



ORANGE COUNTY
Local Agency Formation Commission

REQUEST FOR PROPOSALS

**For A Municipal Service Review
and Sphere of Influence Updates for the Coastal Region**

January 6, 2026

Orange County LAFCO
2677 North Main Street | Suite 1050 | Santa Ana, CA 92705
(714) 640-5100 | www.oclafco.org

January 6, 2026

RE: Request for Proposals (RFP) for a Municipal Service Review and Sphere of Influence Updates for the Coastal Region

Dear Interested Party:

The Local Agency Formation Commission of Orange County (OC LAFCO) invites your firm to submit a proposal to conduct a Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the Coastal Region, which includes five cities and eight independent special districts.

To be considered, a submittal in accordance with the requirements, specifications, conditions, and provisions as described and set forth herein must be provided. Responses must satisfy all the objectives and work requirements specified in the Request for Proposal Scope of Services.

SUBMITTALS ARE DUE BY 4:00 PM on Tuesday, February 17, 2026, and may be delivered by mail or email (email submittal preferred) to: Luis Tapia, Executive Officer at OC LAFCO at 2677 North Main Street, Suite 1050, Santa Ana, CA, 92705, ltapia@oclafco.org. Any questions regarding this RFP should also be directed by email to Mr. Tapia or at (714) 640-5100. To ensure a timely response, questions must be received no later than **Tuesday, February 3, 2026, by 5:00 PM**. All questions and responses will be posted to www.oclafco.org.

The tentative schedule calls for the completion of evaluation of proposals and selection of a successful proposal by **Thursday, February 26, 2026**. Final approval of an agreement is expected to be considered by the Commission.

PLEASE CHECK THE AGENCY'S WEBSITE (www.oclafco.org) FREQUENTLY FOR ANY CHANGES TO THIS RFP. ALL ADDENDA AND INFORMATIONAL UPDATES WILL BE POSTED ON THE WEBSITE.

Thank you for your interest.

Respectfully,



Luis Tapia, Executive Officer
OC LAFCO

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I. OBJECTIVE

The Local Agency Formation Commission of Orange County (OC LAFCO) is seeking Proposals (Proposals) in this Request for Proposals (RFP) from professional service firms to perform a Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the Coastal Region.

II. BACKGROUND

In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), codified at California Government Code §56000 et seq. and a locally adopted MSR policy, OC LAFCO is required to conduct service reviews in conjunction with SOI updates on or before January 1, 2008 and every five years thereafter. In accordance with the CKH Act and its locally adopted SOI policy, OC LAFCO is responsible for establishing, reviewing and updating SOI boundaries for thirty-four (34) cities and thirty-four (34) dependent and independent special districts in Orange County. Thus, OC LAFCO has determined it is necessary to conduct an MSR and SOI updates for the Coastal Region. The Coastal Region includes the following agencies:

Cities: Costa Mesa, Huntington Beach, Los Alamitos, Newport Beach, Seal Beach

Independent Special Districts: Costa Mesa Sanitary District, Irvine Ranch Water District, Mesa Water District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Sunset Beach Sewer District, Surfside Colony Community Service District, Surfside Colony Stormwater Protection District

Interested and qualified proposers, who meet all requirements identified in this RFP at the time of proposal submission and can demonstrate the ability to successfully provide the required services outlined in the Scope of Services, referenced as Exhibit A of this RFP are invited to submit a proposal. At the close of the solicitation process, Proposals will be evaluated, and a final consultant will be selected by staff. The selected consultant will be notified, and subject to approval of the Commission, a professional services agreement ("Agreement") will be executed consistent with the parameters of this RFP and the Proposal submitted. A sample Agreement only intended for reference purposes is shown in Exhibit B within this RFP.

III. SCOPE OF SERVICES

The **Scope of Services** is described in Exhibit A and includes the preparation of a Municipal Service Review (MSR) and a Sphere of Influence (SOI) Update consistent with the requirements of the CKH Act as outlined in the Scope of Services. The MSR shall analyze the factors as required by Government Code Section 56430 for each agency within the Coastal Region and must include an

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analysis and recommendation for each agency's SOI in accordance with Government Code Section 56425. Proposers may elect to supplement the Scope of Services with innovative methods or concepts which might be beneficial to OC LAFCO as long as the minimum requirements defined in this RFP are still met.

IV. PROPOSAL COSTS

Proposers shall submit a Pricing Sheet that identifies the total of all charges to complete each Task required under the Agreement. OC LAFCO reserves the right to negotiate the terms, conditions, and prices of the final Agreement, in its sole discretion, to achieve the most beneficial services and price. OC LAFCO may limit the negotiation, if any, to one or more responsive and responsible Proposers who receive the highest scores in a preliminary scoring of Proposers in accordance with the evaluation criteria. The negotiation with the Proposer(s) will not result in a change in the rating of the proposers. If a satisfactory Agreement cannot be negotiated with the highest-rated Proposer, OC LAFCO may, at its sole discretion, begin negotiations with the next highest-rated Proposer who submitted a Proposal, as determined by OC LAFCO.

V. PROJECT SCHEDULE

Time is of the essence. Proposers shall submit, as part of its Proposal, a timeline with completion dates, which shall include review periods for OC LAFCO, affected agencies and the public (Project Schedule). The final Project Schedule for the scope of services may be negotiated with the Proposer selected for the work prior to an agreement being recommended to the Commission for adoption. The Project Schedule must be completed and submitted with the response to this Proposal to be considered complete and responsive. The Project Schedule must identify all Tasks clearly; however, it may be modified by Proposers only if needed to include the completion of more detailed subtasks.

VI. PROPOSAL SUBMISSION

A. Submittal Procedures

Proposal must be received by OC LAFCO no later than **4:00 PM on Tuesday, February 17, 2026**. Submittals by email are preferred and may be sent to: Luis Tapia with the following subject line: "Response to RFP for MSR and SOI Updates for Coastal Region." Submittals sent by USPS shall be addressed to Luis Tapia at OC LAFCO, 2677 North Main Street, Suite 1050, Santa Ana, CA 92705, and include the following:

- One original (marked original) and three printed copies of the proposal.
- One electronic copy in pdf format on flash drive or other electronic media.

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Proposers are solely responsible for ensuring their proposal is received by OC LAFCO in accordance with the solicitation requirements, before the Submittal Deadline, and at the place or email specified. Postmarks will not be accepted in lieu of actual delivery. No oral, telegraphic, facsimile, or telephonic proposals or modifications will be considered unless specified. Late proposals submitted by email or USPS will not be accepted. For late proposals submitted, OC LAFCO will notify the sender by email that the proposal was not accepted. Late proposals submitted by USPS will be returned unopened.

OC LAFCO shall not be responsible for any delays in mail or by common carriers or by transmission errors or delays or mistaken delivery. Delivery of proposals shall be made at the office specified in this Request for Proposals. Deliveries made before the Submittal Deadline but to the wrong office will be considered non-responsive unless re-delivery is made to the office specified before the Submittal Deadline. All proposals shall become the property of OC LAFCO.

If discrepancies are found between the original and PDF version, the "ORIGINAL" will provide the basis for resolving such discrepancies. If one document is not clearly marked "ORIGINAL," OC LAFCO reserves the right to use any of the proposals as the Original. If no document can be identified as an original bearing original signatures, Proposer's proposal may be rejected at the discretion of OC LAFCO.

B. Response Requirements

It is imperative that all firms responding to the RFP comply exactly and completely with the instructions outlined below. Proposals must be concise but with sufficient detail to allow accurate evaluation and comparative analysis. Proposals should be straightforward and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the elements of the submittal.

Response items should be indexed in the following order with individual tabs:

1. Cover Letter

The submittal must be accompanied by a cover letter signed by an individual authorized to bind the proposing entity. The cover letter should include the following information:

- o Title of the RFP.
- o Name and mailing address of firm.
- o Name, address, e-mail, and telephone number of firm's point of contact.

2. Submittal Summary

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The summary shall provide a synopsis, prepared for management review, covering the interest and qualifications of the firm, and the salient features of the proposal, including overall costs, conclusions, and general recommendations in a summary format.

3. Firm's Qualifications

Describe the firm and provide a statement of the firm's qualifications for performing the requested consulting services, including the number of years of experience the firm has had in providing required, equivalent, or related services.

4. Qualifications of Project Personnel

The firm shall furnish a personnel staffing plan with sufficient information for judging the quality and competence of the personnel dedicated to the project. In its assessment of the proposal, OC LAFCO will place considerable emphasis on the commitment by the Proposer to provide qualified personnel for the execution of the Agreement. The Proposer shall furnish resumes in outline form for key personnel committed to this project. Proposer shall also include the number and type of additional support personnel who will be assigned to the project. The substitution or addition of individuals shall be allowed only with prior written approval of OC LAFCO.

Additionally, the Proposer must meet all of the following minimum qualifications:

- Proposer or the Lead Professional(s) assigned to manage the Scope of Services must demonstrate project oversight responsibilities for at least two municipal service reviews conducted for Local Agency Formation Commissions in the state of California in the past ten (10) years or other related study in the past seven (7) years.
- Proposer or the Lead Professional(s) assigned to manage the Scope of Services must demonstrate familiarity with the CKH Act, LAFCOs, the MSR process, and municipal financing.
- Proposer or the Lead Professional managing the Agreement work must demonstrate experience presenting to governing bodies at public meetings in the past three (3) years.

5. Client References

Provide a list of at least three (3) client references, preferably from government agencies. The reference list should include the client's/agency's name, contact person, address, telephone number, email address, and location.

6. Prior MSR Experience

Provide any relevant website links for Municipal Service Reviews conducted by

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Proposer and Lead Professional(s) and include:

1. The date and agency the MSRs were conducted for.
2. The affected agency(ies) and services reviewed.
3. The outcome of the MSR and if recommendations were implemented.

7. Project Schedule

Proposals shall contain the Project Schedule, which shows the overall timeline for completion of each scope task. The Project Schedule shall include proposed dates for release of the “Administrative Draft MSR” to the OC LAFCO Executive Officer and affected agencies for review and input, release of the “Public Draft MSR” for 30-day public review and comment, and presentation of the “Final Draft MSR” to the Commission.

8. Cost/Pricing Sheet

The Proposal must include a Cost/Pricing Sheet that lists each firm professional working on the Agreement’s Scope of Work, the estimated number of work hours corresponding to each professional, and the billable hourly rate. The Pricing Sheet must include all costs required for a complete product, including administrative costs and other expenses incurred by the Proposer, if any (i.e., mileage, postage, copies, etc.) that would be contained in a potential agreement with OC LAFCO.

VII. RESPONSE EVALUATION AND SELECTION PROCESS

Selection of the Consultant will be based on the criteria indicated below. These criteria are listed in random sequence and are not in any rank or order of importance. Proposers may be required to participate in an oral interview with the OC LAFCO management staff, and final selection by the Commission is anticipated by **Wednesday, March 11, 2026**.

Submittals will be evaluated on the basis of the response to all questions and requirements of this RFP. OC LAFCO shall use some or all of the following criteria in its evaluation:

1. Quality and completeness of the submittal.
2. Understanding of the needs and requirements of OC LAFCO.
3. Experience of the firm, particularly of staff assigned to administer this Agreement.
4. Education and experience of staff members assigned to project.
5. Demonstrated knowledge of government agencies and the MSR process.
6. Proposed project schedule.
7. Number and type of declared conflicts.

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8. Location of firm and availability of staff assigned to project.
9. Quality of references.
10. Proposed costs.

VIII. GENERAL CONDITIONS

AUTHORIZED SIGNATURES. Every submittal must be signed by the person or persons legally authorized to bind the Proposer to an agreement for the execution of the work. Upon request of OC LAFCO, any agent submitting a proposal on behalf of a Proposer shall provide a current power of attorney certifying the agent's authority to bind the Proposer. If an individual makes the proposal, the name, signature, and post office address of the Proposer must be shown. If a firm or partnership makes the proposal, the name and post office address of the firm or partnership and the signature of at least one of the general partners must be shown. If a corporation makes the proposal, the proposal shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation and the title of the person signing on behalf of the corporation.

AWARD OF AGREEMENT. Award will be made to the firm that presents the best qualifications and offers the best proposal after consideration by the OC LAFCO management staff. Evaluation criteria (Section VII) are not listed in any order of preferences. OC LAFCO reserves the right to establish weight factors that will be applied to the criteria depending upon order of importance. Weight factors and evaluation scores will not be released until after the award of the proposal. OC LAFCO shall not be obligated to accept the lowest priced proposal but will make an award in the best interests of OC LAFCO after all factors have been evaluated.

Discussions may, at OC LAFCO's option, be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for an award. Discussions may be for clarification to ensure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and written revision of proposals. In conducting discussions, OC LAFCO will not disclose information derived from submittals submitted by competing firms.

CANCELLATION OF SOLICITATION. OC LAFCO may cancel this solicitation at any time.

COMPLIANCE WITH LAWS. All submittals shall comply with current federal, state, and other laws relative thereto.

AGREEMENT DOCUMENTS, EXAMINATION OF. It is the responsibility of the Proposer to carefully and thoroughly examine and be familiar with these RFP documents,

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general conditions, all forms, specifications, drawings, plans, and addenda (if any), referred to as Agreement Documents. Proposer shall satisfy him/herself as to the character, quantity, and quality of work to be performed and materials, labor, and supervision, necessary to perform the work as specified by the Agreement Documents. The failure or neglect of the Proposer to examine the Agreement Documents shall in no way relieve him from any obligations with respect to the solicitation or Agreement. The submission of a proposal shall constitute an acknowledgment upon which OC LAFCO may rely that the Proposer has thoroughly examined and is familiar with the Agreement Documents. The failure or neglect of a Proposer to receive or examine any of the documents shall in no way relieve him from any obligations with respect to the Proposal. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.

COSTS. OC LAFCO is not liable for any costs incurred by firms before entering into a formal Agreement. Costs of developing the proposal or any other such expenses incurred by the Proposer in responding to the RFP, are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by OC LAFCO. No reimbursable cost may be incurred in anticipation of award.

INTERPRETATION OF AGREEMENT DOCUMENTS. OC LAFCO reserves the right to make corrections or clarifications of the information provided in this RFP. If any person is in doubt as to the true meaning of any part of the specifications or other Agreement Documents, or finds discrepancies or omissions in the specifications, they may submit to OC LAFCO a written request for an interpretation or correction.

Oral statement(s) interpretations or clarifications concerning meaning or intent of the contents of this RFP by any person are unauthorized and invalid.

Requests for interpretations shall be made in writing and delivered to Scott Smith, Best, Best and Krieger, OC LAFCO General Counsel, at 18101 Von Karman Avenue, Suite 1000, Irvine, CA 92612 at least six (6) days before the Submittal Deadline.

The requesting party is responsible for prompt delivery of any requests. When OC LAFCO considers interpretations necessary, interpretations will be in the form of an addendum to the Agreement Documents, and when issued, will be sent as promptly as is practical to all parties recorded by OC LAFCO as having received Agreement Documents. All such addenda shall become a part of the Agreement. It is the responsibility of each Proposer to ensure OC LAFCO has their correct business name and address on file. Any prospective Proposer who obtained a set of Agreement Documents is responsible for advising OC LAFCO that they have a set of Agreement Documents and wish to receive subsequent Addenda.

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IRREGULARITIES. OC LAFCO reserves the right to waive non-material irregularities if such would be in the best interest of OC LAFCO as determined by OC LAFCO.

NON-EXCLUSIVE AGREEMENT. The successful Proposer will enter a NON-EXCLUSIVE Agreement and OC LAFCO reserves the right to enter into agreements with other firms.

OFFERS OF MORE THAN ONE PRICE. Proposers are NOT allowed to submit more than one proposal.

NO OBLIGATION: The release of this RFP does not obligate or compel OC LAFCO to enter into a contract or agreement.

PAYMENT TERMS. Discounts for payments made within 20 days or more from receipt of invoice will be considered in award of proposal. Payment discounts must be clearly shown in the proposal.

PROPOSAL, REJECTION OF. OC LAFCO reserves the right to reject any or all proposals or any part of a Proposal. OC LAFCO reserves the right to reject the submittal of any firm who previously failed to perform adequately for OC LAFCO or any other governmental agency. OC LAFCO expressly reserves the right to reject the submittal of any firm who is in default on the payment of taxes, licenses or other monies due.

PROPRIETARY INFORMATION. Proposals must NOT be marked as confidential or proprietary. OC LAFCO may refuse to consider a proposal so marked. Information in proposals shall become public information and is subject to disclosure laws.

PUBLIC OPENING: There will be no public opening of proposals. Prices and other proposal information shall not be made public until the proposal is awarded. At that time the submitted proposal information and executed Agreement will become public information.

SEVERABILITY. If any provisions, or portion of any provision, of this Agreement are held invalid, illegal or unenforceable, they shall be severed from the Agreement and the remaining provisions shall be valid and enforceable.

SUBCONTRACTOR INFORMATION. If the proposal includes the use of subcontractors, Proposer must identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor would perform services.

SUBCONTRACTOR REFERENCES. For all subcontractors that will be used on this project, Proposers must provide a minimum of two references from similar projects

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performed for any local government clients within the last seven (7) years. Information provided shall include:

- a. Client name.
- b. Project description.
- c. Dates (starting and ending).
- d. Staff assigned to “reference engagement” that will be designated for work per this RFP.
- e. Client project manager's name and telephone number.

TERMS OF THE OFFER. OC LAFCO reserves the right to negotiate final Agreement terms with the Proposer selected. Agreement between the parties will consist of the OC LAFCO Professional Services Agreement, the RFP together with any modifications thereto, the awarded Proposer's proposal, and all modifications and clarifications that are submitted at the request of OC LAFCO during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed Professional Services Agreement, the RFP, any modifications and clarifications to the awarded Proposer's proposal, and the awarded Proposer's proposal. Specific exceptions to this general rule may be noted in the final executed Professional Services Agreement. Proposer understands and acknowledges that the representations above are material and important and will be relied upon by OC LAFCO in evaluation of the proposal. Proposer misrepresentation shall be treated as fraudulent concealment from OC LAFCO of the facts relating to the proposal.

VALIDITY. Proposal must be valid for a period of 90 days from the Proposal Submittal Deadline.

WITHDRAWAL OF PROPOSAL. Proposers' authorized representative may withdraw Proposals only by written request received by OC LAFCO before the Proposal Submittal Deadline.

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EXHIBIT A
SCOPE OF SERVICES
for
**MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES FOR THE COASTAL
REGION**

I. Municipal Service Review

The services to be provided include the preparation of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for the Coastal Region, which includes five (5) Orange County cities and eight (8) independent special districts referenced below:

Cities: Costa Mesa, Huntington Beach, Los Alamitos, Newport Beach, Seal Beach

Independent Special Districts: Costa Mesa Sanitary District, Irvine Ranch Water District, Mesa Water District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Sunset Beach Sewer District, Surfside Colony Community Service District, Surfside Colony Stormwater Protection District

The MSR and SOI Updates shall be conducted consistent with the requirements of the CKH Act, including the statutory factors and findings discussed in the next sections (A and B).

A. Municipal Service Review Determinations

Government Code Section 56430 requires OC LAFCO, in part to preparing an MSR, to adopt a written statement of its determinations for the seven (7) determinations indicated below. The MSR shall evaluate these determinations according to the general purposes also stated below to meet the requirement of Government Code Section 56430:

(1) Growth and population projections for the affected area.

PURPOSE: To evaluate how each agency is planning to meet the municipal service demands of the existing and anticipated population through use of growth and population projections and trends.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

PURPOSE: To identify the location, population, land use and municipal service providers for disadvantaged unincorporated areas (DUCs) within each agency's SOI. Note also if/where the SOI boundaries (i.e. city and special district) overlap.

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(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

PURPOSE: To evaluate infrastructure needs and deficiencies relative to existing and long-term demands for each agency based upon capacity, condition of facilities, and service levels. Analysis should include specific assessment of needs and deficiencies within DUCs involving sewer and water services.

(4) Financial ability of agencies to provide services.

PURPOSE: To evaluate each agency's ability to finance services provided and needed improvements. Evaluation shall include an assessment of the data provided in the OC LAFCO fiscal indicators and make relative findings.

(5) Status of, and opportunities for, shared facilities.

PURPOSE: To identify existing and potential opportunities for agencies within the MSR region to share facilities and resources to support more efficient or cost-effective delivery of services.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

PURPOSE: To evaluate each agency's responsiveness to accountability, public accessibility, and transparency involving community service needs and operational efficiencies.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

PURPOSE: To identify any other matter related to the delivery of municipal services effectively and efficiently and within the Commission's authority.

B. Sphere of Influence Determinations

Additionally, the MSR shall include an analysis of the five (5) factors as required by Government Code Section 56425 and recommendations of the most appropriate Spheres of Influence for the agencies of the Coastal Region. The following are the five (5) factors to be analyzed for each agency:

- (1) The present and planned land uses in the area, including agricultural and open-space lands.
- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

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- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing SOI.

In concert with the analyses of the MSR and SOI determinations performed, the MSR will include a recommendation for each agency's SOI for one of the following actions:

- Reconfirm agency's SOI – no changes warranted for the agency's current SOI boundary at this time.
- Amend agency's SOI – potential changes of organization or reorganization identified during MSR warranting amendment to the agency's current SOI boundary.

II. Tasks

The Consultant shall perform the following services (Tasks) to complete the MSR and SOI Update(hereafter referred to as "MSR" or "MSR Report"):

Task 1. Project Initiation

The Consultant shall:

- a. Arrange a kick-off meeting with OC LAFCO staff within 30 days of commencement of the Agreement. The meeting will ensure initial understanding of the project Scope of Work and objectives, define roles, responsibilities, and lines of communication.
- b. Initiate discussions with key staff of agencies within the Coastal Region as directed by OC LAFCO.
- c. OC LAFCO will be responsible for sending out notifications of the MSR to the subject and affected agencies.

Task 2. Data Collection

The Consultant shall:

- a. Review, and update as needed, the OC LAFCO MSR Questionnaire.
- b. Send OC LAFCO MSR Questionnaire to the Coastal Region agencies to complete. The Consultant to determine reasonable response period. Consider the collected data and perform an analysis required by the CKH Act for the MSR, including the items required by Sections 56425 and 56430 of the Government Code as described in Section 1 (A and B) of this Scope of Work.
- c. Consultant will analyze the feedback from the notifications OC LAFCO sent to the subject and affected agencies.
- d. Verify the data submitted.

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- e. Provide an analysis of data and preparation of preliminary findings.
- f. Present preliminary findings to key OC LAFCO staff.

Task 3. Administrative Draft MSR

The Consultant shall:

- a. Evaluate data collected and prepare preliminary findings and present those findings to OC LAFCO staff for discussion.
- b. Prepare an Administrative Draft MSR of preliminary findings involving data collected to be circulated internally to OC LAFCO staff and the subject agencies designated staff for review and comment.
- c. Provide further evaluation of data and prepare recommendations for the MSR and SOI determinations as outlined in Section 1 (A and B) of this Scope of Work for discussion and review with OC LAFCO staff.
- d. Be accessible to OC LAFCO staff and agency staff for comment and review of the Administrative Draft MSR.
- e. Coordinate the incorporation of the OC LAFCO Fiscal Indicators into the MSR report and discussion of Consultant's related findings with OC LAFCO consultant, Berkson Associates.

Task 4. Public Review Draft MSR

The Consultant shall:

- a. Prepare a Public Review Draft MSR that includes agency comments and/or clarification, as deemed appropriate by OC LAFCO staff.
- b. Coordinate publishing of Public Review Draft MSR with OC LAFCO staff for 30-day public review period.

Task 5. Final MSR Report

The Consultant shall:

- a. Prepare Final Draft MSR that includes response to comments received during 30-day comment period and changes, if warranted.
- b. Present Final Draft MSR to the Commission during OC LAFCO public hearing.
- c. If warranted, make additional changes to the report per direction from the Commission prior to finalizing the Final MSR.

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EXHIBIT B
OC LAFCO SAMPLE
PROFESSIONAL SERVICES AGREEMENT

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION
PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

This Agreement is made effective _____ by and between ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (hereinafter referred to as "LAFCO"), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (Government Code Sections 56000 et seq.), and _____ ("Consultant").

RECITALS

A. LAFCO is a public agency of the State of California and is in need of professional consulting services for a Municipal Services Review and Sphere of Influence Updates for the Coastal Region (hereinafter referred to as "the Project").

B. Consultant is qualified by virtue of experience, training, education and expertise to provide such services.

C. This Agreement is to establish the terms and conditions for LAFCO to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Term and Time of Performance.

The term of this Agreement shall be _____ unless terminated in accordance with the procedures outlined in Section 15 of this Agreement. Consultant shall perform its services hereunder in a prompt and timely manner and shall commence performance upon the execution of this Agreement.

2. Services.

Consultant shall provide LAFCO with the services described in the Scope of Services attached hereto as Exhibit "A."

3. Compensation.

a. Subject to paragraph 3(b) below, LAFCO shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed the sum of _____.

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c. Prior to the bi-weekly financial mail out, Consultant shall submit to LAFCO a statement for services and invoices itemizing the services rendered. Within fifteen (15) working days after receipt of invoice, LAFCO shall determine whether and to what extent Consultant has adequately performed the services for which payment is sought. If LAFCO determines that Consultant has not adequately performed such services, LAFCO shall inform Consultant of those acts which are necessary for satisfactory completion. LAFCO shall cause payment to be made to Consultant within thirty (30) working days from LAFCO's determination that Consultant has adequately performed those services for which LAFCO has been invoiced.

4. Additional Work

If changes in the work seem merited by Consultant or LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed by LAFCO in the following manner: Consultant shall forward a letter outlining the changes to LAFCO with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by LAFCO and executed by both parties before performance of such services or LAFCO will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the contract for inspection by LAFCO.

6. Delays in Performance.

Neither LAFCO nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

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7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government.

b. Consultant shall assist LAFCO in obtaining and maintaining all permits required of Consultant by Federal, State and local regulatory agencies.

8. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Sub-consultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of LAFCO, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates and sub-consultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor.

It is agreed that Consultant shall act and be an independent contractor and is not an agent or employee of LAFCO and is not entitled to participate in any compensation plans or other benefits LAFCO provides for its employees. All services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the services, subject to the requirements of this Agreement. Any additional personnel performing the services under this Agreement on behalf of Consultant shall also not be employees of LAFCO and shall at all times be under Consultant's exclusive direction and control. Consultant shall be responsible for all reports and obligations respecting such personnel, including but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance and workers' compensation insurance.

11. Integration.

This Agreement represents the entire understanding of LAFCO and Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by both parties hereto. This is an integrated Agreement.

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12. Insurance.

Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, all insurance set forth in Exhibit C hereto, in a form and with insurance companies acceptable to LAFCO.

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend, indemnify and hold LAFCO, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

In addition, Consultant shall defend, with counsel of LAFCO's choosing and, to the extent permitted by Civil Code Section 2782.8, at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by this section that may be brought or instituted against LAFCO or its Board, members of the Board, employees, and authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against LAFCO or its Board, members of the Board, employees, and authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse LAFCO for the cost of any settlement paid by LAFCO or its Board, members of the Board, employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for LAFCO's attorney's fees and costs, including expert witness fees. Consultant shall reimburse LAFCO and its Board, members of the Board, employees, and/or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by LAFCO, its Board, members of the Board, employees, or authorized volunteers.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Orange, State of California. In the

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event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. LAFCO has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, LAFCO shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. LAFCO shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. LAFCO shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to LAFCO only in the event of substantial failure by LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Key Personnel.

Consultant shall assign _____, as the Principal Consultant. The Principal Consultant shall not be removed from the Project or reassigned without the prior written consent of LAFCO.

17. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

LAFCO:
Attn: Executive Officer
LAFCO
2677 Main Street, Suite 1050
Santa Ana, CA 92705

Consultant:

and shall be effective upon receipt thereof.

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18. **Third Party Rights.**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Consultant.

19. **Severability.**

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

20. **Acknowledgment.**

Consultant acknowledges that by executing this agreement, they are also, in good faith, determining that the appointment meets each of the requirements set forth in Government Code Section 7522.56, including the unemployment insurance requirement. That is, while LAFCO is not in a position to do so, by signing the acknowledgement at the conclusion of this agreement, the Consultant is certifying that they have not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer. Further, LAFCO has no way of monitoring the hours that Consultant works for another OCERS employer. As such, it is the responsibility of the Consultant to ensure that the total hours worked for LAFCO and any other OCERS employer do not exceed 960 hours in the aggregate during the fiscal year.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LOCAL AGENCY FORMATION
COMMISSION OF ORANGE COUNTY

INSERT NAME HERE

By: _____

By: _____

Dated:_____

Dated:_____

Approved as to form:

General Counsel, Orange County Local
Agency Formation Commission