



STAFF REPORT
5/13/2020

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Consulting Agreement with CannaBiz Consulting Group, LLC for 2020 Cannabis Consulting Services in the amount of \$25,000.

STAFF RECOMMENDATION:

Staff recommends that the City Council authorize the attached Agreement Letter for the 2020 Cannabis Consulting Services with CannaBiz Consulting Group, LLC in an amount not to exceed \$25,000, to assist with the Round #2 Retail Cannabis Application Reviews.

BACKGROUND:

Based on City Council direction, staff solicited proposals from three cannabis consulting firms and evaluated the three proposals with the help of an internal staff ad-hoc committee. Two of the firms are from the Coachella Valley, and one firm is from Orange County. All applicants were notified of the ranking results at the time that this staff report was written.

DISCUSSION/ANALYSIS:

The attached agreement letter for professional services is a standard form used by the Development Services Department for staff consultant services. The term of this agreement will be from May 14, 2020 through December 31, 2020. The consultant will bill the City on a time and material basis with an hourly rate of \$200 per hour for the senior consultant, and a total contract amount not to exceed \$25,000 unless approved in writing by both parties (any contract amendment to augment compensation is subject to City Council approval).

Evaluation of Proposals:

After soliciting consultant proposals, staff formed an internal staff committee (Grants Manager, Economic Development Manager, and Assistant to the City Manager) to review the proposals based on five categorical criteria, with a possible score of 100 points, as shown below.

1. **Project Understanding:** Degree of consultant's understanding of cannabis industry, local zoning regulations, local cannabis policies, local prioritization / selection criteria, social equity

principles, and all procedural steps needed to complete the work. *(Possible 25 points)*

2. **Scope of Work:** Consultant's approach to records management, use of technology, promotion of social equity policies, number of expected staff meetings/public hearings, and familiarity with public workshops and public hearing processes. *(Possible 25 points)*
3. **Budget:** Clarity of consultant's hourly rates, total expected compensation, reimburseables, and minimizing "extra charges" for important steps in the process. *(Possible 20 points)*
4. **Project Firm/Manager/Staff Qualifications:** Qualifications of staff and management in dealing with California cannabis laws, merit-based reviews, private sector knowledge, and familiarity with basic zoning /building regulations for commercial property. *(Possible 20 points)*
5. **Schedule:** Consultant's ability to assign resources and keep the project on schedule. *(Possible 10 points)*

The firm names, budget amount, and resulting total scores from Committee evaluators are shown in the matrix below.

Cannabis Consulting 2020 Proposals - Evaluation Scores				
Firm Name	Evaluator #1	Evaluator #2	Evaluator #3	Total Score
Pacific West Regulatory & Compliance (Budget - \$21,600)	60	80	50	190
CannaBiz Consulting Group, LLC (Budget - \$25,000)	90	89	100	<u>279</u>
GobalGlo, LLC (Budget \$48,500)	85	91	86	262

Accordingly, based on the above scores, staff notified the 2nd place and 3rd place consultants about the final results, then extended an offer of consultation services to CannaBiz Consulting Group, LLC (represented by Christopher Martinez).

Consulting Agreement:

The attached Agreement Letter for Cannabis Consulting Services 2020 includes the following scope of services, to be billed on a monthly basis.

1. Assist City of Coachella staff with professional consultant tasks as assigned by the City Manager or designee including, but not limited to, the following:
 - a. Assist with creating and processing a merit-based review program for new Applications.
 - b. Assist in preparing scoring sheets and finalized scoring criteria and related print material
 - c. Establish an internet portal for applicants submitting new Applications.
 - d. Establish regular communication with applicants as a City staff liaison.
 - e. Develop clear forms and transparent procedures for applicants, on an Internet portal.
 - f. Maintain all Application records and make them available to the public.
 - g. Incorporate the City’s Cannabis Social Equity policies for applicants.

2. Assist staff with “Completeness Reviews”. Contractor shall organize all electronic and hard-copy files for Conditional Use Permits, Cannabis Regulatory Permits, architectural drawings, and related submittal requirements for the Round #2 Retail Cannabis Applications. This task includes coordinating the “completeness review” and sending out “incompleteness letters” as needed based on the City’s Prioritization/Selection Criteria. Contractor shall attend one staff meeting and communicate with each individual applicant, as directed by the City Manager and designee.

3. Coordination of Cannabis Review Committee duties. Contractor shall organize all hard copies and electronic copies of material needed for adequate review by the Committee, facilitate the review and ranking process with the Review Committee members as needed, conduct site visits, and otherwise engaging in detailed discussions about each project.

4. Coordination of scoring sheets. Contractor shall provide guidance to the Review Committee members as a staff liaison without influencing their independent judgment, on scores for each application, and presenting the final scoring sheets and backup material to the Director of Development Services.

5. Participation in Appeals Hearings. To the extent needed, Contractor shall attend the Appeal Hearings as expert witness outlining how the Review Committee arrived at the individual scores for appellant applications.

6. The above tasks will be billed on a “time and material” basis based on the following rates:

Senior Consultant\$200 per hour
Project Manager\$125 per hour
Project Assistant..... \$75 per hour

The schedule for performance is for work to commence immediately following City Council approval and to be completed by the end of the calendar year (December 31, 2020). Staff anticipates completion of the Round #2 Retail Cannabis Conditional Use Permit Reviews by late fall, and appeal reviews to be completed by December 2020.

ALTERNATIVES:

- 1) Authorize the City Manager to execute the attached Agreement with CannaBiz Consulting Group, LLC.
- 2) Authorize the City Manager to execute the attached Agreement with CannaBiz Consulting Group, LLC with minor modifications to the Agreement.
- 3) Take no action.
- 4) Continue this item and provide staff with direction.

FISCAL IMPACT:

This contract will be paid out of City General Fund reserves and has been included in the tentative Development Services Department budget for the 2020/2021 fiscal year.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 above.

Attachments: Standard Agreement Letter – CannaBiz Consulting Group
Proposal from CannaBiz Consulting Group, LLC