



COUNTY OF HUMBOLDT

For the meeting of: 9/20/2022

File #: 22-1146

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

SUBJECT:

Authorization to Amend the LACO Associates Professional Service Agreement Providing Project Assistance with Current Planning and Cannabis Planning Projects

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Director of Planning and Building to amend the existing professional service agreement as necessary to support completion of permit application processing, subject to review and approval by County Counsel, Risk Management, and the County Administrative Office.
2. Authorize the Director of Planning and Building to increase the maximum compensation payable in the agreement to a maximum of \$1.5 million to term completion subject to review and approval by County Counsel, Risk Management, and the County Administrative Office.

SOURCE OF FUNDING:

General Fund (1100), Cannabis Planning-Charges for Current Services (1100268-60)

DISCUSSION:

On July 19, 2022, your Board authorized an increase in the amount of a professional services contract with LACO Associates, Inc. (LACO) for an increase in the total payable under the agreement. The agenda item contained conflicting information, the new total amount payable was stated as \$1 million and, also, \$1.5 million. The department's intent was to request an increase to \$1.5 million. This agenda item comes forward for transparency and to clarify the request.

On Oct. 7, 2020, the Planning and Building Department executed a professional service agreement with LACO to provide preparation of staff reports, environmental documents, technical studies, and peer review. LACO has consistently brought Current Planning and Cannabis Planning projects forward to public hearing before the appointed decision maker and, as a result, 56 projects have been approved due to LACO's excellent service and commitment to the agreement. On Aug. 2, 2021, a first amendment to the agreement was executed to amend the Compensation, Section 4; increasing the maximum amount payable from \$500,000 to \$800,000. However, LACO recently submitted invoices that have exceeded the maximum amount of the first amendment. In the interest of transparency, the

item was brought before your Board on July 19, 2022, for an update and authorization to continue to utilize the LACO services, and to increase the maximum amount payable under the agreement to cover current invoices and any future invoices that will be submitted between now and the term end. The term of the Agreement is also proposed to be amended so that the contract end date will be Dec. 31, 2025, instead of Dec. 31, 2023. The Planning and Building Department and LACO agree that the term of the agreement should be extended 2 years to allow more time for the consultant to bring projects forward to completion and avoid the need for future amendments to address term expiration.

In review of current invoices and workload assigned to LACO, it is anticipated that the department would need to increase the total compensation allowed for in the agreement to \$1.5 million. The amount is significant, however, the current invoiced amount of dollars spent to date is approximately \$953,500. This increase takes into consideration the term of the agreement which extends another 18 months, and the increase should cover services without the need to execute another amendment.

LACO has also been integral to the success to date of the Nordic Aquafarms project. Due to staffing turnover in the Planning and Building Department, LACO has been a consistent and valuable resource for this project.

The agreement that was presented to your Board on July 19, 2022, did not reflect the correct amount of compensation, therefore this item is before your board for further review and approval. The third amendment will address the correction to the compensation bringing total amount payable through the term to \$1.5 million dollars (Attachment 1).

Summary

This item comes back before your Board to provide a correction to the agreement and for transparency for the public. With your authorization, the Director of Planning and Building will execute the amendment as described herein.

FINANCIAL IMPACT:

The third amendment will serve to correct the second amendment compensation section. The professional service agreement with LACO Associates (LACO), will increase the total payable from \$1 million to \$1.5 million, and extend the term of the agreement from Dec. 31, 2023 to Dec. 31, 2025. However, in the event local, state or federal funding is reduced or eliminated, the County of Humboldt may reduce the above-referenced maximum amount payable or terminate the attached professional services agreement with this vendor.

Expenditure appropriations related to the amendment to the agreement has been included in the Fiscal Year 2022-23 budget for the Planning and Building Department, Cannabis Services budget (1100268). Funding for the attached amendment to the Professional Services Agreements with LACO Associates is available through charges for current services. As a result, approval of these amendments to the agreements will not impact the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by streamlining county permit processes and managing our resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve this request. However, this is not recommended because the volume of work and the technical expertise the consultants offer will provide capacity to complete permit application processing.

ATTACHMENTS:

Attachment 1: Third Amendment to the Professional Services Agreement: LACO

Attachment 2: Fully Executed Second Amendment with LACO Associates

Attachment 3: Fully Executed First Amendment with LACO

Attachment 4: Fully Executed Original Agreement

PREVIOUS ACTION/REFERRAL:

Board Order No: C-6, D-18

Meeting of: Oct. 6, 2020, July 19, 2022

File No.: 20-1266, 22-869