



SUMMARY REPORT

Agenda Date: 4/14/2020

To: Board of Supervisors

Department or Agency Name(s): Permit Sonoma and County Administrator's Office

Staff Name and Phone Number: Scott Orr (707) 565-1754, Niki Berrocal (707) 565-3085

Vote Requirement: Majority

Supervisorial District(s): County Wide

Title:

On-Call Planning Services Agreement

Recommended Action:

- A) Authorize the Director of Permit Sonoma to execute the proposed agreement with planning consultant, e360, LLC (including a subcontract with Moore, Iacofano and Goltsman, Inc. DBA MIG, Inc) to perform as-needed planning services with a not-to-exceed amount of \$1,700,000 with a term of up to 3 years ("e360/MIG Agreement").
- B) Delegate authority to the County Administrator to execute individual cannabis permitting task orders under this e360/MIG agreement to support cannabis permitting needs.

Executive Summary:

In fall of 2019, the County initiated a competitive process to assist with overflow permit planning needs. The Permit and Resource Management Department (Permit Sonoma) coordinated with the Purchasing Agent and performed a Request for Qualifications and received five proposals. This item presents the Board with the preferred vendor to support Permit Sonoma's Planning Division and the County Administrator's cannabis permitting task orders, which e360/MIG is recommended as the most qualified for planning providing services as needed.

Permit Sonoma and the County Administrator request that the Board of Supervisors delegate to Permit Sonoma Director and the County Administrator to execute an agreement with e360/MIG to provide planning and environmental review services. The not-to-exceed amount of the agreement is \$1,700,000 for a term of up to 3 years. On-call services will augment planning capacity provided by County staff to process discretionary cannabis permits, a steadily increasing number of discretionary permits, environmental review on discretionary review projects, and project management to ensure expedient processing for long-range planning projects in the Board-approved Comprehensive Planning 2019-2021 Work Plan.

Permit Sonoma routinely provide staffing services to the County's emergency response efforts. Further, in 2019, Permit Sonoma was engaged in emergency operations for 52 of 249 working days (21%), with over 1,250 hours committed to EOC operations among planning division staff overall. Contract planning staff continues to operate and process At Cost projects and helps to mitigate the impacts of internal staff reporting to the Emergency Operations Center. This procurement is vital to maintain service continuity in Permit Sonoma and the County Administrator's Office while allowing County staff to respond to priority projects and critical emergency response efforts.

Discussion:

In coordination with the Purchasing Agent, Permit Sonoma considered four factors when seeking to develop an on-call planning services provider list.

1. **Maintaining Service Continuity.** Permit Sonoma has experienced service disruptions due to staff turnover and emergency operations through 2017-2019. In 2019 alone, Planning staff were engaged in emergency operations for nine events over 52 days, resulting in 1,250 hours of staff time redirected from permit processing. Consultant services are crucial to maintaining permit processing through these disruptions. Consultants work on At Cost projects that reimburse the expense of providing the service and often require significant environmental review in compliance with the California Environmental Quality Act. Internal staff also work on At Cost projects but comparatively spend a smaller proportion of time dedicated to At Cost work in large part due to customer service obligations such as staffing the front counter, reviewing a high volume of ministerial permits which require Sonoma County specific code expertise, and assisting other county departments.
2. **Project Management for Long Range Projects.** Permit Sonoma presents two-year work plans for the Comprehensive Planning Section that identifies targeted policy assignments that the Planning Division will process. Since 2015, the Board has directed several major policy assignments, including three Specific Plans (Airport Area, Springs, and Sonoma Development Center), the Local Coastal Plan, and General Plan update. At the same time, process improvements are critical to improving operations in the Planning Division. The Comprehensive Planning team must address Zoning Code Modernization in order to reduce processing times and increase staff capacity. Service disruption on policy assignments, particularly when consultant teams and external funding are involved, is highly undesirable. On-call consultant services can provide critical project management capacity to the Department to ensure efficient processing for major Board policy items. The latest Board approved project is the Sonoma Developmental Center (SDC) Specific Plan which was approved on December 19, 2019.
3. **Cannabis Program .** On December 20, 2016, the Sonoma County Board of Supervisors adopted the Cannabis Ordinance (No. 6189) and substantially amended it on October 16, 2018. Permit Sonoma currently holds 188 active cannabis applications at varying degrees of entitlement processing. On December 17, 2019 the Board directed staff in the County Administrator's Office (CAO), Permit Sonoma, and Agriculture, Weights and Measures (AWM) department to facilitate cannabis permit processing through a variety of measures. Most discretionary cannabis applications are over 80% complete and are expected to reach an entitlement decision in 2020. The majority of entitlement decisions will be made during FY19-20 and FY 20-21 but significant project work occurs post-approval as the projects work through meeting necessary conditions of approval necessary during the construction phase of a project. Use Permit approvals typically have a 2-year window for meeting conditions of approval and starting operations. With the measures directed by the Board, the Cannabis Program will see significant activity in 2020. The current pipeline of cannabis projects represents the surge of applications that were received when the County legalized cannabis. New cannabis applications total approximately 10 submittals per year. Consultant support is needed through 2020 to address the current pipeline of projects, after which, Permit Sonoma and AWM staff can process the modest influx of new applications annually.
4. **Economic Cycles .** The Bay Area continues to experience an aggressive development market with a large number of permit applications annually. Market projections indicate that a recessionary period is imminent. As demand for Permit Sonoma service fluctuates closely with market conditions, a flexible service provider model is needed over the next three years to augment core

staff.

Existing Contract Service Providers

Permit Sonoma is currently supported by contract planning services through a consultant team composed of contractors from the firms e360, LLC and MIG (henceforth e360/MIG). On December 13, 2016 the Board of Supervisors approved a two-year contract with e360/MIG for \$175,000 over two years ending December 13, 2018. Anticipating increased workload due to cannabis legalization, the Board approved a contract amendment adding \$400,000 and extending the e360/MIG contract term through December 31, 2019. On August 28, 2018, a second amendment was approved by the Board to increase the contract total to \$1,765,000 because changes in the cannabis program, the complex and controversial nature of discretionary permits assigned to e360/MIG, and continued influx of discretionary permits (cannabis and otherwise) increased demand for e360/MIG services.

Staff estimates that the permitting costs to finish processing the projects currently assigned to e360/MIG are as follows:

- Remaining estimate for Original Jurisdiction projects: \$360,364
- Remaining estimate for other cannabis projects: \$719,768
- Remaining estimate for non-cannabis projects: \$554,090
- Total estimate of assigned work: \$1,634,222

Competitive Selection Process

Given the importance and size of existing planning service contracts, Permit Sonoma sought a more methodical approach to identifying vendors and an expanded list of vendors that can be accessed as demand arose. On June 13, 2019 the Board authorized the Director of Permit Sonoma to execute an amendment to the agreement with e360/MIG to increase the cost-recovery contract by \$1,000,000 to a total of \$2,765,000. The contract extension was the third extension to the e360/MIG contract and was designed to maintain service continuity while a competitive recruitment for on-call planning services could be completed and draft agreements with preferred vendors could be presented to the Board for consideration.

On September 20, 2019 a Request for Qualifications (RFQ) for on-call planning services was released by Permit Sonoma, with an application deadline of October 10, 2019. The RFQ was advertised on the County's Supply Portal and complied with the Purchasing Agent's Guidelines for competitive processes.

The primary criteria for selection were:

- a. Demonstrated ability to perform the services described (20%)
- b. Experience, qualifications and expertise (20%)
- c. Quality of work as verified by references (20%)
- d. Willingness to accept the County's contract and insurance terms (5%)
- e. The locality of the Proposer (5%)

Hourly rates were required in the RFQ submittals but were not used as selection criteria because individual projects (task orders) to be assigned on an on-call basis would vary widely.

The RFQ process anticipated a two-step method for service provision.

Step 1 identified qualified firms based on a general outline of planning services as stated in the RFQ, which includes:

- a) Permit application oversight and management. Handling day-to-day interaction with applicants through the permitting process for ministerial and discretionary permits.
- b) Preparing staff reports and resolutions for decision-making bodies.
- c) Drafting and managing project conditions.
- d) Conducting California Environmental Quality Act (CEQA) environmental review for statutory and categorical exemptions, initial studies, and (mitigated) negative declarations, but not including Environmental Impact Reports (a separate environmental on-call services RFQ will be released for these services).
- e) Oversee project noticing and public correspondence.
- f) Participating in public hearings and delivering presentations to decision-makers.
- g) Conducting condition compliance during post-entitlement processing and mitigation measure compliance.
- h) Participating and informing divisional process improvements to improve customer service quality and promote permit streamlining.

Step 2 involves authorizing Task Orders on an as needed basis within the parameters authorized by the Agreement. Once a project or technical need has been identified, staff will initiate a meeting to describe the County's needs. Specific details of each work assigned will be determined during project initiation, including the specific project scope of work, schedule for completion of the project scope, cost estimate and payment provisions. Staff will prepare a Task Order to memorialize the agreement reached during project initiation or through the project cost estimate process. The Task Order must be signed by the Director of Permit Sonoma (or his designee) or the County Administrator (or her designee) prior to the onset of work. The County will not guarantee any minimum or maximum amount of work to be completed under the Agreement.

Based on those criteria, the County's evaluation committee ranked the candidates that are most able to meet the County's overflow permitting needs. Permit Sonoma received five proposals and using a set of pre-established criteria, selected the following three most-qualified firms, in alphabetical order:

- e360, LLC (with the authority to subcontract with MIG)
- Metropolitan Planning Group (M-Group)
- Crawford & Associates, Inc.

This item presents the Board with three preferred vendors to support Permit Sonoma's Planning Division and the County Administrator's oversight of cannabis permitting tasks, of which 360/MIG is the most qualified for providing assistance with planning services at this time.

Staff recommends selecting e360/MIG based on the evaluation of all of the submitted proposals.

Task Orders

Task orders initiated through an on-call services program would be entirely financed through application and processing fees.

Task Orders: Cannabis Program

The County Administrator's Office (CAO) manages the Cannabis Program, with Permit Sonoma Planning

Division serving as lead on the land use permitting component of the program. This item seeks the Board’s authorization for the CAO to enter into and manage task orders for planning services for cannabis applicants according to program priorities. Individual task orders would be issued and managed by the CAO with support from Permit Sonoma and AWM. This structure allows the CAO, Permit Sonoma, and AWM to implement the Board-directed cannabis program transition to AWM from Permit Sonoma.

Prior Board Actions:

December 13, 2016: Initial e360/MIG contract approved (#16/17-013)

January 23, 2018: e360/MIG contract time extension approved to December 19, 2019, and contract amount increased by \$400,000 for an updated not-to-exceed contract of \$575,000.

August 28, 2018: e360/MIG contract amended to increase the not-to-exceed limit to \$1,765,000 and the Board approved an \$800,000 budget appropriation to facilitate the at-cost billing for contract services.

June 13, 2019: e360/MIG contract amended to increase the not-to-exceed limit to \$2,765,000 and the Board approved a \$1,000,000 budget appropriation to facilitate the at-cost billing for contract services.

December 17, 2019: The Board approved the Cannabis Ad Hoc Recommendations for improving the Cannabis Program, including investigating a restructuring of the Cannabis Program to transition permitting to the AWM department from Permit Sonoma.

December 17, 2019: The Board approves an agreement between the County and California Department of General Services for the Sonoma Developmental Center, authorizing the County to initiate a Specific Plan with a consultant team, funded by a one-time \$3.5 million appropriation transferred from the state to the County. Permit Sonoma has received the funding from CA DGS.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$500,000	\$800,000	\$400,000
Total Expenditures	\$500,000	\$800,000	\$400,000
Funding Sources			
General Fund/WA GF			
State/Federal	\$300,000	\$300,000	\$300,000
Fees/Other	\$200,000	\$500,000	\$100,000
Use of Fund Balance			
Contingencies			
Total Sources	\$500,000	\$800,000	\$400,000

Narrative Explanation of Fiscal Impacts:

Agenda Date: 4/14/2020

The estimated need for these contract services will not exceed \$1,700,000 over the three-year term of the contract. The costs will not trigger the need for additional General Fund support. Funding for the proposed services will come from either Sonoma Developmental Center (SDC) state funding or from applicant at-cost fees.

An estimated \$1,100,000 will be recouped from at-cost fee agreements for permitting work. It is anticipated that the majority of the work for these permits types will take place in FY 2019-20 and FY 2020-21, with the work conducted in FY 2021-22 relating primarily to condition compliance on existing projects and a minimal number of discretionary projects that may require extended environmental review periods.

This contract would allow, but not require, policy work to be assigned to the vendor and would be limited to project management services for the SDC Specific Plan. Funding for the SDC Specific Plan work has already been provided by the California Department of General Services. A one-time prepayment of \$3.5 million was received by the department in December 2019, and the maximum amount of qualifying contract costs is estimated to be \$900,000.

On March 24, 2020, the Board of Supervisors adopted a concurrent resolution #20-0096 delegating authority to the County Administrator and the Auditor Controller-Treasurer-Tax-Collector to review, approve, and execute FY 2019-20 Budget revisions through the end of the COVID-19 declared emergency or through 6/30/20, whichever occurs first. Under this delegated authority, staff will process a budget adjustment in the amount of \$500,000 for FY 2019-20. Additionally, if approved, staff will include a supplemental adjustment for the FY 2020-21 recommended budget per the schedule above.

Narrative Explanation of Staffing Impacts (If Required):

The proposed agreement will not reduce or modify existing planning services currently provided by County staff, rather it will increase capacity and allow Permit Sonoma to perform more services reliably, keep up with increased demands for these services, and maintain service continuity during emergency operations. Staff met and conferred with union representation. No staffing impacts are anticipated.

Attachments:

Att 1: e360 Contract and Exhibits.19-20-011

Att 2: Scope of Work

Att 3: e360 Rates

Related Items “On File” with the Clerk of the Board:

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