



**Local Agency  
Formation Commission  
of Santa Clara County**

777 North First Street  
Suite 410  
San Jose, CA 95112

**SantaClaraLAFCO.org**

**Commissioners**

Sylvia Arenas  
Jim Beall  
Rosemary Kamei  
Yoriko Kishimoto  
Otto Lee  
Terry Trumbull  
Mark Turner

**Alternate Commissioners**

Pamela Campos  
Helen Chapman  
Betty Duong  
Zach Hilton  
Teresa O'Neill

**Executive Officer**

Neelima Palacherla

## **REQUEST FOR PROPOSALS**

### **COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW**

#### **I. OBJECTIVE**

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare a Countywide Water and Wastewater Service Review. This work is to be completed in compliance with applicable California Government Code sections and Santa Clara LAFCO policies. In Santa Clara County, service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service governance and delivery and evaluate options for the provisions of efficient and effective public services, and to develop information to update the spheres of influence of special districts and cities in the county. LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews together with additional research and analysis where necessary, to pursue changes in jurisdictional boundaries or spheres of influence.

#### **II. BACKGROUND**

The Cortese Knox Hertzberg Local Government Reorganization Act (CKH Act) mandates that LAFCO conduct service reviews prior to or in conjunction with sphere of influence updates and requires that LAFCO once every five years, as necessary, review and update the sphere of influence of each city and special district [Government Code § 56430]. The Service Review must include an analysis and written statement of determination regarding each of the following seven categories:

- Growth and population projections for the affected area
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- 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

- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission

Additionally, as part of the sphere of influence updates LAFCO must prepare an analysis and written statement of determinations for each special district regarding certain factors. [Government Code § 56425(e)]

Santa Clara LAFCO is responsible for establishing, reviewing, and updating Spheres of Influence for 41 public agencies in Santa Clara County (15 cities and 26 special districts). LAFCO's Service Review Policies (amended August 6, 2025), provide guidance to LAFCO in preparing and conducting service reviews.

LAFCO completed and adopted its first round of service reviews and sphere of influence updates prior to January 1, 2008 and its second round of service reviews and sphere of influence updates for all cities and special districts prior to January 1, 2015.

LAFCO's most recent [Countywide Water Service Review](#) was adopted in 2011. LAFCO's [Special District Service Review: Phase 2](#) was adopted in December 2013 and includes information on special districts that provide sanitary/sewer service. LAFCO's [Cities Service Review](#) was adopted in December 2015 and includes information on wastewater service and stormwater management services provided by cities in the county.

These Reports, which are all available on the LAFCO website, have been a valuable resource for LAFCO, the public, and other local agencies seeking to gain a better understanding on how these services are provided in the county.

LAFCO, at its December 2, 2020 meeting set priorities for the completion of LAFCO's third round of service reviews and sphere of influence updates. LAFCO's service reviews work plan calls for the completion of 4 studies (i.e. countywide fire service review, countywide water and wastewater service review, special districts service review, and cities service review). It is anticipated that these studies will be conducted by professional service firms under the operational direction of the LAFCO Executive Officer. LAFCO's first priority, a countywide fire service review was completed in October 2023. **LAFCO's next priority, a countywide review of water service and wastewater service in Santa Clara County and sphere of influence updates for special districts that provide water and wastewater service, is the subject of this Request for Proposal (RFP).**

### III. SCOPE OF SERVICES

A draft Scope of Services is enclosed with this RFP as **Attachment 1**. A final statement of services to be provided will be negotiated with the firm selected to

conduct the service review and will be included as part of the professional services agreement.

#### **IV. BUDGET**

A final budget amount for this project will be negotiated with the firm selected for the work prior to reaching agreement. The anticipated project cost of the proposal should not exceed **\$160,000**.

#### **V. SCHEDULE**

It is anticipated that the firm will start work in **February 2026** and that the service review will be conducted over the next 12 months or so. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement and will be based on the key steps listed in the Scope of Services.

#### **VI. PROPOSAL REQUIREMENTS**

Response to this RFP must include all of the following:

1. A statement about the firm that describes its history as well as the competencies and resumes of the principal and all professionals who will be involved in the work. This statement should describe the firm's level of expertise in the following areas:

##### **General Expertise**

- Familiarity with CKH Act, the role and functions of LAFCO, and the service review process
- Ability to analyze and present information in an organized format
- Ability to quickly interpret varied budget and planning documents
- Ability to facilitate and synthesize input from a variety of stakeholders
- Familiarity with public input processes and experience in managing the presentation and dissemination of public information for review and comment
- Experience in fostering multi-agency partnerships and cooperative problem-solving
- Ability to provide flexible and creative alternatives where necessary to resolve service and policy issues

##### **Water Service and Wastewater Service Expertise**

- Management level understanding of how water service and wastewater service are financed and delivered
- Expertise in various aspects of 1) water service provision (i.e. water supply, water quality, water delivery, recycled water, water conservation and stewardship, groundwater recharge and pumping, flood control, stormwater runoff and management, etc.); and 2) sanitary/sewer service provision (i.e. wastewater collection, treatment, and management, etc.)

- Expertise in the financial analysis of water and wastewater service delivery systems, including identifying financing constraints / opportunities and cost avoidance opportunities
  - Expertise in water service and wastewater service organization analysis, including evaluating government structure options (advantages and disadvantages of the consolidation or reorganization of service providers)
  - Experience with the operational aspects of various types of water service and wastewater service providers in California, including special districts (water districts, sanitary/sewer districts, and community services districts), city/county departments (public works, utilities, and environmental health), and others (private water companies, mutual water companies, small public water systems, state small water systems, private water systems and community/individual onsite wastewater treatment systems)
  - Experience in evaluating water and wastewater service delivery systems, including performance measurements and benchmarking techniques
  - Experience in evaluating impacts of recent climate change (floods, sea level rise) and their impact on water service and wastewater service
2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
  3. Identification of any associate consultant firms to be involved. If associate consultant firms are proposed, describe the work they will perform and include the same information for each as required for items 1 and 2 above.
  4. A statement of related experience accomplished in the last five years and references for each such project, including the contact name, address, and telephone number.
  5. A statement regarding the anticipated approach for this project, including conducting community engagement and outreach, and explicitly discussing and identifying suggested changes to the draft Scope of Services (**Attachment 1**).
  6. Identification of any information, materials and/or work assistance required from LAFCO and / or involved water service and wastewater service providers to complete the project. The expectation is that the consultant will use all available data sources to develop/update information for agency profiles in an effort to minimize the workload for affected agencies.
  7. An overall project schedule, including the timing of each work task.
  8. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
  9. The anticipated project cost, including:
    - a. A not-to-exceed total budget amount.
    - b. The cost for each major sub-task identified in the draft Scope of Services.

- c. The hourly rates for each person who will be involved in the work, including the rates of any associate consultants.
10. Comments about the draft services agreement (**Attachment 2**) specifically including the ability of the firm to meet the insurance requirements and other provisions.

## **VII. SUBMISSION REQUIREMENTS**

Responses to RFP will be accepted by email only at [lafco@ceo.sccgov.org](mailto:lafco@ceo.sccgov.org) and should be addressed to Neelima Palacherla, LAFCO Executive Officer. Proposals should be submitted in a complete, single electronic file, to the email specified in this notice.

**DUE DATE AND TIME: Friday, December 19, 2025, by 5:00 PM.**

Proposals received after that time and date will not be considered.

## **VIII. EVALUATION CRITERIA AND SELECTION PROCESS**

Firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Relevant work experience
- The completeness of the responses
- Overall project approaches identified
- Proposed project budget

A consultant selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria and reference checks.

**Interviews will be held during the week of January 12<sup>th</sup> (specific date/time TBD).** The selection committee is expected to make a decision soon after. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.

## **IX. LAFCO CONTACT**

Neelima Palacherla, Executive Officer  
LAFCO of Santa Clara County  
Voice: (408) 993-4713  
Email: [lafco@ceo.sccgov.org](mailto:lafco@ceo.sccgov.org)

## **X. ATTACHMENTS**

1. Draft Scope of Services (**Attachment 1**)
2. Draft Professional Service Agreement and insurance obligations (**Attachment 2**)

## **XI. REFERENCE INFORMATION**

Please refer to LAFCO's website ([www.santaclaralafco.org](http://www.santaclaralafco.org)) for general information about Santa Clara LAFCO and the following links for further information:

1. LAFCO's Service Review Policies (Amended August 6, 2025):  
(<https://santaclaralafco.org/resources/policies/service-review-policies>)
2. LAFCO Service Reviews Webpage: (<https://santaclaralafco.org/cities-and-special-districts/service-reviews>)
3. Countywide Water Service Review (Adopted December 7, 2011):  
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/2011-countywide-water-service-review>)
4. Special Districts Service Review: Phase 2 (Adopted December 4, 2013):  
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/special-districts-service-review-phase-2>)
5. Cities Service Review (Adopted December 2, 2015):  
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/cities-service-review>)

## **SCOPE OF SERVICES**

### **COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES**

The Countywide Water and Wastewater Service Review Report will provide a comprehensive overview of all the agencies that provide water services (including recycled water), wastewater services, and stormwater management in the County; evaluate the provision of these services; and recommend actions to promote efficient service delivery; and review and update the spheres of influence of special districts that provide water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

#### **I. SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES REQUIREMENTS**

Pursuant to California Government Code §56430, LAFCO is required to adopt a written statement of determination for each of the following considerations:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
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
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

California Government Code §56425 requires LAFCO, when determining the sphere of influence of each local agency, to prepare and adopt a written statement of determination for each city and special district regarding the following considerations:

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.

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 protections 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 sphere of influence.
6. Nature, location, and extent of any functions or classes of services provided by existing districts

## **II. IDENTIFICATION OF SERVICE PROVIDERS FOR STUDY**

Agencies that are required to have a Spheres of Influence (SOI) [i.e. special districts and cities] will be the focus of service reviews. Other agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service location/facilities and provide a complete overview of services in the area. The following agencies and organizations that provide water service (including recycled water), wastewater service, and stormwater management in Santa Clara County will be included in the service review:

### **Water Districts**

1. Aldercroft Heights County Water District (serves a small unincorporated community near Lexington Reservoir in the Santa Cruz Mountains)
2. Pacheco Pass Water District (serves a small unincorporated area in southern Santa Clara County and also includes lands in San Benito County. San Benito LAFCO is principal LAFCO)
3. Purissima Hills County Water District (serves a portion of Los Altos Hills and adjacent unincorporated area)
4. San Martin County Water District (serves a portion of the unincorporated community of San Martin)
5. Santa Clara Valley Water District (countywide)

### **Special Districts that Provide Wastewater Services**

1. Burbank Sanitary District (serves two non-contiguous unincorporated islands surrounded by the City of San Jose)
2. County Sanitation District 2-3 (serves two non-contiguous unincorporated areas surrounded by or adjacent to the City of San Jose)
3. Cupertino Sanitary District (serves majority of the City of Cupertino, portion of City of Saratoga, small areas of City of San Jose, Sunnyvale and Los Altos, and adjacent unincorporated areas)



4. West Bay Sanitary District (serves a small unincorporated area along the San Mateo County boundary and also includes lands in San Mateo County. San Mateo LAFCO is principal LAFCO)
5. West Valley Sanitation District (serves City of Campbell, Town of Los Gatos, City of Monte Sereno, portion of the City of Saratoga, and several non-contiguous unincorporated areas)
6. Lions Gate Community Services District (serves the small unincorporated community of CordeValle, located south of Morgan Hill)
7. Lake Canyon Community Services District (serves the small unincorporated community of Lake Canyon near Lexington Reservoir in the Santa Cruz Mountains)

**Cities (review specific to water service, wastewater service, and stormwater management service)**

1. City of Campbell
2. City of Cupertino
3. City of Gilroy
4. Town of Los Altos
5. City of Los Altos Hills
6. Town of Los Gatos
7. City of Milpitas
8. City of Monte Sereno
9. City of Morgan Hill
10. City of Mountain View
11. City of Palo Alto
12. City of San Jose
13. City of Santa Clara
14. City of Saratoga
15. City of Sunnyvale

**Other Service Providers (included for comprehensiveness and/or to address a focus issue)**

Private Water Companies

1. San Jose Water Company (serves Cities of Campbell, Saratoga, Los Gatos, Monte Sereno, part of Cupertino, parts of San Jose, and adjacent unincorporated areas)

2. California Water Service Company (serves parts of Cities of Cupertino and Los Altos, parts of Los Altos Hills and Mountain View, parts of Sunnyvale, and adjacent unincorporated areas)
3. Great Oaks Water Company (serves parts of San Jose, and adjacent unincorporated area south of San Jose)
4. West San Martin Water Works (purchased by California American Water, serves a portion of the unincorporated community of San Martin)

#### Miscellaneous

1. Stanford University (serves the University)
2. San Francisco Public Utilities Commission (wholesale agency to portions of North County)
3. Bay Area Water Supply and Conservation Agency (provides water conservation programs and conducts water supply planning activities for their members)
4. South Bay Water Recycling
5. County Department of Environmental Health
6. Palo Alto Regional Water Quality Control Plant
7. San Jose-Santa Clara Regional Wastewater Facility
8. South County Regional Wastewater Authority
9. Sunnyvale Water Pollution Control Plant
10. Mutual Water Companies, including small water systems

Please note that in addition to the above listed agencies, there may be other agencies within the county that provide water, wastewater, and/or stormwater management related services. It may be necessary to include those agencies in the service review.

### **III. PROJECT SCOPE OF WORK**

#### **Service Review Determinations**

Based on the elements above, Consultant will draft proposed service review determinations for the cities and special districts that provide water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) that meet the legal requirements as identified in Government Code §56430.

#### **Sphere of Influence Update**

Analyze and propose, if deemed appropriate, sphere of influence updates for each of the special districts that provide water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) and prepare a written statement of determination for each district as required by Government Code §56425

## **Focus Issues**

The service review will also consider the following issue and identify potential options/opportunities for addressing this issue in Santa Clara County:

### **Small Water Systems in the Unincorporated Area**

The State Water Resources Control Board's Division of Drinking Water (DDW) staff have identified many small water systems in south Santa Clara County that experience technical, managerial, and financial difficulties from time to time. In response, there have been many interagency discussions on potential options for helping these current systems, including the potential consolidation of these struggling systems with better managed or maintained systems located nearby. However, there does not appear to be any readily available solution.

Discussions concerning the feasibility and practicality of consolidation or infrastructure extension to these existing systems noted various challenges, including the long distances involved, terrain challenges, high costs, lack of funding sources, water supply availability, and overall uncertainty. Furthermore, it is important that any such solutions are consistent with LAFCO law, and LAFCO's mandate to preserve agricultural lands and open space, curb urban sprawl, and encourage efficient delivery of services; and local/affected agencies' policies.

Consultant will identify potential options/opportunities for addressing this issue in Santa Clara County and consider the fiscal, economic, political, social and policy implications of each identified option/opportunity.

### **Other Issues**

Consultant will also consider ongoing and emerging issues, including status of water quality issues in the southern part of Santa Clara County (e.g. septic system concerns, nitrates, perchlorate, etc.); water availability during multi-year droughts, capacity of water systems to fight wildfires (i.e. water supply, flow rate, hydrants, etc.), implications of sea level rise on water service and wastewater service, and stormwater management; and rising demand for water for data centers.

## **IV. SERVICE REVIEW TASKS OVERVIEW**

The Countywide Water & Wastewater Service Review will be conducted in accordance with LAFCO's Service Review Policies (adopted August 6, 2025). It is expected that the service review will begin in February 2026 and be conducted over the next 12 months or so. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement and will be based on the following key steps, although other activities may be necessary:

### **1. Kick-Off & Stakeholder / Public / Community Engagement and Outreach**

- Attend kick-off meetings with LAFCO staff and Technical Advisory Committee (TAC).
- Develop a community engagement and outreach approach for the service review, consisting of meetings, surveys, etc.

- Conduct up to three (3) public workshops on LAFCO's Countywide Water and Wastewater Service Review to engage the community and receive input on water, wastewater, and stormwater related issues/concerns.
- Prepare summary memos of input received at each meeting and in the survey.
- Consider the findings and recommendations of prior service reviews for the affected agency or service area and consider the affected agency's implementation efforts. Prepare a memo summarizing any key takeaways and relation to current service review.

## **2. Development of Evaluation Criteria and Data Collection**

- Develop, in coordination with LAFCO staff and the TAC, appropriate criteria to be used for service evaluation and for making service review determinations, as necessary.
- Develop and present to LAFCO staff and TAC, a questionnaire or a request for information related to the evaluation categories for service reviews.
- Collect and compile necessary data from available data resources (i.e., agency websites, and other relevant sources). Create a custom questionnaire for each agency to collect any other necessary data and distribute the questionnaire to each agency for their completion.
- Conduct interviews with affected agencies as necessary to follow up on information gaps and seek clarification on matters. LAFCO staff may attend interviews when feasible.
- Compile profiles of each of the agencies using a standard format, based on the interviews and data collected and obtain a level of consistency in the data.
- Provide each agency with their agency profile for their internal review and comment, to ensure accuracy prior to analysis.

**Work Products:** Consultant must deliver to LAFCO staff a complete profile for each agency and organization.

## **3. Data Analysis and Preliminary Findings**

- Analyze data to make required determinations for each agency and to develop any recommendations, where appropriate.
- Present and discuss the required determinations and any recommendations with LAFCO staff.
- Present preliminary findings, as necessary to TAC.

**Work Products:** Consultant must deliver analysis and findings and recommendations to LAFCO staff.

#### **4. Administrative Draft Service Review Report**

- Prepare an Administrative Draft Report for LAFCO staff review, in accordance with the project schedule.
- LAFCO staff will review and provide comments on the Administrative Draft Report, in accordance with the schedule

**Work Products:** Consultant must deliver Administrative Draft Report to LAFCO staff.

#### **5. Draft Service Review Report & Community Workshops and LAFCO Public Hearing**

- Address LAFCO staff's comments and prepare a Draft Service Review Report
- LAFCO staff will distribute the Draft Report for a 21-day public review and comment period
- Conduct up to three (3) public workshops to present the Draft Report and receive input and prepare summary memos of input received at each meeting
- Provide written responses to comments received during the public review period
- Present the Draft Report at the LAFCO Public Hearing

**Work Products:** Consultant must deliver MS Word version and a PDF version of the Draft Report.

#### **6. Revised Draft Report & LAFCO Public Hearing**

- Revise the Draft Report to address comments and submit the Revised Draft Report to LAFCO staff
- LAFCO staff will distribute the Revised Draft Report for a 21-day public review and comment period
- Provide written responses to comments received during the public review period
- Present the Revised Draft Report at the LAFCO Public Hearing

**Work Products:** Consultant must deliver a MS Word version and a PDF version of the Revised Draft Report.

#### **7. Final Service Review Report**

- Following LAFCO adoption of the Service Review, prepare the Final Report.

**Work Products:** Consultant must deliver a MS Word version, a PDF version, and 3 hard copies of the Final Report.

**SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION  
COMMISSION OF SANTA CLARA COUNTY AND \_\_\_\_\_ FOR  
COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF  
INFLUENCE UPDATES**

This Services Agreement ("Agreement") is made effective \_\_\_\_\_ ("Effective Date"), by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and \_\_\_\_\_ ("Contractor") to provide consulting services for the development of a countywide service review for water and wastewater services within Santa Clara County and for sphere of influence updates for the special districts providing water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act, Government Code section 56000 et seq., LAFCO is an independent body; and

WHEREAS, LAFCO needs assistance with the preparation of a countywide service review of water and wastewater services in Santa Clara County; and

WHEREAS, Contractor has experience and expertise necessary to provide such services; and

WHEREAS, at the \_\_\_\_\_ meeting of LAFCO, the Commission delegated authority to the LAFCO Executive Officer to execute an agreement with the most qualified consultant for preparation of the countywide water and wastewater service review;

THEREFORE, the parties agree as follows:

**1. Nature of Services.**

Contractor will provide to LAFCO the services described in Exhibit A1, Scope of Services, which is attached hereto and incorporated herein by this reference. Contractor shall perform the services in accordance with the project timeline as described in Exhibit A2, which is attached hereto and incorporated herein by this reference.

**2. Term of Agreement.**

This Agreement is effective from the Effective Date to, and including, \_\_\_\_\_, unless terminated earlier in accordance with Section 4. The parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the services. Time is of the essence and Contractor shall perform its services in a prompt and timely manner within the term of this Agreement. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

**3. Compensation.**

A. Contractor will be compensated for services provided under this Agreement in accordance with the rate schedule included in Exhibit A3, which is attached hereto and incorporated herein by this reference. Contractor will complete all the work and tasks described in Exhibit A1 for an amount not to exceed \_\_\_\_\_ ("Contract Price"). Contractor shall be paid based on the rate schedule indicated in Exhibit A3, and the

percentage of sub-tasks completed monthly, but compensation and expenses shall not exceed the Contract Price or the individual sub-task amount.

B. Contractor will provide LAFCO with monthly invoices specifying the percentage of completion for each sub-task based on tasks described in Exhibit A1. Contractor shall submit its final invoice to LAFCO within thirty (30) days from the last date of providing services or expiration or termination of this Agreement and failure by the Contractor to submit a timely invoice may constitute a waiver of its right to final payment.

C. Contractor shall deliver the administrative draft report, the draft report addressing staff comments for public review and comment, the revised draft report for public review and comment, and the final report adopted by LAFCO in accordance with the project timeline provided in Exhibit A2. or as otherwise determined by mutual written agreement of the parties. If the foregoing reports are not delivered according to the timeline in Exhibit A2 or as otherwise mutually agreed or if they do not comply with the requirements in the Scope of Services, it is understood, acknowledged and agreed that LAFCO will suffer damage. As fixed and liquidated damages, LAFCO shall withhold from Contractor the payment of the sum of \$200 per calendar day for each and every calendar day of delay beyond the date that each report is due in accordance with the timeline in Exhibit A2, or as otherwise mutually agreed.

#### **4. Termination.**

A. Termination Without Cause. LAFCO may terminate this Agreement without cause by giving Contractor ten (10) days written notice. Contractor may terminate this Agreement without cause, if approved by the Executive Officer in consultation with LAFCO Counsel, in her or his sole and absolute discretion, by giving LAFCO ten (10) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon ten (10) days written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, or (d) failure to provide services in a satisfactory manner. The termination notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination with or without cause, Contractor will deliver to LAFCO copies of all Documents & Data whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided prior to termination, as solely and reasonably determined by LAFCO. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of the Agreement.

#### **5. Project Managers; Substitution**

A. Contractor designates \_\_\_\_\_ as the Contractor's Project Manager for the purpose of performing the services under this Agreement. \_\_\_\_\_ will serve as day-to-day contact for LAFCO and work directly with staff.



B. LAFCO designates the LAFCO Executive Officer as its Project Manager for the purpose of managing the services performed under this Agreement.

C. Contractor may not substitute anyone to replace \_\_\_\_\_ to serve as Project Manager without the written permission and the sole discretion of the LAFCO Executive Officer or their authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

**6. Conflicts of Interest.**

Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services.

Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest.

**7. Indemnification/Insurance.**

Contractor's indemnification and insurance obligations with respect to this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by this reference.

**8. Compliance with all Laws; Standard of Care.**

Contractor shall, during the term of this Agreement, comply with all applicable federal, state, and local rules, regulations, and laws. Contractor'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. Maintenance of Records.**

Contractor shall maintain books, documents, financial records, and other evidence pertaining to costs incurred and adequate to show that LAFCO funds paid under this Agreement were used for purposes consistent with the terms of this Agreement. These records shall be maintained and made available at all reasonable times during the term of this Agreement and for a period of three (3) years from expiration or termination of this Agreement or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this Agreement.

**10. Nondiscrimination.**

Contractor will comply with all applicable federal, state, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of

age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in providing services under this Agreement because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

#### **11. Notices.**

All notices required by this Agreement shall be given in writing and delivered email, personally, or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with this section and shall be effective upon receipt thereof.

To Contractor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To LAFCO: LAFCO Executive Officer  
777 North First Street, Suite 410  
San Jose, CA 95112

#### **12. Governing Law.**

This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California. Venue shall be in Santa Clara County or the federal Northern District of California.

#### **13. Assignment.**

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign, sublet, or transfer this Agreement or any rights or obligations hereunder without the specific written consent of LAFCO, which may be withheld for any reason. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate termination of the Agreement. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

#### **14. Relationships of Parties; Independent Contractor.**

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The

parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. LAFCO reserves its right to employ other consultants, in connection with this project or other projects. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Contractor.

**15. Entire Agreement.**

This document represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

**16. Amendments.**

This Agreement may be amended only by an instrument signed by the parties.

**17. Counterparts; Authority.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

**18. Severability.**

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect.

**19. Waiver.**

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing and shall apply to the specific instance expressly stated.

**20. Ownership of Materials and Confidentiality.**

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are

prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all sub consultants to agree in writing that LAFCO is granted a non-exclusive and perpetual license for any Documents & Data the sub consultant prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by LAFCO. LAFCO shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at LAFCO's sole risk.

B. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Contractor, be used by Contractor for any purposes other than the performance of the Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Agreement. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential. Contractor shall not use LAFCO's name or insignia, photographs of the Services, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of LAFCO.

C. Confidential Information. LAFCO shall refrain from releasing Contractor's proprietary information ("Proprietary Information") unless LAFCO's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case LAFCO shall notify Contractor of its intention to release Proprietary Information. Contractor shall have five (5) working days after receipt of the Release Notice to give LAFCO written notice of Contractor's objection to LAFCO's release of Proprietary Information. Contractor shall indemnify, defend and hold harmless LAFCO, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. LAFCO shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with LAFCO's choice of legal counsel), and hold LAFCO harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that LAFCO release such information.

**SIGNATURE PAGE FOR SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY  
FORMATION COMMISSION OF SANTA CLARA COUNTY AND \_\_\_\_\_ FOR  
COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF  
INFLUENCE UPDATES**

**IN WITNESS WHEREOF**, LAFCO and Contractor have executed this Agreement as follows:

LAFCO

Contractor

\_\_\_\_\_, LAFCO Chair  
Santa Clara LAFCO  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement: Exhibit A1 - Scope of Services  
Exhibit A2 - Project Timeline  
Exhibit A3 - Rate Schedule  
Exhibit B - Indemnification and Insurance



## **INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS ABOVE \$100,000**

### Indemnity

The Contractor shall indemnify, defend, and hold harmless the Local Agency Formation Commission of Santa Clara County (hereinafter "LAFCO"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by LAFCO. It is the intent of the parties to this Agreement to provide the broadest possible coverage for LAFCO. The Contractor shall reimburse LAFCO for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor contests its obligation to indemnify, defend and/or hold harmless the LAFCO under this Agreement and does not prevail in that contest.

### Insurance

Without limiting the Contractor's indemnification of LAFCO, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

#### A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the LAFCO Executive Officer, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by LAFCO Executive Officer. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

#### B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policyholder's alphabetic and financial size category rating of not less than A-V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the LAFCO Executive Officer.

#### C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the LAFCO Executive Officer.

#### D. Insurance Required

##### 1. Commercial General Liability Insurance

Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering commercial general liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000.00 per occurrence. If a

general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability Insurance

Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 combined single limit for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance as required by the State of California, with statutory limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor provides written verification it has no employees)*

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be endorsed to (1) be primary and shall not seek contribution from the LAFCO's coverage and (2) add LAFCO and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 and CG 20 37 (or equivalent) on the general liability policy.
4. Contractor hereby grants to LAFCO a waiver of any right to subrogation which any insurer of said Contractor may acquire against the LAFCO by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation from its insurers, but this provision applies regardless of whether or not the LAFCO has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the LAFCO for all work performed by Contractor, its employees, agents and subcontractors.
5. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.



6. LAFCO reserves the right to withhold payments to or terminate the contract with the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish LAFCO with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the LAFCO cited herein. If such bond is canceled or reduced, Contractor will notify LAFCO immediately, and LAFCO may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of LAFCO.