

RESOLUTION NO. 2019-***

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT WITH HDL COMPANIES TO PROVIDE COMMERCIAL CANNABIS APPLICATION REVIEW SERVICES; WAIVING CITY'S CONSULTANT SELECTION PROCESS IN CONNECTION WITH SAME; APPROPRIATING \$539,500 OUT OF THE GENERAL FUND, NON-DEPARTMENTAL, TO FUND THE AGREEMENT; AND AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE THE FORMAL CONTRACT WITH HDL COMPANIES ON BEHALF OF THE CITY

WHEREAS, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), enacted by the California Legislature in June 2017, establishes a comprehensive set of laws regulating both individual and commercial medicinal and non-medicinal cannabis activity throughout the State of California; and

WHEREAS, the City of Chula Vista now desires to permit, license, and fully regulate commercial cannabis activities within the City; and

WHEREAS, to this end, the City is seeking assistance from HdL Companies to provide cannabis application review services; and

WHEREAS, HdL Companies' extensive and unique experience with cannabis administration and more specifically cannabis application review and scoring makes them uniquely qualified to provide these services for the City; and

WHEREAS, finance staff has reviewed the rates and schedules proposed for the services and believe that they are reasonable in comparison to other agencies and the level of effort and expertise involved in order to deliver the required services; and

WHEREAS, for these reasons staff's recommendation is that the City Council waive the standard bidding requirements for this contract as being impractical and find that hiring HdL Companies on the terms proposed is in the best overall interest of the City pursuant to CVMC Section 2.56.070.B; and

WHEREAS, HdL Companies' proposal sets forth fixed fees per task, not to exceed \$539,500; and

WHEREAS, upon City Council approval, the City Manager will work with the City Attorney's office to finalize a formal contract with HdL Companies on the City's standard two-party consulting agreement; and

WHEREAS, the services rendered by HdL Companies are to be paid from the application fees collected from the cannabis business application process;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista as follows:

- (1) Based upon the facts set forth above, and further presented by staff, the City Council waives the City's competitive bidding procedures as impractical and finds that awarding a contract to HdL Companies on the terms presented is in the best overall interest of the City;
- (2) City Council approves an agreement HdL Companies on the terms presented and authorizes and directs the City Manager to negotiate and finalize a formal contract with HdL consistent with such terms in a final form approved by the City Attorney;
- (3) To fund the contract City Council amends the fiscal year 2018/19 budget and appropriates funds to the General Fund, Non-departmental, in the amount of \$539,500.

Presented by

Approved as to form by

David Bilby
Director of Finance

Glen R. Googins
City Attorney