



Proposal

Develop and Manage the Process to Select a Single Medical Cannabis Dispensary in San Leandro

RFQ No. 53548

June 16, 2014

Submitted to:

San Leandro City Manager's Office
Attn: Eric Engelbart, Assistant to the City Manager

Submitted by:

ICF Resources, L.L.C.
620 Folsom Street
San Francisco, CA 94107

This proposal includes data that shall not be disclosed outside the San Leandro City Manager's Office and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal, except as required by public disclosure law. If, however, a contract is awarded to this offeror as a result of—or in conjunction with—the submission of these data, the San Leandro City Manager's Office shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the San Leandro City Manager's Office's right to use information contained in these data if it is obtained from another source without restriction. The data subject to this restriction are contained in this volume and its appendices and attachments.

A. STATEMENT OF QUALIFICATIONS AND INTEREST

In December 2013, the City of San Leandro approved a medical cannabis regulatory ordinance to facilitate the approval, regulation, and operation of a medical cannabis dispensary. The ordinance, in conjunction with the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (August 2008), imposes strict zoning, security, and operational requirements. Unlike several nearby Bay Area communities that have medical marijuana programs with limited regulatory authority (such as San Jose, San Francisco, and Oakland), San Leandro has appropriately chosen to set more restrictive requirements that will protect public safety while providing patients access to high-quality medical cannabis. Some communities in the Bay Area that have had dispensaries for several years are now tightening local requirements, as evidenced by the recent decision by the San Jose City Council to pass a restrictive set of zoning rules for medical marijuana businesses, which will force many dispensaries to close. As demonstrated in this proposal, ICF International (ICF) brings directly relevant application processing experience on highly visible projects, including the Medical Marijuana Program in Massachusetts, one of the most highly regulated and restrictive programs in the United States.

The ICF Advantage

- ✓ Unique experience on highly regulated Massachusetts Medical Marijuana Program application process
- ✓ Relevant experience in publicly-sensitive state and federal application programs
- ✓ Multidisciplinary technical expertise in financial, regulatory, public health, safety, security, environmental, and community outreach projects
- ✓ Committed local team having extensive experience with many California communities, backed by a broad national perspective.
- ✓ Deep staff expertise with more than 4,500 total ICF staff, including over 400 staff based in 12 California offices.



Since 1969, ICF has been serving government at all levels, major corporations, and multilateral institutions. ICF currently has more than 4,500 employees serving these clients from over 60 offices worldwide. We have over 400 staff working from 12 offices in California, including three Bay Area offices (San Francisco, San Jose, and San Rafael). These and other ICF staff bring expertise across a wide array of subject areas, including medical marijuana, program implementation, application review, business plan analysis, public health, safety and security, community outreach, and stakeholder facilitation. Approximately one-quarter of our company serves the environmental and public health sectors.

ICF brings time-tested program and application support procedures that we can adapt to San Leandro's needs to identify regulatory requirements and develop a rigorous two-phase application process. Our qualifications also highlight Bay Area projects that demonstrate our understanding of working, communicating, and meeting the needs of our local clients. In addition to our current support of the Massachusetts Medical Marijuana Program, ICF has worked with municipal clients across the country to develop scientific technical reports and implement statewide and municipal public health and emergency management exercises. We have also worked directly with several California municipalities, including the City of Livermore, Alameda County, the City and County of San Francisco, and many more.

Project Experience

The project descriptions below illustrate our demonstrated experience supporting municipalities with program and application support, specifically related to medical cannabis regulations; working with local stakeholders and facilitating public meetings; and our expertise as it relates to product safety and security, broadly and related to medical marijuana. We bring local California expertise as well as a broader, national perspective. Our prior application review and protocol development work on similar medical cannabis programs makes the ICF team exceptionally qualified to support San Leandro. Each project below highlights the specific areas of demonstrated experience required in the RFP.

Evaluation of Medical Marijuana Dispensary Applications, Massachusetts Department of Public Health. ICF supports the Phase 2 medical marijuana dispensary application review process of the Massachusetts Medical Use of Marijuana Program. We provide a broad range of activities to assist DPH in evaluating the most qualified applicants for registration as medical marijuana dispensary, cultivation, and processing facilities. ICF's tasks have included expert panel review of approximately 100 applications in technical areas that span corporate structure, financial management, cultivation, security, operations, drug diversion, patient access, and communications; review of tax returns and credit reports for several hundred individual applicant team members; GIS and mapping support; score report development; coordination and facilitation of Selection Committee meetings; and litigation support. ***Demonstrated Experience Areas: a, b, c, d, e, f, g***

Development of Protocols for Registered Medical Marijuana Dispensaries, Massachusetts Department of Public Health. ICF is supporting the Massachusetts DPH in the development of protocols related to the cultivation, processing, and retail operations of Registered Marijuana Dispensaries (RMDs) in Massachusetts. The protocols are being developed to ensure that RMDs are providing safe medical marijuana products to the public and are routinely monitored through a rigorous inspection and compliance program. Specifically, ICF is developing required and recommended procedures for the testing of soil and water used in marijuana cultivation for contaminants; testing of finished marijuana plant materials (e.g., buds), edible products, and other marijuana-infused products (MIPs) for cannabinoid content and contaminants; and the inspection of RMD cultivation and processing operations. ***Demonstrated Experience Areas: a, b, c, d, f***

Application Review and Economic Impact Analysis of Immigrant Foreign (EB-5) Investors, U.S. Citizenship and Immigration Services. ICF supported the U.S. Citizenship and Immigration Services (USCIS) with application review and analysis for more than two years. Eight ICF economists worked on-site at USCIS's California Service Center, providing application review and economic analyses in support of the immigrant investor EB-5 visa program. Our team was responsible for reviewing the business plans, validating the economic impact analysis components of the application, and recommending a course of action to USCIS adjudicators. ICF also participated in stakeholder forums with hundreds of applicants to respond to questions on behalf of USCIS about the program. ***Demonstrated Experience Areas: a, d, e, h***

Survey of Privatization of Spirits and Legalized Cannabis in Washington State. In November 2011, the State of Washington approved legislation that ended the state's monopoly of spirits sales and removed a number of state regulations related to distribution and pricing. Washington is the first state in the country to fully privatize both the distribution and retailing of spirits. Both

prices and availability of spirits increased significantly after privatization. ICF is currently tracking the implementation of regulations, revenues, and prices, and using cross-sectional and longitudinal surveys of Washington drinkers and residents age 18 and older to evaluate changes in drinking, purchasing, problems, and experiences following privatization. ICF's survey is also looking at the recent legalization of recreational marijuana, which Washington voters approved in 2013. The ballot initiative, known as Proposition 502, called for the regulation and taxation of marijuana products for adults age 21 and over and created a threshold for driving under the influence of marijuana. ***Demonstrated Experience Areas: a, b, d, g***

California Lower Emission School Bus Program, California Air Pollution Control Officers Association. ICF helped CAPCOA and ARB administer the Lower-Emission School Bus (LESB) Program, which is a California grant program that provides Proposition 1B funds to purchase new public school buses to replace old, high-emitting school buses or to retrofit existing school buses. ICF assisted CAPCOA and ARB with implementing the Program for 16 California air districts that were too small to administer the program themselves. As part of this effort, ICF provided technical assistance related to retrofit technology and associated engine operation and maintenance, developed outreach materials, conducted instructional workshops about eligibility for the Program, conducted ongoing outreach to over 200 California school districts, and responded to questions about the program via a Helpline. In addition, ICF developed an outreach plan and facilitated a number of workshops throughout California. ***Demonstrated Experience Areas: a, d, e, h***

Louisiana Road Home Program (LRHP) Grant Application Management Program Support, Louisiana Office of Community Development. ICF managed implementation of Louisiana's Road Home Housing Program, a federally funded \$10 billion dollar CDBG program—the largest single housing recovery program in U.S. history. The ICF Team, including 35 subcontractors, administered the application process and made eligibility and assistance determinations in accordance with state guidelines. In just 2.5 years, ICF assisted 125,000 people and provided more than \$6 billion dollars to homeowners whose homes were destroyed or damaged by hurricanes Katrina and/or Rita. ***Demonstrated Experience Areas: a, d, e, h***

Application Review Support to Department of Energy Office of Energy Efficiency and Renewable Energy. ICF supported the Department of Energy (DOE) in processing and reviewing Energy Efficiency and Conservation Block Grant (EECBG) Program and State Energy Program (SEP) grant applications that were funded by the American Recovery and Reinvestment Act (ARRA). ICF assisted in making National Environmental Policy Act (NEPA) determinations and in managing and preparing Environmental Assessments (EA) for projects that include solar photovoltaic systems, wind farms, single wind turbines, geothermal systems and ground source heat pumps, biomass systems, industrial energy efficiency retrofits, anaerobic digesters, biorefineries, and other renewable energy projects. ***Demonstrated Experience Areas: a, d, h***

San Francisco Economic Development Plan, City and County of San Francisco. ICF conducted San Francisco's first ever Economic Strategy. Phase I of the project was an economic performance analysis that assessed key changes in the city's population, industrial composition, income distribution, regional patterns of transportation and economic development, and other socioeconomic outcomes. Phase II included a targeted industry assessment using innovative data techniques to identify industries that were positioned for reasonable future growth, produced good jobs at every education level, and created a positive fiscal impact for the city. In Phase III, each targeted industry was studied to determine the local business factors that

were encouraging or retarding growth. Lastly, ICF conducted a nationwide review of economic and workforce development programs to identify best practices to guide the city's policy agenda.

Demonstrated Experience Areas: a, d, e

Bay Area Council Global Competitiveness Initiative, Bay Area Council. ICF supported the Bay Area Council (BAC) in the development and design of its Bay Area Global Competitiveness Initiative. ICF provided structural and process framework, briefings on best practices and comparative cases, and workshops with executive staff on internal directions and external options. ICF delivered a keynote presentation on the case for Bay Area global competitiveness at the BAC annual board meeting. **Demonstrated Experience Areas: a, d, e**

El Charro Specific Plan Environmental Services, City of Livermore, CA. ICF provided environmental permitting, mitigation design, mitigation implementation, and construction monitoring for the City of Livermore's El Charro Specific Plan. The plan includes a 240-acre business/commercial park in western Livermore. Key issues included traffic along the existing congested I-580 corridor, construction within 100-year floodplain, biological issues associated with Arroyo Las Positas, compatibility with adjacent quarry use, and cultural resources. ICF obtained all environmental permits for the project, including with the USACE, USFWS, San Francisco RWQCB, and CDFW. **Demonstrated Experience Areas: a, d**

U.S. Department of Agriculture (USDA), National Organic Program (NOP). ICF provides technical support to the NOP and the National Organic Standards Board (NOSB) as they maintain a National List of Allowed and Prohibited Substances for use in organic crop and livestock production and organic handling. ICF prepares technical data summaries on substances that are petitioned for inclusion on the National List or are the subject of five-year sunset reviews. To date, ICF has prepared approximately 50 Technical Reports and Supplemental Technical Reports. **Demonstrated Experience Areas: a, d**

San Francisco Cleantech Cluster Strategy, San Francisco Planning and Urban Research Association (SPUR); PG&E. Under sponsorship from the San Francisco Planning and Urban Research Association (SPUR) and Pacific Gas and Electric (PG&E), ICF conducted a study of emerging clean technology sectors in the San Francisco Bay Area. We developed a high-level competitiveness strategy to help guide the San Francisco Mayor's Office of Economic and Workforce Development in its efforts to support local firms in capitalizing on business opportunities. **Demonstrated Experience Areas: a, d, e**

Altamont Pass Pipeline and Altamont Water Treatment Plant Environmental Services, Zone 7 Water Agency, Alameda County, CA. ICF provided CEQA compliance, permitting, and mitigation development for the Zone 7 Water Agency. ICF prepared an EIR for an 11-mile water delivery pipeline from the Altamont Pass into Livermore. The project included evaluation of alternatives by corridor and by reach. Key areas of environmental concern evaluated included sensitive biological resources such as wetland and habitat for listed species, construction traffic delays and detours, cultural resources, and noise. **Demonstrated Experience Areas: a, d**

EPA's Office of Pesticides Programs (OPP), Antimicrobial Division (AD): ICF provided technical support related to risk assessment under a five-year, \$9M contract by performing technical review and evaluation of study data in areas of toxicology, ecotoxicology, environmental fate, human exposure, residue chemistry, and risk assessment for antimicrobial pesticide substances (e.g., disinfectants, antibacterial hand cleaners, wood treatment chemicals, cooling water additives) undergoing registration or re-registration review.

Demonstrated Experience Areas: a, d, f

B. ICF'S RESOURCES

The ICF Team is comprised of advance-degreed professionals with proven project management success, direct medical marijuana application processing experience, and the multidisciplinary technical expertise necessary to ensure a rigorous, consistent, and unbiased evaluation of dispensary applicants. ICF staff bring knowledge in relevant fields, including medical cannabis, application processing, public health, finance and economics, law, security, risk assessment, and community outreach. Every one of our team members has supported application review or protocol development projects related to medical cannabis dispensaries.

ICF's Project Manager for this work will be **Will Cooper**, who brings ten years of experience in application processing, economic analysis, and regulatory program evaluation. He recently managed a California-based team of ten analysts and economists conducting application and business plan review for the high-profile EB-5 immigrant investor program under the U.S. Citizenship and Immigration Services (UCSIS). The program involved the review and scoring of more than 500 applicants and extensive stakeholder engagement. Mr. Cooper also served as a subject matter expert (SME) related to corporate experience, staffing, and proposed business plans of 100 dispensary applications under the Massachusetts medical marijuana program.

Eliza Johnston, PMP, Deputy Project Manager, brings a decade of economic, policy, and financial analysis experience for municipal, state, and federal clients, including significant stakeholder engagement support. She has extensive experience working with municipal governments, including the cities of San Francisco, Fremont, and Berkeley in the Bay Area. She served as the Program Manager for the USCIS application review program and the Deputy Project Manager for the Massachusetts medical marijuana application review project. For the latter, she provided client support and project direction, served as an SME for finance, business management, and staffing topics, and facilitated several Selection Committee meetings and discussions with the Executive Director related to applicant selection.

The ICF team also includes a multidisciplinary team of **SMEs** who will support the development and scoring of the pre-qualification and RFP applications. **Dean Gouveia, J.D.** is an attorney with experience in municipal and property law, as well as a chemist with 28 years of expertise in public health risk analysis, regulatory compliance, agronomy field studies, and laboratory auditing. **Steve Danielczyk**, a Certified Industrial Hygienist (CIH) and Certified Safety Professional (CSP), has 27 years of experience in emergency preparedness and security and served as an SME for public safety, emergency management, and incident response aspects of the Massachusetts medical marijuana program. **Kevin Palaia, PG**, has 20 years of experience in environmental, health, safety, and compliance auditing and currently leads ICFs work in developing dispensary inspection protocols and protocols for testing grow media, finished marijuana and marijuana-infused products (MIPs). **Josh Cleland** has 23 years of expertise in chemical exposure and risk assessment, organic agriculture, food production, environmental science, and medical marijuana regulation. **Bryan Luukinen** has eight years of experience in the areas of pesticide toxicology, food safety, environmental health science, and risk assessment.

We have purposefully identified a broad and deep range of SMEs to allow the necessary flexibility to adjust to the City's needs and to adapt to the specific review requirements of the pre-qualification and RFP applications as they are developed. The table below and attached resumes (Appendix A) provide additional qualifications of each of ICFs proposed staff.

Summary of ICF Staff

ICF Staff Member	Role	Highest Degree (Years Experience)	Expertise/Qualifications
Will Cooper	Project Manager	M.S. Economics (10 years)	<ul style="list-style-type: none"> Experienced project manager, successfully led multiple client assignments >\$1MM, including USCIS immigrant investor application program SME on MA Medical Marijuana Application Review program Expertise in business plan review, financial analysis, application processing, and regulatory analysis Experienced in stakeholder engagement and community outreach
Eliza Johnston, PMP	Deputy Project Manager	M.S. City and Regional Planning/Economic Development (10 years)	<ul style="list-style-type: none"> Experience with municipal facilitation and community/public outreach for several CA municipalities Deputy project manager of MA Medical Marijuana Application Review program; SME related to business plan review, financial analysis, application processing, economic modeling Facilitator of RMD Selection Committee meetings
Dean Gouveia, JD	Subject Matter Expert	J.D., B.S. Chemistry (28 years)	<ul style="list-style-type: none"> Project manager of MA Medical Marijuana Application Review program; SME on zoning, legal, and cultivation aspects of review; serves as technical lead on MMJ protocol development Designed sampling and analysis programs for a variety of programs and federal and state agencies Audited hundreds of sample collection events, analytical laboratories, and facilities
Steve Danielczyk, CIH, CSP	Subject Matter Expert	M.S. Public Health in Industrial Hygiene (27 years)	<ul style="list-style-type: none"> Certified Industrial Hygienist and Environmental Health and Safety expert Experience with MA Medical Marijuana Regulations as subject matter expert on public safety, emergency response, and security ICF Corporate Safety, Health, and Security Officer
Kevin Palaia, PG	Subject Matter Expert	M.S. Hydrology/ (20 years)	<ul style="list-style-type: none"> Leads medical marijuana testing protocol development for MassDPH Leads environmental audit and inspections for EHS, due diligence, liability assessment, and compliance Provided senior oversight of the MA Medical Marijuana Application Review; SME for corporate structure, business plan, RMD staffing, and cultivation
Joshua Cleland	Subject Matter Expert	M.E.M. Resource Economics and Policy (23 years)	<ul style="list-style-type: none"> Experience with developing protocols relate to testing of soil, water, medical cannabis, edibles, and MIPs Designed and managed environmental quality, food safety, and regulatory policy analyses for FDA and other government agencies Leads ICF's work for USDA National Organic Program on use of organic pesticides in agriculture and food products
Bryan Luukinen	Subject Matter Expert	M.S.P.H. Environmental Sciences and Engineering (8 years)	<ul style="list-style-type: none"> Experience with developing protocols related to testing of soil, water, medical cannabis, edibles, and MIPs Evaluated impact of chemicals, including pesticides, on human health; lead author of NOP technical advisory reports
Caitlin Churchill	Project Coordinator	B.S. Civil Engineering (4 years)	<ul style="list-style-type: none"> Coordinated logistics related to review, scoring, and documentation for 100 dispensary applications under MA Medical Marijuana program Data specialist with expertise in compiling and evaluating large volumes of environmental, energy, and public health data

C. PROPOSED SCOPE OF SERVICES

The ICF approach described below effectively delineates the work outlined in the RFQ into three key task areas:

- **Task 1: Project Planning and Management**
- **Task 2: Pre-Qualification Support**
- **Task 3: RFP Support**

Given the critical nature of the work, changes in approach may be necessary to respond to unexpected circumstances or submittals. Changes in strategy and approach may be requested by the City, or proposed to the City by ICF. In all cases, ICF will only work according to the current proposal or revised direction as agreed to by the City. However, for the purposes of our proposal, we have made task-specific assumptions that are described further below and in Section E (Cost Proposal) and Appendix B (Cost/Price Narrative).

Based on ICFs similar experience on other application processing programs, we have also provided the City with an Optional Task 4 (Ad Hoc Support), which includes potential support that the City may need during this process. The activities described under Optional Task 4 are not included in our Cost Proposal presented in Section E.

Task 1 – Project Planning and Management

The project planning and management task includes all planning from contract award through project completion, starting with any planning and meetings that may occur during the period prior to the development and solicitation of the pre-qualification application. The planning task includes support activities, such as project management, meetings, administration, and invoicing that will span the project period. Specific planning activities are assumed to include:

- ***Kickoff Meeting:*** ICF will meet with the City's interdepartmental team to establish communication, collaboration, schedule, and deliverable guidance and requirements. ICF encourages open and honest communication so that the most efficient and effective resolution to any opportunity or challenge that arises can be achieved.
- ***Develop Required Scope, Staffing Plan, and Milestones to Meet the City's Schedule:*** ICF and the City will consider specifically which steps will be required for both the pre-qualification review stage as well as the RFP review stage, verify regulatory requirements, and set due dates.
- ***Project Administration and Management:*** This includes internal coordination meetings, project startup activities, routine status or progress calls with the City throughout the course of the project, management, invoicing, and project closeout.
- ***City Council Meeting:*** ICF will prepare for and present at up to two (2) City Council meetings.

Task 2 – Pre-Qualification Support

ICF understands that the City desires to have a two-stage RFP process. The first stage of this process (Task 2) will include a pre-qualification process, including the development of a pre-qualification application, development of a fee structure, performing a review of the submitted applications, and making recommendations to the City about which applicants should be invited to submit a full application. The pre-qualification application review methodology will include, but not be limited to, evaluations of the proposed dispensary location, individual or company's experience operating medical marijuana dispensaries, access to capital, and the applicant's proposed business plan, among other factors as agreed upon by ICF and the City.

2.1 Develop Pre-Qualification Application, including Setting Fee Structure

ICF will use its experience evaluating medical marijuana dispensary applications to develop a pre-qualification application that solicits the requisite information from applicants. We are aware of common issues encountered by agencies in conducting application evaluations, and we will design and develop the pre-qualification application to minimize these issues. ICF will review the City's existing Medical Cannabis Dispensary regulatory requirements (Ordinance 2013-020, Chapter 4-33 Medical Cannabis Dispensary Permits), the California Attorney General's *Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use* (August 2008), and applications from other California municipalities to identify the most appropriate pre-qualification application questions and evaluation criteria.

Specific application questions related to the following areas may be appropriate for inclusion in the pre-qualification application:

- **Location:** The location of the proposed facility to ensure that it is in one of the City's industrial or commercial districts; is not located within 1,000 feet of a school, library, youth center, park, recreation facility, or place of religious worship; and is not within 500 feet of a residential zone. To support this evaluation, ICF will develop a basic GIS map to illustrate which potential areas within the City are eligible to site and operate a dispensary in accordance with the local requirements.
- **Experience:** The experience of the proposed dispensary management team to determine if they have the requisite managerial, cultivation/agricultural, and medical experience to safely, responsibly, and successfully start and manage the operations of a medical cannabis dispensary.
- **Access to Capital:** The availability of start-up and operational capital to the applicant.
- **Proposed Business Plan:** The feasibility and reasonableness of the proposed business plan.

ICF will develop a draft list of potential pre-qualification questions and evaluation criteria. We will provide the draft list to the City's interdepartmental team and then convene a meeting to discuss and agree upon a final list, including any additional evaluation questions and criteria as well as the relative importance of each in the pre-qualification stage. We have assumed that the pre-qualification application will include approximately 10-15 questions and their associated evaluation criteria. We will develop the pre-qualification questions to be mutually exclusive, comprehensive, and not overly onerous for the pre-qualification stage. This will permit the City

to select from a large pool of qualified applicants with financially and economically feasible business development plans.

Setting Fee Structure

ICF will assist the City in developing a fee structure for the pre-qualification application to recover the City's costs in reviewing dispensary applications. The City desires to minimize the burden on taxpayers. ICF will work with the City to determine the likely level of interest in the local medical cannabis dispensary market, as well as application and permit fees in several nearby Bay Area municipalities currently hosting dispensaries, such as San Francisco, Oakland, San Jose, Alameda, Danville, Pacifica, and San Mateo. The number of potential applicants as well as fee precedent set in surrounding communities will be used to determine the most appropriate fee schedule for San Leandro. The expectation is that the revenue generated by the pre-qualification application will support additional services associated with the RFP application.

2.2 Conduct Pre-Qualification Application Review

This task includes all activities associated with the review and documenting the results of the pre-qualification applications. For the purposes of our cost estimate, ICF assumes that the City will receive and ICF will review up to 10 pre-qualification applications. Specific review activities will include the following:

- **Conducting Compliance Review of Application:** Upon receipt of the submitted applications from the City, ICF will conduct a compliance check to verify that all information required by the pre-qualification solicitation is included. This review will serve to ensure that the application is complete, required page limits are met, and the proper fee payment is included. ICF will work with the City to determine if applicants are to be disqualified from the process if they do not pass the compliance review step, or if applicants will be given the opportunity to provide any missing information.
- **Pre-qualification Application Review:** Two (2) ICF subject matter experts will review each of the 10 applications received. Reviewers will independently evaluate each application against the pre-determined evaluation criteria agreed upon with the City. Following their independent evaluation, the reviewers will convene to discuss the merits of each application.
- **Results and Recommendations:** All reviewer results will be compiled and consolidated into a single results spreadsheet to allow for comparison of all submitted applications. The results spreadsheet will include space for comments from each reviewer. The final results spreadsheet will be provided to the City, as well as recommendations regarding which of the pre-qualification applicants should be invited to submit a full proposal pursuant to the RFP.

Deliverables

- Draft and Final Pre-Qualification Application, including fee structure
- Evaluation criteria describing how each pre-qualification application and question will be reviewed
- Results spreadsheet and recommendations resulting from the reviews of each pre-qualification application

Task 3 – RFP Support

Task 3 will consist of the second stage of the dispensary selection process. The activities performed under Task 2 will provide the City with a list of pre-qualified applicants with strong qualifications in terms of appropriate location, experience operating medical marijuana dispensaries, access to sufficient start-up and operating capital, and proposed business plan, among other factors as agreed upon by ICF and the City. These pre-qualified applicants will be invited to submit a full proposal in response to an RFP.

3.1 Develop RFP Application, including Setting Fee Structure

ICF will use Chapter 4-33 of the San Leandro Municipal Code and the California Attorney General's *Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use* (August 2008) as a framework to develop the RFP application questions, as well as the evaluation criteria and scoring matrix that will be used in the application scoring process. The scoring matrix will define the numeric rating scale (and relative question weighting) used to score each question based on the strength of the applicant's response. To ensure transparency throughout the process, ICF would recommend that the City include the evaluation criteria and scoring matrix in the RFP so that it is clear to the applicants how the scoring process will work.

Specific application questions related to the following areas may be appropriate for inclusion in the RFP:

- **Facility and Operations:** The proposed facility location and demonstration that it conforms to the specifications outlined in the City's municipal code. Description of proposed dispensary operations and operating standards to verify that they meet the minimum performance standards set out in the City's municipal code.
- **Security Plan:** Security plan and protocols to be implemented, including but not limited to high-definition security cameras and recording equipment, fire and burglar alarms, security guards on duty during operating hours, after-hour dispensary security, among others as determined by our security experts.
- **Employee Training and Annual Training:** Description of the proposed employee training programs and annual training requirements, including security, product education for patient awareness, and legal and regulatory standards, etc.
- **Patient Tracking Protocol:** The proposed patient tracking procedures, including methods for providing patient purchase history data to dispensary operators and enforcement.
- **Product/Inventory Management:** Proposed product and inventory management plan, including demonstration of conformance to the product requirements set out in the City's municipal code and description of data management systems used for inventory and recordkeeping.
- **Recordkeeping:** Proposed plan to maintain dispensary records in a responsible and confidential manner pursuant to the California Health and Safety Code, including descriptions of the use of patient/caregiver's identification numbers, periodic reporting to the City of patient visits and products for sale, transaction records, and patient complaints.
- **Other:** ICF will discuss with the City whether additional questions warrant inclusion in the RFP, such as the applicant's financial viability, the management team's prior experience

in running businesses (including medical cannabis and healthcare-related businesses), efforts to secure municipal support of the proposed dispensary, planned community outreach activities, and others.

The RFP will also explicitly inform applicants that a criminal background check of proposed management team and dispensary employees will be required as part of the selection process. The actual criminal background clearance activities are not within the scope of this contract, and will be handled by City staff internally or via a third party.

ICF will develop a draft list of potential RFP questions, as well as the proposed evaluation criteria and scoring matrix. We will provide the draft list to the City's interdepartmental team and then convene a meeting to discuss any additional questions and criteria as well as refinements to the scoring matrix. We have assumed that the RFP application will include approximately 30-40 questions and their associated evaluation criteria. Using the results of this meeting, as well as the lessons learned from the submissions received in the pre-qualification stage in Task 2, we will revise the RFP questions, evaluation criteria, and scoring matrix to ensure that the RFP application questions solicit sufficiently detailed and specific information to ensure that the selection process will yield the most qualified RFP applicant.

Setting Fee Structure

As in Task 2, ICF will assist the City in developing a fee structure for the RFP application to recover the City's costs in reviewing dispensary applications. The City desires to minimize the burden on taxpayers and the expectation is that the revenue generated by application fees will be used to support additional services associated with the oversight of the licensed dispensary. ICF will meet with the City to discuss expected oversight and program-related level of effort.

3.2 Conduct RFP Application Review and Scoring

This task includes activities related to the review, scoring, and documentation of the results of the more extensive RFP applications. The ICF review approach will be similar to the pre-qualification stage, but will include a more rigorous and thorough quantitative scoring process. The RFP application review may also utilize different subject matter experts than the pre-qualification stage, depending on the needed area(s) of expertise based on the final RFP requirements. For the purposes of our cost estimate, ICF assumes that the City will receive and ICF will review up to five (5) full pre-qualification applications.

Specific review activities will include the following:

- **Conducting Compliance Review of Application:** Upon receipt of the submitted applications from the City, ICF will conduct a compliance review to verify that all information required by the RFP is included and the application is complete.
- **Application Review and Scoring:** Three (3) ICF subject matter experts will review each of the five (5) applications received. Reviewers will independently evaluate and score each question against the pre-determined evaluation criteria and scoring matrix agreed upon with the City. Reviewer scores will be documented in a spreadsheet for each application. The scoring spreadsheet will allow comments to be entered by each reviewer. Following their independent evaluation, the reviewers will convene, as necessary, to discuss consensus scoring of each question in which reviewers disagree in substance.

- **Compile Scoring Reports:** For each application, ICF will prepare a scoring report consisting of detailed scoring of the individual questions, a final point score, and a summary narrative of the key strengths and weaknesses of the application. These reports will be provided to the City.
- **Results and Recommendations:** ICF will compile the scoring results of all received applications into a single results spreadsheet to allow for comparison of all submitted applications. The final results spreadsheet will be provided to the City, as well as recommendations regarding which of the applicants are the most highly qualified.

Deliverables

- Draft and Final RFP Application, including fee structure
- Draft and final evaluation criteria and scoring matrix describing how each RFP question will be reviewed and scored
- Score report for each application showing detailed scoring of the individual questions, a final point score, and a narrative of the key strengths and weaknesses of the application.
- Results spreadsheet and recommendations resulting from the reviews of each application

Optional Task 4 – Ad Hoc Support

Based on ICFs similar experience on other application processing programs, ICF is prepared to provide *ad hoc* support to the City as follow-on work to the analyses provided in Tasks 1 through 3. Provided below is a list of potential support that the City may need during this process. These optional activities are not included in our Cost Proposal presented in Section E, and thus would require additional funding.

- **Criminal Background Clearances:** The City has indicated that background checks will be performed internally by City staff or via a third party. ICF has a working business relationship with Creative Services, Inc. (CSI) (<http://www.creativeservices.com/>), a corporation with more than 35 years of experience in investigating and screening research. CSI was selected by the Commonwealth of Massachusetts DPH recently to conduct more than 600 background investigations for applicants seeking licensure in Massachusetts to manage and operate medical marijuana facilities.
- **GIS Mapping:** ICF maintains extensive internal GIS and mapping services, and can provide customized maps of the proposed dispensary locations to the City in support of selection process and post-award outreach.
- **Public Outreach:** ICF can assist the City in developing outreach materials, such as fact sheets and press announcements, to support the selection process. We can also assist the City in media inquiries, as well as respond to concerns or complaints from the community resulting from the dispensary operations.
- **Litigation Support:** Competitive medical cannabis dispensary application processes can be litigious. ICF can assist the City in performing additional research of specific application information to support post-award litigation.

- **Dispensary Oversight:** ICF can assist the City in designing an oversight, monitoring, and/or inspection program for the selected dispensary operator, including the development of protocols to ensure compliance with record keeping, operations, and security requirements.

D. PROPOSED TIMELINE OR SCHEDULE

ICF is prepared to start work on this project as soon as directed, with all identified key staff available. The timeline shown below presents a general schedule for the dispensary selection process, assuming contract award in late July 2014 as specified in the RFQ. Activities such as RFP development, application solicitation, volume of responses received, availability of agency staffing, and stakeholder engagement, however, are inherently uncertain and require adaptability. ICF has a unique understanding of the challenges the City faces regarding the dispensary selection process and can adjust the schedule as necessary at the direction of the City. For the purposes of our proposal and cost estimate, ICF anticipates that the two-phase dispensary selection process is expected to occur over a six- to eight-month period.

Task	2014						2015	
	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Task 1 - Project Planning								
Task 2.1 - Develop Pre-Qualification Application & Solicit Responses								
Task 2.2 - Review Pre-Qualification Applications								
Task 3.1 - Develop RFP Application & Solicit Responses								
Task 3.2 - Review RFP Applications & Select Dispensary								
Optional Task 4 - Ad Hoc Support								

E. COST PROPOSAL

ICF’s proposed budget estimate is based on the expectation of a Time and Materials contract. Based on the approach described in Section C (Proposed Scope of Services), ICF can provide the services requested in Tasks 1 through 3 for a cost not-to-exceed **\$49,969**. This estimate is based on ICF’s current understanding and expectations of the project. The bases for our cost proposal, including detailed task-by-task assumptions that support our budget estimate, are provided in Appendix B (Cost/Price Narrative).

The estimated hours and budget for each task of the project are described below and are inclusive of travel (local and long distance) and other direct costs (ODCs).

**AMENDMENT NO. 1 TO CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF SAN LEANDRO AND ICF RESOURCES, L.L.C.**

This **Amendment No. 1** ("Amendment") is made by and between the City of San Leandro ("City") and ICF Resources, LLC ("Consultant") (together sometimes referred to as the "Parties") as of January 20, 2015, and amends that certain Consulting Services Agreement ("Agreement") dated August 1, 2014, between the Parties.

WHEREAS, City and Consultant have executed the Agreement, pursuant to which Consultant has provided certain consulting services to City with regard to implementation of the City Council's adopted medical cannabis dispensary program ordinance; and

WHEREAS, the Parties desire to amend the Agreement to continue the consultant's support for the City's medical cannabis dispensary application selection process; and

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

1. Section 1.1 of the Agreement entitled "Term of Services" is hereby amended to extend the term from July 31, 2015, to December 31, 2015; and
2. Section 2 of the Agreement entitled "Compensation" is hereby amended to pay Consultant a grand total sum not to exceed \$89,096; and
3. Exhibit A of the Agreement entitled "Scope of Services" is hereby amended to read:
"See attached ICF "Modified Proposal" dated October 20, 2014; and
4. Exhibit B of the Agreement entitled "Compensation Schedule & Reimbursable Expenses" is hereby amended to read:

Original Estimated Labor Hours/Budget:
351 hours/ \$49,969

Additional Requested Labor Hours/Budget:
286 hours/ \$39,127

Grand Total Modified project budget: \$89,096

5. All other terms shall remain in full force and effect.

This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Amendment as of the date first written above. The persons whose signatures appear below certify that they are authorized to sign on behalf of the respective Party.

CITY OF SAN LEANDRO

CONSULTANT



Chris Zapata, City Manager



Jodi Young, Contract Manager

Attest:



Marian Handa, City Clerk

Approved as to Fiscal Authority:



David Baum, Finance Director

Account Number: 010-12-020-5120

Approved as to Form:



Richard D. Pio Roda, City Attorney

**EXHIBIT A
MODIFIED SCOPE OF SERVICES**

See attached "Request for Modification to ICF Contract" dated October 20, 2014



October 20, 2014

Eric Engelbart
Assistant to the City Manager
San Leandro City Manager's Office

SUBJECT: Request for Modification to ICF Contract - Consultant to Develop and Manage the Process to Select a Single Medical Cannabis Dispensary

Dear Mr. Engelbart:

ICF Resources, L.L.C. (hereafter referred to as "ICF") respectfully requests a modification to the above-referenced contract to continue our support on San Leandro's application and evaluation process to select a single medical cannabis dispensary. Our request, which is based on previous phone conversations with you, is explained in detail below.

As with many mission critical projects, ICF and the City's planned approaches, assumptions, and expected scope developed during the proposal stage have not always remained consistent with the project needs discovered during implementation. Throughout this effort, ICF has been responsive to the priorities of the project and the City's objectives, as these have continued to evolve. To that end, ICF has provided a higher level of support than was originally scoped and budgeted for in our June 16, 2014 proposal. In addition, the City has identified and requested support for additional services planned for a later phase of the effort that were not included in the original scope of work.

ICF has identified three primary areas where the work required was well above that proposed originally. These areas include:

Volume of pre-qualification applications:

- ICF's proposal assumed a lower volume of application review, both for the pre-qualification and RFP than the City expects to receive, thus, additional ICF resources will be needed to provide thorough application review of the anticipated pre-qualification and RFP applications. ICF's proposal assumed 10 pre-qualification applications would be received; however the City anticipates getting upwards of 50 applications. Due to the larger volume of pre-qualifications, the revised application process now includes review of 10 instead of 5 RFP applications.

Expanded meeting support:

- ICF's proposal assumed meeting support and attendance at two (2) City Council meetings. As the project has evolved, the City has requested that ICF also facilitate three (3) additional teleconferences, including meetings with the City Stakeholders to discuss feedback after the pre-qualification review, application review and interview review.

Interview process support:

- The City has requested that the application evaluation process include an applicant interview process as the last review round prior to recommendation. This step was not included as part of the original scope of work. Additional ICF support will be needed to prepare Staff Stakeholders for these interviews.

The following task-by-task discussion further details ICF's work beyond our original expectation to provide effective evaluation of medical cannabis dispensary applications.

Task 1 – Planning and Management

ICF will provide project support for the duration of the project contract period, through July 31, 2015, including project management and client communication throughout the duration of the contract. ICF's proposal anticipated a six- to eight-month project period; however the revised application timeline will require services to extend beyond that timeframe.

Task 2 – Pre-Qualification Support

ICF will provide additional project support beyond what was scoped in our proposal for Task 2, Pre-qualification Support. Specifically:

- ICF will provide thorough application review of up to 50 pre-qualification applications; including conducting a compliance review, application review, and preparing recommendations for each application. Two ICF subject matter experts will review each application and independently evaluate each application against the scoring criteria. Following each independent evaluation, ICF reviewers will convene to discuss the merits of each application. All reviewer results will be compiled and consolidated into a single results spreadsheet to allow for comparison of all submitted applications.
- ICF will facilitate a teleconference with the City Staff Stakeholders to review the results of the pre-qualification application review. The meeting will consist of a discussion, led by ICF, of each application's qualifications and a recommendation for advancing to the RFP round.

Task 3 – RFP Support

ICF will provide additional project support beyond what was scoped in our proposal for Task 3, RFP Support. Specifically:

- ICF will provide thorough application review of up to 10 RFP applications; including conducting a compliance review, application review, and preparing recommendations for each application.
- ICF will facilitate a teleconference with the City Staff Stakeholders to review the results of the RFP application review. The meeting will consist of a discussion, led by ICF, of each application's qualifications and a recommendation for advancing to the interview process.
- ICF will provide support to prepare Staff Stakeholders for the interviews with selected RFP applicants. ICF will support City staff in developing the interview questions and preparing summary information about each applicant to be used during the interview. ICF will then facilitate a teleconference with the City Staff Stakeholders to review the results of the interview process and recommendations.

Additional Budget Request

Our originally budgeted hours (from our June 16, 2014 proposal) are presented in the table below, as is an estimate of additional labor hours/budget needed to continue to provide responsive, efficient and collaborative support throughout the application review and selection process. The detailed task-specific assumptions to support the additional requested budget are also provided.

Task	Original Estimate Labor Hours / Budget	Additional Requested Labor Hours / Budget
Task 1 – Planning & Management	48 hrs / \$7,012	12 hrs / \$1,800
Task 2 – Pre-qualification Support	94 hrs / \$12,006	186 hrs / \$25,189
Task 3 – RFP Support	209 hrs / \$30,951	88 hrs / \$12,138
Total	351 hrs / \$49,969	286 hrs / \$39,127

Task 1 Cost Assumptions – Planning & Management

- General project management assumes project continues through July 31, 2015.

Task 2 Cost Assumptions – Pre-Qualification Support

- No more than 50 pre-application applications will require review.
- Two ICF reviewers will review each application. The review requires no more than 1 hour per application.
- ICF will facilitate a 2-hour teleconference with the City Staff to review the results of the pre-qualification application review and recommendations.

Task 3 Cost Assumptions – Selection Committee Support

- ICF will facilitate a 2-hour teleconference with the City Staff Stakeholders to review the results of the RFP application review and recommendations.
- ICF will support City staff in developing the interview questions and preparing summary information about each applicant, but will not participate in the interview process.
- ICF will facilitate a 1-hour teleconference with the City Staff Stakeholders to review the results of the interview process and recommendations.

ICF looks forward to continuing to assist the City of San Leandro with this project. Please contact Will Cooper (949-613-0080, Will.Cooper@icfi.com) or Eliza Johnston (617-250-4287, Elizabeth.Johnston@icfi.com) if you require any further clarification of any information contained in this modification request.

Sincerely,

Jodi Young
 Manager, Contracts
Jodi.Young@icfi.com