



January 8, 2019

John Stefanski
City of Hayward
777 B Street
Hayward, CA 94541

Re: Commercial Cannabis Permit Program: Application Interview Support

Dear Mr. Stefanski,

ICF Jones & Stokes, Inc. (ICF) is delighted to be able to support the City of Hayward (City) as it embarks on the Round 1, Tier 2 interview selection process. As you know, ICF brings unique knowledge of Hayward's commercial cannabis permit program, having worked closely with the City to develop the application and scoring criteria and adjudicate the review process. This recent experience will enable ICF to hit the ground running and complete the interview process efficiently and with no ramp-up period. ICF offers the City a unique combination of direct insight into Hayward's application development process coupled with broad cannabis program development and adjudication expertise.

Scope of Services

The tasks discussed below include all activities associated with supporting the Round 1, Tier 2 interview process and reporting results to the City. ICF will employ an unbiased and thorough interview protocol that mirrors the Round 1, Tier 1 review processes utilized.

Task 1: Review and Update Interview Protocol

ICF will begin by reviewing the City's existing Interview Scorecard and discussing the previous process with City staff who participated to identify any areas for improvement in the process or updates to the questions. The City intends to keep the scorecard as consistent as possible and it is expected that only minor changes will be necessary. The City will authorize any changes to the scorecard.

Task 2: Prepare for Interviews

ICF interviewers will review each of the applications that have met the Tier 2 threshold to familiarize ourselves with the applicant team and proposed operation. The City will provide the list of applications that meet the Tier 2 threshold to ICF. Following review of each application, ICF will prepare a 1-page summary for City staff who will participate in the interview process outlining the applicant's key strengths, areas of concern and highlighting specific areas for questioning. ICF will also call out any updates to the project team, provided by the applicant. For each applicant team, ICF will prepare an Interview Protocol for City of Hayward approval that will consist of standard

This proposal includes proprietary 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 other than to evaluate this proposal. This restriction does not limit the City of Hayward'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.



questions to be asked during each interview, as well as applicant-specific follow-up questions, as needed.

Task 3: Conduct Interviews

In coordination with participating City staff, ICF will facilitate 1-hour interviews with each applicant team. ICF has provided a price quote for both a single interviewer as well as two-person interview team. The ICF interviewer(s) will be responsible for posing the questions, guiding the conversation and taking notes. The ICF interviewer(s) will coordinate with City staff who are participating to ensure that their questions are addressed. After each interview, ICF will complete the Interview Scorecard, incorporating the feedback from participating City staff.

Task 4: Reporting Results

Based on the numeric and qualitative feedback captured on the Interview Scorecard, ICF will prepare a list of the most qualified applicants to receive permits. Finally, ICF will support City staff by participating in the Council Meeting where selected applicants will be announced. As requested by the City, ICF will support the drafting of the Staff Report, prepare a slide deck of recommendations, or participate in the meeting to respond to questions as they arise.

Optional Tasks – Ad Hoc Support for Round 2

As the City prepares to roll out Round 2 of the Commercial Cannabis Permit Program, ICF is prepared to support the City with updating the program, as needed, including updates to the application RFP and support throughout the selection process. These optional services are not accounted for in the budget estimate below.

Schedule and Budget

ICF is prepared to begin work on this project as soon as directed. The timeline shown below presents a general schedule for the project, assuming that the City executes the consultant contract by mid-January 2019.

Since the City hopes to select qualified applicants as soon as possible, ICF anticipates that the majority of the project work will occur over the 3-month time period between mid-January and mid-April 2019. We suggest that the consulting contract extend over a 6-month period (e.g., through June 2019) to enable ongoing support as needed. Thus, our proposed high-level schedule would be as follows:

Month	Activities
Mid-January 2019	Kickoff meeting and project launch
Early February	Request any updates from Applicant teams, confirm interviews, review and update Interview Protocol
Mid-Late February	Prepare for interviews
March	Conduct Interviews



Early April	Prepare Results
Mid-April	Participate in Council Meeting

ICF’s Time & Materials (T&M) cost estimate is based on the expectation that this task would be issued under ICF Jones & Stokes’ existing master contract with the City of Hayward per direction by the City of Hayward. Based on discussions with the City, ICF has proposed both a single ICF interviewer as well as 2-ICF interviewer approach. The estimated hours, travel costs and total budget for each task of the project are described below. The task-specific assumptions that informed the budget estimate are discussed further below.

Task	1-ICF Interviewer		2- ICF Interviewers	
	Hours	Cost	Hours	Cost
Task 1 Review and Update Interview Protocol	24	\$4,820	24	\$4,820
Task 2. Prepare for Interviews	146	\$28,995	134	\$26,755
Task 3. Conduct Interviews	65	\$9,425	130	\$25,675
Task 4: Reporting Results	40	\$7,980	49	\$10,185
Travel		\$678		\$2,371
Total	275	\$51,898	337	\$69,806

The cost estimate presented above assumes that ICF will conduct no more than 26 applicant interviews. If the City requires review of more than 26 applications, ICF will invoice the City for the additional reviews at the T&M labor rates described further below.

ICF’s distribution of hours by task 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 compensation structure as outlined in our master contract with the City.

Labor Category	Rate (\$/hour)
Senior Project Director	\$270.00
Project Director	\$250.00
Technical Director	\$215.00
Senior Technical Analyst	\$190.00
Managing Consultant	\$185.00
Senior Consultant III	\$170.00
Senior Consultant II	\$145.00



Senior Consultant I	\$135.00
Associate Consultant III	\$125.00
Associate Consultant II	\$120.00
Associate Consultant I	\$110.00
Assistant Consultant	\$105.00
Administrative Technician	\$75.00
Technician	\$75.00
Intern	\$65.00

The billing rates presented above are based on the expectation of a Time and Materials contract and are effective upon contract award. If the period-of-performance is extended through a contract modification, ICF reserves the right to reevaluate and modify these rates, in accordance with our master contract with the City.

Below are the task-specific assumptions that informed ICF’s budget estimate.

Task 1 Assumptions – Review and Update Interview Protocol

- ICF assumes that we will conduct up to four (4) conference calls with relevant City staff to discuss past interview process and recommendations for protocol update.

Task 2 Assumptions – Prepare For Interviews

- ICF assumes that City staff will be responsible for requesting updated team member information from applicants and provide it to ICF at least two (2) weeks prior to the scheduled interview.
- ICF will be provided with the scoring narrative summaries and applications for all applicant teams selected for the Tier 2 interview at least two (2) weeks prior to the scheduled interview.

Task 3 Assumptions – Conduct Interviews

- ICF assumes that City staff will be responsible for coordinating the scheduling and logistics for the interviews.
- ICF assumes that all interview will be conducted at Hayward City Hall.
- ICF will be responsible for taking notes during the interview and completing the Interview Scoresheet with input from interview participants from the City.

Task 4 Assumptions – Reporting Results

- ICF will provide the City a final Interview Scorecard for each interview as well as a list of the most qualified applicants.
- At least one (1) ICF staff member will attend one (1) City Council meeting in-person to support the recommendations.



General Assumptions

- Any potential award, agreement and/or contract involving ICF shall include the following Limitation of Liability language:

LIMITATION OF LIABILITY. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY HEREIN (WITH THE EXCEPTION OF THE CLIENT’S OBLIGATION TO AWARD WORK TO PAY CONSULTANT IN ACCORDANCE WITH THIS AGREEMENT), IN NO EVENT SHALL EITHER PARTY, NOR ANY OF ITS REPRESENTATIVES, BE LIABLE TO THE OTHER PARTY, FOR ANY INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER SUFFERED BY THE OTHER PARTY AS A RESULT OF PERFORMANCE OR NONPERFORMANCE HEREUNDER, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES WAS DISCLOSED OR COULD HAVE BEEN REASONABLY FORESEEN. NOTWITHSTANDING ANY OTHER PROVISION HEREIN, CONSULTANT LIABILITY SHALL BE STRICTLY LIMITED TO DIRECT DAMAGES AND SHALL IN NO EVENT EXCEED THE AMOUNT PAID TO CONSULTANT HEREUNDER. THIS LIMITATION OF LIABILITY APPLIES REGARDLESS OF WHETHER LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, STRICT LIABILITY, BREACH OF WARRANTIES, OR OTHERWISE.

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 in accordance with California law.

ICF’s electronic funds transfer (EFT) account information:

Bank Name and Address	PNC Bank 800 17th Street NW Washington, DC 20006
ABA Number	031207607
SWIFT	PNCCUS33
Account Name	ICF Consulting Group, Inc.
Account Number	80-2637-4453

ICF’s lockbox addresses for check remittance:

Standard Lockbox Address	ICF Consulting Group, Inc. P.O. Box 775367 Chicago, IL 60677-5367
Overnight Lockbox Address	PNC Bank c/o ICF Consulting Group, Inc. Lockbox 775367 350 East Devon Avenue Itasca, IL 60143



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

We would be honored to support the City of Hayward's continued success. For questions, please contact either Elizabeth Johnston, Senior Manager (617-250-4287 or Elizabeth.Johnston@icf.com) or Nasser Abdelilah, Contracts Administrator (571-373-5406 or Nasser.Abdelilah@icf.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony Chau", with a stylized flourish extending to the right.

Anthony Chau
Assoc. Manager, Contracts