

C-7

September 6, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP ED22-062 and award contracts to Tetra Growth Systems, LLC, dba Canna Business Services, of Pittsburgh, PA, and Tkach Ventures, Inc., of Temple City, CA, to provide direct technical assistance to Cannabis Equity Program participants pursuing cannabis business ownership or operating legal cannabis businesses in the City of Long Beach, in a total annual aggregate amount not to exceed \$293,750 through September 30, 2023, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary subsequent amendments. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with Tetra Growth Systems, LLC, and Tkach Ventures, Inc., to provide direct technical assistance to Cannabis Equity Program participants (Equity Applicants) pursuing legal cannabis business ownership or operating legal cannabis businesses in the City of Long Beach (City). Tetra Growth Systems, LLC, was selected to assist Equity Applicants with reviewing financial information, budgeting, strategic planning, business operations, and navigating the City and State's licensing and permitting process. Tkach Ventures, Inc., was selected to assist Equity Applicants with finding appropriate commercial properties for their cannabis businesses including site and lease negotiations.

The City secured grant funds from the State of California, Governor's Office of Business and Economic Development (GO-Biz) under their Cannabis Equity Grants Program for Local Jurisdictions to provide direct technical assistance to help Equity Applicants gain entry to the legal cannabis market to operate and sustain a successful business. On April 25, 2022, the City released a Request for Proposals (RFP) ED22-062 soliciting proposals from interested vendors in the following priority areas:

- Finding appropriate commercial properties for their cannabis business
- Negotiating lease agreements
- Developing business plans, financial plans, budget documents, projections
- Securing capital and investors
- Understanding State and local taxes and other regulatory compliance requirements
- Setting up proper payroll and accounting procedures for the business

- Entering into business agreements
- Navigating the City and State's licensing and permitting process

The requests for proposals (RFP) were advertised in the Long Beach Press-Telegram on April 28, 2022, and 1,009 potential proposers specializing in consulting and professional services were notified of the RFP opportunity. Of those proposers, 42 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which was sent to 42 local, minority-owned, and women-owned business groups. There were eleven (11) proposals received on May 20, 2022. Of those eleven (11) proposers, two (2) were Minority-owned Business Enterprises (MBEs), three (3) were Women-owned Business Enterprises (WBEs), two (2) were certified Small Business Enterprises (SBEs), and three (3) were Long Beach vendors (Local). The selection committee determined that Tetra Growth Systems, LLC, dba Canna Business Services, of Pittsburgh, PA (WBE), and Tkach Ventures, Inc., of Temple City, CA (MBE), were the most qualified firms to provide the services.

Tetra Growth Systems, LLC, dba Canna Business Services and Tkach Ventures, Inc., were selected due to their organizational capacity and experience in delivering related consulting services, working with Equity Applicants, government agencies, and various types of businesses. Tetra Growth Systems, LLC, dba Canna Business Services and Tkach Ventures Inc., demonstrated a commitment to advancing cannabis equity and assisting Equity Applicants in their journey as entrepreneurs launching a new business.

Local Business Outreach

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 48 Long Beach vendors were notified to submit proposals, of which six (6) downloaded and eleven (11) submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita on August 1, 2022, Purchasing Agent Michelle Wilson on August 11, 2022, and by Budget Operations and by Development Officer Rhutu Amin Gharib on August 17, 2022.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP ED22-062 and award contracts concurrently are requested on September 6, 2022, to ensure the contracts are in place expeditiously to avoid a disruption of services currently being delivered to Equity Applicants.

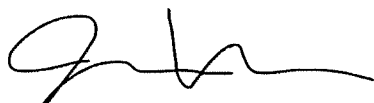
FISCAL IMPACT

The total annual aggregate amount of the contracts will not exceed \$293,750. Costs are offset by grant funding provided by GO-Biz's Cannabis Social Equity Grant Program for Local Jurisdictions. This grant is managed by the City Manager's Office of Cannabis Oversight Department. Sufficient appropriation is budgeted in the General Grants Fund Group in the City Manager's Office to support this activity. The award of this contract will provide continued support for Equity Applicants to gain entry to and/or successfully operate in the regulated cannabis market. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

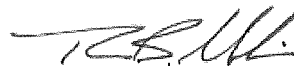
Approve recommendation.

Respectfully submitted,



JOHNNY VALLEJO
ACTING DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER