



# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: FEBRUARY 13, 2024

FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARDS: ALL  
DEPARTMENT

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENTS TO INCREASE FUNDING AND MODIFY TERMS FOR ECONOMIC DEVELOPMENT RELATED TEMPORARY CONSULTANT SERVICES FOR MICHAEL BAKER INTERNATIONAL, INC., OF LONG BEACH, CALIFORNIA, FOR AN ADDITIONAL \$62,500, TOTAL CONTRACT AMOUNT \$75,000 AND BAKER TILLY US, LLP OF IRVINE, CALIFORNIA, FOR AN ADDITIONAL \$62,500, TOTAL CONTRACT AMOUNT \$75,000 AND TIERRA WEST ADVISORS, INC., OF LOS ANGELES CALIFORNIA FOR AN ADDITIONAL \$105,000, TOTAL CONTRACT AMOUNT \$130,000 AND KIMLEY-HORN AND ASSOCIATES, INC. OF RIVERSIDE, CALIFORNIA FOR AN ADDITIONAL \$225,000, TOTAL CONTRACT AMOUNT \$250,000; AGREEMENTS TOTAL \$530,000

**ISSUES:**

Approve the first amendment to Professional Consultant Services Agreements to increase funding and modify terms for the temporary consultant service needs of the Economic Development Division with Michael Baker International, Inc., of Long Beach, California to add \$65,500 for a one-year total contract amount of \$75,000; and Baker Tilly US, LLP of Irvine, California to add \$65,500 for a one-year total contract amount of \$75,000; and Tierra West Advisors, Inc., of Los Angeles, California to add \$105,000 for a two-year total contract amount of \$130,000; and Kimley-Horn to add \$225,000 for a one and a half years total contract amount of \$250,000, agreements total \$530,000.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the first amendment to the Professional Consultant Services Agreement with Michael Baker International, Inc., of Long Beach, California for a one-year period ending November 30, 2024, with a revised contract amount of \$75,000;
2. Approve the first amendment to the Professional Consultant Services Agreement with Baker Tilly US, LLP, of Irvine, California for a one-year period ending December 1, 2024, with a revised contract amount of \$75,000;

3. Approve the first amendment to the Professional Consultant Services Agreement with Tierra West Advisors, Inc., of Los Angeles, California for a two-year period ending January 31, 2025, with a revised contract amount of \$130,000;
4. Approve the first amendment to the Professional Consultant Services Agreement with Kimley-Horn and Associates, Inc., of Riverside, California for a one-and-a-half-year period ending June 30, 2024, with a revised contract amount of \$250,000; and
5. Authorize the City Manager, or his designee, to execute the amended Professional Consultant Services Agreements including making minor and non-substantive changes as necessary.

**BACKGROUND:**

The Community & Economic Development Department (CEDD) maintains and manages temporary professional consultant services agreements; this proactive approach serves as a vital resource to augment our existing staff during periods of heightened workloads or unforeseen circumstances. This practice ensures the uninterrupted continuity of operations when confronted with staffing challenges such as position vacancies, medical or other leaves, retirements, and recruitment periods. The consultants become instrumental in addressing both short-term and long-term needs, offering specialized support that becomes indispensable when the workload surpasses our internal staffing capacity. This ensures that our projects adhere to established schedules and objectives. The expertise of the consultants becomes especially critical in maintaining the highest standards of customer care, and this proactive measure guarantees the timely delivery of services aligning seamlessly with the specialized projects and the overarching goals of Riverside initiatives.

The Economic Development Division is actively engaged in a multitude of special projects and initiatives that require extensive oversight by staff. While our internal team typically assumes this responsibility, current staff availability challenges and the numerous vacancies within the division necessitate a strategic approach. In response, CEDD recognizes the imperative need to secure the expertise of professional consulting firms. This collaboration will be on a temporary, as-needed basis.

The division has 11.50 budgeted positions, with only 4.00 currently filled. To address this gap and ensure the sustained progress of our initiatives, temporary assistance is crucial. This external support will be instrumental until the division’s 7.50 vacancies are filled which include:

Position Title	Vacancies
Economic Development Manager	1.00
Senior Project Manager	3.00
Project Manager	2.00
Administrative Analyst	1.00
Administrative Intern	0.50

## **DISCUSSION:**

Given the distinctive nature of the services required and the pressing urgency of our ongoing projects, it was imperative to expedite the procurement of consultants. A decision was reached to utilize the informal procurement process under the signature authority of the CEDD Director. This procurement method aligns with our commitment to responsiveness and efficiency in addressing the dynamic requirements of our initiatives.

The proposed temporary Consultant Agreements are to support the programs and initiatives related to the CEDD Economic Development Division. The Scope of Services are identified in three separate areas:

1. Economic Development administrative and technical support
2. Implementation and coordination of the Cannabis Application and Permit Process
3. Urban Design Services for the Magnolia Specific Plan review and update

### **Economic Development Support**

The City of Riverside is in a transformative space where traditional economic development strategies are running in tandem with implementing a new organizational vision of excellence that will evolve into the City's next Economic Development Plan, while further aligning with the 2025 Envision Riverside Strategic Plan adopted by the City Council. This includes a focus on business sectors like Green Technology, Aerospace, Medical/Healthcare, Arts and Tourism and General Technology, as well as workforce development, business retention, support, and attraction, and expanding diversity and entrepreneurship that will advance our efforts as a regional and statewide economic leader.

The City is building staff capacity to meet expectations and in the meantime is looking for professional consultants with the ability to take on the leadership role of several ongoing core efforts for the Division. These include but are not limited to the Economic Development Plan, Northside Specific Plan Master Developer Request for Proposals, the Cannabis Program, the Magnolia Specific Plan and Arlington corridor revisits, business grant support and oversight, and various coordination of branding and marketing efforts.

### **Cannabis Application and Permit Process**

Riversides Commercial Cannabis Business Program was launched through the Economic Development website. The application period for the submittal of Storefront Retail Commercial Cannabis Business Permit applications opened on November 15, 2023, and the application period closed on December 15, 2023. Interested parties were required to submit the application through the designated portal. The professional consultant will manage, implement, and oversee the application and permit process in its entirety with staff support and coordinate all communication efforts, acting in a project facilitator capacity.

On June 20, 2023, the Economic Development Division received an award letter from the State Department of Cannabis Control providing the City of Riverside with a Retail Access Grant in the amount of \$475,000. The professional consultant will be reimbursed with a portion of the grant funds.

### Urban Design

Professional services are essential to conduct a comprehensive review of the Arlington Corridor, General Plan, and the existing Magnolia Specific Plan. The consultant will also assist in identifying opportunities for placemaking, economic development, business attention/retention, and optimal land use strategies.

In October 2023, department administration initiated the informal procurement process by disseminating the scope of work via email to five professional consultant firms. This communication served as an invitation for these firms to submit bid proposals, expressing their interest in providing Economic Development support as outlined in the defined scope of work.

Four bid proposals were received, the CEDD director and deputy director reviewed the proposals and selected two firms; Michael Baker International, Inc., of Long Beach, California and Baker Tilly US, LLP of Irvine, California.

In October 2023, department administration initiated the informal procurement process by disseminating the scope of work via email to four professional consultant firms. This communication served as an invitation for these firms to submit bid proposals, expressing their interest in providing Cannabis Application and Permit Process support as outlined in the defined scope of work.

One bid proposal was received, the CEDD director and deputy director reviewed the proposal and selected Tierra West Advisors, Inc., of Los Angeles, California.

In November 2023, department administration initiated the informal procurement process by disseminating the scope of work via email to three professional consultant firms. This communication served as an invitation for these firms to submit bid proposals, expressing their interest in providing Urban Design support as outlined in the defined scope of work.

Two bid proposals were received, the CEDD director and deputy director reviewed the proposals and selected Kimley – Horn Associates Inc., of Riverside, California.

Purchasing Resolution 23914, Section 702(w) states, “Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required when approved by the Manager, Services not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions need by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process”.

The Purchasing Manager concurs that the recommendation is in accordance with Purchasing Resolution 23914, Section 702(w).

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 3 – Economic Opportunity and Goal 3.3:** Cultivate a business climate that welcomes innovation, entrepreneurship, and investment. It also supports **Strategic Priority 5 - High Performing Government and Goal 5.2:** Utilize technology, data, and

process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City. This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City remains committed to a transparent approach in recognizing areas of improvement. In line with this commitment, there is a proactive acknowledgment of the necessity to engage external resources to sustain the standard of customer service and the successful execution of City initiatives.
2. **Equity** – Providing Professional Consultant Services Agreements for the Economic Development Division allows for the completion of outcomes that will benefit the entire community.
3. **Fiscal Responsibility** – Bid proposals were received in accordance with Purchasing guidelines from qualified consultants and salary savings from vacant positions will be utilized to support the Economic Development support.
4. **Innovation** – The Professional Consultant Services Agreements will allow the Economic Development Division to work with consultants capable of providing a full range of virtual and in person services.
5. **Sustainability & Resiliency** – The Professional Consultant Services Agreements will allow the Economic Development Division to maintain continuity of operations in times of heightened project loads or unforeseen circumstances while continuing to advance projects and initiatives.

### **FISCAL IMPACT:**

The total fiscal impact of the action related to the contract amendments is \$236,000. The funds are available in the Community & Economic Development Department accounts are as follows:

Economic Development support for as needed services from Michael Baker International, Inc. and Baker Tilly US, LLP for a total contract cost of \$150,000 will be funded by salary savings from the vacant position #288131011 and position #288131012. Consultant fees will be charged to General Fund, Economic Development, Temporary Services account number 2815001- 418000.

Cannabis consulting services from Tierra West Advisors, Inc. for a total contract cost of \$130,000 will be funded with available budgets in the General Fund, CD-Planning, Cannabis Commercial Use account number 2810000-450094 and in the Development Grants Fund, California Cannabis Retail Grant 9410500-440210.

Urban Design consulting services from Kimley – Horn and Associates, Inc. for a total contract cost of \$250,000 will be funded from the General Fund, CD-Planning, Magnolia Specific Plan project account 9926400-440440.

Prepared by:	Tiffany Wheeler, Senior Administrative Analyst
Approved by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment to Consultant Services Agreement with Michael Baker International, Inc.
2. First Amendment to Consultant Services Agreement with Baker Tilly US, LLP
3. First Amendment to Consultant Services Agreement with Tierra West Advisors, Inc.
4. First Amendment to Consultant Services Agreement with Kimley-Horn Associates, Inc.