

Medical Cannabis Pharmacy RFP
Application
RS20003

The Utah Department of Health must license 14 medical cannabis pharmacies by July 1, 2020. The Department will issue 14 licenses through a single RFP, but will stagger the effective dates of licenses into two groups.

The Department will issue eight licenses to an initial group of medical cannabis pharmacies with the option of opening up as early as March 1, 2020. The remaining six licenses will be awarded to a second group of medical cannabis pharmacies to open up as early as July 1, 2020. The Department will decide which medical cannabis pharmacies fall into the initial group and which fall into the second group.

- Licenses will be issued according to four geographic regions (See Attachment F: Region Map):

Region 1: 3 Licenses

Box Elder County
Cache County
Rich County
Weber County (Urban)
Morgan County

Region 2: 5 Licenses

Salt Lake County (Urban)
Tooele County
Davis County (Urban)
Summit County

Region 3: 4 Licenses

Utah County (Urban)
Wasatch County
Daggett County
Duchesne County
Uintah County
Carbon County
Emery County
Grand County
San Juan County

Region 4: 2 Licenses

Juab County
Millard County
Sevier County
Sanpete County
Piute County
Wayne County
Beaver County
Iron County
Washington County
Garfield County
Kane County

Applicants under the same ownership may submit license applications for multiple locations in the same region or in multiple regions but each location requires its own application and payment of a separate \$2,500 application fee. The same applicant under the same ownership cannot be issued more than one urban county license and more than two total licenses. For purposes of this RFP, locations in Salt Lake County, Davis County, Utah County, and Weber County are classified as urban and locations and all other counties are classified as rural.

- Specific Address Required: Applicants must propose a specific street address for the location where they intend to establish a medical cannabis pharmacy.
- Location Changes: The Department reserves the right to base the awarding of a medical cannabis pharmacy license to a top applicant on their willingness to move their location (see Utah Code 26-61a-305(2)). This may happen if a higher ranked applicant is located in the same region near the proposed location of a lower ranked applicant.
- Home Delivery Service: SB 1002 enabled the Department to approve medical cannabis pharmacies to provide home delivery service but the software needed to support this service may not be rolled out until July 2020. For this reason, the Department may wait to approve pharmacies to provide home delivery service until after July 2020.
- Software Required: Each licensed medical cannabis pharmacy must purchase the following software in order to participate in Utah’s medical cannabis program: (1) State of Utah’s designated seed to sale inventory control system which is MJ Freeway’s Leaf Data Systems software; and (2) State of Utah’s designated electronic verification system which is MicroPact’s entillitrak software.

If there are more qualified applicants than there are available licenses for medical cannabis pharmacies, the Department must ensure a geographic dispersal among licensees that is sufficient to reasonably maximize access to the largest number of medical cannabis cardholders.

Fee Information

All fees related to the medical cannabis program are listed in Attachment A: Fee Schedules. Fees directly related to the medical cannabis pharmacy application and licensing include the following:

Fee Title	Fee Amount
Medical Cannabis Pharmacy Application Fee	\$2,500
Medical Cannabis Pharmacy License Fee – Urban (Annual Fee)	\$67,000
Medical Cannabis Pharmacy License Fee – Rural (Annual Fee)	\$50,000
Medical Cannabis Home Delivery Pharmacy License Fee – Urban (Annual Fee)*	\$69,500
Medical Cannabis Home Delivery Pharmacy License Fee – Rural (Annual Fee)*	\$52,500

*Licensees approved by the Department as a home delivery pharmacy must provide in-person service at the facility AND they must provide home delivery service to cardholders. Payment of the home delivery pharmacy licensing fee amount allows a pharmacy to provide in-person AND home delivery service.

Note: Utah law authorizes the Department to collect a uniform transaction fee from medical cannabis pharmacies on each medical cannabis cardholder transaction. The uniform transaction fee will be \$3.

Application Fee Payment Information

Check

Make a \$2,500 check payable to Utah Department of Health and send to:

Utah Department of Health
PO Box 144003
Salt Lake City, Utah 84114-2104

Reference “pharmacy application fee” on the check or check stub.

Credit Cards

To pay \$2,500 pharmacy license application fee with Visa, Master Card, or American Express, please call the Utah Department of Health at (385) 249-4239 between the hours of 8 a.m. and 4 p.m. Please reference that this payment is for a pharmacy application fee.

Note: If the Department does not receive payment of the \$2,500 application fee from an applicant by the submission deadline, their application will not be evaluated.

RFP Schedule – Subject to Change

Date	Event
Friday, October 25, 2019	Department Releases the RFP
Monday, December 2, 2019	Application Submittal Deadline
Friday, December 27, 2019	Department to announce Intent to Award to all 14 applicants
Sunday, March 1, 2020	Earliest date the first group of eight licensees can open
Wednesday, July 1, 2020	Earliest date the second group of six licensees can open

Mandatory Minimums and Technical Requirements

Information submitted in all proposals must comply with laws outlined in Title 26, Chapter 61a, Utah Medical Cannabis Act and the following attachments:

1. Attachment B: Medical Cannabis Pharmacy Fact Sheet;
2. Attachment C: Medical Cannabis Fact Sheet;
3. Attachment D: Medical Cannabis Pharmacy Proximity Requirements; and
4. Attachment E: Medical Cannabis Practice Act Rule, Utah Admin Code. R380-400 through R380-411 (this rule will be formally published with the Division of Administrative Rules shortly after the posting of this RFP).
5. Link to Title 26, Chapter 61a: https://le.utah.gov/xcode/Title26/Chapter61A/26-61a.html?v=C26-61a_2018120320181203

Applicants should read, reference, and demonstrate that their proposals comply with the standards established in the Utah Medical Cannabis Act and the attachments when responding to items in the Mandatory Minimums and Technical Requirements sections of the RFP. The attachments include important information not found in this document.

- **Page Limit:** Applications will be limited to a total of 100 pages. This includes all attachments. If documentation submitted by an applicant exceeds 100 pages, it will not be evaluated. This does not mean that applicants must submit 100 pages. An application that is 50 pages can score equal to one that is 75 or 100 pages. Do not treat the 100 page limit as a target.

Mandatory Minimums

Applicants must create a document titled and saved as “[insert company name].MM”. Copy and paste responses to the items below into that document and clearly respond to each item. Upload the document(s) to the Scquest/U3P Portal as an answer to question 3.1 in the Question Section.

1. **Owners and Directors Contact Information**
 - a. Applicant must provide name and contact information of any individual who has a financial or voting interest of 2% or greater in the proposed medical cannabis pharmacy, or, has the power to direct or cause the management or control of the proposed medical cannabis pharmacy.
2. **Bond Statement**
 - a. Applicant must indicate that they will obtain and maintain a performance bond that a surety, authorized to transact surety business in the state, issues in an amount of at least \$125,000 for each medical cannabis pharmacy license awarded, prior to being awarded a license. This is a post-award requirement that a winning applicant must satisfy prior to being issued a license. It must not be obtained prior to award or submitted with an applicant’s proposal.
3. **Application Fee**

- a. Applicant agrees to pay the applicable application fees prior by the submission deadline. If the applications fees are not paid prior to the deadline, the proposal will not be reviewed and the applicant will be ineligible for award.

4. **Past Disciplinary Actions**

- a. A concise description of any formal investigation, charge, claim, or adverse action taken by any licensing jurisdiction, government agency, law enforcement agency, or court in any state for any violation or detrimental conduct in relation to any of the applicant's or an owner's past or present cannabis-related operations or other businesses and any corrective action taken as a result covering the past 7 years to which the applicant was a party.
 - i. Fill out the below table for each incident.
 - ii. If this question does not apply, please put "N/A" in the first cell.

Defendant	Name of Case & Docket #	Nature of Charge or Complaint	Date of Charge or Complaint	Disposition	Name and Address of Administrative Agency involved, and the Tribunal or Court

- 5. **Land Use Permit** –Applicant agrees to acquire and submit the approved land use permit, if necessary, within 120 days after the day the license is issued.
 - a. This is a post award requirement. An applicant does not need to acquire this permit prior to being awarded or submit it with your application.
- 6. **Business Entity Information-** Applicant agrees to submit their business entity formation and organizational documents upon request within 24 hours of it being requested at any time.
 - a. Do not submit these documents with the initial application. However, the documents must be provided if they are requested at any time before or after awarding of a license.
- 7. **License Fee** – Applicant agrees to pay the applicable license fee(s) prior to being awarded a license.
- 8. **Electronic Payment Providers** - Name all electronic payment providers the applicant plans to use for any electronic payments made to and by the medical cannabis pharmacy and the financial institution(s) that will process and/or deposit those transactions. Provide contact information for these providers.
 - a. Will you accept payments through a payment provider that the Division of Finance approves in consultation with the state treasurer; or a financial institution in accordance with Utah Code 26-61a-603 (4)?

Technical Requirements

Create a document(s) providing the information requested below. Upload documents to the Sciquest/U3P Portal as an answer to question 3.2 in the Question Section:

1. **Experience (250 points):** Experience with establishing and successfully operating a business that involves complying in a regulatory environment, tracking inventory, and training, evaluating, and monitoring employees. Describe the industries within which the applicant has applicable experience.
 - a. Name all states the applicant currently operates in or have operated in the past and provide the names by which the applicant has operated in those states.
 - b. Information provided in the “Past Disciplinary Action” Mandatory Minimum will be evaluated and included in this score.

2. **Operating Plan (600 Points Total):** Provide the applicant’s operating plan to ensure the safety and security of patrons and the community. Address point by point and in detail in a through h below.
 - a. **Facility Information (175 Points):**
 - i. Describe the physical characteristics of the proposed facility, including a floor plan and an architectural elevation. The floor plan must show and name different areas of access, such as a “public area” where non-cardholders and non-employees can be present , a “cardholder area” where only cardholders and employees are allowed, and a “limited access area” where medical cannabis is stored and only employees are allowed.
 - ii. Describe the property’s current ownership status (i.e. Is the applicant a current or prospective leaseholder, owner, or renter?). **Note:** Current ownership or current leasing will not in of it itself be determinative of award. UDOH disclaims any and all liability related to an applicant’s business decision to enter into a lease agreement or purchase property.
 - iii. Provide documentation demonstrating that the proposed location complies with proximity restrictions specific to medical cannabis pharmacies summarized in Attachment F and established in the Utah Medical Cannabis Act and the Utah Medical Cannabis Act Rule.
 - iv. Describe security protocols and standards to ensure the security of the physical structure of the medical cannabis pharmacy and the medical cannabis and confidential information stored there. Address your ability to keep patient records in a location not visible to other patients.
 - v. Describe the process that the medical cannabis pharmacy will take to ensure that access to the pharmacy premises will be limited to employees and cardholders.
 - vi. Describe any processes or controls that will be implemented to prevent the diversions, theft, or loss of medical cannabis or medical cannabis devices.

- vii. Describe the planned hours of operation (days and times) for the facility to be open to the public. If the pharmacy plans to request approval from the Department to engage in home delivery service, describe the planned hours of operation of that service.
 - viii. Describe the proximity of the facility to anticipated patient populations.
- b. **Employee and Company Information (100 Points):** Provide a list naming all prospective employees and their titles, such as “pharmacy agent” AND a corresponding org chart. If the pharmacy plans to provide home delivery service, include employees or contracted courier agents who will be making the deliveries. This should include plan for ensuring that a pharmacist in charge has general oversight over operations and a pharmacy medical provider (PMP) is present at all times when the pharmacy is open. For employees whose names are unknown at this time, titles without names may be provided. Provide a description of the credentials and experience of individuals named, including:
 - i. each officer, director, or owner of the proposed medical cannabis pharmacy including its corporate structure; and
 - ii. any highly skilled or experienced prospective employee; and
 - iii. a Utah licensed pharmacist designated as the pharmacist in charge (PIC) for the pharmacy;
 - iv. any prospective pharmacy medical provider (PMP) who is a Utah licensed pharmacist, MD, or DO with a Utah controlled substance license.
- c. **Training Standards (75 Points):** Describe the training and continuing education opportunities beyond those that are state mandated that will be provided to medical cannabis pharmacy employees. This should include plans to train employees on patient confidentiality, regulatory compliance, patient education, data collection, and safety and security for employees. If the pharmacy plans to provide home delivery service, describe training standards relative to home delivery.
- d. **Customer Consultation (50 Points):** Describe the medical cannabis pharmacy’s plan for cardholder education when cardholders make purchases. This must include a plan for medical cannabis agents who can give product advice but cannot consult with patient about their medical conditions and a PMP who can consult with patients about their medical conditions. The plan must specify how the applicant plans to comply with the Medical Cannabis Act and Medical Cannabis Act Rule when providing customer consultation. The plan should cover topics such as safe use of medical cannabis, legal use, safe storage, and accidental ingestion. If the pharmacy plans to provide home delivery service, describe how it plans to provide customer consultation in cases of home delivery.

- e. **POS System (25 points):** Provide a general description of how the medical cannabis pharmacy's point of sale (POS) system will be compatible with the seed to sale inventory control system designated by the State of Utah (MJ Freeway's Leaf Data Systems Software). Medical cannabis pharmacies in Utah will be required to use Leaf Data Systems as their seed-to-sale inventory control system.
- f. **Storage Protocols (75 Points):** Describe the pharmacy's medical cannabis storage protocols both short and long term, to ensure that cannabis is stored in a manner that is sanitary and preserves its integrity and that complies with the Utah Medical Cannabis Act and Utah Medical Cannabis Act Rule.
 - i. If the pharmacy plans to create a medical cannabis disposal program for customers, provide a description of the program that allows a customer to deposit unused or excess medical cannabis, cannabis residue from a medical cannabis device, or medical cannabis product, in a locked box or other secure receptacle within the medical cannabis pharmacy.
 - ii. Indicate whether the applicant intends to request approval from the Department to provide home delivery services. If home delivery is intended, provide a plan to safely conduct shipments delivery.
- g. **Strategic Plan (100 Points):** A description of the applicant's strategic plan for opening the medical cannabis pharmacy that has a high likelihood of success. This plan must include the following:
 - i. gauging appropriate timing of opening the pharmacy based on the supply of cultivated and processed medical cannabis in Utah and the estimated quantity and condition of the population of medical cannabis cardholders (See Attachment E: Cannabis Population Estimates);
 - ii. a detailed description of all medical cannabis, medical cannabis devices, and medical cannabis education material intended to be offered by the medical cannabis pharmacy during the first year of operation. Include a photographic image of at least 4 examples of products the pharmacy plans to sell showing the containers and corresponding labels for products that the pharmacy plans to use. These could be examples of products that are currently sold in other states or products not sold in other states that you intend to sell for the first time in Utah. All text appearing on labels must be legible in the images provided.
 - iii. a financial plan that includes audited, certified financials the following information:
 - a. Documentation of liquid assets and the source of those liquid assets from a financial institution in the United States or the District of Columbia. This documentation must identify an amount of funds in liquid assets which are unencumbered and can be converted within 30 days after a request to liquidate assets.
 - b. Documentation of illiquid resources.

- c. If the applicant is relying on funds from an owner, officer, board member or any other source, evidence that such person had unconditionally committed such funds to the use of the applicant in the event the Department awards a medical cannabis pharmacy license to the applicant.
 - d. Evidence that the applicant has adequate funds to cover all expenses and costs of the first year of operation.
 - e. Two year budget which includes but is not limited to:
 - i. any assets and liabilities; and
 - ii. any pro-forma used to develop the plan.
 - f. Documentation related to any contracts for services or proposed contracts for services that are directly related to the cultivation, processing, or dispensing of medical cannabis or medical cannabis devices, or providing of home delivery services in Utah.
3. **Local Connections (75 Points):** Describe how the applicant will make positive connections to the local community if awarded a license.
- a. Describe any direct or indirect connections intended to the local businesses, workforce, or non-profits, or charities.
 - b. Describe how the applicant intends to provide their local community with community benefits and mitigate any nuisance and/or negative impacts that the facility's existence may cause, including any safety related concerns.
 - c. Describe and demonstrate a commitment to the community and to improving quality of life of their neighbors through sustainable practices which can be maintained and supported over time.
4. **Ability to Keep Cost of Medical Cannabis Low for Cardholders (100 Points):** Describe the extent to which you can reduce the cost of medical cannabis or medical cannabis devices for cardholders.

Any changes to a proposal after the submittal deadline that an applicant requests to make to an awarded proposal are subject to Department approval.