Year 2014-15 in the Street Lighting Maintenance Assessment Fund for the Bureau to conduct an assessment district analysis. The recommendation is in compliance with the City's Financial Policies in that budgeted funds are available to support this expenditure.