



REQUEST FOR PROPOSALS FOR SECTOR FEASIBILITY STUDY

March 5, 2020

The City of Escondido ("City") is requesting proposals to **prepare a residential sector feasibility study and pro-forma of different development types and densities**. The City must update its Housing Element as mandated by State law for the 2021-2029 planning cycle, and analyzing the financial/economic feasibility of different types and densities of residential development is a complementary component of that work effort. See Request for Proposals ("RFP") for more details. The RFP documents may be obtained at the following link:

<https://www.escondido.org/purchasing.aspx>.

Proposals shall be submitted either in a sealed envelope (with the proposal on a CD, solid-state data storage device, or thumb/flash drive) or submitted by email (provide a file transfer if the attachments are greater than 9.5 MBs) plainly identifying the RFP and consultant's name and address. **Proposals shall be delivered to the attention of Mike Strong, Assistant Planning Director, with the City of Escondido, Planning Division, 201 North Broadway, Escondido, CA 92025; or emailed to mstrong@escondido.org. Proposals must be received by 5:00 pm PST on March 27, 2020, in order to be considered timely for the purpose of selecting a consultant to provide the requested services.**

Successful proposers will be asked to sign a Personal Services Contract ("Consulting Agreement") with the City prior to being given notice to proceed. A sample Consulting Agreement is attached as part of the RFP documents. Proposers must evaluate this Consulting Agreement and agree with the terms and conditions contained therein unless written objections are included with their proposal. The City will review the objections and content of any such objection in the proposal evaluation process.

For additional information regarding this RFP, please contact Mike Strong, at (760) 839-4556 or by email at mstrong@escondido.org.

SECTION I – SUMMARY

This Request for Proposals (“RFP”) solicits proposals from qualified consultants, firms, and/or a team comprised of different companies (“Consultant”) to provide professional services to analyze residential sector feasibility within Escondido (“City”). The City is interested in understanding the impacts of direct and indirect costs on the market demand and availability of market-rate and affordable-rate housing opportunities. The pro forma and nexus analysis of different development types and densities (and supporting materials provided as a deliverable) will enable the City to consider its various regulatory and non-regulatory approaches to accommodating the marketplace and how to treat programmed Housing Element implementation. The City must update its Housing Element as mandated by State law for the 2021-2029 planning cycle, and the feasibility study of different types and densities of residential development is a complementary component of that work effort.

To respond to this RFP, an interested party should submit one (1) electronic copy (in Adobe Acrobat PDF file format) of its proposal to:

Mike Strong, Assistant Planning Director
City of Escondido
201 North Broadway
mstrong@escondido.org

Proposals shall be submitted either in a sealed envelope (with the proposal on a CD, solid-state data storage device, or thumb/flash drive) or submitted by email (provide a file transfer if the attachments are greater than 9.5 MBs) plainly identifying the RFP and consultant’s name and address. **Proposals must be received by 5:00 pm PST on Friday, March 27, 2020. Late proposals will not be considered.** Proposals must address all information requested in this RFP. A proposal may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format.

SECTION II – BACKGROUND

The City of Escondido invites proposals from qualified consulting firms to help the City develop a strategic plan for revitalizing residential development opportunities in the community. The consultant’s role on this task is to prepare a residential sector feasibility study. As has been well reported, Southern California has been experiencing a severe housing shortage, characterized by a lack of available units, high demand, and the rising gap between income levels and housing costs. The City must update its Housing Element as mandated by State law for the 2021-2029 planning cycle. A key part of this analysis will be to evaluate the effect, if any, that various regulatory and non-regulatory factors constrain housing development. It is anticipated that the feasibility study of different types and densities of residential development is a complementary component of that work effort.

The City is looking to gather adequate information and assess if, and to what degree, housing development is financially/economically feasible under rising construction, land, and regulatory costs. This information would be extremely valuable to the City's Economic Development Manager and Housing Manager for marketing purposes. Estimating the costs to build the development, including all anticipated direct and indirect costs and how it will be financed, is important in understanding the context of how property owners, developers, and builders choose or don't choose to develop. Furthermore, the City does not currently have an inclusionary housing program. Should the City decide to pursue an inclusionary program, one factor in determining the appropriate program is the cost to the developer of complying with the requirements. To assist the City in understanding the cost associated with an onsite obligation, the consultant must estimate the compliance cost to the developer when units are sold/rented at affordable prices. This information will be utilized as part of the City's Housing Element update to offer a useful context and/or nexus when considering potential onsite and fee obligations, should policy-makers provide that direction.

SECTION III – SCOPE OF WORK

At a minimum, the consultant is expected to complete the following tasks:

1. Explore options for acceptable rent rates and home values through general market research and analysis of housing trends.
2. Recommendations of types of housing and densities that would best serve the study's purpose, with considerations such as zoning, available sites in the land inventory, and multi-year projections.
3. Conduct a professional residential sector market analysis and pro forma of five (5) prototypes for rental and homeownership on site. For each five (5) prototypes, perform on-site compliance cost analysis for an inclusionary housing program to facilitate an understanding about the potential constraints to program implementation for the five (5) prototypes. Also perform 100% low-income affordable housing scenarios for the (5) prototypes, with opportunities for rental use on site. Research and analysis must include the potential for partnerships and funding options. (15 total pro-forma.)
4. Preparation of a draft and final report that documents input assumptions. Said report must include a written synopsis or summary that can be easily extrapolated by the Economic Development Manager and Housing Manager for marketing purposes.

SECTION IV – BUDGET

The City anticipates a consultant budget not-to-exceed \$45,000 including reimbursables.

In connection with the work covered by the Consulting Agreement the City may, at any time during the process of the work, order additional work or materials incidental thereto. For example, if

additional meetings or if additional responses to comments are necessary. If any such work and materials are not listed as a pay item with a contract unit price or if compensation is not included under the terms of the Consulting Agreement, such work will be designated as Extra Work, and shall be performed by the consultant as directed. In the event the completion of specific tasks identified in the Scope of Work significantly exceeds the hours originally budgeted for under the Scope of Work, the consultant, subject to prior written approval by the City, may bill for such additional time at the rate corresponding to the task(s) in question under a proposed rate schedule.

Please note that the consultant will not be allowed to perform work in excess of the described services in the Consulting Agreement without the prior, written approval of the City. Before any Extra Work is initiated, the consultant shall identify the kind, cost, and estimated quantities of the Extra Work to be done. Any increase or reallocation in compensation must be authorized and funded in advance. No compensation for Extra Work or any other change in the contract will be allowed unless the Extra Work or change has been authorized in writing by the City, any necessary contract amendment is approved, and the compensation or method of determining such compensation is stated in such written authority. All requests for Extra Work shall be in a written Change Order submitted to and approved by the City prior to the commencement of such work.

SECTION V – INSTRUCTIONS TO BIDDERS

A. General

1. All proposals must be made in accordance with the conditions of this RFP. Failure to address any of the requirements may be grounds for rejection of this proposal.
2. All information should be complete, specific, and as concise as possible. Respondents are liable for all errors or omissions contained in their submittals.
3. Proposals should include any additional information that the respondent deems pertinent to the understanding and evaluation of the bid.
4. The City may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the due date.
5. Proposals shall constitute firm offers. Proposals may not be modified after the due date. All proposals shall constitute firm offers valid for ninety (90) days from the due date. All proposals should be signed by an authorized representative of the bidder. Once submitted, proposals may be withdrawn, modified and resubmitted up until the due date. Any correction or re-submission of proposals will not extend the submittal due date.

6. All responses to this RFP become property of the City and will be kept confidential until a recommendation for award of a contract has been announced. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, it may mark that portion "confidential." The City will use reasonable means to ensure that such confidential information is safeguarded, but will not be held liable for inadvertent disclosure of the information. Proposals marked confidential in their entirety will not be honored, and the City will not deny public disclosure of any portion of submittals so marked. By submitting a proposal with portions marked "confidential" a respondent represents it has a good faith belief that such portions are exempt from disclosure under the California Public Records Act and agrees to reimburse the City for, and to indemnify, defend, and hold harmless the City, its officers, employees, and agents, from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation, attorneys' fees, expenses, and court costs of any nature whatsoever, arising from or relating to the City's non-disclosure of any such designated portions of a proposal.
7. The City, at its option, may interview bidders. The interviews will be for the purpose of clarifying the proposals. Submittal of new proposal material at an interview will not be permitted. Interviews may involve a presentation and/or a question-and-answer session.
8. The City's expectation of any consultant with which the City contracts holds values that align with the City's values of highly ethical conduct, fiscal responsibility, respect for the City and others, and excellent customer service delivery.
9. The City reserves the right to reject any and all proposals or to negotiate individually with one or more consultants, and to select one or more consultants if determined to be in the best interest of the City. A proposal may be immediately rejected at any time if it arrives after the deadline, or is not in the prescribed format, or is not signed by an individual authorized to represent the firm. No responsibility is assumed for delays caused by delivery service. Postmarking by the due date will not substitute for actual receipt.
10. The City also reserves the right to not enter into any agreement, cancel or amend the process at any time.
11. Proposals shall include a cost proposal that must list the fully-burdened hourly rates for each level of professional and administrative staff to be used to perform the tasks required by this RFP, and the length of time that the rates will be valid as well as anticipated percent increase to rates over the four-year contract period. The City reserves the right to negotiate all terms and conditions of any agreements entered into.

12. The cost for developing the proposal is the responsibility of the bidder, and shall not be chargeable to the City.

B. Schedule

This request for proposal will be governed by the following schedule:

- Proposals due: **March 27, 2020 at 5:00 pm PST**
- Interview (if held): **Week of April 6, 2020**
- Award announcement: **Week of April 13, 2020**
- Approval of Contract: **Week of April 20, 2020**

*All dates are subject to change at the discretion of the City.

C. Contents of Proposal

Submitted proposals must follow the format outlined below and include all requested information. Failure to submit proposals in the required format can result in the elimination of the proposal from evaluation and consideration.

1. Cover Letter (Section I) – Must include the name, address, and telephone number of the company, and must be signed by the person(s) authorized to represent the firm.
2. Summary (Section II) – State overall approach and scope of work proposed.
3. Project Organization (Section III) – Describe the proposed project management structure and project management team. List all key personnel assigned to the project by level and name. Provide a description of their background, along with a summary of their experience in providing similar services for governmental agencies, and any specialized expertise they may have.
4. Cost Proposal (Section IV) – The rate schedule must list the fully-burdened hourly rates for each level of professional and administrative staff to be used to perform the tasks required by this RFP. A not-to-exceed amount must be provided.
5. Conflict of Interest (Section V) – Address possible conflicts of interest with other clients affected by consultants' actions performed by the firm on behalf of the City.

To eliminate and reduce paperwork and costs, it is preferable that all submittals be transmitted electronically in a manner described herein.

SECTION VI – PROPOSAL EVALUATION

A panel of City staff will evaluate all proposals. Proposals will be evaluated on the following criteria:

Criteria	Description	Weight
Expertise	Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm's ability to perform and complete the work in a professional and timely manner.	30%
Skill	Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	40%
Approach	Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	20%
Public Participation	Engagement activities and assignment	0%
Cost	Cost or cost effectiveness	10%

If two or more proposals receive the same number of points, the City will consider the fully-burdened hourly rates.