



# **Ironhouse Sanitary District**

## **Jersey Island Request for Qualifications (RFQ)**

**Part A: Partner**

**and**

**Part B: Potential Users**

June 18, 2018

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### Electronic Links to Background Documents

[September 19, 2017 ISD Staff Report and MRG Report](#)

[December 19, 2017 ISD Staff Report and MRG Report](#)

[March 20, 2018 ISD Staff Report and MRG Report](#)

## **1.0 Ironhouse Sanitary District and Project Description**

### **1.1 Ironhouse Sanitary District**

The Ironhouse Sanitary District (ISD) provides wastewater collection, treatment and disposal services to the residents and businesses within the City of Oakley and Bethel Island.

In addition to collection and treatment services, ISD also owns Jersey Island, a 3,500-acre leveed island adjacent to the wastewater facility property. ISD purchased the island in 1994 to allow for disposal needs. In 2011, Jersey Island was used as the location for the existing pipeline for the facility's recycled water discharge to the Delta. ISD provides staff and appoints trustees to Reclamation District 830 (RD 830), a designated special district charged with the responsibility of maintaining the levee system associated with Jersey Island.

The ISD is governed by a five-member Board of Directors, elected at large by voters within ISD's service area.

Further information about ISD is available on its [website](#).

### **1.2 Project Description**

In August 2017, ISD engaged Municipal Resource Group, LLC (MRG) to review Jersey Island's current revenue generating activities and provide ISD with an analysis of the island's suitability for alternative revenue generating uses. ISD also requested MRG to explore alternative ownership or stewardship options congruent with ISD's goals.

On September 19, 2017, MRG presented a "*Project Status Report*" to the Board and received input from the Board regarding potential alternate uses for the island.

On December 19, 2017, MRG presented the Board with a draft Report entitled "*Analysis and Recommendations for Utilization of Jersey Island.*" The report includes discussions of: Jersey Island's current status, the Regulatory Environment, Property Ownership Risks, Strategies to Enhance Fiscal Performance and Recommended Next Steps.

On March 20, 2018, the Board accepted the MRG Report entitled "*Jersey Island Next Steps – Alternate Uses,*" which recommended the issuance of a Request for Qualifications to identify the entity that would be the preferred Partner for ISD in this endeavor based on its past performance, financial capabilities, understanding of regulatory issues impacting various land uses, and experience with potential alternate uses. The Report also identified potential uses for Jersey Island.

## **2.0 Purpose of RFQ**

ISD is interested in enhancing the financial performance of Jersey Island. The purpose of the RFQ is twofold:

Part A: Identify one Partner that would work with the ISD on the long-term development and financial sustainability of Jersey Island. This Partner would have the opportunity to work with the ISD to enhance the financial performance of Jersey Island, and would be the designated entity to coordinate the development of alternate uses and/or the enhancement of existing uses of the island.

Part B: Identify Potential Users that may be interested in assessing the feasibility of alternative revenue generating uses of Jersey Island, and if feasible, developing specific uses on a portion of Jersey Island. The qualifications of Potential Users responding to this RFQ will be reviewed. As discussed in the next paragraph, Potential Users will be engaged subsequent to the selection of a Partner by ISD.

If a qualified Partner is identified through this process, it is anticipated that the Board would direct staff to negotiate an agreement with the Partner (Partner Agreement). After execution of the Partner Agreement, the Partner would begin work with ISD staff to pursue potential feasible uses on Jersey Island. The Partner would work with Potential Users identified through this RFQ process and other users that express interest in the property. The Partner, in coordination with ISD, would coordinate the work with Potential Users on feasibility analyses, environmental review, and entitlement issues necessary for the development and enhancement of the financial performance of Jersey Island.

## **3.0 Two Types of Respondents**

ISD is seeking Qualification Statements in response to this RFQ from the following two types of respondents:

**Partner** – Entities that are capable of working with ISD on the long-term development and management of the entire island. This role could include coordination of new future uses and the enhancement of existing uses of Jersey Island. The Partner could also implement new uses and enhance existing uses on the island. The Partner will have demonstrated experience in successfully conducting similar projects in the Sacramento-San Joaquin Delta and/or San Francisco Bay Areas comparable with the services described in this RFQ.

**Potential User** – Entities that may have an interest in assessing the feasibility of developing a portion of the island, but are not interested in the Partner role of coordinating all uses on the island. Successful Potential Users will have demonstrated experience in successfully conducting similar projects in the Sacramento-San Joaquin Delta and/or San Francisco Bay Areas.

## **4.0 Submittal Instructions**

### **4.1. Copies and Deadline**

Interested Partners and Potential Users should submit the following Qualification Statements:

- One (1) signed original Submittal;
- Five (5) copies of the Submittal; and
- One (1) electronic copy of the Submittal (in pdf format).

Hard copies of the Submittal must be received by Wednesday, August 15, 2018 at 3:00 p.m. Pacific Time. Submittals received by ISD after the closing date and time will not be opened.

### **4.2 Delivery Location**

Submittal hard copies shall be delivered to:

Chad Davisson, General Manager  
Ironhouse Sanitary District  
450 Walnut Meadows Drive  
Oakley, CA 94561.

The electronic copy of the Submittal shall be delivered to:

Chad Davisson, General Manager, c/o Susan Paz (paz@isd.us.com).

### **4.3 Length of Submittal**

The Required Components of the Submittal are described in Section 5 of this RFQ. The submission shall be no longer than 15 pages (8.5" x 11" letter size format). Sections shall be indexed and tabbed for easy reference to the material contained within the Submittal. The front cover, back cover, introductory letter and exhibits to the Submittal are not included in the page limit.

Exhibits to the Submittal shall include:

- Resumes of key members of the project team
- Statement of financial capacity.

The original Submittal shall be signed in ink by an authorized representative of the entity or organization submitting the Submittal.

#### **4.4 Questions Regarding the RFQ**

There is one point of contact for inquiries during the RFQ process. The contact point is the following representative of the consultant assisting ISD with the RFQ process:

Mike Oliver, Municipal Resource Group (MRG)

E-mail: [moliver@municipalresourcegroup.com](mailto:moliver@municipalresourcegroup.com)

Telephone: 510.915.4376

Any questions or issues that may arise regarding the scope of the RFQ, the RFQ process, and/or the award process shall be directed to Mike Oliver no later than July 6, 2018. Responses to such inquiries shall be posted in the [Current Bid Opportunities](#) section of the ISD website. Any addendums shall be posted in the same location on the ISD website. In order to receive a notice of an inquiry response or an addendum, potential respondents must e-mail Mr. Oliver to be placed on the communication list regarding this RFQ.

#### **5.0 Required Components of Submittal**

Submittals should be prepared and organized in a clear and concise manner and must include all information required in this section. Headers, titles, or tabs should be used to identify required information. Each Submittal shall include the following:

##### **5.1 Introduction and Statement whether the Submittal is a Partner Response or a Potential User Response**

Submit an introductory letter stating whether the Submittal is for consideration as a Partner or as a Potential User.

##### **5.2 Entity Team Description**

Describe the organization, partnership or other entity (Entity) that is submitting the proposal.

5.2.1 Indicate whether the development team is a single entity, a joint venture, or a partnership with prime/subcontracting relationships.

5.2.2 Describe the team organization and the roles and responsibilities of each team member. Provide an organization chart showing the relationships between team members.

5.2.3 Describe prior working relationships between the lead and each team member, focusing on successfully completed past projects.

5.2.4 Include professional qualifications/resumes of each member of the project team, including years of experience, previous projects, and other relevant information.

5.2.5 Provide an authorized main point of contact, office address, telephone number and e-mail address.

### **5.3. Entity Experience – Partner**

If the Submittal is as a Partner, describe the Entity's ability to:

5.3.1 Assess land development project feasibility, obtain planning approvals, and obtain financing for complex development projects and implement land development projects that include multiple uses similar to those identified as prospective Jersey Island uses;

5.3.2 Work with regulatory agencies in California and in the Sacramento-San Joaquin River Delta (including the Delta Protection Commission, Delta Stewardship Council, and Department of Water Resources) to successfully complete projects;

5.3.3 Work with public agencies managing and implementing long-term public-private land development projects;

5.3.4 Collaborate and coordinate with ISD's key partner agencies, RD 830 and the Department of Water Resources, regarding preserving the integrity and current configuration of the Jersey Island levees;

5.3.5 Understand wastewater collection, treatment and disposal operations; and

5.3.6 Understand cattle operations and farming, and enhance the financial performance of these operations.

### **5.4 Entity Experience – Potential User**

If the Submittal is as a Potential User, describe the Entity's:

5.4.1 Proposed project on Jersey Island;

5.4.2 Ability to assess project feasibility, obtain planning approvals, obtain financing and implement similar projects;

5.4.3 Experience working with regulatory agencies in California and in the Sacramento-San Joaquin River Delta (including the Delta Protection Commission, Delta Stewardship Council, and Department of Water Resources) to successfully complete projects;

5.4.4 Experience working with public agencies on long-term public-private land development projects;

5.4.5 Experience collaborating with ISD's key partner agencies, RD 830 and

the Department of Water Resources, regarding preserving the integrity and current configuration of the Jersey Island levees;

5.4.6 Understanding of wastewater collection, treatment and disposal operations; and

5.4.7 Understanding of cattle operations and farming.

## **5.5 Financial Capability to Execute Project**

Provide evidence of sufficient financial strength to undertake and successfully complete a project on Jersey Island. To the extent allowed pursuant to federal and State law, including the California Public Records Act, this information will be kept confidential, provided it is appropriately identified as such. Include all information desired to remain “confidential” in an Exhibit to the Submittal that is referenced in the main body of the Submittal. Financial disclosures should include, but are not limited to:

- Annual reports or other public financial documents representing financial capability; and
- If the Entity is privately held and there is no public information, provide a combination of documented evidence of prior transactions in which all, or substantially all, of the financing was provided, including letters from banks and/or current or proposed financial partners indicating the size of recent loans, the size of the credit line, or other information that will provide the ISD with assurance that the Entity can fund a project of the scale proposed without unduly stretching its resources.

## **5.6 Financial Structure/Obligations**

Provide a description of the financial structure the Entity would propose to use in an agreement with ISD. Describe how responsibility for expenses and participation in future revenue streams would be approached.

## **5.7 References**

Provide references (contact name, organization, address, telephone number and e-mail address) and a short description of the project outcome for each reference. Include at least two references for each of the following entities:

5.7.1 Public or Private Property Owners – Individuals or company representatives with whom the Entity has developed projects;

5.7.2 California Regulatory Agencies – Individuals employed by government resource agencies with whom the Entity has worked in entitling development projects; and

5.7.3 Financial Institutions – Individuals employed by lenders or financial partners (public or private) to demonstrate financial capacity to undertake the

project.

## **6.0 Evaluation of Partner Submittals**

A panel of ISD staff and the ISD consultant assisting with this project will evaluate the Submittals based on the criteria listed below. ISD staff will make a recommendation of the preferred Partner to the ISD Board. Partner Submittals will be evaluated based on the following criteria:

- Experience implementing California projects that included Potential Jersey Island Uses;
- Experience successfully working with California Resource Agencies to entitle projects in the Sacramento-San Joaquin River Delta and/or San Francisco Bay Areas;
- Financial capacity of Entity to successfully execute a long-term project;
- Public-private partnership experience; and
- Experience understanding and enhancing cattle and/or farming operations.

## **7.0 Consideration of Potential User Submittals**

The same panel of ISD staff and the ISD consultant assisting with this project will review the Potential User Submittals. Potential User Submittals will be reviewed based on the following criteria:

- Experience implementing California projects that included the Proposed Use;
- Experience successfully working with California Resource Agencies to entitle projects in the Sacramento-San Joaquin River Delta and/or San Francisco Bay Areas;
- Financial capacity of Entity to successfully execute a long-term project;
- Public-private partnership experience; and
- Experience implementing projects on land that included cattle and/or farming operations.

Subsequent to the selection of a Partner, Potential Users designated by the ISD team, as set forth above, will be contacted by ISD to discuss the opportunity to pursue their proposed use of Jersey Island. It is envisioned that the Partner will work with Potential Users that have responded to this RFQ and other Potential Users subsequently identified as potentially beneficial to Jersey Island.

## 8.0 Submittal Evaluation Schedule

The following is ISD's estimate of the schedule that will be followed regarding the selection of a preferred Partner and engagement with Potential Users:

Date	Event
June 18, 2018	Issue RFQ.
July 6, 2018	RFQ questions due
July 13, 2018	Responses to RFQ questions posted on ISD website
August 15, 2018	Responses to RFQ Due.
August 16, 2018 – September 15, 2018	Staff and consultant complete review of Submittals, which may include interviews with selected Entities (both Partners and Potential Users)
October 2018	Board approves Partner and directs staff to negotiate Partner Agreement.
December 2018	Board considers approval of Partner Agreement.
December 2018	Partner Agreement executed.
January 2019	Staff and Partner begin to work collaboratively as Partner works with designated Potential Users and conducts feasibility analyses.
	Staff and Partner begin to seek Early Consultation with Delta Stewardship Council for consistency of potential uses with Delta Plan.
2019 and thereafter	Staff and Partner proceed with regulatory process, feasibility analyses, agreements with Potential Users and development of the island.

## 9.0 Respondent Understanding/Limitations of RFQ

The signature on a Submittal certifies that the authorized representative of the Submitting Entity has read, fully understands and agrees with all requirements, terms and conditions of this RFQ.

Submitting Entities and their officers or principals shall not have or acquire any interest, directly or indirectly, which is or would create a conflict of interest with the interests of ISD. The Partner and designated Potential Users must agree to at all times avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of the ISD.

ISD reserves the right to request any Entity to clarify its Submittal and to supply additional information deemed necessary to assist in the selection of a Partner and Potential User(s). ISD also reserves the right to clarify, modify or alter any of the requirements herein. In the event of a material modification of the Submittal requirements by ISD, Entities selected by ISD may be given an opportunity to modify their Submittals in the specific areas that are impacted.

ISD may cancel, or reject in whole or in part any Submittal, without liability incurred at any time after issuing an RFQ, if it is in ISD's best interest to do so. Respondents to the RFQ are responsible for all costs they may incur in connection with a Submittal, which includes, but is not limited to: Submittal preparation, pre-proposal conference, if any, document submittal, travel, expenses, interviews, presentations, or evaluation of any related documents.