



**DATE:** November 16, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager/Development Services Director

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Execute an Amendment to the Agreement with ICF Incorporated, L.L.C., for Review and Update of Hayward's Cannabis Program, and Increasing the Compensation Amount Not-to-Exceed \$352,935

### **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an amendment to the Agreement with ICF Incorporated, L.L.C., for review and update of Hayward's Cannabis Program, and increasing the not-to-exceed contract amount by \$32,097, for total compensation of \$352,935.

### **SUMMARY**

Following adoption of Council Resolution 18-049, the City executed an agreement with ICF Incorporated, L.L.C., on April 20, 2018 for services related to developing the process to review, rate, and rank the applications for the City's Commercial Cannabis Program, and to conduct Round 1, Tier 1 review of applications in an amount not-to-exceed \$180,838.

On March 19, 2019, Council adopted Resolution No. 19-049 authorizing the City Manager to negotiate and execute an amendment to the Agreement to include services related to the Round 1 – Tier 2 review and selection process of the City Commercial Cannabis Permit Program at a cost of \$70,000, bringing total compensation to an amount not-to-exceed \$250,838. In December 2019, the Council adopted Resolution No. 19-244 authorizing the City Manager to negotiate and execute a second amendment related to reviewing and updating the regulatory framework for the Commercial Cannabis Program at an additional cost of \$70,000, bringing total compensation to amount not-to-exceed \$320,838.

Staff is requesting authorization to amend the Agreement with ICF Incorporated, L.L.C. to provide ongoing support to the City based on feedback from Council and the community, as it continues to review and update its Commercial Cannabis Program, increasing the compensation an additional \$32,097 for a total compensation not-to-exceed \$352,935, and extending the term through June 30, 2022.

## **BACKGROUND**

On March 27, 2018, the Council adopted Resolution 18-049 authorizing the City Manager to negotiate and execute an agreement with ICF Incorporated, L.L.C., related to services for the creation of the City's Commercial Cannabis Program in an amount not-to-exceed \$180,838.

The first application period began on December 8, 2017, and concluded on January 12, 2018. The City received 77 proposals for the seven different permit types.

On January 15, 2019, the Council adopted Resolution No. 19-009 appropriating \$70,000 from the General Fund to cover the cost of a consultant to review applications and conduct interviews for the other applications being considered as part of the Tier 2 review. Council also directed staff to expand the interview thresholds from the first round, creating a second tier of applicants to review, and to potentially award additional Commercial Cannabis Permits. However, the Council did not authorize the amendment to the agreement with ICF for the increased funding at that time.

On December 17, 2019, the Council adopted Resolution No. 19-244 authorizing the City Manager to negotiate and execute a second amendment to the Agreement for services related to reviewing and updating the regulatory framework for the Commercial Cannabis Program at a cost of \$70,000, bringing total compensation to an amount not-to-exceed \$320,838.

On July 26, 2020, the parties executed a Third Amendment to the Agreement for a term extension of the contract and a Fourth Amendment to the Agreement on January 13, 2021, for an additional extended term through April 30, 2021.

This action is recommends authorizing the amendment of the agreement with ICF to allow for an updated scope of services, extension of the term of the agreement, and compensation associated with the support for review and update of Hayward's Commercial Cannabis Program.

## **DISCUSSION**

ICF Incorporated, L.L.C., provides unique knowledge of Hayward's Commercial Cannabis Program, having worked closely with the City to develop the original applicant Request for Proposals (RFP) and scoring criteria, adjudicate the application review process, facilitate applicant interviews, and support the overall selection process. This recent experience will enable them to hit the ground running with no ramp-up period, while ensuring that the update of the City's Commercial Cannabis Program is deeply informed by a knowledge of Hayward's context, experiences, and priorities. ICF offers the City a unique combination of direct insight into Hayward's commercial cannabis licensing process, coupled with broad expertise across cannabis policy, program development, permit adjudication, environmental impact assessment, and stakeholder consultation processes.

Attachment III, Scope of Services, details the tasks associated with ICF's contract amendment.

### **FISCAL IMPACT**

The cost to amend the agreement with ICF Incorporated, L.L.C., to review and update the City's Commercial Cannabis Program is \$32,097 and will be covered with funds within the approved Development Services FY2022 Operating Budget. There will be no additional impact to the General Fund by approving this action.

### **STRATEGIC ROADMAP**

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

### **NEXT STEPS**

Following Council adoption, staff will prepare the amendment to the agreement with ICF Incorporated, L.L.C. for execution and will continue to work with ICF Incorporated, L.L.C., to facilitate the support for review and update of Hayward's Commercial Cannabis Program.

*Prepared by:* Tera Maroney, Management Analyst  
Jeremy W. Lochirco, Acting Planning Manager

*Recommended by:* Jennifer Ott, Assistant City Manager/Development Services Director

Approved by:



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Kelly McAdoo, City Manager