



October 1, 2021

Jeremy Lochirco
City of Hayward
777 B Street
Hayward, CA 94541

Re: Support for Review and Update of Hayward's Cannabis Program

Reference: Agreement for Professional Services between the City of Hayward and ICF Incorporated, L.L.C., effective April 1, 2018

Dear Mr. Lochirco,

ICF Incorporated, L.L.C. (hereafter referred to as "ICF") is pleased to provide ongoing support to the City of Hayward (City) as it continues to review and update its cannabis program. Accordingly, ICF has prepared this proposal for a third amendment to modify ICF's existing agreement for Professional Services with the City of Hayward dated April 1, 2018 (hereafter referred to as the "Agreement"), in order to add further scope.

As you know, ICF brings unique knowledge of Hayward's commercial cannabis licensing program, having worked closely with the City to develop the original applicant Request for Proposal (RFP) and scoring criteria, adjudicate the application review process, facilitate applicant interviews, and support the overall selection process. This recent experience will enable us to hit the ground running with no ramp-up period, while ensuring that the update of the City's 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.

Scope of Services and Proposed Approach

This work plan includes four main tasks, detailed below.

Task 0: Development of Review Protocol

To kickoff this phase of work with the City, ICF will begin by reviewing the final application materials prepared by Staff and developing a clear review protocol for this new round of cannabis

This proposal includes data that shall not be disclosed outside the City of Hayward and shall not be duplicated, used or disclosed in whole or in part for any purpose except for use in the procurement process. If, however, a contract is awarded to this offeror as a result of or in connection with the submission of this data, the City of Hayward will have the right to duplicate, use, or disclose the data to the extent consistent with the City's needs in the procurement process. This restriction does not limit the City of Hayward's rights to use, without restriction, information contained in this proposal if it is obtained from another source.



licensing. This work will involve convening a small team of reviewers; briefing them on the Council's updated goals for the cannabis program; developing a rubric for consistent, objective review of applications; and drafting a simple template for documenting the findings of each application review.

Task 1. Support for Preliminary Determination of Eligibility

While the City will be responsible for managing the initial screening phase of this round of licensing (i.e., the "Preliminary Determination of Eligibility"), ICF will provide support for this process by reviewing the Project Narrative sections submitted by applicants and developing a handful of targeted questions for each applicant to help inform the City's interview process.

For each applicant, ICF estimates roughly 1.5 hours of support.

Task 2: Review of Commercial Cannabis Permit Applications

ICF will lead the review of the Cannabis Permit Applications submitted to the City during the 2021 30-day application window. This work will include three subtasks:

1. **Review of Eligibility Phase:** Familiarizing ourselves with the findings from the City's "Preliminary Determination of Eligibility" phase, including briefly reviewing the initial set of application materials submitted and reviewing feedback from the Staff's evaluation of these materials and their findings from the interviews.
2. **Application Review:** Evaluating the Commercial Cannabis Permit Applications that have been cleared by the City for review. This will include review of the following application components for all business types:
 - a. Business Structure (including local ownership/control)
 - b. Social Equity Dimensions,
 - c. Business Plan,
 - d. Community Benefit
 - e. Labor and Employment Practices
3. **Document Recommendations:** ICF will use a simple, standardized template to document its recommendations for whether to grant applicants a permit or not. Denied applications would likely involve longer writeups to justify the "not recommended" decision.

The City will be responsible for reviewing the remainder of the Cannabis Permit Applications and the entirety of the Land Use Permit application.

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Task 3: Support for Staff Reports and Meetings

ICF will provide ongoing support to Hayward staff throughout the duration of this round of cannabis licensing, including preparing relevant materials for Staff Reports and PowerPoint presentations, and participating in selected Council meetings.

Cost Estimate

Below is a cost estimate for the tasks described above. ICF's Time & Materials (T&M) cost estimate is based on the expectation that this work would be issued as an amendment under ICF's existing Agreement. The estimated hours for each task of the project are described below. ICF has assumed that the level of effort will include staff support of roughly 1.5 hours of support for each Preliminary Determination of Eligibility and 16 hours per application to conduct the subtasks of background review, assessment of the Cannabis Permit and recommendation development described in Task 2 above. This proposal assumes that ICF support review of up to 5 applications.

Task	Hours	Cost
Task 0. Development of Review Protocol	8	\$1,923
Task 1. Support for Preliminary Determination of Eligibility	8	\$1,698
Task 2. Review of Commercial Cannabis Permit Applications	80	\$19,773 (~\$3,955 per)
Task 3. Support for Staff Reports and Meetings	35	\$8,703
Total	131	\$32,097

All assumptions provided in ICF's original proposal for this work remain in place. ICF's distribution of hours by phase and labor category reflects the staffing mix that ICF believes will be most cost-effective in completing this work. ICF reserves the right to reallocate hours between tasks and labor categories as it deems necessary to complete the scope of work in a cost-effective manner within the overall budget ceiling.

ICF proposes the following hourly rates for various staff labor categories. Note that, while we are likely to only employ a handful of these labor categories, having this broad range of potential labor categories agreed in advance will enable us to draw from across our staff to provide the expertise needed to meet the City's needs.

	Year 1
Project Director	\$336.46
Technical Director	\$282.49
Senior Consultant III	\$198.34
Senior Consultant II	\$158.66

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Associate Consultant II	\$95.04
Intern	\$63.36

The billing rates presented above are based on the expectation of a T&M contract modification to the Agreement and are effective upon execution of the modification and valid through September 2022. If the period of performance is further extended through a contract modification, ICF reserves the right to reevaluate and modify these rates.

General Assumptions

This proposal is submitted under the terms and conditions of the existing Agreement for Professional Services between the City of Hayward and ICF Incorporated, L.L.C., effective April 1, 2018.

Proposed Invoicing/Payment Schedule

ICF will invoice on a monthly basis for the hours worked and the travel costs incurred during the contract period. Travel costs shall be invoiced at cost plus applicable G&A. Payment terms are net 45 days from date of invoice.

This offer is valid for a period of 60 days, after which time ICF may extend, modify, or withdraw it.

We would be honored to continue support the City of Hayward in updating and implementing its robust and successful cannabis program. For questions, please contact either Elizabeth Johnston, Senior Manager (617-250-4287 or Elizabeth.Johnston@icf.com) and myself (571-459-4088 or Semrin.Gillespie@icf.com).

Sincerely,


Semrin Gillespie
Contracts Administrator

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