

**NEW JERSEY DEPARTMENT OF HEALTH**  
**Division of Medicinal Marijuana**  
**Request for Applications**

**I. Definitions**

“Alternative treatment center” or “ATC” means the permitted alternative treatment center authorized by endorsements described at N.J.A.C. 8:64-7.1 to cultivate, manufacture, and/or dispense medicinal marijuana and related paraphernalia to registered qualifying patients in accordance with the provisions of the New Jersey Compassionate Use Medical Marijuana Act. This term includes the ATC’s officers, directors, board members, and employees.

“ATC permit holders” means individuals and entities with a stake (in the form of debt, equity, or other financial or managerial relationship) in any of the currently permitted ATCs and the awardees from December 2018.

“Central region” means the counties of Hunterdon, Middlesex, Mercer, Monmouth, Ocean, Somerset and Union.

“Canopy” means the total area in square feet in which an ATC is authorized by the Department to plant, propagate, cultivate, grow, harvest, cure and store medicinal marijuana in accordance with N.J.A.C. 8:64-1 et seq.

“Cultivation” includes the planting, propagating, cultivation, growing, and harvesting of medicinal marijuana.

“Cultivation endorsement” means a permit endorsement pursuant to N.J.A.C. 8:64-7.1 that allows an ATC to possess, cultivate, plant, grow, harvest, and package usable marijuana (including in prerolled forms); and display, transfer, transport, distribute, supply, or sell marijuana to other ATCs, but not directly to registered qualifying patients.

“Dispensary endorsement” means a permit endorsement pursuant to N.J.A.C. 8:64-7.1 that allows an ATC to purchase usable marijuana and products containing marijuana from other ATCs authorized to cultivate or manufacture usable marijuana or products containing marijuana; and possess, display, supply, sell, and dispense, usable marijuana and/or products containing marijuana, to registered qualifying patients.

“Manufacturing” means compounding, making, and processing medicinal marijuana in all forms.

“Manufacturing endorsement” means a permit endorsement pursuant to N.J.A.C. 8:64-7.1 that allows an ATC to possess and process usable marijuana; purchase usable marijuana from other ATCs possessing a cultivating endorsement; manufacture products containing marijuana approved by the Department; conduct research and develop products containing marijuana for approval by the Department; and to display, transfer, transport, distribute, supply, or sell marijuana and products containing marijuana to other ATCs, but not directly to registered qualifying patients.

“Division of Medicinal Marijuana” means the division within the Department of Health, which is responsible for the administration and implementation of the New Jersey Compassionate Use Medical Marijuana Act.

“Northern region” means the counties of Bergen, Essex, Hudson, Morris, Passaic, Sussex and Warren.

“Region” means either the northern region, central region or southern region as defined in the Act.

“Southern region” means the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem.

“Vertical integration” means the co-location or combination of two or more of the following activities related to the production of usable marijuana for qualifying patients in one location: cultivation, manufacturing, and dispensing.

## **II. General Information**

The “New Jersey Compassionate Use Medical Marijuana Act,” N.J.S.A. 24:6I-1 to -16 (the Act) provides protection from arrest, prosecution, property forfeiture, and criminal and other penalties by the State of New Jersey for those patients who use marijuana to alleviate suffering from certain medical conditions, as well as their physicians, primary caregivers, and those who are authorized to produce, process, and dispense marijuana for medical purposes.

The Act tasks the Department of Health with seeking “to ensure the availability of a sufficient number of alternative treatment centers throughout the State, pursuant to need, including at least two each in the northern, central and southern regions of the State.” N.J.S.A. 24:6I-7. The Act further directs that “the first two centers issued a permit in each region shall be nonprofit entities, and centers subsequently issued permits may be nonprofit or for-profit entities.” N.J.S.A. 24:6I-7.

In March 2018, the Department of Health added 5 additional medical conditions to the list of conditions available for treatment with medicinal marijuana. In January 2019, the Department added one additional condition, Opioid Use Disorder (as an adjunct to Medication-Assisted Treatment). Since the addition of those conditions, which include two types of chronic pain, anxiety, migraine, and Tourette syndrome, the Division has added 30,000 new patients, bringing the total patient count to over 47,500 as of June 3, 2019. Due to this significant expansion of the patient population served by the Division of Medicinal Marijuana over the course of 2018 and 2019, and the projected future expansion outlined in the Department’s Biennial Report, the Department has determined, pursuant to N.J.S.A. 24:6I-7, that additional alternative treatment centers are necessary to meet the needs of the population of qualified patients in the Medicinal Marijuana Program.

Therefore, pursuant to N.J.A.C. 8:64-6.1, the Department provides this notice of a Request for Applications (RFA) for up to 108 additional ATC’s: up to thirty-eight in the northern region, up

to thirty-eight in the central region, and up to thirty-two in the southern region. The Department will seek up to the following numbers of permit endorsements in each region as follows:

**Northern Region**

- Cultivation endorsements: 8
- Manufacturing endorsements: 10
- Dispensary endorsements: 20

**Central Region**

- Cultivation endorsements: 8
- Manufacturing endorsements: 10
- Dispensary endorsements: 20

**Southern Region**

- Cultivation endorsements: 8
- Manufacturing endorsements: 10
- Dispensary endorsements: 14

In total, the Department will seek up to 24 cultivation endorsements, up to 30 manufacturing endorsements, and up to 54 dispensary endorsements.

In order to provide for opportunities for small, medium and large businesses to participate in the RFA, and to control the overall size of canopy in the Medicinal Marijuana Program, the Department will seek to issue cultivation endorsements in the following tiers of canopy size:

- 20,001 square feet to 30,000 Square Feet: up to 3 cultivation endorsements, 1 in each region.
- 5,001 square feet to 20,000 Square Feet: up to 6 cultivation endorsements, 2 in each region.
- Up to 5,000 Square Feet: up to 15 cultivation endorsements, 5 in each region.

**III. Eligibility**

The Department will seek applications from both for-profit and non-profit entities as the statutory threshold for two nonprofit alternative treatment centers in each region has been met. Those seeking to apply for this RFA as a non-profit entity are not required to be recognized as a 501(c)3 organization by the Internal Revenue Service.

Entities may submit a maximum of three applications in this RFA and may only submit one application for a cultivation endorsement and one application for a manufacturing endorsement. Additionally, applicants for cultivation endorsements may only submit an application for one tier of canopy size. A separate application is required for each endorsement.

No entity or individual will be awarded more than three total endorsements in this RFA, and no entity or individual shall hold more than 1 cultivation endorsement, 1 manufacturing endorsement, and 3 dispensary endorsements as a result of the awards made in conjunction with this RFA.

For the purposes of the eligibility requirements of this RFA, current ATC permit holders and permit awardees shall be considered to hold 1 cultivation endorsement, 1 manufacturing endorsement, 1 dispensary endorsement, and 1 additional dispensary endorsement for every satellite location that has been proposed to the Department and allowed to proceed in the permitting process as of the open of the application period – provided, however, that ATCs shall have the opportunity to rescind those satellite waiver applications by July 1<sup>st</sup>, 2019 if they wish to submit additional applications in response to this RFA.

If an entity is submitting an application and intends to contract with a separate entity to assist in the day-to-day operations of the proposed ATC, provide intellectual property related to the operation of the proposed ATC, or intends to receive a portion of funding from a separate entity, then those entities must be disclosed in the application to operate an ATC – including disclosure of board members, principals, owners, and any other interested parties. Failure to disclose such arrangements and related entities in an application may result in disqualification from the application and/or the permitting process.

If an entity has a parent company or affiliate that operates cannabis businesses and will be involved in the proposed ATC either through management, intellectual property or funding, then that parent company and/or affiliate must be disclosed in the application to operate an ATC – including disclosure of board members, principals, owners, and any other interested parties involved in the parent or affiliate. Failure to disclose parent companies, affiliates, and the individuals involved in their management, funding and operation may result in disqualification from the application and/or the permitting process.

#### **IV. Application**

The application materials shall include a full and complete response to each of the criteria specified in this announcement, as well as completion and submission of all mandatory information. Failure to submit full, complete, and truthful information on the mandatory requirements may result in disqualification from this Request for Applications.

The application, excluding attachments that cannot be formatted accordingly, shall be typed using 12-point Times New Roman font or equivalent, single spaced, with one (1) inch margins, single-sided on letter-sized (8 ½” x 11”) pages.

All costs involved with the preparation and submission of an application shall be the responsibility of the applicant. The Department shall not be responsible for any costs incurred by an applicant in the preparation or submission of an application.

Permit application forms for Alternative Treatment Centers created by the Department of Health and additional instructions will be available at <http://www.nj.gov/health/medicalmarijuana> by Monday, July 1, 2019.

On the application forms and related materials, “ATC Entity” is defined as a business entity that is applying to the Department of Health to be permitted/licensed to do business as an alternative treatment center.

**Permit Application Part A** is a fillable PDF form that contains all the required information about the business entity that is applying for a permit to operate an Alternative Treatment Center (ATC Entity).

**Permit Application Part B** shall be completed and submitted by the applicant as a single PDF clearly marked with headings and subheadings which note the criteria and measure to which the response applies.

Applications can be printed and filled manually, though the Department highly encourages electronic submission.

Applicants must download the free program, “Adobe Acrobat Reader,” in order to properly fill out the Part A form and attach the necessary documents. The program can be downloaded via Adobe’s website.

If submitting electronically, applicants are instructed to fill in the appropriate data on the form and attach the relevant attachments by using the “Attach” buttons in the form itself.

Applicants are highly encouraged to submit attachments as PDF’s and to try to limit file sizes where possible.

For attachments, applicants shall use the naming convention in the Application Checklist, which will be posted on July 1, 2019.

For the **Permit Application Part A**, applicants shall answer each question in full and to the best of their ability. If a particular question does not apply to the applicant, then the applicant shall write “N/A” in the top line of the section. Applicants shall only submit the required information in Part A. Including superfluous documents or attachments in Part A may result in disqualification.

For the **Permit Application Part B**, applicants must limit total submitted pages to 100 total pages, including attachments. There are no exceptions to the 100-page limit for Part B. Exceeding the page limit may result in disqualification.

The application cover sheet shall include a statement attesting to the accuracy, veracity, and completeness of all statements, figures, amounts and other information contained in the materials submitted. This attestation statement shall be signed by the president/chief executive officer of the applicant entity or other individual authorized to make legally binding commitments on behalf of the applicant.

Each applicant shall file at least one printed copy of the application cover sheet accompanied by an application fee, in two payments made payable to the Treasurer, State of New Jersey, one in the amount of eighteen thousand dollars (\$18,000) and one in the amount of two thousand dollars (\$2,000). **Applicants are directed NOT to submit certified or cashier's checks.**

Applicants filing electronically shall submit all materials aside from the cover sheet and required checks via the Department's electronic submission method. Applicants filing in paper shall submit one complete paper application along with the cover sheet and required checks.

For unsuccessful applicants, the Department shall destroy the check for \$18,000 once award decisions are issued.

Any check returned for insufficient funds will result in the disqualification of the applicant.

Applicants should e-mail all written questions or requests for clarification regarding this announcement or the application process to: [mmpquestions@doh.nj.gov](mailto:mmpquestions@doh.nj.gov), with "RFA Question" in the subject line. The Department shall accept questions regarding the RFA up until July 5, 2019. After July 5, 2019, the Department shall only accept and respond to technical questions regarding the application form and submission process.

The Department shall hold a pre-application webinar on July 16, 2019 to review the RFA process and the most commonly submitted questions. Following the July 16, 2019 webinar, the Department shall post a set of Frequently Asked Questions and responses to those questions.

Due to the expected volume of applicants and questions, the Department may not be able to respond to every question.

Applicants should monitor the Department's Medicinal Marijuana website for additional questions/responses and other addenda to this announcement.

**PHONE INQUIRIES WILL NOT BE ACCEPTED.**

The deadlines for receipt of application materials, which include the full application, checks and cover sheet, filed in response to this announcement are absolute.

Applications received after the deadlines shall NOT be accepted.

Copies of the Rules Related to the Division of Medicinal Marijuana may be obtained at <http://www.nj.gov/health/medicalmarijuana/program-rules>

**V. Application Submission and Review Schedule**

DATE	ACTION
Monday, July 1, 2019	Initial Day of Open Application Period
Tuesday, July 16, 2019	Pre-Application Webinar
Thursday, August 15, 2019 at 3 PM EST	Submission Deadline

Any application received after 3 PM EST on Thursday, August 15, 2019 shall not be reviewed by the Department. The Department encourages all applicants to submit their applications as early as possible.

Once received, the applications will be reviewed for completeness. In determining whether an applicant passes or fails a particular requirement in the mandatory section, the Department, pursuant N.J.A.C. 8:64-7.2, shall review the information for completeness and truthfulness. Applicants may be disqualified for the submission of incomplete or false information.

If the application is found complete, then the application will be reviewed and scored by a selection committee. The selection committee shall be chosen for their expertise and shall be free from conflicts of interest. The selection committee will score the applications based on the RFA criteria, and then the Department shall compile the scores and issue its Final Agency Decisions (FADs). FADs shall be based on scoring, location (region and county), the limitations outlined under the eligibility criteria of the RFA, and any other criteria the Department determines is consistent with effectuating the goals of the Act.

The review and award schedule shall be determined based on the volume of applications received. The Department may stagger awards by endorsement with cultivators first, manufacturers second, and dispensaries third.

Awards based on the RFA shall be valid for the following time frames:

Cultivation and manufacturing endorsements: 18 months

Dispensary endorsements: 12 months

If an awardee is not permitted at the end of the above timeline, as applicable, the Department may rescind the award.

## **VI. Criteria and Weighting**

An applicant for an ATC permit shall submit an application form and the fees required by N.J.A.C. 8:64-6.5, as well as all other required documentation on forms obtained from the permitting authority or on the Department's website at <http://www.nj.gov/health/medicalmarijuana>.

### **Part A: Mandatory Information**

As noted on the application, the mandatory applicant information shall include:

- 1.** The legal name of the business entity applying for a permit, a copy of the entity's organizational documents or bylaws, evidence that the business entity is in good standing with the New Jersey Department of the Treasury, and a certificate certified under the seal of the New Jersey State Treasurer as to the legal status of the business entity;
- 2.** Documentation of a valid Business Registration Certificate on file with the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services;
- 3.** A list of the names, addresses and dates of birth of the proposed alternative treatment center's employees, principal officers, directors, owners and board members, including involvement in any other ATC permit holder;
- 4.** A list of all persons or business entities having direct or indirect authority over the management or policies of the ATC;
- 5.** A list of all persons or business entities having five percent or more ownership in the ATC, whether direct or indirect and whether the interest is in profits, land or building, including owners of any business entity that owns all or part of the land or building where the ATC will be located;
- 6.** The identities of all creditors holding a security interest in the applicant or premises, if any;
- 7.** The bylaws and a list of the members of the ATC's medical advisory board;
- 8.** Evidence that the principals, directors, board members, owners and employees will cooperate with a criminal history record background check, pursuant to N.J.A.C. 8:64-7.2;
- 9.** The mailing and physical addresses of the proposed alternative treatment center, and evidence of ownership or lease of the proposed site;
- 10.** Written verification of the approval of the community or governing body of the municipality in which the alternative treatment center is or will be located;
- 11.** Evidence of compliance with local codes and ordinances including, but not limited to, the distance to the closest school, church, temple or other places used exclusively for religious worship or a playground, park or child day care facility from the alternative treatment center;



12. Text and graphic materials showing the exterior appearance of the ATC and its site compatibility with commercial structures already constructed or under construction within the immediate neighborhood; and

13. Floor plans of the proposed ATC.

**All mandatory application measures are included on Part A of the application.**

**Part B: Scored Criteria**

Applicants shall file a single .pdf along with their Part A application form and mandatory information that includes a full and truthful response to the following criteria and measures. The page limit for Part B is 100 pages, with no exceptions/exemptions.

For Criterion 6, applicants shall only respond to the measure that is applicable to the endorsement being pursued.

**Criterion 1.** Ability to meet the overall health needs of qualified patients and safety of the public. 30 pts

- Measure 1, Security plan: The applicant shall provide an acceptable safety and security plan, including staffing and site plan, and a detailed description of proposed security and safety measures, which demonstrates compliance with the rules at N.J.A.C. 8.64. 10 pts
- Measure 2. Environmental impact plan: The applicant shall provide a plan explaining how the proposed ATC would minimize negative environmental impacts. 10 pts
- Measure 3, Quality control and quality assurance plan: The applicant shall provide a quality control and quality assurance plan that illustrates how the proposed ATC will maintain and verify product quality and protect the health and wellbeing of qualified patients. 10 pts

**Criterion 2.** History of compliance with regulations and policies governing government-regulated marijuana programs. 20 pts

- Measure 1, Background of principals, board members, and owners: Applicants shall provide an overview of experience of principals, officers, and owners, in operating a regulated cannabis business, or operating a business in another highly regulated industry, such as healthcare, insurance, financial services, pharmaceuticals, or energy. 20 pts

**Criterion 3.** Ability and experience of applicant in ensuring an adequate supply of marijuana. 20 pts.

- Measure 1, Financing plan: Applicants shall provide a description and evidence of all funding sources pledged to the ATC, to be evaluated on transparency, suitability and overall adequacy of funding. 20 pts.

**Criterion 4. Community Support and Participation. 20 pts.**

- Measure 1, Community education: Applicants shall provide an overview of all community education activities to date, evidence of those activities, and plans for future local engagement. 10 pts.
- Measure 2, Ties to the local community: Applicants shall provide a list of all owners, officers, board members, and principals that have resided in NJ for at least 1 year, and supply proof of their residency. 10 pts.

**Criterion 5. Ability to provide appropriate research data. 10 pts**

- Measure 1, Research contributions: Applicants shall provide evidence of past contributions – in the form of cited original and published work – to expanding clinical and scientific research related to medical cannabis or the debilitating medical conditions that can be treated with medical cannabis. 10 pts

**Criterion 6. Experience in cultivating, manufacturing, or dispensing marijuana in compliance with government-regulated marijuana programs. 100 pts.**

- Measure 1, Cultivation plan: Applicants for cultivation endorsements shall provide an overview of practices, policies and procedures for the cultivation of medical cannabis, including the following:
  - Experience/education in botany, horticulture and phytochemistry and the application of those sciences in the cultivation of medical cannabis.
  - Methods to control insects and pests that do not include the application of pesticides.
  - Methods to prevent, minimize and test for plant disease and other contamination.
  - Methods and practices related to odor mitigation, sanitation and airflow, and employee safety in cultivation environments.
- Measure 2, Manufacturing plan: Applicants for manufacturing endorsements shall provide an overview of practices, policies and procedures for manufacturing medicinal cannabis products, including the following:
  - Experience/education in biochemistry, laboratory science, engineering and cannabinoid extraction methods.
  - Description of products that the applicant intends to manufacture, including information on ingredients (both active and inactive), methods of production, and relevant patient information like dosing and administration method.
  - Methods to prevent and test for contamination in extracted products.
  - Health and safety standards for lab employees.
- Measure 3, Dispensary plan: Applicants for dispensary endorsements shall provide an overview of practices, policies and procedures for dispensing medical cannabis to qualified patients, included the following:
  - Experience/education in the treatment of patients with qualifying health conditions.
  - Patient education and counseling methods.

- Employee education procedures for patient-facing staff members.
- Plans to recruit and educate health care professionals regarding the dispensing of medical cannabis to qualified patients.
- Explanation of how the proposed dispensary location expands access.

Cultivation and manufacturing plans will be scored out of 100, based on the information provided. Dispensary plans will also be scored out of 100, however 30 points will be scored according to the suitability of the proposed location and the extent to which it expands access to qualified patients and their caregivers.

**Criterion 7.** Workforce and job creation plan, including plans to involve women, minorities and military veterans in ATC ownership, management and experience with collective bargaining in cannabis industries. 100 pts

- Measure 1, Labor Peace Agreement: Applicants shall provide a signed labor peace agreement that includes provisions to ensure the cultivation, manufacturing and dispensing of medical cannabis will not be disrupted by labor-related disputes. 30 pts.
- Measure 2, Labor compliance plan: Applicants shall provide a plan to comply with labor laws (including but not limited the Fair Labor Standards Act, the Occupational Safety and Health Act, the Migrant and Seasonal Agricultural Worker Protection Act, the National Labor Relations Act, and all applicable state laws), and an overview of their experience related to collective bargaining and/or accommodating the rights of workers. 20 pts
- Measure 3, Minority-owned, women-owned or veteran owned business certification: Applicants shall provide a copy of certification(s) issued by the Department of the Treasury, Division of Revenue which verifies MBE/WBE certification or VOB certification. 30 pts.
- Measure 4, Workforce and job-creation plan: Applicants will be scored on the extent to which they will involve individuals from socio-economically disadvantaged communities, individuals disproportionately impacted by enforcement of drug laws, and people with disabilities in the proposed ATC. 20 pts

## **VII. Fees**

As a condition of Department consideration of an application submitted in response to a request for applications issued pursuant to N.J.A.C. 8:64-6.1, applicants shall submit a fee of \$20,000 for each application.

The applicant shall submit the fee with the application, in the form of two checks payable to the “Treasurer, State of New Jersey,” one of which is for \$2,000 and the other of which is for \$18,000.

If an application is unsuccessful, the Department shall retain the \$2,000 fee and shall destroy the other check for \$18,000.

**Applicants are directed NOT to submit certified or cashier's checks.**

Application fees of successful applicants are non-refundable, except in the case of a cancellation of the RFA.

**VIII. Cancellation of RFA**

The Department reserves the right to reject, in whole or in part, any or all applications, to advertise for new applications, to abandon the need for such services, and to cancel this RFA if it is in the best interests of the Department.

In the event of a cancellation, all checks (\$2,000 and \$18,000) would be returned to applicants.

**IX. Rejection of Applications**

Any application may be rejected for reasons that include but are not limited to:

1. The applicant fails to deliver the application by the submission deadline.
2. The applicant is not an eligible applicant as defined in "Eligibility"
3. An applicant submits more than three applications or submits more applications than they are eligible to submit, in which case all applications may be rejected.
4. An application is submitted in a manner other than that specified in this RFA.
5. The applicant fails to include required information or fails to include sufficient information to determine whether an RFA requirement has been satisfied.
6. The applicant fails to follow the application instructions or presents information requested by this RFA in a manner inconsistent with the instructions of the RFA.
7. The applicant provides misleading or inaccurate answers.
8. The applicant states that a mandatory requirement cannot be satisfied.
9. The applicant's response materially changes a mandatory requirement.
10. The applicant's response indicates inability to comply with a mandatory requirement of N.J.S.A. 24:6I or N.J.A.C. 8:64.
11. The applicant fails to respond to the Department's request for information, documents, or references.
12. The applicant fails to include any signature, certification, authorization, or stipulation requested by this RFA.
13. The applicant initiates unauthorized contact regarding the RFA with a state employee or official.

In the case of a rejected application, the Department shall destroy the \$18,000 check but retain the \$2,000 application fee.