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Staff Report for Resolution Approving an Amended Consulting Services Agreement with ICF Resources, LLC for Medical Cannabis Program Implementation

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council authorize the City Manager to execute an amended consulting services agreement with ICF Resources, LLC to increase the not to exceed amount of the agreement from approximately \$49,969 to a total not to exceed of \$89,096. Staff further recommends that the City Council transfer \$39,127 from the City’s economic uncertainty reserve in order to complete the next steps in implementation of the medical cannabis dispensary ordinance.

BACKGROUND

In December, 2013, the City Council approved a medical cannabis regulatory ordinance to facilitate the approval, regulation, and operation of one medical cannabis dispensary in San Leandro. On February 18, 2014, the City Council appropriated \$50,000 towards the initial costs of implementing the ordinance. Following a Request for Proposals that was issued in May, 2014, City staff entered into a \$49,969 consulting services agreement with ICF Resources, LLC on July 1, 2014 to assist in the implementation of the adopted ordinance. On September 15, 2014, the City Council authorized a timeline that was developed in partnership with ICF that is designed to culminate in a staff recommendation to the City Council for selection of a single dispensary operator, tentatively scheduled for Spring, 2015. On November 3, 2014, the City Council authorized the associated fee schedule, and on December 15, 2014, the application materials that will be used to invite applicants seeking to be selected as the one dispensary operator were released.

Since the time of developing the consulting services agreement with ICF, City staff has identified several areas of additional work that are outside the current scope of services, but which will be necessary in order to complete the project. This work includes:

Volume of pre-qualification applications:

The original scope of work assumed a lower volume of application review than the City presently expects to receive. Therefore, additional subject-matter expertise will be needed to provide a thorough review of all the applications.

Additional meeting support:

The original scope of work assumed meeting support and attendance at two (2) City Council meetings. As the project has evolved, it has become apparent that ICF's assistance also will be needed to facilitate up to three additional teleconferences, including meetings with City stakeholders to discuss feedback after the pre-qualification review, application review and interview review.

Interview process support:

City staff plans to conduct interviews of the applicant finalists in advance of making a recommendation to the City Council for the one dispensary operator. Based upon ICF's experience conducting similar interviews as part of the implementation of the Commonwealth of Massachusetts medical cannabis program, staff believes ICF's support throughout this process will help to ensure that the best candidate is ultimately selected.

It is anticipated that the fees collected from dispensary applicants will fully off-set the costs associated with the above-referenced work.

Fiscal Impacts

The proposed modified agreement with ICF Resources will result in an increase to the original contract amount not to exceed \$39,127 in General Fund costs; however, it is anticipated that these costs will be fully recovered through the fees collected from dispensary applicants.

Budget Authority

Staff proposes to fund this modified agreement using funds from the General Fund economic uncertainty reserve. Sufficient funds will be transferred to the City Manager's Consulting account number 010-12-020-5120.

ATTACHMENTS

- Proposed Amendment No. 1 to ICF Consulting Services Agreement
- Proposed Modified Scope of Consulting Services

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