

# **RFP Question Set #1**

## **RFP for Fiscal Condition Analysis with Five-Year and Long-Term Forecast, Fiscal Impact Analysis, and Asset Liability Management Study**

*The following questions were asked by one potential soliciting vendor. In order to ensure consistent information, these questions and answers will be published and available to all potential proposers.*

**Question #1: How did you hear about Ridgeline? Was there anyone specific that recommended us to you?**

**Response:** *Staff identified the firm through research.*

**Question #2: Insurance Requirements: Your liability insurance coverage requirement of \$2m exceeds our \$1m per occurrence / \$2m aggregate limit. Are you open to a lower insurance coverage?**

**Response:** *The Town requires \$2M per occurrence. However, you may propose a lower limit in your cover letter and request a waiver or modification. Be sure to explain your rationale and any mitigating factors (e.g., low-risk scope, strong track record, etc.).*

**Question #3: Expected Staff Time Involvement: Preparing a fiscal analysis is a very involved process – we don't just make up numbers, but do a VERY deep dive into every line item and into the heads of the executive team. We expect that each department head would need to spend at least 3-4 hours with us over a couple of very hands-on intensive planning sessions going through the numbers, in addition to reviewing several rounds of financial forecasts. Is the town's team prepared for this level of involvement?**

**Response:** *Yes, the Town anticipates active involvement, including interviews with department heads and external partners. Your expectation of 3–4 hours per department head across multiple sessions aligns with the Town's stated support.*

**Question #4: Forecast Term: In the RFP, you requested a 5-year forecast. We do not think that a 5-year forecast is sufficient for a number of reasons, including CalPERS' UAL known impacts taking 8 years to fully play out and the visibility of current trends. As such,**

**we normally do a 10-year forecast (current fiscal year + 9 years). Are you open to a longer-term forecast?**

**Response:** *Yes, the Town is open to a longer-term forecast. In fact, the RFP encourages a 15-year horizon (to 2040) for long-term planning. A 10-year forecast would be well within scope and likely welcomed.*

**Question #5: Schedule: What is your goal / expectation on the timing of project completion? Is the illustrative 16-week project schedule that you identified in item 12 of the RFP the schedule that you are trying to meet?**

**Response:** *Yes, the Town appears to be targeting the 16-week schedule. However, the RFP also asks for a “realistic schedule” in your proposal. You may propose a modified timeline if justified by scope or resource availability.*

**Question #6: Budget: Developing a detailed, realistic, and useful fiscal model is a very time-consuming undertaking. What is the Town’s not-to-exceed budget for this study? In asking this question we are trying to make sure that there is a realistic expectation on the Town’s part for the project scope.**

**Response:** *The Town is seeking cost proposal for those services and does not have a set budget at this point.*

**RFP Question Set #2**  
**RFP for Fiscal Condition Analysis with Five-Year and Long-Term Forecast, Fiscal Impact Analysis, and Asset Liability Management Study**

*The following questions were asked by one potential soliciting vendor. In order to ensure consistent information, these questions and answers will be published and available to all potential proposers.*

**Question #1:** The scope of services indicates that the Town has existing projections and is requesting validation of those projections. Does the Town wish for the selected consultant to prepare a new, Excel-based forecast model in the selected firm's existing model (taking into account information learned from the Town's prior forecasting work), or to critique the Town's existing Excel-based forecast model and make/recommend changes to assumptions, methodologies, etc. within that model?

**Response:** *The RFP indicates the Town seeks a new, transparent, staff-maintainable Excel-based model. It does not require the use of the existing model. The consultant is expected to build a new model incorporating insights from prior work.*

**Question #2:** Please clarify what is meant by "risk and opportunity matrix" in the key recommendations discussion - item 2 bullet #3 and in the scope item 6 bullet #1. Reference is also made to a "Stress-Test Pack" in the deliverables section. The provided explanation is unclear as to what is requested for both of these items.

**Response:** *The Risk and Opportunity Matrix is a strategic tool used to identify and prioritize potential fiscal risks and opportunities based on their likelihood and impact, helping decision-makers focus on the most significant threats or advantages. In contrast, a Stress Test is a scenario-based analysis that quantifies the financial impact of specific adverse events—such as a recession or natural disaster—and evaluates the organization's ability to respond through mitigation strategies like reserve use or expenditure controls. While the matrix helps determine which risks to model, the stress test shows how those risks would affect the budget and what actions could be taken in response.*

**Question #3:** The scope requests interviews with key stakeholders. Does the Town have a preference as to whether these interviews are conducted in person or via virtual meetings?

**Response:** *The RFP does not specify a preference. Either in-person or virtual interviews are acceptable. Proposers may recommend a preferred approach and offer flexibility.*

**Question #4:** Are the key stakeholders limited to the Sewer District and Fire Department, or will other stakeholders such as the Town Council or key community members be requested to be interviewed?

**Response:** *The RFP requires interviews with all Town departments and relevant external agencies. The Sewer District and Fire Department are examples. There is no mention of Town Council or community members as interviewees.*

**Question #5: Does the Town wish for the consultant's work to be limited to the General Fund and any related funds (capital-related, etc.) or to also look at other special revenue, capital projects funds, or internal service funds?**

**Response:** *The analysis should include all relevant funds that can have a material impact on fiscal condition and impact. While the General Fund is emphasized, the RFP requires reconciliation to ACFR/CAFRs and State Controller reports, which include special revenue, capital projects, and internal service funds.*

**Question #6: Reference is made in the scope to "government-wide views" of information. It is atypical in a long-term financial forecast to present data in a government-wide context similar to the ACFR. Does the Town wish for information to be presented in a government-wide context? If so, please elaborate on the desired presentation format.**

**Response:** *Yes, where applicable. The RFP requires specifying whether analyses are fund-based or government-wide, and providing crosswalks/reconciliations. Government-wide context is expected for certain elements (e.g., liabilities, reserves). Overall, the intent of the analysis is to show current and future condition to facilitate the Town's understanding of where it is and how it needs to address future fiscal condition.*

**Question #7: Does the Town currently utilize external consultants for revenue projections? If so, which consultant(s) are utilized and which revenue source(s) are analyzed by these consultants?**

**Response:** *The Town's is currently contracting with HdL Companies for Property Tax and Sales Tax consulting.*

**Question #8: Reference is made in several places in the scope to the State Controller's Report. This report is prepared in a unique format and is not normally something that is utilized for analytical purposes or financial forecasting. Please clarify if the Town desires for any information to be presented in a format similar to the State Controller's Report.**

**Response:** *No. The RFP requires reconciliation to the State Controller's Report, but not formatting deliverables in that style. The intent is to ensure data consistency, not to replicate the report's structure.*

**Question #9: Please clarify the scope element referencing pension and OPEB liabilities. Is the Town requesting the selected consultant to present alternative scenarios for pre-funding of these liabilities to the extent that the Town does not already have prefunding plans in place?**

**Response:** *The RFP requests evaluation of the Town's current approach to pension and OPEB liabilities funding. Consider the Town's current pre-funding levels, approach to paying liabilities, and its impact on current and future financial condition.*

**Question #10: Does the Town have pre-selected peer cities selected for benchmarking purposes or is the selected consultant requested to identify appropriate peer jurisdictions for comparison purposes?**

**Response:** *The RFP does not list peer cities. The consultant is expected to identify appropriate peer jurisdictions for benchmarking.*

**Question #11: Scope item 6 bullet #5 references policy options for revenue measures. Is the selected consultant expected to provide recommendations relative to revenue policy changes?**

**Response:** *Yes. The RFP includes “revenue measures (policy options)” as mitigation levers. The consultant is expected to evaluate and recommend revenue policy options with indicative fiscal effects.*

**Question #12: Will the two presentations to the Town Council and Finance Commission be in-person, or are virtual presentations acceptable?**

**Response:** *The RFP requires two public presentations but does not specify the format. Our preference is to have in-person presentations to our Town Council and Finance Commission.*

**Question #13: Will the Town's engineering staff or consultants be available to provide assistance with the rough-order-of magnitude capital cost estimates referenced in scope item 4, bullet #1 for Study #2?**

**Response:** *Yes. The RFP states the Town will provide timely access to development and fee pipelines and facilitate external partner conversations, implying engineering support will be available.*

**Question #14: Study 3 indicates we provide a stand-alone analysis of long-term funding needs for liabilities. Is the length of this study aligned with Study 2 for 20 years or is it for the entire lifecycle of all known liabilities?**

**Response:** *The RFP does not specify a fixed time horizon for the ALM Study. While alignment with Study 2 would be useful, we recommend proposing the time horizon using best practices for such a study.*

**Question #15: If a proposer intends to propose on all three elements of the proposed scope of services, is it required to prepare a separate stand-alone proposal for the ALM Study, or can the proposer provide its approach, proposed hours, and proposed fees for each of the three scope elements separately within a single proposal document?**

**Response:** *The RFP states the ALM Study must be proposed separately and not combined with Studies 1 and 2. However, it allows a single proposal document with clearly separated sections and pricing for each study.*

**Question #16: Per page 10 of the RFP, exceptions should be included with the Cover Letter (maximum 2 pages). Do exceptions count toward the 2-page limit?**

**Response:** *The exceptions to the Sample Consultant Services Agreement do not count toward the 2-page cover letter.*

**Question #17: Does the Town have a budget for this project?**

**Response:** *The RFP does not disclose a specific budget. However, cost is a stated evaluation criterion, and proposers are required to submit an itemized fee schedule. The Town is cost-conscious but has not published a fixed budget.*

**Question #18: What is the budget for each of the three scope areas?**

**Response:** *No individual budgets are provided for Study 1 (Fiscal Condition Analysis), Study 2 (Fiscal Impact Analysis), or Study 3 (ALM Study). Proposers must submit separate pricing for each study and for the combined Study 1 and 2.*

**Question #19: Does the Town expect work to be done on-site or remote?**

**Response:** *The RFP does not specify a requirement for on-site work. Interviews, presentations, and training are required, but the format (in-person or virtual) is not mandated.*

**Question #20: Does the current forecast model include all of the data described in the Scope of Work for Study #1?**

**Response:** *The RFP mentions existing internal five-year projections but does not confirm whether the current model includes all required data. The consultant is expected to collect, validate, and reconcile all data elements listed in the scope.*

**Question #21: For Study #1, is the Town looking for a new model or an update of the existing model?**

**Response:** *The Town is seeking a new, transparent, staff-maintainable Excel-based model. The RFP does not require use of the existing model and emphasizes building a new model aligned with GAAP, GFOA, and State Controller standards.*

**Question #22: Scope of Funds – Study 1. The RFP describes a fiscal condition analysis with five-year and long-term forecasts, with reconciliation to ACFR/CAFRs, budgets, and State Controller reports. Could the Town clarify whether Study 1 should focus exclusively on the General Fund, or whether it should encompass all operating funds (e.g., special revenue, internal service) with emphasis on General Fund condition?**

**Response:** *Study 1 should not be limited to the General Fund. The RFP requires reconciliation to ACFR/CAFRs, budgets, and State Controller reports, which include all operating funds. The model should emphasize the General Fund but also incorporate special revenue, internal service, and other relevant funds. Overall, the intent of the analysis is to show current and future condition to facilitate the Town's understanding of where it is and how it needs to address future fiscal condition.*

**Question #23: Scope of Funds – Study 2. For the Fiscal Impact Analysis, should the focus be limited to General Fund revenues and expenditures arising from new growth, or would the Town like the study to also consider special revenue, capital projects and/or internal service funds (e.g., CDBG, L&L, Capital Projects funds such as storm drain basin, construction tax and gas tax) where development may trigger operating or capital costs?**

**Response:** *The RFP indicates that the Fiscal Impact Analysis should not be limited to the General Fund. It explicitly references capital cost estimation and infrastructure demands from new growth, including special revenue and capital project funds. These should be included where development triggers costs.*

**Question #24: Integration of Studies 1 and 2. The RFP indicates the Town may request these studies separately or in combination. Given that the fiscal model will be designed to support multiple scenario analyses and impacts, should the Town's preference be for (a) an integrated**

project that produces a single dynamic model and report addressing both fiscal condition and development impacts, or (b) two separate analyses with distinct deliverables?

**Response:** *The RFP allows for both options but encourages integration. It states that the consultant shall deliver a unified analysis with shared assumptions and harmonized formats. Therefore, the Town appears to prefer option (a): a single dynamic model and report.*

**Question #25: Long-Term Outlook (to 2040).** For the long-term projection element, is the Town seeking a high-level trend outlook beyond the five-year forecast (e.g., simplified assumptions tied to the General Plan horizon), or a fully developed long-range forecast model with scenarios and stress testing similar to the five-year horizon?

**Response:** *The Town is seeking a fully developed long-range forecast model. The RFP calls for scenario-based forecasts through 2040, aligned with the General Plan and Housing Element, and includes stress testing and sensitivity analysis.*

**Question #26: Deliverable Design.** Should the financial model be designed primarily as a technical tool for Finance staff to update annually, or would the Town prefer it to be accessible to elected officials and Finance Commission members in a simplified form (e.g., scenario toggles, dashboards)?

**Response:** *The model should serve both purposes. The RFP requires a staff-maintainable model with scenario toggles, dashboards, and user guides, indicating it should be technically robust for staff.*

**Question #27: Development Assumptions – Study 2.** Will the Town provide a consolidated set of development assumptions (from the General Plan, Housing Element, and project pipeline) as the foundation for the fiscal impact analysis, or should the consultant prepare baseline assumptions subject to staff validation?

**Response:** *The Town will support access to development assumptions, but the consultant is expected to prepare baseline assumptions and collaborate with staff for validation, as part of the stakeholder engagement and assumption governance process.*

**Question #28: Stakeholder Engagement Expectations.** The RFP notes stakeholder interviews with staff and external partners (e.g., Sewer District, Fire Department). Does the Town anticipate a limited number of targeted interviews (e.g., department heads), or a broader engagement process that includes community groups, developers, or other external stakeholders?

**Response:** *The RFP specifies interviews with internal staff and external partners (e.g., Sewer District, Fire Department). The targeted engagement process focused on departments and key agencies.*

**Question #29: Presentation Deliverables.** The RFP requires at least two public presentations (Finance Commission and Council). Should we also budget for staff workshops or one-on-one briefings with Council members, or will Town staff handle those internally?

**Response:** *The RFP requires two public presentations and staff work sessions as needed. It does not require one-on-one Council briefings, but you may offer them as optional services in your proposal.*

**Question #30: Technology & Tools.** The RFP asks for disclosure of AI or advanced analytics. Does the Town have a preference for traditional Excel-based models (staff-friendly) versus more advanced tools (dashboards, Power BI, etc.), or should we recommend what's most practical for long-term use by Finance staff?

**Response:** *The Town does not express a strict preference. The RFP emphasizes long-term usability by Finance staff and requires disclosure of tools and AI. The Proposals are encouraged to recommend the most practical solution, balancing technical rigor and usability.*

**Question #31: Scope Comments and Methodology / Timeline and Work Plan.** These two sections seem to overlap; one requests description of our approach, milestones, deliverables, etc., while the other asks for a schedule (no mention of the work plan in this section except for in the title). Could you elaborate on what you want to see where? Or can we combine these two sections with a robust explanation of what, when and how we intend to carry out these projects?

**Response:** *Yes, the proposal may combine these two sections. The RFP requests a description of the approach, tools, milestones, QA/QC, and deliverables under "Scope Comments and Methodology," and a realistic schedule under "Timeline and Work Plan." A single, well-organized section that clearly outlines what, when, and how you will deliver the work is acceptable and likely preferred.*