



*Delaware Health
And Social Services*

DIVISION OF MANAGEMENT SERVICES

PROCUREMENT

DATE: September 28, 2020

HSS 20 016

REGISTRATION AND OPERATION OF MEDICAL MARIJUANA COMPASSION CENTERS IN DELAWARE

FOR

DIVISION OF PUBLIC HEALTH

Date Due: October 28, 2020
 11:00AM

ADDENDUM # 1

Please Note:

THE ATTACHED SHEETS HEREBY BECOME A PART OF THE ABOVE
MENTIONED APPLICATION.

Responses to questions received by the due date of September 16,
2020.

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RFA HSS 20 016
Registration and Operation of Medical Marijuana Compassion
Centers in Delaware
Questions and Answers

1. Is the RFA pagination limit of 50 pages inclusive of exhibits, addenda, etc.?

Answer - The entire response should be 50 pages or less. The Operations Manual is not counted in the 50 pages.

2. Regarding RFA Page 15 ("Bar Coding Inventory"): Is DHSS requiring new vendors to create a new platform for vendor data which would require the provision of narrative? Or is the requirement to use BioTrack THC with a firewall? Phrased differently, must new vendors in this RFA utilize a different product inventory Standard Operating Procedure than that currently employed by the licensed and operating compassion centers?

Answer - Compassion Centers must use a seed to sale tracking system. The system must work seamlessly with BioTrack THC. The State will not pay for accommodations to make another software compatible with the State's BioTrack THC system.

3. Are entities that already have registration certificates to operate compassion centers in Delaware ineligible to apply for additional licenses under the RFA based on the language provided in Section 4914A(d): "the Department shall issue additional registration certifications to at least 3 of the highest scoring applicants not already awarded a registration certificate"?

Answer - The Department will review and consider all applications that meet the Evaluation Criteria in Section VIII of the RFP.

4. Delaware certification of a diverse business (MBE, WBE, VOB, SDVOBE, IWDBE) requires the entity to be formed as a "for-profit" business, otherwise the application will be denied. The RFA gives 10% of the score to certified diverse businesses, yet requires they operate as not-for-profit entities. How can an applicant meet the requirements for diverse business certification (i.e., for-profit) and simultaneously meet the criteria for registration as a compassion center (not-for-profit)?

Answer - The Department recommends potential bidders solicit the advice of tax professional or attorney on tax-exempt status. [§ 4919A](#)... "A registered compassion center need not be recognized as tax-exempt by the Internal Revenue Service and is not required to incorporate pursuant to Title 8."

The application review process will award up to 10 points to applicants with a Delaware Office of Supplier Diversity MBE/WBE/VOB certification. If applicants are unable to obtain a Delaware certification, the State will accept the documentation required for certification in the RFP response. The certification documentation will not count against the 50-page limit. The

documentation should be adequate for the Bid Review Committee to decisively conclude the applicant's status.

5. Does the criminal history background check require both federal and state background checks?

Answer - The background check should be a nation-wide federal background check.

6. Will OMM accept criminal history background checks conducted in other states?

Answer - The background check should be a nation-wide federal background check.

7. Will OMM accept criminal history background checks completed earlier in 2020?

Answer - The nation-wide federal background check should be dated after 2 September 2020, the date of RFP.

8. Will OMM temporarily waive the criminal history background check requirement due to inability of applicant agents being unable to obtain result by October 28, 2020 due to COVID-19 disruptions?

Answer - OMM will accept documentation of submission for a background check. If the applicant has dis-qualifying information identified after selection process, the Department will void the selection.

9. Do all individuals identified on applicant's response need a background check, even if they will not be involved in the management of the business? For example, owners of less than 10% that have no responsibility for operations and do not live in the state?

Answer - Principle investors (10% or greater), individuals involved with the management or daily operations of the business must submit a background check. If the individual plans to enter the facility un-escorted, they will require a background check.

10. Does applicant's 50-page response include addendum or the sample contract with DHSS?

Answer - The entire response should be 50 pages or less. There will not be a contract between the state and the vendor, the Department will issue a permit based on the information provided in the response. The Operations Manual is not counted in the 50 pages.

11. Does applicant's 50-page response include diagrams, schematics, site plans, or standard operating procedures?

Answer - The entire response should be 50 pages or less. The Operations Manual is not counted in the 50 pages.

12. Are an applicant's financial plans that demonstrate how it will operate on a not-for-profit basis sufficient evidence of not-for-profit status?

Answer - For the purposes of RFP scoring, yes. Evidence to support fruition of those plans will be submitted within the bi-annual audit required for permit renewal.

- 13. Does requirement that operations take place in “enclosed, locked location” prohibit the use of outdoor cultivation techniques and the use of tall fencing to secure the property and keep from public view? Would a greenhouse be allowed?**

Answer - Outdoor operations would be allowed if the facility featured adequate security measures outlined in the regulations. (Caution should be used outdoors as Delaware has a zero-pesticide requirement) Greenhouse operations would be allowed if the facility featured adequate security measures outlined in the regulations.

- 14. Can “underserved areas of the State based on population data” be defined? Is there a specific area of the state the Department would like to see populated by a dispensary?**

Answer - The Department would like to see additional availability outside the Route 1 corridor.

- 15. The RFP references “underserved areas of the State based on patient population data” but the RFP does not include that data. Is this patient population data and particular areas that are “underserved” currently available or will the Department be releasing the referenced population data that it will be utilizing to select retail locations and, if so, when will this data be released?**

Answer - The locations of the current retail operations are publicly available, the state’s population density is equally available. The Department would like to see availability outside the Route 1 corridor.

- 16. We understand the format of the application is 50 pages maximum. There are some requirements such as full background reports for proposed agents and an optional legally binding evidence of site control if a location is identified. Background check reports, Real Estate leases/letters tend to be lengthy documents (20+ pages each). Can we reference these documents without including the full reports or can they be added as appendices not counted toward the 50-page application limit?**

Answer - Within the 50-page response, there should be brief summaries of such documents. If the review committee has questions on entries of a background check or other legal document, the applicant will be contacted. The Operations Manual is not counted in the 50 pages.

- 17. Should Appendices A-E be attached to the Proposal submission section as additional files? If so, please confirm that these appendices will not be included in the page count for the 50-page proposal.**

Answer - The entire response should be 50 pages or less. The Operations Manual is not counted in the 50 pages.

18. The Operating Manual contains the content topics addressed in the Scope of Services, which can run dozens of pages. Can the Operations Manual be an appendix so not to take up some of the 50 pages that are addressed in the Scope of Services section?

Answer - Due to the technical nature of the "Operation Manual" including it as a separate element is acceptable. The Operation Manual will not count against the 50-page limit.

19. Where can we access the forms/templates for Attachments 2-10?

Answer - These attachments were not provided because they are not required to be part of a bidders the proposal.

20. The RFP requires documentation as a threshold consideration of "not-for-profit status or evidence of operations consistent with not-for-profit status." The RFP also provides up to 10 points for applicants certified by the Delaware Office of Supplier Diversity but certification by the Office of Supplier Diversity requires entities to be for-profit business entities in order to qualify for certification. What structure will the Department accept to meet the required threshold if the applicant is a certified by the Office of Supplier Diversity?

Answer - The Department recommends potential bidders solicit the advice of tax professional or attorney on tax-exempt status. § 4919A.... *"The bylaws of a registered compassion center shall contain such provisions relative to the disposition of revenues to establish and maintain its not-for-profit character."* *"A registered compassion center need not be recognized as tax-exempt by the Internal Revenue Service and is not required to incorporate pursuant to Title 8."*

The Department will review "not-for-profit" distributions contained in the bi-annual audit, during the permit renewal process. The application review process will award up to 10 points to applicants with a Delaware Office of Supplier Diversity MBE/WBE/VOB certification. If applicants are unable to obtain a Delaware certification, the State will accept the documentation required for certification in the RFP response. The certification documentation will not count against the 50-page limit. The documentation should be adequate for the Bid Review Committee to decisively conclude the applicant's status.

21. Certification of an entity as an MBE/WBE/VBO by the Office of Supplier Diversity can take up to six weeks. Will it be acceptable to start the registration process as an MBE/WBE/VBO and provide evidence, without fully receiving the certification at the time of submission?

Answer - The Department will accept documentation of submission for the certification. If applicants are unable to obtain a Delaware certification, the State will accept the documentation required for certification in the RFP response. The certification documentation will not count against the 50-page limit. The documentation should be adequate for the Bid Review Committee to decisively conclude the applicant's status.

22. Will the RFP be scored more favorably if a location is identified rather than a proposed location?

Answer - The Department is looking for assurance/documentation that the retail location and/or grow location is in an appropriately zoned area and greater than 500 feet from schools.

23. Should the RFP response be written with the assumption that the winning RFP will be a vertically integrated entity (i.e. inclusive of a combined grower/processor facility plus one dispensary location) AND should the budgeting appendices assume that as well when determining expenses?

Answer - The Department welcomes innovation and new concepts to enhance access to Delaware patients. Budget information should include the entire scope of the proposal.

24. Will existing operators in Delaware (dispensary and/or cultivation) be considered in response to this RFP?

Answer - The Department will review and consider all applications that meet the Evaluation Criteria in Section VIII of the RFP.