



# City of Culver City

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## Staff Report

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**File #:** 16-952, **Version:** 1

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**CC - Approval of an Agreement with Hinderliter, de Llamas and Associates for the Development of Local Marijuana Policies and Regulations in an Amount Not-to-Exceed \$55,000.**

**Meeting Date:** May 8, 2017

**Contact Person/Dept:** Jesse Mays/City Manager

**Phone Number:** 310-253-6000

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Public Hearing:** ☐

**Action Item:** ☐

**Attachments:** Yes ☐ No ☒

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (05/02/17); GovDelivery Marijuana E-Mail List (05/02/17)

**Department Approval:** John Nachbar, City Manager (04/27/17)

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### **RECOMMENDATION**

Staff recommends the City Council approve a professional services agreement with Hinderliter, de Llamas and Associates (HdL) for the development of local marijuana policies and regulations in an amount not-to-exceed \$55,000.

### **BACKGROUND**

At the February 27, 2017 meeting of the City Council, Staff recommended that the City retain one or more experienced consultant(s) with a successful track record in the areas of marijuana policy and finance in order to assist the City in the process of developing marijuana policies and regulations. At that meeting, the City Council directed the City Manager to return to City Council with a request for proposals (RFP) for a consultant to assist the City with the process of developing new marijuana regulations. On March 27, 2017, City Council approved the release of an RFP. The RFP was released on March 28, 2017. Proposals were due on April 13.

## **DISCUSSION**

Ten firms submitted proposals. A Committee comprised of two City Councilmembers and City Staff met on April 18, 2017 to review the proposals. At that meeting, finalists were selected for telephone interview. The Committee interviewed HdL via telephone on April 19, 2017. HdL was then selected by the Committee as having the best proposal.

The City received the following proposals:

<b>Vendor</b>	<b>Location</b>	<b>Price for Proposed Services</b>
SCI Consulting Group	Fairfield, CA	\$122,065
Freedman & Koski	Denver, CO	\$108,475
ICF	Los Angeles, CA	\$107,320
MGO	Los Angeles, CA	\$99,525
Muni Services	Sacramento, CA	\$67,900
Best, Best & Krieger	Riverside, CA	\$58,365
HdL	Diamond Bar, CA	\$49,750
Arroyo Associates	Pasadena, CA	\$41,940
Global Elite Advocacy	Beverly Hills, CA	\$23,000
Law Offices of Jennifer McGrath	Huntington Beach, CA	No total price provided

Proposals were evaluated on the basis of the following criteria, in no particular order: qualifications and experience; questions/response to scope of services; fees; and references, schedule, and required forms. The Committee chose HdL due to its excellence in each of these categories:

**Qualifications & Experience:** HdL demonstrated the most applicable experience out of all respondents, having previously worked with over 50 California agencies on marijuana-related projects; developed or reviewed over 35 ordinances; and assisted 12 cities with marijuana-related regulation and taxation ordinances that were placed before voters on the November 2016 ballot, all of which successfully passed.

**Questions/Response to Scope of Services:** HdL provided comprehensive, thorough, well-thought responses to all parts of the multi-faceted scope of services outlined.

**Fees:** HdL proposed the lowest fees out of all experienced respondents, and one of the lowest fees overall.

**References:** HdL provided references from entities similar to the City of Culver City, and for projects that are similar in nature to Culver City's. Contacted references gave positive reviews of HdL's prior work.

**Schedule:** HdL's proposal met the tight timeline demanded, yet provided for a thorough vetting of the issues.

**Required Forms:** HdL provided all required forms except for a Certificate of Insurance meeting City Standards and a Business Tax Certificate, which they stated they will provide if selected.

If approved by City Council, staff will begin the process to negotiate a final agreement with HdL. If the

City cannot come to agreement on a final agreement with HdL, then staff will return to City Council to recommend an alternate firm to provide the service.

### **FISCAL ANALYSIS**

The total cost for the development of local marijuana policies and regulations is \$49,750 for the total contract. The total request to City Council includes an approximately 10% contingency of \$5,250, for a total of \$55,000. There are sufficient funds (approximately \$40,000 from Appropriated Reserves and \$15,000 from the Finance Department) to cover the cost of this procurement. The total not-to-exceed is \$55,000 and is a one-time cost.

### **ATTACHMENTS**

None.

### **RECOMMENDED MOTIONS**

That the City Council:

1. Approve a professional services agreement with Hinderliter, de Llamas and Associates for development of local marijuana policies and in an amount not-to-exceed \$55,000; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.