

## **EAST CONTRA COSTA COUNTY HABITAT CONSERVANCY**

### **Request for Proposals (RFP) Supplemental Fee Audit for the East Contra Costa County Habitat Conservancy**

The East Contra Costa County Habitat Conservancy is soliciting proposals from entities interested in and capable of performing an audit of implementation costs associated with the East Contra Costa County Habitat Conservation Plan / Natural Community Conservation Plan.

#### **Background**

The East Contra Costa County Habitat Conservancy (“Conservancy”) was formed to implement the East Contra Costa County Habitat Conservation Plan / Natural Community Conservation Plan (“HCP/NCCP” or “Plan”). The Plan provides a framework to protect natural resources in eastern Contra Costa County while improving and streamlining the environmental permitting process for impacts on endangered species.

The Conservancy is a joint exercise of powers authority formed by the Cities of Brentwood, Clayton, Oakley and Pittsburg and Contra Costa County to serve as the “Implementing Entity” for the Plan. The California Department of Fish and Game and the U.S. Fish and Wildlife Service have issued regional endangered species permits pursuant to the Plan which allow these four cities and the County, as well as the Contra Costa County Flood Control and Water Conservation District, the East Bay Regional Park District and the Conservancy (collectively, the “Permittees”) to provide endangered species permits for certain activities and projects in the region that they implement or approve. The Plan and permits require the Permittees to perform a number of conservation measures to mitigate impacts of projects covered by the plan and permits and to contribute to recovery of endangered species. These required conservation measures include acquisition, management and monitoring of a Preserve System and construction of restored or created wetlands and waters in the Preserve System. As the “Implementing Entity” for the Plan, the Conservancy’s responsibilities include the implementation of these conservation measures.

To fund implementation of these conservation measures, the Plan requires the Permittees either to collect fees from proponents of projects that are covered by the Plan or, in some cases, to secure appropriate land or habitat restoration from the proponents in lieu of some or all fees. Section 9.3.1 describes the fee requirements, setting forth several types of fees, collectively referred to as Mitigation Fees. The two primary types of Mitigation Fees are the Development Fee and the Wetland Mitigation Fee. The Development Fee is a per-acre fee charged for the full area of the project and used to pay for the implementation of the bulk of the conservation measures required by the Plan, including the acquisition, management and monitoring of the Preserve System. The Wetland Mitigation Fee applies only to the extent (acreage or linear feet) of wetlands and waters that will be impacted by a project and is used to pay for restoration or creation of wetlands and waters within the Preserve System. The Wetland Mitigation Fee varies by the type of wetland or water impacted and is based on the estimated cost of restoring or creating that type of wetland or water. The Plan also provides for collection of Rural Road Fees



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- 1) Review the provisions of the HCP/NCCP, the Implementing Agreement for the HCP/NCCP, the HCP ordinances and fee resolutions adopted by participating cities and the County, and associated state and federal permits that relate to the Fee Audit. Chapters 9 and Appendices G and H of the HCP/NCCP provide the background information, methodology and cost estimate data used to calculate the original Mitigation Fees. All of these materials may be obtained from the Conservancy website at the following page:
- 2) Review the original Fee Audit performed by EPS in 2011, the prior Conservancy Board and City of Pittsburg actions on this matter, the comment letters received, and the EPS, Conservancy staff and attorney responses to comments. These materials have been consolidated into one bookmarked PDF file which may be obtained from the Conservancy website at the following page:
- 3) In consideration of the above, update the cost estimates provided in the HCP/NCCP with the best available current information. The original cost estimate information is provided in Chapter 9 and Appendix G of the Plan. The following types of costs need to be considered:
  - a. Land acquisition costs: The Conservancy will provide information regarding these implementation costs to date. The Contractor will be expected to review this information as well as compile and review other relevant comparable sales information from inside the HCP/NCCP Plan Area and, if relevant, from outside the Plan Area.
  - b. Habitat restoration costs: The Conservancy will provide information regarding these implementation costs to date. The Contractor will be expected to review this information and compile and review other relevant information regarding restoration costs from similar projects conducted separate from the HCP/NCCP.
  - c. Preserve management, monitoring and other Plan implementation costs: The Conservancy will provide information regarding these implementation costs to date, though cost information is fairly limited because the Plan is in an early stage of implementation. The Contractor will be expected to review this information and compile and review other relevant information regarding preserve management, monitoring and other HCP implementation costs, from similar programs conducted separate from the HCP/NCCP.
- 4) Calculate appropriate Mitigation Fee updates based on the updated cost estimates generated by Contractor and the Mitigation Fee criteria and calculators provided in Chapter 9 and Appendices G and H of the HCP/NCCP.
- 5) Prepare a report describing any recommended adjustments to the Mitigation Fees and the explaining the rationale for the recommendations, including a detailed presentation of methods, data and data sources.
- 6) Participate in public meetings to explain approach, methods and recommendations, answer questions and receive input. The number of meetings is not known at this time. Contractor may propose an approach or state an estimated cost per public meeting.

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- 7) Other tasks necessary to accomplish the purpose of the Supplemental Fee Audit and comply with the HCP/NCCP.

The Conservancy anticipates that the entity retained for Supplemental Fee Audit will work on a time and materials basis in order to allow the work tasks to be adjusted as the Supplemental Fee Audit progresses.

### **Submittal Requirements**

In order to be considered for selection, respondents should submit a proposal containing the following information:

- 1) A proposed work plan for performing the Supplemental Fee Audit. The work plan should concisely describe the proposed approach, schedule and work products. The work plan should also describe the individuals proposed to perform the work and the role they will play.
- 2) A cost estimate for performing the Supplemental Fee Audit. The cost estimate must include billing rates for individuals proposed to conduct the work as well as billing rates for anticipated direct expenses.
- 3) A statement that the respondent has reviewed the Conservancy's contract template (attached) and can and will comply with the terms of that contract template if selected.
- 4) A list of clients in the HCP/NCCP Plan Area in the prior ten years.
- 5) Names, addresses, and telephone numbers of 2 persons who may be contacted as references.
- 6) Qualifications and experience information for the respondent, which include the following detailed information:
  - a. General information about respondent's firm or services.
  - b. Qualifications to perform the Supplemental Fee Audit. Please include relevant experience with fee audits and with developing or adjusting mitigation fees and/or development impact fees.
  - c. Resumes of individuals proposed to perform the Supplemental Fee Audit.
- 7) The name, address, telephone and e-mail address of the principal contact person to whom correspondence should be directed.

### **Selection Process**

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The Conservancy will make the selection based on the following criteria:

- 1) The overall quality of the proposal and an assessment of the ability of the proposed work plan to effectively, efficiently and accurately meet the purpose of the Supplemental Fee Audit.
- 2) The respondent's relevant qualifications and experience.
- 3) The respondent's independence from the Conservancy and ability to perform the Supplemental Fee Audit without conflict of interest.
- 4) Previous experience in conducting relevant services for governmental organizations. The firm or individual chosen should have demonstrated and proven experience in preparing fee audits for governmental organizations.
- 5) Quality of past work and verification of qualifications, experience, and references provided.
- 6) The proposed budget for services rendered, including billing rates.
- 7) Performance in an interview. The Conservancy anticipates that one or more of the best qualified respondents will be invited to an interview.

Based on the above information, Conservancy staff will make a recommendation to the Conservancy Board on hiring respondent to perform the Supplemental Fee Audit. The final decision will be made by the Conservancy Board.

The deadline for receipt of the proposal is \_\_\_\_\_, **2012**. Please submit an electronic copy of your application materials to:

Maureen Parkes (Email: [maureen.parkes@dcd.cccounty.us](mailto:maureen.parkes@dcd.cccounty.us))  
East Contra Costa County Habitat Conservancy  
C/o Contra Costa County Department of Conservation and Development  
30 Muir Road  
Martinez, CA 94553  
(925) 674-7803

Questions about the RFP should be directed to John Kopchik at (925) 674-7203 or [john.kopchik@dcd.cccounty.us](mailto:john.kopchik@dcd.cccounty.us).

Thank you for your interest and for your consideration of submitting a proposal.

### **Attachments:**

- A) Excerpt from Section 9.3.1 of the HCP/NCCP
- B) Conservancy's contract template (not included in this draft)

## Attachment A

Excerpt from Section 9.3.1 of the HCP/NCCP:

### **Periodic Audit and Adjustment of Mitigation Fees**

To ensure that the fees generated by development and other covered activities are adequately covering their share of Plan costs, a thorough fee audit will be completed by March 15 of years 3, 6, 10, 15, 20, and 25, where year 1 is the first full calendar year of Plan implementation (e.g., if permits for the Plan are issued in December 2006, the first periodic audit would occur by March 15, 2009; if permits for the Plan are issued in January 2007, the first periodic audit would occur by March 15, 2010). This schedule was developed to balance the need for frequent assessments with the need to accumulate enough data on which to base a meaningful audit and contain administrative costs.

The cost review process will include a review of the costs and their underlying assumptions that were developed as part of the original funding plan. Actual land sales in the inventory area transacted after the start of the HCP/NCCP will be evaluated and compared to the original land cost assumptions to determine the actual change in land costs. The actual costs of operating, maintaining, and managing the Preserve System will also be compared to the original estimates of these costs to determine the actual change in non—land costs. The Implementing Entity will hire an outside, independent financial auditor to conduct this analysis.

If either portion of the development or road fee (land acquisition or preserve management) is found to be lower than needed to offset the fee share of actual costs, that portion of the fees will be increased. If either portion of the fees is found to be higher than needed to offset the fee share of actual costs, then the fees will be reduced. Automatic annual fee increases will resume after the periodic fee audit and will continue until the next periodic audit.

Following completion of the independent fee audits, fees may be adjusted to reflect refined cost estimates. However, the fee on new development must always be based on the fair share apportionment ratio discussed above (see also the Development Fee Calculator in Appendix H, which was used for this Plan to apportion costs according to the fair share apportionment ratio and set fees). For example, if state and federal contributions are not as high as predicted, the fee on development cannot be raised to make up the difference. Likewise, if grant funds exceed expectations, additional recovery lands will be acquired and development fees will not be reduced.