

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2017, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and SCI Consulting Group, a California Chapter S Corporation, whose address of record is 4745 Mangels Blvd., Fairfield, California 94534, (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project to prepare regulations and a selection process for medical marijuana dispensaries; and

WHEREAS, Consultant represents that it possesses the professional skills to provide planning services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the planning services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Development Services or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "B" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance

with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of One Hundred Eight Thousand Two Hundred Ninety Dollars (\$108,290.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System

(PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

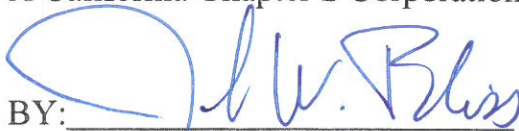
APPROVED AS TO FORM:

BY: *A. Flores* 2-3-17
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
SCI CONSULTING GROUP,
A California Chapter S Corporation

BY: 
(Signature)

JOHN W. BLISS
(Typed Name)

Its: PRESIDENT
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 94-2984547

ADDRESS: 4745 Mangels Blvd.
Fairfield, CA 94534

TELEPHONE: (707) 430-4300

FAX: (707) 430-4319

E-MAIL: john.bliss@sci-cg.com

City of Merced
Proposal for Medical Marijuana Dispensary Regulations

SCOPE of WORK

1.1 Project kickoff meeting and discussion of scope

SCI staff will meet with key City staff to provide an overview of the project and discuss activities and a project timeline to avoid scheduling conflicts, to ensure all staff understand the project goals and implementation process, and to outline specific steps if changes or adjustments are required. A brief history and overview of marijuana and current State and Federal regulations will be presented followed by an outline of the project plan and open discussion.

Deliverables:

1. Meeting Attendance and participation

1.2 Review of existing City medical marijuana ordinance

SCI will review existing City of Merced marijuana ordinance and incorporate our matrix of over 50 regulatory factors and overlay them with ordinances from cities throughout California, as well as other states with emphasis on cities similar to Merced. SCI will next compare the ordinance with all current State regulations to ensure complete compliance. SCI will look ahead to potential developments in the industry and offer suggestions and recommendations for the City to consider. SCI will balance the City's needs with best industry practices and to create a sustainable business model that will make Merced the standard for other California cities and counties. SCI will advise City staff on best practice approaches for the content of the ordinance and key components in the timing and development that can help avoid costly missteps. Seed to sale tracking, testing, labeling, licensing, and consideration of medical vs. non-medical issues will all be part of our review. SCI will bring equal focus to all areas, including how fee or tax payments are made and submitted, how the application process will be designed, and the transfer of licenses. This review will provide a template for initiating the discussion at outreach meetings.

Deliverables:

1. Report on existing ordinance and Issues that will need to be addressed through additional regulations.

1.3 Host outreach meetings

SCI will host/participate/coordinate interviews with stakeholders groups, as well as two Planning Commission study sessions, two public hearings and two workshops, for this task. SCI will seek to elicit the most controversial local factors and second, work to find common ground on those factors and develop a consensus that builds a solid base of support. SCI may include local business leaders (e.g. Chamber of Commerce), school leaders (e.g., PTA), church leaders, union representatives, and law enforcement, along with medical marijuana users, marijuana industry owners and selected City staff. SCI will summarize comments and provide press releases and web site content as needed.

Deliverables:

1. Host/participate/coordinate interviews with stakeholders groups, as well as two Planning Commission study sessions, two public hearings and two workshops, including
 - a. Interviews/Workshops with Stakeholder Groups
 - b. Design and Conduct Public Workshops and Planning Commission/City Council Study Sessions
 - c. Summarize Public Comments
 - d. Press Release and Website Materials

1.4 Prepare draft operating regulations

SCI will prepare draft “Operating Regulations” (also known as a “Cannabis Health and Safety Ordinance”) in conjunction with the review of the City’s current medical marijuana ordinance, and stakeholder and outreach sessions. SCI will ensure the operating regulations are in compliance with all State regulations, reflect local preferences, be flexible enough to adapt to the dynamic aspects of this unique industry, and lay the foundation for monitoring and compliance activities so that appropriate regulatory fees can be calculated. SCI will use the input gathered from the stakeholders and combine it with knowledge of the regulations and industry and draft a set of comprehensive regulations. SCI will include input from City staff and stakeholders to help determine where the City’s best fit is on a continuum ranging from minimal to significant local control of the industry. SCI will consider the political nature of local governance and the City’s desire to create jobs and revenue for its citizens. The draft operation regulations will be updated during the outreach phase of the project to include any subjects that are revealed during discussions with stakeholders, the public and City staff.

Preparation for Dispensary Selection Process

SCI will develop an efficient dispensary selection process based upon objective criteria in conjunction with the City. The process will include the development of application forms, FAQs, review process schedules, etc. to ensure fair and timely review of all applications. SCI will consider various attributes such as current medical dispensary owners in nearby or similar jurisdictions operating in compliance with local standards, or dedicated medical marijuana non-profits or local qualified businesses, etc. and will develop a selection process that results in the optimal and most desirable dispensary businesses for the City. SCI has no financial relationship or any other incentive to select any commercial cannabis enterprise.

Common selection methods will be evaluated with the City including lottery, first come-first serve, a ranking system or a hybrid of two or all three. Prior experience running a successful and legally compliant dispensary, knowledge of the industry, and willingness to work with the City are some of the qualities we consider.

Preparation of CUP Cost Recovery Plan

SCI will develop a CUP Cost Recovery Plan designed for full cost recovery of all Application/CUP process costs.

Deliverables:

1. Preparation of Draft Operating Regulations
2. Preparation of Draft Dispensary Selection Process
3. Preparation of CUP Cost Recovery Plan

1.5 Present draft regulations and selection process to public and stakeholders

SCI will host/participate/coordinate interviews with stakeholders groups, as well as two Planning Commission study sessions, and two workshops, for this task. Previous outreach meetings will ensure this process is effective, and we will continue to build as much consensus as possible. SCI's goal by the end of the process is twofold: to uncover any new or undisclosed concerns; and to give everyone a chance to preview and prepare for the tenor of the formal regulatory recommendations. SCI will prepare presentation materials including talking points and FAQs. SCI will summarize comments and provide press releases and web site content as needed.

Deliverables:

SCI will host/participate/coordinate interviews with stakeholders groups, as well as two Planning Commission study sessions and two workshops, including:

1. Interviews/Workshops with Stakeholder Groups
2. Design and Conduct Public Workshops
3. Design and Conduct Planning Commission/City Council Study Sessions
4. Summarize Public Comments
5. Press Release and Draft Regulations and Process (Digital Format for Website)

1.6 2nd draft of regulations, selection process and CUP cost recovery plan

SCI will consider all comments and input from the first draft regulations and selection process and will prepare and assemble them in a logical format as a second draft that can be easily understood. SCI will then present the draft and cost recovery plan at a final public workshop with all stakeholders invited to participate. The workshop will provide any additional suggestions, comments or concerns for the final draft of the regulations and CUP cost recovery prior to the Public Hearing with the City Council. Again, SCI will prepare presentation materials including talking points and FAQs.

Deliverables:

1. 2nd Draft of Revised Regulations, Dispensary Selection Program, and CUP Cost Recovery Plan (Digital and Hard Copy)
2. Presentation at Final Public Workshop

1.7 Public hearings to consider adoption of regulations and selection process

SCI will finalize the regulations, CUP fees and selection processes, prepare supporting reports and staff reports, and present to City Council. SCI will assist City staff and ensure that most concerns and suggestions are elicited and considered in the ordinance prior to public hearings. SCI will use the most current and reliable information to suggest alternatives and create as much of a consensus

on cannabis issues as possible. SCI will draft a summary of important stakeholders, likely attendees and contentious issues and will present at the Planning Commission public hearing. SCI will answer questions from the Council and define and explain the purpose of the elements included in the regulations, cost recovery and dispensary selection process. SCI will be prepared to provide contingencies and alternatives for most areas that may be suggested as potential problems in advance. Finally, SCI will work with City staff to ensure that all interested parties receive a copy of the regulations and the selection process.

Deliverables:

1. Final Regulations and Program for Adoption (Hard Copy and Digital Format)
2. Planning Commission Staff Report and Presentation
3. City Council Staff Report and Presentation

2.8 Implementation of dispensary selection Process

SCI will work closely with staff to execute the efficient and fair selection of the four medical dispensaries. The application process, required forms and fee will be well communicated to potential applicants. As the applications are received, SCI will work with the City to process the applications in a timely and thorough manner, and provide ranked recommendations regarding the preferred applicants.

SCI will implement a process involving three steps. In step one, the applicant is required to submit all the personal and ownership information required by the MCRSA, and pay for and receive a regulatory permit. In the second step, the CUP process is initiated, including a site plan review if new construction is required. SCI will review each applicant's site layout, security measures, inventory control, and transportation processes etc., assign the applicant a point ranking. For the most highly ranked applicants, SCI will conduct face-to-face interviews. At the interview, SCI and staff describe the rest of the application process and the associated timeline.

Once the interview process is complete and the dispensary selections are made, the City may find rejected applicants who want to file an appeal. We will develop in conjunction with City staff an appeal process that is timely and efficient. If the appeal process will involve a public hearing, we will participate as needed at our normal hourly rates. SCI will draft supporting reports as needed

Deliverables:

1. Implementation of Dispensary Selection Process
2. Planning Commission Staff Reports and Presentations
3. City Council Staff Reports and Presentations (If Appeals)

3.1 Ensure all contract services described above are also consistent with Proposition 64 such that City may optionally allow recreational cannabis operations at some point in the future.

SCI recommends that all documents, processes, outreach, etc. be developed and implemented with an eye toward Proposition 64 AUMA regulations. Proposition 64 changes some of the rules for medical cannabis as well as providing future regulatory and financial options for the City. Strict

and conservative trigger mechanisms can be included to ensure the City has full authority to decide if, when and how recreational cannabis operations may be implemented in the City.

Deliverables:

1. Development, review and modifications to all documents and processes to ensure compliance with Proposition 64.

3.2 Develop regulatory fee for licensees for full cost recovery to City for all additional cannabis-related services (e.g., additional police presence, monitoring and compliance, etc.)

SCI will provide engineering services in developing the fees for commercial cannabis regulation in the City. The first step of monitoring and compliance is to develop a spreadsheet with detailed, specific tasks and the associated time increment required to conduct them and to ensure the City has a reliable, robust cannabis monitoring and compliance program that is supported by the community, is Proposition 26 justifiable, and adheres to all State and local regulations. The plan will assess and assign regulatory fees for dispensary monitoring and compliance services or for any license Type the City requests. Fees can include phone and e-mail support services, video monitoring, onsite inspections, waste review, water control and sources, product testing, signage, odor control, labelling, employee records, financial records and application processing as needed. Once the tasks are in place, the number of licenses to be issued in that category will be used to extrapolate the final cost of the “per license” fee. Businesses with multiple licenses in the same facility can be discounted to reflect the reduction in the amount of time spent monitoring the additional activity. Our approach in Coalinga envisioned the City ultimately assuming the monitoring responsibilities and we propose the same flexibility for the City of Merced. Our research of regulatory fees in other cities and counties in California is that regulatory fees generally under-estimate the cost of monitoring. Our regulatory fees for the City of Coalinga have proven reliable, acceptable and sustainable. In addition, we understand that most public agencies prefer to undertake and manage regulatory activities themselves. Our initial regulatory services allow the City time to understand the tasks that will become routine so that the number of hours and staff time needed is predictable.

Deliverables:

1. Development of regulatory fee rate and supporting calculation document

3.3 Make recommendations regarding the potential for successful Type 8, 11, and 12 licensees (Testing, Distributor, Transporter) in Merced.

SCI will review additional license types and make recommendation to the City regarding the viability, and pros and cons, of other cannabis related operations in Merced.

Deliverables:

1. Technical Memo with recommendations regarding Testing, Distributor and Transporter opportunities

City of Merced
Proposal for Medical Marijuana Dispensary Regulations

Timeline

- 1.1 Project kickoff meeting and discussion of scope
March 2017
- 1.2 Review of existing City medical marijuana ordinance
March - April 2017
- 1.3 Host outreach meetings
April - May 2017
- 1.4 Prepare draft operating regulations
March - May 2017
- 1.5 Present draft regulations and selection process to public and stakeholders
June - July 2017
- 1.6 2nd draft of regulations, selection process and CUP cost recovery plan
July-September 2017
- 1.7 Public hearings to consider adoption of regulations and selection process
September 2017
- 2.8 Implementation of dispensary selection process
October 2017- March 2018
- 3.1 Ensure all contract services described above are also consistent with Proposition 64 such that City may optionally allow recreational cannabis operations at some point in the future.
March 2017 - March 2018
- 3.2 Develop regulatory fee for licensees for full cost recovery to City for all additional cannabis-related services (e.g., additional police presence, monitoring and compliance, etc.)
September 2017
- 3.3 Make recommendations regarding the potential for successful Type 8, 11, and 12 licensees (Testing, Distributor, Transporter) in Merced.
April 2018

City of Merced
Proposal for Medical Marijuana Dispensary Regulations

Fees and Budget

In consideration for the work accomplished, as outlined in this proposal, SCI shall be compensated as detailed below.

1.1 Project kickoff meeting and discussion of scope

Compensation for the Task shall be a fixed fee of **\$5,600**, and up to **\$300** incidental expenses due and payable upon completion of this task.

1.2 Review of existing City medical marijuana ordinance

Compensation for the Task shall be a fixed fee of **\$4,300** due and payable upon completion of this task.

1.3 Host outreach meetings

Compensation for the Task shall be a fixed fee of **\$10,380**, and up to **\$2,000** incidental expenses due and payable upon completion of this task.

1.4 Prepare draft operating regulations

Compensation for the Task shall be a fixed fee of **\$10,560**, due and payable upon completion of this task.

1.5 Present draft regulations and selection process to public and stakeholders

Compensation for the Task shall be a fixed fee of **\$10,800**, and up to **\$2,000** incidental expenses due and payable upon completion of this task.

1.6 2nd draft of regulations, selection process and CUP cost recovery plan

Compensation for the Task shall be a fixed fee of **\$7,060**, due and payable upon completion of this task.

1.7 Public hearings to consider adoption of regulations and selection process

Compensation for the Task shall be a fixed fee of **\$7,330** and up to **\$1,000** incidental expenses due and payable upon completion of this task.

2.8 Implementation of dispensary selection process

Compensation for the Task shall be a fixed fee of **\$22,690**, and up to **\$3,000** incidental expenses, due and payable upon completion of this task.

3.1 Ensure all contract services described above are also consistent with Proposition 64 such that City may optionally allow recreational cannabis operations at some point in the future.

Compensation for the Task shall be a fixed fee of **\$5,000**, due and payable upon completion of this task.

3.2 Develop regulatory fee for licensees for full cost recovery to City for all additional cannabis-related services (e.g., additional police presence, monitoring and compliance, etc.)
 Compensation for the Task shall be a fixed fee of \$12,000, due and payable upon completion of this task.

3.3 Make recommendations regarding the potential for successful Type 8, 11, and 12 licensees (Testing, Distributor, Transporter) in Merced.
 Compensation for the Task shall be a fixed fee of \$4,000, due and payable upon completion of this task.

TOTAL OF TASKS ABOVE = \$108,290.00

4.1 Additional work and progress payment will be made based upon the following hourly rates

President & Senior Engineer	\$250.00
Cannabis Lead	\$275.00
Senior Consultant	\$175.00
Consultant	\$115.00
Administration	\$ 65.00