



## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** Steve McGrath, General Manager  
Lau Hodges, Administrative Analyst

**DATE:** September 20, 2017

**SUBJECT:** Strategic Plan Development: Selection of Consultant

**Recommendation/Motion:**

**Motion:** Approve Rauch Communications Consulting Inc. as Consultant for development of the District's Strategic Plan, and authorize the General Manager to execute a contract with Rauch Communication Consultants Inc., consistent with the Request for Proposals and the proposal received, in an amount not to exceed \$77,970 and to authorize the General Manager to execute additional work authorizations in a contingency amount of 10% of the executed contract.

**Policy Implications:**

This Commission adopted the development of a Strategic Plan as a priority Goal for 2016 and has continued to stress the importance of a Strategic Plan throughout 2017.

**Fiscal Implications/Budget Status:**

Consultant costs will be based on scope as determined by this Commission, however, Staff believe that sufficient funds have been budgeted under 'Contract Services' in the FY17/18 Budget (\$423,000). Any further budgetary adjustments may be accommodated at the mid-year Budget review.

**Objective:**

The District's objective is the development of a Strategic Plan that will serve as a critical and important guide for future actions, anticipating a ten-year horizon. It is expected to be user-friendly, and written in a manner easily understood by the public. At its core, it will adhere to the District's mission statement, which may be updated during the process. The Strategic Plan will reflect the District's commitment to the best achievable balance of resource protection, coastal access, sustainable development, coastal dependent business, and active and passive recreation.

## **Background:**

Note: All documents mentioned in this report are available at:

[www.smharbor.com/strategic-planning](http://www.smharbor.com/strategic-planning)

This Commission has made clear that the selected Strategic Planning firm will need to understand prior Planning work, to avoid redundancy and expedite the process.

In 1991 a Master Plan was commissioned solely for Pillar Point Harbor. While the recommendations in this Master Plan were never implemented, it remains the current Master Plan as it has not been rescinded. In 2013 The District commenced on development of a Strategic Business Plan with consultant Lisa Wise Consulting. That effort was terminated prior to completion. There are several draft documents that resulted from that effort.

This Strategic Planning process is expected to build on and supersede these prior plans.

San Mateo County is currently working on Plan Princeton. This Plan is focused on updating existing land use plans, development policies and zoning regulations in the Princeton area. A Draft Plan Princeton is expected in 2017:

<http://planning.smcgov.org/plan-princeton>

The District has been working with the City of South San Francisco since 2011 on facilitating the development of a significant commercial project at Oyster Point Marina. That process continues, and groundbreaking on the first phase is anticipated in mid-October 2017. As the District moves forward, discussion of the future relationship between the City and the District is paramount, as the current Joint Powers Agreement (JPA) terminates in 2026.

Both the Finance Committee and the Strategic Planning Committee met on several occasions during 2016 to review and discuss the development of a Request for Proposals for the Development of a Strategic Plan.

At its May 17, 2017 meeting this Commission received a report on prior Planning work and a Strategic Planning workshop. This report reviewed the 2014 Draft Strategic Business Plan developed by Lisa Wise Consulting which contains: Draft Infrastructure Facilities Assessment, Draft Financial Condition and Draft Fishing Community Sustainability Plans. This report also reviewed the February 22, 2017, one-day workshop, led by Brent Ives of BHI Consulting.

This Commission directed Staff to issue a Request for Proposal for Strategic Plan Development (RFP). This Commission reviewed a draft of the RFP at its December 7, 2016 and May 17, 2017 meetings. This draft was finetuned and finalized on May 30, 2017.

The final RFP was publicized on the District's website and on the California Special Districts Association's website. A public notice about the RFP was posted on the District's community boards. A press release was distributed and legal notices were placed in required publications per policy 4.3.1 Purchasing and Procurement. In response to this outreach the District received three responsive proposals by the June 28, 2017 deadline from the following firms:

- Economic and Planning Systems, Inc
- Rauch Communication Consultants
- BHI Management Consulting

### **Scoring Process:**

Note: All documents mentioned in this report are available at:

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The RFP included a scoring matrix for use by staff, the Strategic Planning Committee and the Harbor Commission in evaluating the proposals:

- Understanding of and Approach to Scope (30%)
- Qualifications and Relevant Experience (30%)
- Clarity and quality of written and oral communications in the proposal and interview (20%)
- Cost Proposal (20%)

While the first three criteria can be viewed somewhat subjectively, objective, quantitative scoring of the cost proposal is largely possible with certain assumptions.

The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. Every other proposal receives a pro-rated share of the points available, depending on their variance from the lowest score:

- Economic and Planning Systems, Inc (EPS): \$103,500  
\*This is a 'not-to-exceed' budget and includes travel, cost of deliverables etc.
- Rauch Communications: \$29,970, PLUS a range for the public engagement component between \$24,500 and \$48,000 (midpoint of \$36,250) for a mid-point total of \$66,220  
\*This is a 'not-to-exceed' estimate and does not include expenses. Maximum cost at the high end of the range could be \$77,970, depending on the extent of the community engagement component.

- BHI Consulting, Inc (BHI): \$66,020 (\$58,320 plus estimated expenses of \$7,700)  
\*This is fixed fee but the 'approach is negotiable'. This does not include expenses.

Essentially, Rauch (using the midpoint of the range) and BHI costs proposals are the same. Thus, between these two, the deciding factors lie elsewhere, as described in the criteria in the RFP.

### **Presentations:**

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The Strategic Planning Committee (Commissioners Brennan and Mattusch) met on September 7, 2017 and received presentations from the three proposers.

- EPS: A team led by Walter Kieser, Principal with EPS, comprised Michael Nimon (EPS) and Casey Cornwell (sub-consultant, Dornbusch Associates). A presentation was distributed.

Staff comments: The Proposal was well presented and comprehensive but appeared heavily focused on the financial aspect of the Strategic Plan. This was to a lesser extent reflected in the presentation to the Committee. The team was knowledgeable, thorough and experienced. "...high level look based on ground level data..."

- Rauch Communications: Martin Rauch presented on behalf of his firm. A presentation was distributed.

Staff comments: The proposal was well presented and comprehensive. The firm clearly has significant experience with special districts. The presentation was solid and clear and demonstrated the firms understanding and experience. "What are we doing here? Where do we want to get to? Whose job is it to get us there?"

- BHI Consulting: Brent Ives presented on behalf of his firm. No presentation was provided.

Staff comments: While not as polished as the other two, the Proposal clearly demonstrated the firm's experience with strategic planning, special districts, and this District in particular. The interaction during the presentation was technologically challenging as Brent Ives was unavailable to present to the Committee in person. There

was no presentation made, but questions were asked and answered. “My strength is my knowledge of the District.”

**Summary and Recommendation:**

The Development of a Strategic Plan will help steer the District for the next ten years and the resulting document will serve as an important road map for the Harbor Commission and District Staff. It will reaffirm the District’s commitment to assuring that the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.

After reviewing the three responsive proposals, the Strategic Planning Committee met on September 7, 2017 to hear presentations by the three firms and ask questions. Upon deliberation, the Strategic Planning Committee did not reach a consensus at that time. Committee members may wish to provide additional insight to this Commission.

However, based on scoring matrix in the RFP, as mentioned above, staff recommends this Commission award the contract to Rauch Communications for the following reasons:

1. All three firms demonstrated an understanding of and approach to the scope of the project, with Rauch demonstrating this most clearly;
2. All three firms have the qualifications, with Rauch and BHI having the most directly relevant experience;
3. Recognizing the disadvantage for BHI presented by technology, nevertheless, staff believes Rauch, and secondarily EPS demonstrated superior clarity and quality of written and oral communications in the proposal and interview;
4. At the midpoint of the range provided for ‘engagement’ by Rauch, the cost proposals from Rauch and BHI are essentially the same; EPS is considerably higher.

Therefore, Staff recommends the Board of Harbor Commissioners approve the General Manager to execute a contract for the development of a Strategic Plan with Rauch Communication Consultants Inc., consistent with the Request for Proposals, in an amount not to exceed \$77,970, utilizing the high end of the given range, and to authorize the General Manager to execute additional work authorizations in a contingency amount of 10% of the executed contract.

**Attachments:**

1. [Strategic Plan Request for Proposals; May 2017](#)
2. [BHI Consulting Proposal](#)
3. [Rauch Communication Consultants Proposal](#)
4. [Economic & Planning Systems Proposal](#)
5. [Rauch Communications Presentation, September 7, 2017](#)
6. [EPS Presentation, September 7, 2017](#)