

PUBLIC NOTICES
HEALTH AND SENIOR SERVICES
DIVISION OF CONSUMER ENVIRONMENTAL & OCCUPATION HEALTH SERVICES

Notice of Request for Applications to Establish and Operate a Medicinal
Marijuana Alternative Treatment Center

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I. GENERAL INFORMATION

The “New Jersey Compassionate Use Marijuana Act,” N.J.S.A. 24:6I-1, et seq. (the Act) was enacted to provide 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 debilitating medical conditions, as well as their physicians, primary caregivers, and those who are authorized to produce or dispense marijuana for medical purposes.

Statement of Purpose:

The Act acknowledges and codifies the ethic that compassion dictates that a distinction be made between medical and non-medical uses of marijuana. The New Jersey Medicinal Marijuana Program is committed to the medical model of care.

Definitions:

Alternative Treatment Center (ATC) means an entity permitted as such by the New Jersey Department of Health and Senior Services (the Department)) to participate in the Medicinal Marijuana Program (the Program) as a cultivator and dispenser of medicinal marijuana. The entity is charged with the cultivating, packaging, labeling, dispensing, selling, and/or delivering medicinal marijuana to qualifying patients or primary caregivers who are registered with the Department pursuant to section 4 [C.24:6I-4] of this act. In addition, the entity is responsible for the collection of data pertaining to patient outcomes, utilization, and trends.

Medical Model means the system of care which seeks to provide registered qualifying patients and their caregivers and health care providers with current, scientifically accurate information about medicinal marijuana and the ability to participate in ongoing systematic collection of data on the benefits and/or unintended consequences of medicinal marijuana use. This data should be organized, analyzed and shared with patients, caregivers, perspective patients, the medical community and the Department.

Medicinal Marijuana Program (the Program) means the Department initiative which shall regulate and ensure the availability of a sufficient number of alternative treatment centers operating throughout the State, including at least two each in the northern, central, and southern regions of the State, as well as regulate and ensure that the products they produce and offer for sale are consistent with the goals of a Medical Model.

II. PROGRAM POLICIES AND REQUIREMENTS

A. Applicant Eligibility

Non Profit Requirement: The first two ATCs issued a permit in each region shall be nonprofit entities organized under the laws of the State of New Jersey. Applicants for authorization as nonprofit ATCs need not be recognized as 501(c)(3) organizations by the Internal Revenue Service.

B. Location and Premises

The applicant shall clearly designate the geographic region for which it is applying. Each applicant must designate one region only per application. An applicant may submit more than one application if it wishes to apply for an ATC permit in more than one region.

C. Application Submission and Review Schedule

<u>DATE</u>	<u>ACTION</u>
Monday, January 17, 2011	Initial day of open application period
Monday, February 14, 2011	Final day of open application period
Monday, March 21, 2011	Department announcement of applicant(s) granted a Permit to operate an alternative treatment center.

III. APPLICATION

The application materials shall include a full and complete response to each of the criteria and measures specified in this announcement, as well as completion of the application cover sheet specified by the Department. The application cover sheet shall include a statement attesting to the accuracy and veracity of all statements, figures, amounts and other information incorporated within 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.

The application, excluding attachments that cannot be formatted accordingly, shall be typed [12] pitch Times Roman or equivalent, single spaced, with one (1) inch margins, single-sided on 8 ½" x 11" pages. All applications shall be submitted to the New Jersey Department of Health and Senior Services at the following address:

NJ Medicinal Marijuana Program
NJ Department of Health and Senior Services
PO Box 360
Trenton, NJ 08625-0360

All costs involved in 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 preparation or submission of an application.

Each applicant shall file ten printed copies and one electronic (PDF) copy of all application materials, 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). Unsuccessful applicants will receive a refund of eighteen thousand dollars (\$18,000). Any check returned for insufficient funds will result in the disqualification of the applicant.

Applicants should e-mail all written questions or request for clarification regarding this announcement or the application process to medical.marijuana@doh.state.nj.us with "Medicinal Marijuana Question" in the subject line. Questions and responses will be posted on the Department's Medicinal Marijuana Program website at http://www.state.nj.us/health/med_marijuana.shtml. In addition, applicants should also monitor the Department's Medicinal Marijuana website for additional questions/responses and other addenda to this announcement. Questions received after 4 pm Friday, February 11, 2011 may not be answered. PHONE INQUIRIES WILL NOT BE ACCEPTED.

The deadline for receipt of application materials filed in response to this announcement is 4:30 PM EDT on Monday, February 14, 2011. Applications received after the deadline shall NOT be accepted for review.

Copies of the Rules Related to the Medicinal Marijuana Program may be obtained at http://www.state.nj.us/health/med_marijuana.shtml.

IV. REVIEW AND EVALUATION CRITERIA

Each application shall address all criteria and measures. An applicant who submits an incomplete application shall receive written notification from the Department regarding the specific deficiencies and shall be allowed to submit additional material to address these deficiencies by the date set by the program in the application deficiency notice. Failure to address **ALL** of the following criteria and measures, after such deficiency notice, will result in an application being considered NON-RESPONSIVE, and disqualified.

A review panel of at least five members will evaluate each complete application and assign a score up to the maximum point value specified for each criterion.

V. CRITERIA FOR APPLICANTS

[TOTAL WEIGHTED REQUIREMENTS up to 300 points]

Criterion 1: Submission of Required Information Regarding Applicant & Facility [MANDATORY REQUIREMENTS]

Measure 1: The applicant shall provide the proposed legal name and the following documents applicable to the applicant's legal status. Supporting documents should be included as Appendix A.

- Certificate and Articles of Incorporation and By-Laws for corporations
- Organizing documents for associations
- Evidence of nonprofit status
- Certificate of good standing issued by the New Jersey Secretary of State

Measure 2: The applicant shall provide the proposed physical address(es) of the ATC, if a precise address has been determined. Supporting documents should be included as Appendix B.

- For each proposed physical address, the applicant shall provide legally binding evidence of site control (e.g., deed, lease, option, etc.) sufficient to enable the applicant to have use and possession of the subject property including, but not limited to, length of term of use and possession.
- If the applicant intends to cultivate medicinal marijuana at one physical address and dispense it at another, both facilities shall be located within the same region as defined in Subchapter 1 of N.J.A.C. 8:64, the Rules Related to the Medicinal Marijuana Program.
- *If a precise address has not been determined*, the applicant shall identify the general location(s) where the facilities would be sited, and when.

Measure 3: The applicant shall provide evidence of compliance with the local zoning laws for each address or proposed location for an ATC. If the current zoning is not appropriate for a given address or location, identify any required zoning variance(s) and the applicant's actions taken to date to obtain such approval(s) and/or variance(s). Supporting documents should be included as Appendix C.

Measure 4: The applicant shall provide evidence that all of the physical addresses and proposed locations provided in response to Measure 2 are

not located within a drug-free school zone. The applicant shall provide the distance to the closest school from the ATC. Supporting documents should be included as Appendix D.

Measure 5: The applicant shall provide a legible map or maps of the ATC service areas by Zip Code to be served by the ATC. Supporting documents should be included as Appendix E.

Measure 6: The applicant shall provide the role, qualifications, name, address and date of birth of each staff member and the role, name, percentage interest, address and date of birth of each principal, officer, board member or partner of the ATC. In the event that an individual has not yet been identified, a statement of required qualifications and position description shall be included as Appendix F.

Measure 7: Disqualifying Drug Offenses: In considering any application for an ATC permit, an applicant must disclose and the Department shall consider, at a minimum, the following factors in reviewing the qualifications of those persons applying:

- Whether the applicant or any staff member, principal, officer, board member or partner has been convicted under any Federal, state or local laws, relating to drug samples, wholesale or retail distribution, or distribution of a controlled substance
- Whether the applicant or any staff member, principal, officer, board member or partner has been convicted of a felony under any Federal, state or local laws
- The past experience in the manufacturing or distribution of drugs or controlled substances by the applicant or any staff member, principal, officer, board member or partner
- Whether the applicant or any staff member, principal, officer, board member or partner has ever furnished false or fraudulent material in any application concerning drug manufacturing or distribution
- Whether the applicant is in compliance with any previously granted professional health license or registration, if any
- Any other factors the Department might consider relevant

Measure 8: The applicant shall provide the identities of all its creditors, if any.

Measure 9: The applicant shall provide a list of all persons or business entities having direct or indirect authority over the management or policies of the ATC.

Measure 10: The applicant shall provide a list of all persons or business entities having an indirect interest in the ATC. An indirect interest includes an interest in the land or building where the ATC will be sited.

Measure 11: The applicant shall include the required application cover sheet and attestation statement signed by its chief executive officer or other individual authorized to make legally binding commitments on its behalf.

Criterion 2: Submission of Required ATC Operational Information
[TOTAL WEIGHTED REQUIREMENT UP TO 80 POINTS]

Measure 1: The applicant shall provide a draft operations manual and training plan which demonstrates compliance with Subchapter 9 of N.J.A.C. 8:64, the Rules Related to the Medicinal Marijuana Program and which addresses ATC General Administration Requirements for Organization and Recordkeeping. Supporting documents should be included as Appendix G.

[WEIGHTED REQUIREMENT up to 40 points]

Measure 2: The applicant shall provide a description of how the ATC will operate on a long-term basis as a not-for-profit entity and a business plan that includes, at a minimum, the following:

[WEIGHTED REQUIREMENT up to up to 35 points]

- I The applicant shall provide a detailed description about the amount and source of the equity and debt commitment for the proposed ATC.
 - a. The immediate and long-term financial feasibility of the proposed financing plan;
 - b. The relative availability of funds for capital and operating needs; and
 - c. The applicant's financial capability.
- II The applicant shall provide a copy of its proposed policy regarding charity care/servicing indigent patients.
- III The applicant shall provide a copy of its proposed policy related to disposal of returned or unusable marijuana.
- IV The applicant shall complete the following projected income statements for the first three (3) years of operation. Round all amounts to the nearest dollar.

	RAMP UP YEAR 20__	FIRST FULL FISCAL YEAR 20__	SECOND FULL FISCAL YEAR 20__
REVENUE:			
Medicinal marijuana sales to registered qualifying patients	\$	\$	\$
Other supplies sold to registered qualifying patients	\$	\$	\$
Other revenue sources (identify):	\$	\$	\$
TOTAL REVENUE:	\$	\$	\$
EXPENSES:	\$	\$	\$
Payroll w/Fringe	\$	\$	\$
Medicinal marijuana growing	\$	\$	\$
Medicinal marijuana testing			
Medicinal marijuana packaging and labeling			
Technology			
Call Center			
Security			
Supplies	\$	\$	\$
Office Expense	\$	\$	\$
Utilities	\$	\$	\$
Insurance	\$	\$	\$
Interest	\$	\$	\$
Depreciation/Amortization	\$	\$	\$
Leasehold Expenses	\$	\$	\$
Bad Debt	\$	\$	\$
TOTAL EXPENSES:	\$	\$	\$
Difference:	\$	\$	\$

Number of Patients:			
Number of Visits:			

The applicant shall identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) required to staff the proposed alternative treatment center.

	RAMP UP YEAR 20____		FIRST FULL FISCAL YEAR 20____		FIRST FULL FISCAL YEAR 20____	
PERSONNEL CATEGORY	# OF FTE	PAYROLL W/FRINGES	# OF FTES	PAYROLL W/FRINGES	# OF FTES	PAYROLL W/FRINGES
	#	\$	#	\$	#	\$
	#	\$	#	\$	#	\$
	#	\$	\$	\$	\$	\$
	#	\$	\$	\$	\$	\$
	#	\$	\$	\$	\$	\$
	#	\$	\$	\$	\$	\$
TOTAL:	#	\$	\$	\$	\$	\$

Measure 3: The applicant shall document its experience running a not-for-profit organization or other business(es).

[WEIGHTED REQUIREMENT up to 5 Points]

Criterion 3: Community Input -Describe the ATC planning process and involvement of community stakeholders in detail. Describe remaining steps if any to receive necessary approval for site location or operations.

[TOTAL WEIGHTED REQUIREMENTS up to 30 Points]

Measure 1: Input from the city(s) or town(s) where the applicant's ATC would be located.

[WEIGHTED REQUIREMENT up to 15 Points]

Measure 2: Input from the general public regarding the suitability of the applicant and the general standards for location(s) such as, distance from a school, daycare center or other child-oriented location; distance from a commercial shopping district, pharmacy; etc.

[WEIGHTED REQUIREMENT up to 15Points]

Criterion 4: Dispensary specific considerations

(TOTAL WEIGHTED REQUIREMENT up to 90 points]

Measure 1: The applicant shall provide a plan for inventory, record keeping and security which shows an understanding of the types of records that shall be considered confidential health care information under New Jersey law and are intended to be deemed protected health care

information for purposes of the Federal Health Insurance Portability and Accountability Act of 1996, as amended [HIPAA].
[WEIGHTED REQUIREMENT up to 10 Points]

Measure 2: The applicant shall submit a description of its proposed program for providing counseling and educational materials regarding methods of administration and research studies on health effects of medicinal marijuana to registered qualifying patients and their registered primary caregivers. The applicant shall submit a description of its historical relationship with clinical or research activities, if present.
[WEIGHTED REQUIREMENT up to 20 Points]

Measure 3: The applicant shall provide an acceptable safety and security plan, including staffing and site, and a detailed description of proposed security and safety measures which demonstrate compliance with the Rules Related to the Medicinal Marijuana Program.
[WEIGHTED REQUIREMENT up to 25 Points]

Measure 4: If the applicant proposes to cultivate and dispense at two separate physical locations, the applicant shall provide an acceptable delivery receipt plan, including measures to ensure sanitary medicinal standards, security and inventory control, for the receipt of medicinal marijuana from the cultivation site by ATC staff at the dispensing site. The delivery receipt plan shall demonstrate compliance with the Rules Related to the Medicinal Marijuana Program. [WEIGHTED REQUIREMENT up to 5 Points]

Measure 5: The applicant shall submit a description of its Medical Advisory Board, including by-laws, setting forth the names and expertise of its members and describing how it will function within the organizational structure of the ATC, consistent with the Rules Related to the Medicinal Marijuana Program. For purposes of this requirement, it is not necessary for the applicant to provide the name of the Medical Advisory Board member who is a registered qualifying patient.
[WEIGHTED REQUIREMENT up to 10 points]

Measure 6: The applicant shall submit a plan to track and analyze data including but not limited to patient outcome, utilization and trends.
[WEIGHTED REQUIREMENT up to 20 points]

Criterion 5 Cultivation specific considerations
[TOTAL WEIGHTED REQUIREMENT up to 100 Points]

Measure 1: The applicant shall provide an acceptable safety and security plan, including staffing and a detailed description of proposed security and safety measures which demonstrate compliance with Rules

Related to the Medicinal Marijuana Program. Supporting documents should be included as Appendix H.

[WEIGHTED REQUIREMENT up to 20 Points]

- I The description shall include a detailed floor plan for the ATC cultivation site, which indicates location and design standards and performance specifications of security devices to be utilized.
- II The applicant shall provide a plan to involve and coordinate with local law enforcement authorities on security and safety issues, and identify the law enforcement officials contacted during the development of this plan.
- III If the applicant proposes to cultivate and dispense at two separate physical locations, the applicant shall provide an acceptable delivery plan, including measures to ensure sanitary medicinal standards, security and inventory control, for the delivery of medicinal marijuana from the cultivation site to the dispensing site. The delivery plan shall demonstrate compliance with the Rules Related to the Medicinal Marijuana Program.
- IV All responses shall be utilized for internal Department review only and shall not be available for public comment or review.

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INFORMATION – WITHHELD PURSUANT TO THE NEW JERSEY
OPEN PUBLIC RECORDS ACT (OPRA)

Measure 2: The applicant shall provide a description of the enclosed, locked facility that would be used in the cultivation of medicinal marijuana, including steps to ensure that the medicinal marijuana production shall not be visible from the street or other public areas.

If the enclosed site is a greenhouse, identify materials used in construction of panels. Glass, fiberglass, metal, or polycarbonate panels shall be used in construction of the facility; polyethylene film is not permissible. Describe window and vent covers.

[WEIGHTED REQUIREMENT up to 30 Points]

Measure 3: The applicant shall demonstrate an ability to provide a steady supply of medicinal marijuana to registered qualifying patients.

[WEIGHTED REQUIREMENT up to 50 Points]

- I The applicant shall provide a start-up timetable which provides an estimated time from issuance of an authorization for operation to

limited operations to full operation, as well as the basis for these estimates.

- II The applicant shall describe its knowledge of (and experience with) organic growing practices or agricultural growing practices to be used in their cultivation of medicinal marijuana.
- III The applicant shall describe its quality control program and steps that will be taken to ensure the quality of the medicinal marijuana, including purity, potency and consistency of dose.
- IV The applicant shall describe:
 - Methods to ensure that seed production and/or hybridization is prevented during cultivation of medicinal marijuana
 - Methods of testing for the presence of mold, bacteria or other contaminants
 - Procedures for routine scouting of insect and plant disease conditions
 - Methods to control insect pests that do not include the application of pesticides during cultivation of medicinal marijuana, in accordance with the Rules Related to the Medicinal Marijuana Program
 - Procedures for proper sanitation practices to minimize plant disease, and to promptly dispose of diseased plant material in a secured disposal area
 - Methods for utilization of fans and cooling systems to maintain airflow patterns sufficient to prevent or minimize plant disease and insect infestation.
 - Methods to keep environment free from flowering male plants to ensure that female plants are not pollinated and seed production and/or hybridization is prevented
 - Recordkeeping of any cultural measures used for plant pest or disease control, including disposal of culled plants
 - The various strains of marijuana to be dispensed, and the form(s) in which it will be dispensed
 - Record keeping for each package by lot, label and bar code

- Area security
- Packaging and labeling requirements
- Methods of processing in a safe and sanitary manner

VI. TECHNICAL ASSISTANCE

Applicants should e-mail all written questions or request for clarification regarding this announcement or the application process to medical.marijuana@doh.state.nj.us with “Medicinal Marijuana Question” in the subject line. Questions and responses will be posted on the Department’s Medicinal Marijuana Program website http://www.state.nj.us/health/med_marijuana.shtml. Questions received after 4:00 PM Friday, February 11, 2011 may not be answered. PHONE INQUIRIES WILL NOT BE ACCEPTED.

VII. RFA SUBMISSION INFORMATION

Applications with application fees must be received by the Medicinal Marijuana Program no later than 4:30 PM, Monday, February 14, 2011. *No extensions will be granted.*

Proposals must be delivered by courier or via overnight mail to:
 Medicinal Marijuana Program
 NJ Department of Health and Senior Services
 PO Box 360
 Trenton, NJ 08625-0360

VIII. REVIEW PROCESS

Applications received by the deadline will be reviewed for compliance with mandatory requirements specified in Section IV of this RFA by Medicinal Marijuana Program for administrative completeness.

Each application shall address all criteria and measures. An applicant who submits an incomplete application may receive written notification from the Department regarding the specific deficiencies and may be allowed to submit additional material to address these deficiencies by the date set by the program in the application deficiency notice. Failure to address **ALL** of the following criteria and measures, after such deficiency notice, will result in an application being considered NON-RESPONSIVE, and disqualified.

A review panel of at least five members will evaluate each complete application and assign a score up to the maximum point value specified for each criterion.

Upon final approval, an applicant will receive notification of award.