



City of Gridley
CALIFORNIA

Request for Proposals

FOR

COST ALLOCATION PLAN,
MASTER FEE STUDY, WITH OPTIONAL NEXUS STUDY

DEADLINE FOR SUBMISSION: JANUARY 9, 2026, BY 3:00 PM (PST).

PROJECT CONTACT:

Martin Pineda, Finance Director
City of Gridley
685 Kentucky Street, Gridley, CA 95948
[\(530\) 846-5695](tel:(530)846-5695)
mpineda@gridley.ca.us

1. BACKGROUND

The City of Gridley, California, is a quaint community of 7,342 residents located in the heart of the beautiful Sacramento Valley. Conveniently located within a few hours of the Bay Area and the Lake Tahoe/Reno area, residents have the advantage of living in a community with clean air, good water, and a rural lifestyle, while having quick access to metropolitan areas. Gridley covers 2.08 square miles.

The City of Gridley is a General Law City that utilizes the Council/Administrator form of government. Serving at the pleasure of the City Council, the City Administrator is the administrative head of the city and is responsible to the City Council for the efficient and effective administration of all of the affairs of the city which are under his or her control.

The City of Gridley is a full-service city with 70 full-time equivalent (FTE) positions. Revenues for the City are budgeted at \$25.74 million, and Expenditures are budgeted at \$25.18 million in the 2025-26 fiscal year.

The city operates on a year-to-year budget cycle focused on the Capital Improvement Program. City departments include Police, Community Services, Community Development, Public Works, City Attorney, Finance, Human Resources, City Clerk, and the Office of the City Manager. The city contracts for Engineering with Bennett Engineering, and Fire Department/Fire Suppression Services with the California Department of Forestry and Fire Protection.

2. PROJECT OVERVIEW

The City of Gridley plans to prepare a Cost Allocation Plan and updated Master User Fee Schedule. The project will involve the development of a full Cost Allocation Plan (CAP). It will be a Full Indirect Cost Allocation Plan for indirect services provided by central service providers for the City of Gridley.

The project Scope of Services will also include updating the City's Master Fee Schedule effective on July 1, 2026, which covers user fees charged by all City departments, studying additional service fees proposed by City Departments and charged by surrounding cities that are not currently part of the existing Master Fee Schedule and developing a fully burdened staff hourly rate.

The City is seeking to engage the services of a qualified professional firm experienced in Cost Allocation Plans and User Fee Studies to prepare this report.

The services for this project are anticipated to start by February 9, 2026 with a timeline that would provide for a Cost Allocation Plan and Master Fee Study to be delivered in time to be effective on July 1, 2026.

Proposals are solicited in accordance with the terms, conditions, and instructions as set forth in this Request for Proposals (RFP).

Qualified individuals, firms, contractors, consultants or entities (hereinafter "Consultant/Proposer(s)"), that meet the requirements set forth in this Request for Proposals (hereinafter "RFP") and are capable of providing the services requested are encouraged to participate.

There is no expressed or implied obligation for the City of Gridley to reimburse responding firms for any expenses incurred in preparing proposals in response to this request

3. BID REQUIREMENTS

Respondents to this RFP must submit completed proposals in electronic format by email and with the subject "Cost Allocation Plan and Master Fee Study" and the name of the proposing firm. Proposals must be received by the Finance Department, 685 Kentucky Street, Gridley CA, by 3:00 pm (PST) on Monday, January 9, 2026 and emailed to mpineda@gridley.ca.us.

The City of Gridley reserves the right to reject any or all proposals submitted. During the evaluation process, the City of Gridley reserves the right to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of the City of Gridley, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Gridley reserves the right to retain all proposals submitted and to use any ideas in proposal regardless of whether or not the proposal is selected.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted otherwise in the proposal submitted and confirmed in the contract between and City of Gridley and the firm selected.

4. SCOPE OF SERVICES

Project tasks shall include, but are not necessarily limited to, the following. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal.

Cost Allocation Plan

The Cost Allocation Plan will ensure that the City continues to have a basis for applying comprehensive overhead rates and is accurately accounting for the true cost of providing various services by each department.

The Cost Allocation Plan will assist in properly identifying overhead rates that can be used in the calculation of billable hourly rates for federal and state grants, user fees and reimbursements from other governmental agencies. This may include the following elements. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
- B. Meet with City staff and City Departments to conduct interviews as needed to gain an understanding of the City's processes and operations.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules, and regulations governing the collection of fees, rates, and charges by the City.
- D. Determine the appropriate General and Administrative overhead allocations to City activities and applicable overhead rates for use in calculating the City's Billable Hourly rates. The requirements of the model should allow for:
 - a) Additions, revisions, or removal of direct and overhead costs so that the overhead cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b) The ability of the City to continuously update the model and overhead cost allocation plan from year to year as the organization changes.
 - c) The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e., ad-hoc analysis).

- E. Report on other matters that come to your attention during your evaluation that in your professional opinion the City should consider.
- F. Present the plan to the City's project team and management group and make necessary adjustments as requested.
- G. If requested, prepare and deliver presentations to the City's Finance Director, City Administrator and the City Council to facilitate their understanding of the plan and its implications for the City.
- H. Provide the City with an electronic copy of the final comprehensive Cost Allocation Plan, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
- I. Prepare a final report and a single Microsoft Word and PDF file of the Cost Allocation Plan that can be made available to City staff. Models, tables, and graphs should be provided in Microsoft Excel as deemed appropriate. Any Cost Allocation Model revisions developed shall also be made available to the City in Microsoft Word and PDF formats, providing the ability to add, delete and/or update information as needed.
- J. Provide a computer-based model for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.
- K. Consult with City staff should the need arise to defend the Cost Allocation Plan as a result of audits or other challenges.

Master Fee Study

The purpose of the Master Fee Study is to ensure the City accurately accounts for the true cost of providing various services within City operations and to assess appropriate fees and rates, allowing the City to recover the actual costs incurred for fee-related services. Utility rate-based fees are excluded from this proposal, the City has a separate consultant for an updated Utility Rate Design. This study will provide an update to the Master Fee Schedule effective on July 1, 2026. The current Master Fee Schedule can be found on the City Website at [Master_Fees_Schedule_20253.pdf](#)

The tasks in this phase of the project may include the following elements. If the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal.

- A. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review the project schedule and answer any questions pertaining to the successful development of the study.
- B. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. Conduct a comprehensive review of the City's existing fees, rates, and charges.
- C. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules, and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, Proposition 218.
- D. Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where perhaps the City should charge, in light of the City's practices, or the practices of similar or neighboring cities.
- E. Recommend potential new fees and charges for services that the City currently provides but does not have any fees and/or charges established. Recommendations should be based on practices in surrounding cities that may charge for similar services, industry best practices, or the consultant's professional opinion.
- F. Recommend appropriate fees and charges based on the firm's analysis together with the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.
- G. Prepare a report that identifies each service fee, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service.
- H. Prepare a report that identifies the present fees, recommended fees, percentage change (including an annual percentage formula increase recommendation), cost recovery percentage, revenue impact and fee comparison with surrounding cities. This survey of rates and fees with similar cities may be presented to the City Administrator, the Finance Director and the City Council during the review and consideration of the recommended fees.

- I. Report on other matters that come to the Consultant's attention during the evaluation that, in the Consultant's professional opinion, the City should consider.
- J. Provide a computer-based model for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. The requirements of the model should allow for:
 - a) Additions, revisions, or removal of direct and overhead costs so that the overhead cost allocation plan can be easily adapted to a range of activities, both simple and complex.
 - b) The ability of the City to continuously update the model and overhead cost allocation plan from year to year as the organization changes.
 - c) The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e., ad-hoc analysis).
- K. Prepare and deliver presentations to City Staff and the City Council to facilitate their understanding of the plan and its implications for the City and make necessary adjustments as requested.
- L. Provide training to enable staff to update fees on an annual basis.
- M. Prepare a final Master Fee Study report and a single Microsoft Word and PDF file of the User Fee Study that can be made available to City staff. Models, tables, and graphs should be provided in Microsoft Excel as deemed appropriate. Any Master Fee Schedule revisions developed shall also be made available to the City in Microsoft Word and PDF format, providing the ability to add or delete and/or update information as needed.
- N. Consult with City staff should it become necessary to defend the City's User Fees as a result of any legal or other challenge.

The Consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The Consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

5. SCHEDULE AND SUBMITTAL REQUIREMENTS

5.1 *Schedule*

The following table outlines the City's proposed schedule of major activities related to the RFP distribution, proposal submission, evaluation, and selection processes. All times referenced are in Pacific Standard Time. The City reserves the right to amend the schedule, as necessary

RFP issued to prospective Proposers	November 12, 2025
Deadline to submit written questions (5:00 p.m.)	November 24, 2025
Responses to written questions	December 10, 2025
Proposal submission deadline (3:00 p.m.)	January 9, 2026
Evaluation of Proposals	Week of January 19, 2026
Interview of Top Proposers	Week of January 26, 2026
Contract Approval by City Council	February 2, 2026
Commencement of Services	February 9, 2026

The City reserves the right to adjust the above schedule, as necessary.

5.2 *Submittal Contents and Format*

1. Table of Contents

Include a table of contents that identifies the page numbers for each of the sections in the proposal. All pages must be consecutively numbered and correspond to the table of contents.

2. Cover Letter with the following information:

Title of this RFP

Name and Mailing Address of Firm (include physical location if mailing address is a P.O. Box)

Contact Person, Telephone Number, Fax Number, and Email Address

A statement that the submitting Consultant will perform the services and adhere to the requirements described in this RFP, including any addenda (reference the addenda by date and/or number)

3. Firm's Qualifications

Describe your firm and provide a statement of your firm's qualifications for performing the requested services. Identify the services which would be completed by your firm's staff and those that would be provided by sub-consultants or sub-contractors, if any. Identify any sub-consultants or sub-contractors you propose to utilize to supplement your firm's staff. Include the firm's organizational chart, including its constituent parts, and size variation of staffing levels in the past five (5) years.

4. Experience and References

Provide a summary of your firm's experience in providing these or similar services. Provide a minimum of three (3) references for projects or services similar in nature and scope that your firm's team members have completed in the last five (5) years. Include brief descriptions of the projects, dates, client names and contact persons' names, addresses and telephone numbers. Public sector references are preferred.

5. Qualification of Team

Provide a brief summary of the role, qualifications and experience of each team member and designated project manager/lead assigned to this project, including length of service with the firm and the qualifications/experience of any sub-consultant or sub-contractor staff on your project team. A project team organizational diagram and brief resume of each team member and the designated project manager/lead for each applicable category shall be included. The geographic location of the firm and key personnel shall also be identified. Any proposed sub-consultants or sub-contractors shall be listed. Include sub-consultant's and sub-contractor's assigned task(s) and experience. Full resumes may be included in the appendix.

6. Project Understanding

Based on the available information, supplemental research, field observations, and experience with similar projects, provide a narrative describing your understanding of the services requested in this RFP, your general approach, and any major challenges to achieving the City's stated goals. Include any issues you believe will require special

consideration for this project. Also identify any unique approaches or strengths that your firm may have related to this project. City staff will assess your understanding of all aspects of the project based on the overview. Please include examples of report deliverables, for both staff analysis and for public reporting

7. Project Plan

Provide a detailed discussion of your firm's approach to the successful implementation of this project. Include thorough discussions of methodologies you believe are essential to accomplishing this project. Include a proposed work schedule to accomplish all the required tasks within the desired timeline. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors. List any necessary equipment, training or installation services required.

8. Cost Proposal

Provide a total cost proposal for all services to be delivered, and a breakdown of costs delineated by tasks as described in your project plan. Include a schedule of hourly rates for all proposed staff and the amount of time each person will be devoted to this project. Define any reimbursable expenses requested to be paid by the City.

6. EVALUATION OF SUBMITTALS

6.1 *Selection Process Generally*

Proposals submitted will be reviewed by a selection committee. Proposers who have submitted the most complete and competitive proposal may be invited to an interview. The number of Proposers invited to an interview may vary depending upon the number of proposals submitted.

The City reserves the right to seek clarification on any or all proposal submittals to ensure the RFP specifications are met. Proposals may be rejected by any proposer who does not comply with the City's request for clarification.

The selected Consultant will be required to execute a City prepared contract. The contract may further refine the scope of services and will provide for the terms and conditions of employment.

The award of any contract is expressly contingent upon City Council approval and the availability of funds. City staff may not legally bind the City to a contract.

6.2 Evaluation Criteria and Scoring

The following evaluation criteria will be used to determine the most highly qualified firm(s).

- Quality of the Response (10 points)
- Experience of the Firm (25 points)
- Qualifications of the Project Staff (25 points)
- Understanding of the Project (25 points)
- Project Cost (15 points)

7. GENERAL TERMS AND CONDITIONS

7.1 Errors and Omissions

Consultants are responsible for reviewing all portions of this Request. Consultants are to promptly notify the City, in writing, if the firm discovers any ambiguity, discrepancy, omission or other error in this request. Any such notification should be directed to the City staff contact person listed on the cover page promptly after discovery, but in no event, later than five (5) working days prior to the date for receipt of submittals.

7.2 Additional Questions

Any questions regarding this request must be submitted in writing to the City staff contact person listed on the cover page at least **TEN (10) WORKING DAYS** prior to the submittal deadline. The City may share the question(s) and its response(s) with all known consultants who are considering a response to this request.

7.3 Addendum

The City may revise this request prior to the submittal deadline. The City will communicate modifications to this request by issuing an addendum. The City may extend the submittal deadline in its sole discretion.

7.4 Additional Information

In the City's sole discretion, it may contact any, all or no consultant to seek additional information about a submittal. Such additional information may include requesting that the consultant meet with the selection committee, financial information, clarification on the submittal, etc.

7.5 No Contract

This request and the selection process shall in no way be deemed to create a binding contract, agreement or offer of any kind between the City and submitting consultant. If the City selects a consultant(s) pursuant to this request, any legal rights and obligations between the successful firms, if any, and the City will come into existence only when a written contract is fully executed by the parties, and the legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the contract and any other documents specifically referred to in that contract.

7.6 No Costs to City

Each consultant submitting a response to this request agrees that it shall bear all costs and expenses associated with the preparation of the submittal, and the City shall not be responsible for any costs or expenses incurred by the consultant, under any circumstances.

7.7 Public Records

All submittals become the property of the City, regardless of whether the City enters into a contract with the consultant, and no submittals will be returned to a consultant. In accordance with California law relating to access to public records, the City may be required to publicly disclose all submitted information and materials to third parties requesting such information. At the City's sole discretion, it may delay disclosure of submittals until negotiations with the selected consultant(s) has concluded, if such disclosure would compromise the City's negotiating position. If the submitting consultant claims that any submitted information constitutes a trade secret or is proprietary, the bidder shall identify the trade secret or proprietary information in the submittal. Pricing is not considered a trade secret or proprietary information.

7.8 Award

This request does not commit the City to award a contract. The City reserves the right to accept or reject any or all submittals, to negotiate a different proposal, to split the award, to waive irregularities, and technicalities, to alter the selection process in any way, to postpone the selection process for its own convenience at any time for any reason, to waive any defects or irregularities in any submittal, to issue a new Request at any time, or to hire any consultant it deems appropriate in its sole and absolute discretion within or outside of the evaluation process.

7.9 Federal, State and Local Laws

Any consultant executing a contract with the City will be required to comply with all applicable federal, state and local laws, including without limitation state Prevailing Wage Law (Cal. Labor Code, § 1720, et seq. and § 1770, et seq), as well as California Code of Regulations, Title 8, Section 16000, et seq which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are subject to the Prevailing Wage Laws.

7.10 City Contract

A sample of the standard City professional services contract is attached as Attachment A for reference. By submitting a response to this request, the consultant represents that it is willing and able to execute the City's standard professional services contract, including but not limited to, the applicable insurance requirements.

8. OPTIONAL SERVICES – Nexus Study

8.1 *Optional Services - Consideration*

To be considered, the proposal must include a response to this section and all fees associated with the service must be clearly shown in the proposals. If the service is not available or if this service is already included in your proposal, respond as such.

8.2 *Scope of Work*

This RFP is a step in the City's procurement process to competitively acquire the desired services and products. Firms responding to this RFP shall be prepared to deliver products and perform the work necessary to provide the services described. The services consist of furnishing all labor, materials, equipment, tools, supervision, and travel necessary to complete the following task:

8.2.1 Review and Assess Current Fees, including:

- a. Police Facility
- b. Fire Facility
- c. Traffic Impact
- d. Open Space and Recreation
- e. Sanitary Sewer

8.2.2 Document Review:

- a. AB 1600 reports completed annually
- b. 2025-26 Capital Improvement Program
- c. Gridley's General Plan
- d. Gridley's Housing Element
- e. Other documents as necessary

8.3 *FINDINGS AND FEES*

Provide sufficient information, as a completed Nexus Study, and the necessary findings to help the City update the DIF program.

8.4 *Meetings*

The Proposer shall include attendance at the following meetings, as a minimum, in their proposal. Should the consultant identify a meeting they feel necessary to achieve results beyond the meetings described below, they shall describe them in their proposal. Meetings with staff can be virtual, as needed. Project meetings will consist of:

- A. Kick-off meeting between Proposer and City Staff to review objectives of the study, agree to methodology, confirm project schedule and milestones, and discuss data needs.
- B. Data collection and clarification meetings with City staff to obtain relevant information or clarify information required to complete the Nexus Study.
- C. Review findings with City staff. Proposer to provide information supporting findings and proposed fees.
- D. City Council meeting to present Draft Nexus Study and Fee Updates. Discuss methodology and findings, provide a formal presentation, answer questions, and collect input to prepare the final draft.
- E. If needed, additional City Council meeting to follow-up on the first meeting and present the final draft.

8.5 Best Practices

Recommended best practices to help ensure effective and accurate assumptions for the Nexus Study, accurate DIF collections, and efficient tracking and reporting on DIF activities as required by AB 1600 and AB602.

- A. Fee Accounting: The Proposer shall evaluate the City's current system of fee accounting and administration and recommend an improved approach, if necessary, consistent with the Mitigation Fee Act and standard accounting principles.
- B. The Proposer should evaluate the City's current reporting practices and recommend best practices for annual reports to the City Council.
- C. Fee levels may increase each year to keep pace with inflation. The Proposer should address whether the Consumer Price Index, California Construction Cost Index, Engineering News Record Construction Cost Index or another index should be preferred basis for annual increases, consistent with State law.

8.6. Report Deliverables

Prepare a DIF Nexus Study and recommend DIF fee updates for submittal to the City Council containing background information, methodology, findings, and recommendations. More specifically, Proposer shall fulfill the following requirements, as a minimum

- A. Administrative Draft: The Proposer will prepare and provide a comprehensive administrative draft, as well as technical report for each fee category, including but not limited to methodology, findings, supporting justification, recommended DIF, recommendation for the elimination/consolidation of existing fees.
- B. The consultant will document all work assumptions, analysis procedures, findings, graphics, impacts, and recommendations, with technical documentation in appendices. The administrative draft will include an executive summary and conclusion.
- C. Generally, the administrative draft will consist of a discussion of the framework, project description, applicable statutory/legal framework, methodologies used, analysis, a list of projects to fund and their prioritization by type, and fee credit methodology recommendations.
- D. The administrative draft will include strategies and options for City Council consideration, including but not limited to incentives (fee deferrals or waivers) for affordable housing production.
- E. The consultant will revise the administrative draft according to one set of consolidated comments on the draft report from City staff.
- F. Review Draft: the consultant will develop and present a draft to City Staff and The City Council meetings. The purpose of these meetings is to solicit community and stakeholder input. The consultant shall develop summary information such as visual presentations and printable handouts for these meetings that summarize the findings and analysis from the

Public Review Draft.

- G. Final Draft: After incorporating input from the administrative and review drafts, the consultant shall prepare a final report draft. The consultant will present the final study to the City Council during a public hearing and make any revisions requested by the City Council. The consultant will assist staff and participate in the presentation to Council if any additional follow-up meetings are needed to complete the adoption of the DIF.
- H. The consultant shall prepare all required public notices and draft resolutions and ordinances required for City Council public hearings related to adopting the new fees.

8.7 Additional Tasks:

If the consultant feels that additional deliverables are warranted, they must be identified in the proposal