



Tahoe City Public Utility District

**Request for
Statement of Qualifications
For
Long-Term Financial Planning Process
Development
&
Consultant Services**

**Statement of Qualifications must be received by
Friday, October 5, 2018 at 4:00 PM**

Please direct all inquiries to:

**Ramona Cruz
Chief Financial Officer
(530) 580-6047
rcruz@tcpud.org**



Request for Statement of Qualifications

1. Introduction

The Tahoe City Public Utility District (District) announces its intent to procure professional facilitation/consulting services (Facilitator) for the development and implementation of a Long-Term Financial Planning Process for the District.

The District is seeking the collaboration of an experienced, professional firm or individual with the necessary personnel, experience and qualifications to design and lead a successful process. The Facilitator should have experience in public sector long-term financial planning (with an emphasis placed on California Special District experience); knowledge of and experience with public sector capital financing; knowledge of and experience with the Government Finance Officers Association (GFOA) Long-Term Financial Planning (LTFP) process, and a proactive approach to project management and communication.

2. Who We Are

The Tahoe City Public Utility District is a California Special District serving the north and west shore communities of Lake Tahoe with sewer collection services, water service, and parks and recreation services. The District prides itself on our commitment to our customers and our community. The District was founded in 1938 and is the oldest local government in the Tahoe Basin. Established under the State of California's Public Utility District Act, the founders of the District chose a form of government that could provide multiple types of services. Initially formed to provide public water service to the local community, the District responded to its customer's needs and expanded its scope of services over the years. The service area of the District lies within both Placer and El Dorado Counties, extending from Emerald Bay to Dollar Hill, and along the Truckee River to the Nevada County line. Currently, the District provides sewer collection services and parks and recreation services to its entire 31 square mile service boundary, and domestic water distribution service to eight physically separate systems within its service boundary, serving water to approximately three-quarters of the homes and businesses within the District.

Water Customers – 5,701

Sewer Customers – 7,689

Parks and Recreation Customers - over 1,000,000 annually

In the Parks and Recreation service area, the District operates and maintains 23 miles of bike trails, community parks, a golf course with summer and winter activities, beaches, a boat launching facility, campground, and the Tahoe City downtown sidewalks. In addition, the District provides numerous recreation programs, operates the Fairway Community Center, and rents community buildings for the benefit of residents and visitors.

The District is governed by a five person elected Board of Directors. Under the direction of General Manager Sean Barclay, 50 full time employees and 60 seasonal employees provide the listed services. Employees serve in four departments: Utilities, which includes water and sewer operations; Parks & Recreation; Engineering; and Governance & Administrative Services. The District operates on a calendar-year (January 1 - December 31) budget cycle and each year the



Board of Directors adopts an annual operating and capital budget. The District uses property tax, user fees, grants and interest income to provide its services.

The District maintains two individual governmental funds, two enterprise funds, and maintains Account Groups for the General Fixed Assets and General Long-Term Debt. The District is also contemplating setting up an Internal Service Fund to accumulate resources for future vehicle and equipment replacements.

The 2018 Budget consists of \$12,012,490 for operating expenditures, excluding depreciation; non-operating expenditure total of \$144,240; debt service payments of \$532,351, and capital expenditures of \$18,442,430. The District publishes its annual budget documents which provide a comprehensive look at the adopted operating and capital budgets. The 2018 documents can be found on the District website at www.tcpud.org/your-district/finance/budget.

3. Project Information

The 2018 Budget Message (attached) notes some significant changes in operations, including the acquisitions of several private water systems, each in need of significant capital investment; continued increases in operating expenses; and highlights a number of significant capital projects. These changes, together with the culmination of several critical District planning processes due in 2019, and a significant amount of additional long-term capital infrastructure investment needs, the Board of Directors and staff recognized the need to develop a more formal Long-Term Financial Plan (LTFP) to ensure its continued financial sustainability into the future.

The District's goals for the completion of a LTFP process and the development of a Long-Term Financial Plan Document is to ensure the District is financially prepared to fulfill its Mission; to accomplish the Strategic Initiatives as identified in the District's Strategic Plan 2016-2019 (which can be found on the District website at <http://www.tcpud.org/about-us>); and to develop an essential governance and management tool for the District. The LTFP Plan will become one of the key components of an overall organizational strategic plan.

The District has embraced the GFOA Long-Term Financial Planning best practice recommendation as our preferred process and desires to use this process as a guideline during development and implementation of the Long-Term Financial Plan.

The GFOA best practice identifies the following five pillars to a sound financial planning process:

- **A long-term service vision** – Define the future the community wants.
- **Financial policies** – Define the standards of stewardship of the public's money.
- **Technically sound analysis and forecasting** – Provide accurate and credible financial foresight.
- **Collaborative and participative process** – Gain the benefit of different perspectives.
- **Connection to other plans** - Long-term financial planning is part of a complete planning portfolio.

Additionally, the best practice contains the following four major phases in the planning process:

- **Mobilization**
- **Analysis**
- **Decision**
- **Execution**



Further information can be found at the GFOA website <http://gfoa.org>. The District anticipates that some of the major steps within the four phases will need more attention than others and that the GFOA outline serves as a good point of reference and ensures a thorough LTFP process. While the GFOA process has been identified as the preferred process, the District will rely upon the expertise of the selected Facilitator to design an effective process that meets the goals of the District.

The role of the LTFP Facilitator is to provide expert knowledge and resources to guide District staff and Board of Directors through the development and implementation of a LTFP process and to provide the following services:

- Review existing financial policies and recommend new or replacement policies
- Review existing reserves and fund balances and make recommendations
- Recommend key financial performance indicators and targets which can be used as basis for measuring and achieving the District's long range financial objectives and strategic initiatives
- Review and evaluate the current 10 year forecast model and make recommendations
- Develop the LTFP Strategic Document
- Develop a financial health quarterly performance metric
- Coordinate and incorporate other planning processes (see below)
- Clearly communicate the District's current and projected financial condition
- Work with staff to prepare and make Board presentations and facilitate Board working sessions (no more than 3 working sessions)

The LTFP process should coordinate with and incorporate the following District planning tools and processes:

- Annual Operating Budget – annual development process begins in August
- Annual and Five-year Capital Plan – annual development process begins in August
- Ten-year Financial Forecast – updated annually
- District Strategic Plan Update – scheduled for 2019
- Five-Year Water and Sewer Rate Study – scheduled for early 2019
- Five-Year Urban Water Management Plan – next plan due 2020
- Sewer Pump Station Master Plan – currently in process

The initial LTFP should cover ten years. The LTFP process and final LTFP Strategic Document must be completed by August 1, 2019, prior to culmination of the 2020 annual budget process. The information presented in this Request for Statement of Qualifications is not intended to be comprehensive scope of services, and the District intends to negotiate a final scope of work with the selected Facilitator. The District currently has a \$30,000 anticipated budget for expenses related to this LTFP effort.

4. Statement Requirements

Professional firms or individuals reviewing this request are encouraged to submit written statements of qualification. Respondents are encouraged to provide as much detail as possible in this statement, regarding the relevant knowledge, experience, and approach to facilitating a Long-Term Financial Plan process for the District. The exact format of the written statement shall be at



the discretion of the respondent, however, at a minimum, the statement shall include the following information:

1. Company/Individual name, address, telephone number(s), and website (if applicable).
2. Name, title, email address, and telephone number of the person(s) to contact and who is authorized to represent the Company and to whom correspondence should be directed.
3. Description of qualifications and experience of firm in related projects.
4. Description of personnel to potentially be assigned as the District's Facilitator, including resumes, listing qualifications, certifications and relevant experience.
5. Outline of the proposed project activities required to complete the Long-Term Financial Plan process, including timelines, responsible parties and deliverables. This outline would be used to develop and negotiate the final scope of work with the selected Facilitator.
6. Project budget narrative that includes:
 - a. The personnel costs and/or hourly rate(s) for staff or consultants assigned to the project.
 - b. An estimate of the work level and achievability of the work within the District's prescribed budget.
7. Three references from clients for which the firm has provided similar services.
8. One work sample from a previous comparable project.

Five (5) bound copies and one digital copy of the Statement of Qualifications should be submitted prior to the Due Date noted in Section 6 below:

- Mail –
 - Attention: TCPUD Long-Term Financial Plan RFQ
 - Address: PO Box 5249, Tahoe City CA, 96145

Or

- Personal Delivery –
 - Attention: Ramona Cruz
 - Subject: TCPUD Long-Term Financial Plan RFQ
 - Address: 221 Fairway Drive, Tahoe City CA, 96145

Submittals that are not received on or before the specified deadline will not be accepted. District reserves the right to request follow-up information or clarification from respondents in consideration.

The District reserves the right to reject any or all submittals, to compare the relative merits of the respective responses, and to choose a Facilitator which will best serve the interests of the District.

Each response to this RFQ shall be done at the sole cost and expense of each respondent and with the express understanding that no claims against the District for reimbursement will be accepted.



5. Evaluation Criteria

District staff will review the submitted statements of qualifications. From this review, an evaluation and selection process will be completed to determine the Facilitator which best meets the needs and requirements of the District. District staff will follow up with submitters to address any questions that arise during the review process. Before a Facilitator is selected, an interview with District staff and the LTFP Ad Hoc Committee of the Board of Directors may be required. In the event interviews are required, they may, at the discretion of the District, be conducted in person, by phone or over the internet, and will take place by November 1, 2018.

The District reserves the right to issue an award under this RFQ to an individual or firm at its sole discretion. The final scope of work and contract amount will be negotiated with the selected Facilitator. The selected Facilitator will be required to sign a Professional Services Agreement, a sample of which is attached to this document. If an agreement cannot be reached with the selected Facilitator, or if the District determines that no applicant meets the requirements of this RFQ, the District, at its sole discretion, reserves the right to reject all statements of qualification.

6. Schedule

The following tentative schedule has been established for the project, all dates are subject to change at the discretion of the District:

ACTIVITY:	DATE:
1. Issuance of RFQ	September 7, 2018
2. Due Date for Statement of Qualifications	October 5, 2018 (4:00 PM)
3. Completion of Evaluation of Statement of Qualifications	October 17, 2018
4. Completion of Selected Facilitator Interviews, if necessary	November 1, 2018
5. Final Contract/Scope of Work Due	November 13, 2018
6. Recommendation of Selected Facilitator to Finance Committee	November 14, 2018
7. Board of Directors Approval of Contract (Selected Facilitator to attend Board Meeting)	November 16, 2018

7. Attachments

- 2018 Budget Message
- Sample Professional Service Agreement

TAHOE CITY PUBLIC UTILITY DISTRICT BUDGET MESSAGE

Fiscal Year 2018

To the Board of Directors of the Tahoe City Public Utility District and to our Tax and Rate Payers:

The Tahoe City Public Utility District has a long and proud tradition of service and success. Our past success and our future potential is rooted in our deep commitment to service and excellence. We live in an age of rapid change and high expectations – our future success and reputation will continue to be built with every interaction we have with our customers and with each other. We take that responsibility seriously and our District Core Values will continue to guide our efforts.

As your new General Manager, I am honored to present the Fiscal Year 2018 Annual Budget (2018 Budget) and 2018 Capital Improvement Plan (2018 Capital) for the District. These documents are the results of your overall policy direction and staff's diligent planning, and serve as a guide for District expenditures for the next 12 months. These budgets allow us to continue delivering the high level of customer service and continued financial stability you expect and deserve from us.

The 2018 Budget and 2018 Capital Plan reflect the Board's priorities as outlined in the Strategic Plan. Staff use the Strategic Plan as both a long-term and annual guide in determining services, service levels and capital projects for the community, while always keeping financial and operational sustainability at the forefront. The District's strategic initiatives by department is found on pages 26-30 of the Tahoe City Public Utility District Fiscal Year 2018 Annual Budget Book.

This year's combined 2018 Budget and 2018 Capital Plan anticipates \$31,131,511 in total expenditures, \$12,012,490 in operating, \$18,442,430 in capital, \$144,240 in non-operating, and \$532,351 for debt service respectively.

2018 marks a big change in our utility operations as we begin the year by acquiring three new water systems; Madden Creek, Tahoe Cedars, and Timberland. These acquisitions increase our water customer base by approximately 36% and represent a significant step toward consolidation of all water systems within our District boundaries. We will also see our first full season of direct operations of the Tahoe City Winter Sports Park, and the second season of direct operations of the Tahoe City Golf Course. Along with these operational changes, the District continues to maintain a full capital project schedule.

The 2018 direct operating expenses (excluding depreciation, project recovery and allocations) are budgeted to increase 10.6% or \$1,213,874 higher than the 2017 operating budget. This increase is largely due to new positions added to support the newly acquired water systems, the growth in the number of facilities under management and the administrative activities associated with these new and increased operations. Operating expenses continue to be impacted by cost of living adjustments and increases to pension, other post-employment benefits, and health costs. Two important 2018 Measures are the development of strategic policies to address rising pension costs and to beginning a Long-Term Financial Planning process to strategically address long-term capital investment requirements.

The District continues to work toward achieving its infrastructure renewal goals while providing sufficient resources for day-to-day District operations. The 2018 capital budget is 4% (\$809,440) higher than 2017. Several projects planned for 2017 were deferred to 2018. A significant portion of the 2018 capital budget is comprised of the \$4.6 million required for the purchase of the two water systems referred to above and \$1.8 million to construct interconnections from these systems to existing District systems. The construction of the new Bunker Water Storage Tank and the West Lake Tahoe Regional Water Treatment Plant are two large capital projects within the 2018 capital budget. Staff continues to work with the State Water Resource Control Board to explore construction funding opportunities for the West Lake Tahoe Regional Water

Treatment Plant and will pursue construction and meter funding as well for the newly acquired water systems.

Excluding property tax and grant revenue, overall operating revenues are projected to increase by 14.5%. The majority of the increase in revenue is derived from an increase of \$1,143,880 in water revenue, \$318,444 in sewer revenue, \$31,286 in parks revenue and \$77,588 in golf course revenue. The increase in water revenue is primarily the result of adding 1,561 new water customers. An additional increase in water revenue is due to the increase in water rates, which were set at the maximum Proposition 218 level for the year 2018. The sewer revenue increase was the result of a modest increase in the base sewer rate, though still below the maximum Proposition 218 level. Parks will see a modest increases in revenue with the majority coming from the golf course property operation. Property tax revenue is up by \$575,819 or 9.4% due to anticipated increase in assessed values and more accurate forecasting.

Staff will continue producing and maintaining forecasts, cash flow analysis, and a District combined five-year roll-up projection to ensure continued financial stability and sustainability. Staff will continue to focus attention on changing circumstances, including rising pension costs, health care costs, and impacts from the Affordable Care Act excise tax scheduled for implementation in 2020.

I hope you find the 2018 Budget Book helpful as a communication tool to foster understanding of, and visibility into the District's operational and capital planning. It provides both general overviews and specific information into the individual departments' budget schedules and capital plans.

This 2018 Budget Book is a continuation of our commitment to ongoing, open and transparent governance. The District will continue to add to and enhance financial transparency efforts in 2018 by upgrading our outdated website, continuing to expand our use of OpenGov, and continuing our commitment to the District's Core Values.

Many organizations aspire to excellence. But very few have the resources required: talented professionals, a supportive and challenging work environment, and a commitment to making a difference. This District has proven it has all three in abundance, and as the new General Manager, it is an honor for me to lead and serve this great organization and our community.

Sincerely,


Sean Barclay
General Manager



AGREEMENT FOR PROFESSIONAL SERVICES
Tahoe City Public Utility District
221 Fairway Drive
P. O. Box 5249
Tahoe City, California 96145
Telephone (530) 583-3796 - FAX (530) 583-1475

Effective Date:

Board Approval Date:

Project Name: Long-Term Financial Planning Process

TCPUD Project No.: N/A

CONSULTANT:

The terms of this AGREEMENT are contained in the body of the AGREEMENT and in Attachments A through C. Each attachment is incorporated herein by reference and becomes an integral part of this AGREEMENT between the parties when the AGREEMENT is signed. **IN THE EVENT THAT THERE IS ANY INCONSISTENCY BETWEEN TERMS AND PROVISIONS IN THE BODY OF THIS AGREEMENT AND TERMS AND CONDITIONS IN THE ATTACHMENTS, THE TERMS AND PROVISIONS IN THE BODY OF THIS AGREEMENT CONTROL OVER ANY INCONSISTENT TERM OR PROVISION IN THE ATTACHMENTS.**

For your protection, make sure that you read and understand all provisions before signing.

Instructions: Sign and return the two originals provided. Upon acceptance by the Tahoe City Public Utility District (DISTRICT), both originals will be signed by the DISTRICT's CONTRACT OFFICER and one original returned to you. Insert the name/s of your DESIGNATED REPRESENTATIVE(S) in the place provided.

1.0 TERM OF THE AGREEMENT

- 1.1 This AGREEMENT shall be effective on the date that it is executed by the DISTRICT.
- 1.2 The CONSULTANT shall commence the performance of its obligations under this AGREEMENT immediately after the execution of this AGREEMENT. Time is of the essence in the performance of this AGREEMENT. Failure to meet the schedule contained in this AGREEMENT shall constitute a default by the CONSULTANT.

2.0 CONSULTANT'S OBLIGATIONS AND DESCRIBED SERVICES (ATTACHMENT A)

- 2.1 CONSULTANT shall provide the professional services which are described in ATTACHMENT A, hereinafter referred to as "DESCRIBED SERVICES."
- 2.2 CONSULTANT shall perform all the tasks required to accomplish the DESCRIBED SERVICES in conformity with the applicable requirements of Federal, State and local laws in effect at the time that the

services are substantially completed by the CONSULTANT. The CONSULTANT shall comply with applicable standards of professional care in the performance of the DESCRIBED SERVICES. Where any circumstance exists for which the CONSULTANT must make a judgment that could result in a materially different change in condition, the CONSULTANT shall advise the DISTRICT in advance and request specific direction.

- 2.3 The CONSULTANT shall, without additional compensation, correct or revise any DESCRIBED SERVICES that do not meet the standard of professional responsibility or requirements set forth in this AGREEMENT.
- 2.4 The DISTRICT's review, approval or acceptance of, or payment for, the DESCRIBED SERVICES, or any portion of the DESCRIBED SERVICES, shall not be construed to operate as a release or waiver of any rights of the DISTRICT under this AGREEMENT or of any cause of action arising out of CONSULTANT's performance under this AGREEMENT, and CONSULTANT is responsible to the DISTRICT for all damages to the DISTRICT caused by the CONSULTANT's performance of any of the DESCRIBED SERVICES.
- 2.5 N/A
- 2.6 The DISTRICT may unilaterally increase or reduce the scope of the DESCRIBED SERVICES to be performed by the CONSULTANT. Upon doing so, DISTRICT and CONSULTANT agree to meet and confer in good faith to negotiate a change order.
- 2.7 CONSULTANT shall designate at least one of its employees to serve as its "DESIGNATED REPRESENTATIVE" who shall be responsible for administering this AGREEMENT for the CONSULTANT and who shall have the authority to execute this AGREEMENT, to approve actions, request changes, and approve additional services. Additional personnel who may serve as DESIGNATED REPRESENTATIVE for the CONSULTANT are designated by name or title in the signature block of this AGREEMENT or who are identified by the CONSULTANT in a subsequent written communication to the DISTRICT.

3.0 PAYMENT AND SCHEDULE OF SERVICES (ATTACHMENTS B and C)

- 3.1 The amount of payment to CONSULTANT for providing the DESCRIBED SERVICES is set forth in ATTACHMENT B. No payment shall be allowed for unless specifically described in ATTACHMENT B.
- 3.2 Not applicable
- 3.3 A Project Schedule showing all milestones has been developed by the DISTRICT and is attached as ATTACHMENT C.

4.0 DISTRICT'S OBLIGATIONS

- 4.1 DISTRICT shall furnish the required information and services and shall render approvals and decisions expeditiously to allow the orderly progress of the CONSULTANT's work.
- 4.2 The DISTRICT'S Chief Financial Officer shall serve as the DISTRICT'S "CONTRACT OFFICER" for this AGREEMENT and has the authority to execute this AGREEMENT, direct the CONSULTANT, approve actions, request changes, and approve additional services. Additional personnel who may serve as CONTRACT OFFICER for the DISTRICT are designated by name or title in the signature block of this AGREEMENT or who are identified by the DISTRICT in a subsequent written communication to the CONSULTANT. Any obligation of the DISTRICT shall be the responsibility of the CONTRACT OFFICER. Excepting the provisions pertaining to dispute resolution, no other party shall have any authority under this AGREEMENT unless specifically delegated in writing.

5.0 SUBCONTRACTING – Not Applicable

6.0 CHANGES TO THE DESCRIBED SERVICES

The CONSULTANT shall not perform work in excess of the DESCRIBED SERVICES without the prior written approval of the CONTRACT OFFICER. All requests for extra work and payment shall be by written request submitted to the CONTRACT OFFICER. Said request shall be approved and signed by the CONTRACT OFFICER prior to the commencement of such work. Fees for additional work shall be determined as described on ATTACHMENT B unless otherwise specified in the approved written request for change.

7.0 VERBAL AGREEMENT OR CONVERSATION

No verbal agreement or conversation with any officer, agent or employee of the DISTRICT, either before, during or after the execution of this AGREEMENT, shall affect or modify any of the terms or obligations herein contained nor shall such verbal agreement or conversation entitle CONSULTANT to any additional payment whatsoever unless approved and confirmed in writing by the CONTRACT OFFICER.

8.0 TERMINATION OF AGREEMENT

8.1 In the event of CONSULTANT's failure to deliver, or perform the DESCRIBED SERVICES, or where the CONSULTANT fails to perform the work in accordance with the project schedule (ATTACHMENT C), the DISTRICT may terminate this AGREEMENT for cause by notifying CONSULTANT by certified mail of said termination. Upon receipt of such notice, CONSULTANT shall cease work immediately, assemble all documents owned by the DISTRICT and in CONSULTANT's possession, and deliver said documents to the DISTRICT, and ensure that all work in progress is placed in a safe and protected condition. The CONSULTANT shall prepare a final invoice for payment according to the provisions of ATTACHMENT B.

8.2 This AGREEMENT may be terminated by the DISTRICT, without cause, upon the giving of fifteen (15) days written notice by certified mail to the CONSULTANT. Prior to the fifteenth (15th) day following the giving of the notice, the CONSULTANT shall cease work, assemble all documents owned by the DISTRICT and in CONSULTANT'S possession and deliver said documents to the DISTRICT. The CONSULTANT shall prepare a final invoice for payment according to the provisions of ATTACHMENT B.

9.0 **PROFESSIONAL RELATIONSHIP.** CONSULTANT shall serve as the DISTRICT'S professional representative.

10.0 **PARTIES TO ACT IN GOOD FAITH.** DISTRICT and CONSULTANT agree to cooperate with each other in order to fulfill their responsibilities and obligations under this AGREEMENT. Both DISTRICT and CONSULTANT shall endeavor to maintain good working relationships among members of the project team.

11.0 **LIMITATION ON DIRECTIVES TO CONSULTANT.** CONSULTANT shall not accept direction or orders from any person other than the CONTRACT OFFICER.

12.0 **PERFORMANCE OF WORK BY THIRD PARTIES – Not Applicable**

13.0 **CHANGES IN DESCRIBED SERVICES-EXTRA SERVICES.** DISTRICT agrees that if DISTRICT requests services not specified in the DESCRIBED SERVICES, DISTRICT will pay for all such additional services as extra services, in accordance with ATTACHMENT B. Any change in the scope of the DESCRIBED SERVICES to be done, method of performance, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental agreement executed by the DISTRICT'S CONTRACT OFFICER. CONSULTANT'S DESIGNATED REPRESENTATIVE has the authority to execute such written change for CONSULTANT.

14.0 **PERMITS. - Not Applicable**

15.0 **TERMS OF PAYMENT.** Payment, unless otherwise specified in ATTACHMENT B, is to be 30 days after acceptance of invoice by the DISTRICT. For services performed by the CONSULTANT, the DISTRICT shall pay the CONSULTANT in accordance with monthly statements submitted by the CONSULTANT in conformance with ATTACHMENT B. The CONSULTANT shall be paid interest on payments due from the DISTRICT which are not received within thirty (30) days of the date of acceptance of the invoice. The interest rate shall be one percent (1%) per month on the unpaid balance or the maximum legal rate that the DISTRICT can pay, whichever is less.

16.0 **INDEMNIFICATION.** CONSULTANT shall defend, indemnify and hold the DISTRICT, its directors, officers, employees, and authorized volunteers harmless from losses, liabilities, expenses, including reasonable attorney's fees, damages and costs arising out of personal injury, death, or property damage, but only to the extent such losses, liabilities, expenses, damages and costs are caused by the negligent acts, errors or omissions (actual or alleged non-performance) of CONSULTANT under this AGREEMENT. CONSULTANT shall also defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of CONSULTANT'S performance or non-performance of the work hereunder, and CONSULTANT shall not tender such claims to DISTRICT nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity. Further, as respects CONSULTANT'S operations (as opposed to CONSULTANT'S professional services), CONSULTANT shall also provide the DISTRICT a defense, and indemnify and hold the DISTRICT harmless from losses, liabilities, expenses, including reasonable attorney's fees, damages and costs through and as an additional insured to CONSULTANT'S commercial general liability policy.

17.0 **WORKERS' COMPENSATION INSURANCE.** By his/her signature hereunder, CONSULTANT certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of any work under this AGREEMENT. CONSULTANT and SUB-CONSULTANTS will keep workers' compensation insurance for their employees in effect during all work covered by this AGREEMENT.

18.0 **PROFESSIONAL LIABILITY INSURANCE.** CONSULTANT will file with the DISTRICT, before beginning any work under this AGREEMENT, a certificate of insurance satisfactory to the DISTRICT evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days' notice of cancellation (10 days for non-payment of premium) to the DISTRICT. Any insurance, self-insurance or other coverage maintained by the DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the DISTRICT. The retroactive date (if any) is to be no later than the effective date of this AGREEMENT.

19.0 **GENERAL LIABILITY INSURANCE.** CONSULTANT will file with the DISTRICT, before beginning the DESCRIBED SERVICES, certificates of insurance satisfactory to the DISTRICT evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to the DISTRICT. Any insurance, self-insurance or other coverage maintained by the DISTRICT, its directors, officers, employees, or authorized volunteers shall not contribute to it. The general liability coverage shall give the DISTRICT, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by the DISTRICT.

- 20.0 **CONTINUATION OF INSURANCE COVERAGE.** If any of the required coverages expire during the term of this AGREEMENT, the CONSULTANT shall deliver the renewal certificate(s), including the general liability additional insured endorsement to the DISTRICT at least ten (10) days prior to the expiration date.
- 21.0 **CONFLICT OF INTEREST.** CONSULTANT may represent, perform services for, and contract with as many additional clients, persons, or companies as CONSULTANT, in its sole discretion, sees fit. However, CONSULTANT shall be responsible for insuring that its relationship with additional clients, persons, or companies does not violate conflict of interest laws.
- 22.0 **WORK PRODUCT.** CONSULTANT agrees that if any work product involves the development of methodologies, computer programs, or statistical or data gathering methodology, that work product methodology, computer program, coding system, or similar method for gathering, compiling or appraising data shall be a portion of the work product of CONSULTANT which is owned by and shall be provided to DISTRICT upon its request. CONSULTANT agrees that DISTRICT, upon payment in full for services rendered and expenses incurred, shall be entitled to all notes, calculations, observations, computer programs, runs or compilations, statistics, calculations, or any and all other “work product” of CONSULTANT, and upon early termination or termination in due course or thereafter, may request that such materials may be copied and the copies retained by CONSULTANT and the originals provided to DISTRICT.
- 23.0 **DISCLOSURE OF USE OF WORK PRODUCT OR CONSULTANT.** DISTRICT and CONSULTANT agree that in providing the DESCRIBED SERVICES, CONSULTANT will gain information, experience and methodologies which may be usable in other work of CONSULTANT, so long as that other work does not cause a conflict of interest or work to the disadvantage of DISTRICT. The DISTRICT will have no claims for the monetary value of the experience, methodology, or use of the work methods for other work undertaken by CONSULTANT. However, CONSULTANT agrees that it will not publish any articles, provide any interview, make public comments, or supply copies of any work product of CONSULTANT done for DISTRICT except in accordance with valid legal process served upon it or pursuant to the written direction of CONSULTANT. In those circumstances in which DISTRICT notifies CONSULTANT in writing that a matter shall be treated as subject to this provision until further order of the DISTRICT, CONSULTANT will not provide any of this work product to any third party. DISTRICT is a governmental entity and may be subject to the Public Records Act, Freedom of Information Act, or other terms and provisions of the law, depending upon the circumstances. CONSULTANT agrees that the determination of that applicability shall be solely within the authority of DISTRICT, and CONSULTANT shall not make work product or other materials available to third parties or other governmental agencies unless directed to do so by DISTRICT. The purpose of this provision is to establish a method to provide persons or agencies public information that they are entitled to receive while keeping uniform records about the availability of such materials, the dates that such information is provided to persons entitled to receive it, and to ensure that complete response is made to valid legal requests for information, whether pursuant to administrative, legal or Public Records Act requests. Nothing in this AGREEMENT shall render the records, documents or materials of CONSULTANT as a public record available for inspection or review, except to the extent required by law.
- 24.0 **ARBITRATION**
- 24.1 THE PARTIES AGREE THAT IF ANY DISPUTE SHOULD ARISE UNDER THE TERMS AND PROVISIONS OF THIS AGREEMENT, EACH PARTY WAIVES ANY RIGHT TO COMMENCE LEGAL ACTION OR ARBITRATION OTHER THAN AS PROVIDED UNDER THE TERMS OF THIS AGREEMENT, AND THIS AGREEMENT SHALL PROVIDE THE SOLE AND EXCLUSIVE REMEDY FOR RESOLUTION OF DISPUTES.
- 24.2 THE PARTIES SHALL FIRST ATTEMPT IN GOOD FAITH TO RESOLVE ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT PROMPTLY BY NEGOTIATION BETWEEN EXECUTIVES WHO HAVE AUTHORITY TO SETTLE THE CONTROVERSY AND WHO ARE AT A HIGHER LEVEL OF MANAGEMENT THAN THE PERSONS WITH DIRECT RESPONSIBILITY FOR ADMINISTRATION OF THIS AGREEMENT. EITHER PARTY MAY GIVE THE OTHER PARTY WRITTEN NOTICE OF ANY DISPUTE NOT RESOLVED IN THE NORMAL COURSE OF BUSINESS.

WITHIN 15 DAYS AFTER RECEIPT OF THE NOTICE, THE RECEIVING PARTY SHALL SUBMIT TO THE OTHER A WRITTEN RESPONSE. THE NOTICE AND RESPONSE SHALL INCLUDE WITH REASONABLE PARTICULARITY (A) A STATEMENT OF EACH PARTY'S POSITION AND A SUMMARY OF ARGUMENTS SUPPORTING THAT POSITION, AND (B) THE NAME AND TITLE OF THE EXECUTIVE WHO WILL REPRESENT THAT PARTY AND OF ANY OTHER PERSON WHO WILL ACCOMPANY THE EXECUTIVE. WITHIN THIRTY (30) DAYS AFTER DELIVERY OF THE NOTICE, THE EXECUTIVES OF BOTH PARTIES SHALL MEET AT A MUTUALLY ACCEPTABLE TIME AND PLACE AND ATTEMPT TO RESOLVE THE DISPUTE. IF THE EXECUTIVES ARE UNABLE TO RESOLVE THE DISPUTE, THEN THE PARTIES AGREE TO PROCEED WITH ARBITRATION ACCORDING THE FOLLOWING PROVISIONS.

- 24.3 THE DETERMINATION OF THE ARBITRATOR WILL BE FINAL AND BINDING UPON EACH PARTY AND EACH PARTY SPECIFICALLY WAIVES ANY RIGHT TO CLAIM THAT THE ARBITRATOR HAS EXCEEDED THE SCOPE OF THE ARBITRATION, HAS DISREGARDED EVIDENCE OR PRINCIPLES OF LAW, AND FURTHER WAIVES ANY RIGHT TO DISCLAIM THE QUALIFICATIONS OR FUNCTION OF THE ARBITRATOR IN ANY MANNER WHATSOEVER.
- 24.4 APPOINTMENT OF THE ARBITRATOR SHALL BE MADE BY MUTUAL AGREEMENT OF THE PARTIES. IF THE PARTIES CANNOT AGREE UPON THE IDENTIFICATION OF THE ARBITRATOR WITHIN THIRTY (30) DAYS FROM THE MAILING OF THE OBJECTION, A PETITION FOR APPOINTMENT OF ARBITRATOR SHALL BE FILED WITH THE SUPERIOR COURT OF THE COUNTY OF PLACER.
- 24.5 THE ARBITRATOR'S FEES AND FEES AND COSTS OF PETITIONING FOR THE APPOINTMENT OF THE ARBITRATOR SHALL BE PAID BY ONE OR BOTH PARTIES TO THE ARBITRATION IN ACCORDANCE WITH THE DETERMINATION OF THE ARBITRATOR AS TO THE FAIR APPORTIONMENT OF SUCH FEES AND COSTS. THE ARBITRATOR UPON RENDERING ITS AWARD SHALL DETERMINE THE PARTY THAT PREVAILED BASED UPON WRITTEN STATEMENTS MADE BY EACH PARTY AT THE COMMENCEMENT OF THE ARBITRATION AS TO THE POSITION OF THE PARTIES AND THEIR ALTERNATIVES FOR SETTLING THE MATTER. A STATEMENT OF A PROPOSED SETTLEMENT SHALL NOT BE BINDING UPON ANY PARTY AND SHALL NOT BE CONSIDERED AS EVIDENCE BY THE ARBITRATOR EXCEPT TO THE EXTENT THAT THE ARBITRATOR UPON MAKING ITS SOLE AND INDEPENDENT DETERMINATION SHALL DETERMINE THE PARTY WHICH PREVAILED BASED UPON THE PROPOSALS FOR SETTLEMENT OF THE MATTER MADE BY EACH PARTY AND SHALL DETERMINE THAT THE NON-PREVAILING PARTY SHALL PAY SOME OR ALL OF THE COSTS OF ARBITRATION INCLUDING ANY COSTS INCURRED BY THE ARBITRATOR AND IN EMPLOYING EXPERTS TO ADVISE THE ARBITRATOR IN REGARD TO SPECIFIC SUBJECTS OR QUESTIONS. THE ARBITRATOR MAY FURTHER AWARD THE COST OF ATTORNEYS' FEES OR EXPERT WITNESSES CONSULTED OR EMPLOYED IN THE PREPARATION OR PRESENTATION OF EVIDENCE TO THE ARBITRATOR BY THE PREVAILING PARTY IF, IN THE ARBITRATOR'S DETERMINATION, THE POSITION OF THE NON-PREVAILING PARTY WAS NOT REASONABLY TAKEN OR MAINTAINED OR WAS BASED UPON A FAILURE TO PROPERLY EXCHANGE OR COMMUNICATE INFORMATION WITH THE PREVAILING PARTY IN REGARD TO THE SUBJECT SUBMITTED TO ARBITRATION.
- 24.6 THE ARBITRATOR'S DETERMINATION MAY FURTHER PROVIDE FOR PROSPECTIVE ENFORCEMENT AND DIRECTIONS FOR THE PARTIES TO COMPLY WITH. UNDER SUCH CIRCUMSTANCES, THE ARBITRATOR'S AWARD SHALL BE BINDING UPON THE PARTIES AND SHALL BE UNDERTAKEN AND PERFORMED BY EACH OF THE PARTIES UNTIL SUCH TIME AS THE ARBITRATOR'S DIRECTIONS TO THE PARTIES SHALL LAPSE BY THEIR TERMS, OR THE ARBITRATOR SHALL NOTIFY THE PARTIES THAT THOSE TERMS ARE NO LONGER IN FORCE OR EFFECT, OR SHALL MODIFY THOSE TERMS.
- 25.0 **FORCE MAJEURE.** This Agreement is subject to cancellation or change on written notice to the

Consultant in the event of causes beyond DISTRICT's reasonable control, including without limitation acts of God or war, fires, earthquakes, floods, strikes, labor troubles, riots, curtailment or operations due to governmental orders or ruling, and the like.

26.0 **SEVERABILITY.** If any term, condition or covenant of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall be valid and binding on DISTRICT and CONSULTANT.

27.0 **CHOICE OF LAW.** This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California.

Any arbitration or court action to enforce or interpret this agreement shall be commenced and maintained in the Superior Court in and for the County of Placer, California if in state court, or in the Federal District Court for the Eastern District of California if in federal court.

28.0 **NO ASSIGNMENT.** CONSULTANT shall not assign this AGREEMENT without the prior written consent of the CONTRACT OFFICER.

29.0 **WHOLE AND ENTIRE AGREEMENT.** This AGREEMENT contains the entire agreement between DISTRICT and CONSULTANT relating to the project and the provision of services for the project. Any prior agreements, promises, negotiations or representations not expressly set forth in this AGREEMENT are of no force or effect. Subsequent modifications to this AGREEMENT shall be in writing and signed by both DISTRICT and CONSULTANT.

30.0 **NO WAIVER OR DISCLAIMER.** DISTRICT's or CONSULTANT's waiver of any term, condition or covenant shall not constitute the waiver of any other term, condition or covenant. DISTRICT's or CONSULTANT's waiver of any breach of this AGREEMENT shall not constitute the waiver of any other breach of the AGREEMENT.

31.0 **BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS.** This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of DISTRICT and CONSULTANT.

32.0 **STATUS OF CONSULTANT.** CONSULTANT shall perform the services provided for herein in a manner of CONSULTANT's own choice, as an independent contractor and in pursuit of CONSULTANT's independent calling, and not as an employee of the DISTRICT. CONSULTANT shall be under control of the DISTRICT only as to the result to be accomplished and the personnel assigned to the project. CONSULTANT shall confer with the DISTRICT at a mutually agreed frequency and inform the DISTRICT of incremental work/progress as well as receive direction from the DISTRICT.

33.0 **ASSIGNMENT OF CONTRACT AND NAMED INDIVIDUALS.** CONSULTANT agrees that the individuals named below shall be personally assigned to the PROJECT to provide supervision and have responsibility for the work during the entire term of this AGREEMENT. No substitutions to these named individuals shall be made without prior approval of the Contract Officer:

34.0 **COVENANT AGAINST CONTINGENT FEES.** CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this AGREEMENT, and that CONSULTANT has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this AGREEMENT. For breach or violation of this warranty, the DISTRICT shall have the right to terminate this AGREEMENT without liability, or, at the DISTRICT's discretion to deduct from the AGREEMENT price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

35.0 **ACCOUNTING RECORDS. – Not Applicable**

36.0 NOTICES

Any notices to be given under this AGREEMENT, or otherwise, shall be served by First Class mail.

The address of the DISTRICT, and the proper person to receive any notice on the DISTRICT's behalf, is:

Tahoe City Public Utility District
 P.O. Box 5249
 Tahoe City, California 96145
 ATTN: Sean Barclay, District General Manager
 TEL. NO. (530) 583-3796, FAX (530) 583-1475

The address of the CONSULTANT, and the proper person to receive any notice on the CONSULTANT's behalf, is:

Attn:	
Tel. No.	
Fax No.	

37.0 PERIODIC REPORTING REQUIREMENTS

The CONSULTANT shall provide a written status report of the progress of the work on a monthly basis that shall accompany the CONSULTANT's payment invoice. The status report shall, as a minimum, report the work accomplished to date, describe any milestones accomplished, show and discuss the results on any testing or exploratory work, provide a schedule update, and if not in accordance with the original schedule, describe how the CONSULTANT intends to get back on the original schedule. The status report shall also describe any problems or recommendations to increase the scope of the work, and provide any other information which may be requested by the DISTRICT

ACCEPTED:

TAHOE CITY PUBLIC UTILITY DISTRICT		CONSULTANT'S DESIGNATED REPRESENTATIVE	
Signature		Signature	
By:	Ramona Cruz	By:	
Title:	Chief Financial Officer	Title:	
Co:	Tahoe City Public Utility District	Co:	
Other CONTRACT OFFICER(S):		Other DESIGNATED REPRESENTATIVE(S):	

ATTESTED by DISTRICT CLERK:
 Date of Board of Director's Approval: _____

 Terri Viehmann, District Clerk

ATTACHMENT A - DESCRIBED SERVICES
ATTACHMENT B - PAYMENT FOR SERVICES
ATTACHMENT C - SCHEDULE OF SERVICES

SAMPLE

ATTACHMENT A

Project Name: Long-Term Financial Planning Process

TCPUD Project No.: N/A

DESCRIBED SERVICES

The role of the LTFP Facilitator is to provide expert knowledge and resources to guide District staff and Board of Directors through the development and implementation of a LTFP process and to provide the following services:

- Review existing financial policies and recommend new or replacement policies
- Review existing reserves and fund balances and make recommendations
- Recommend key financial performance indicators and targets which can be used as basis for measuring and achieving the District's long range financial objectives and strategic initiatives
- Review and evaluate the current 10 year forecast model and make recommendations
- Develop the LTFP Strategic Document
- Develop a financial health quarterly performance metric
- Coordinate and incorporate other planning processes (see below)
- Clearly communicate the District's current and projected financial condition
- Work with staff to prepare and make Board presentations and facilitate Board working sessions (no more than 3 working sessions)

The LTFP process should coordinate with and incorporate the following District planning tools and processes:

- Annual Operating Budget – annual development process begins in August
- Annual and Five-year Capital Plan – annual development process begins in August
- Ten-year Financial Forecast – updated annually
- District Strategic Plan Update – scheduled for 2019
- Five-Year Water and Sewer Rate Study – scheduled for early 2019
- Five-Year Urban Water Management Plan – next plan due 2020
- Sewer Pump Station Master Plan – currently in process

The initial LTFP should cover ten years. The LTFP process and final LTFP Strategic Document must be completed by August 1, 2019, prior to culmination of the 2020 annual budget process.

ATTACHMENT B

Project Name: Long-Term Financial Planning Process

TCPUD Project No.: N/A

PAYMENT FOR SERVICES

A. PAYMENT FOR SERVICES

Payment to the CONSULTANT for the DESCRIBED SERVICES shall be on a time and materials basis unless otherwise indicated. Billing rates for personnel and direct expenses shall be according to the rate schedule of CONSULTANT attached to this ATTACHMENT B. Billing rates indicated on the attached rate schedule shall be effective for the period indicated on the rate schedule.

Total payment for the DESCRIBED SERVICES shall not exceed the amount defined below without prior approval according to the provisions of this AGREEMENT:

Not to Exceed Amount: \$30,000.00

Payment to the CONSULTANT for changes to the DESCRIBED SERVICES or for extra services that have been approved in writing by DISTRICT shall be according to the above provisions unless otherwise defined.

B. INVOICING

CONSULTANT shall prepare and submit invoices monthly on a schedule mutually agreeable. Invoices shall be submitted to the CONTRACT OFFICER and shall include the following information, at a minimum. Failure to supply the following information on the invoice shall be grounds for rejection of the invoice.

1. Project name, as indicated at the top of this AGREEMENT.
2. Starting and ending dates of services being billed.
3. Detailed breakdown showing total hours worked by personnel classification and described service.

End of Year Invoice: The DISTRICT'S fiscal year ends December 31st. Not later than January 15th or a date provided by the DISTRICT, CONSULTANT shall submit an end-of-year invoice for all project related work and expenses, not previously billed, incurred in the year prior ending December 31st.

ATTACHMENT C

Project Name: Long-Term Financial Planning Process

TCPUD Project No.: N/A

PROJECT SCHEDULE

The following tentative schedule has been established for the project, all dates are subject to change at the discretion of the District:

ACTIVITY:	DATE:
1. Issuance of RFQ	September 7, 2018
2. Due Date for Statement of Qualifications	October 5, 2018 (4:00 PM)
3. Completion of Evaluation of Statement of Qualifications	October 17, 2018
4. Completion of Selected Facilitator Interviews, if necessary	November 1, 2018
5. Final Contract/Scope of Work Due	November 13, 2018
6. Recommendation of Selected Facilitator to Finance Committee	November 14, 2018
7. Board of Directors Approval of Contract (Selected Facilitator to attend Board Meeting)	November 16, 2018