



Ohio Department of Commerce
Medical Marijuana Control Program



**Testing Laboratory Application – Request for Applications (RFA) / Instructions Packet
(MMCP-L-1002)**

The Ohio Department of Commerce is requesting applications from *privately held entities not affiliated with public institutions of higher education* that are interested in operating as a medical marijuana Testing Laboratory under Ohio’s Medical Marijuana Control Program (MMCP). The following instructions are provided for the Filing Packet section of the application, “Testing Laboratory Application – Filing Packet (MMCP-L-1003).” The Filing Packet is required and must be submitted along with the respective fee during the application acceptance period.

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I. Overview

Application Acceptance Periods

The acceptance period for Testing Laboratory license applications from privately held entities not affiliated with public institutions of higher education will be:

Monday, November 27, 2017 – Friday, December 8, 2017

Applications shall be submitted only on weekdays during the hours of 9:00am EST and 5:00pm EST. Pursuant to Riffe Center policy, visitors must register with the security desk prior to 5:00pm EST in order to access the building and submit an application. Any applications or related documents received after 5:00pm EST on the last date of the applicable deadline will not be accepted or considered.

Application Submission Instructions

Applications and accompanying fees must be hand-delivered (in person or by a representative) directly to the Ohio Department of Commerce's Medical Marijuana Control Program before the expiration of the applicable application acceptance period. MMCP is located at:

Ohio Department of Commerce
Vern Riffe Center
77 S. High St, 23rd Floor
Columbus, OH 43215

Please note that visitors must leave adequate time to check in with security. A valid photo ID is required to obtain a visitor's badge at the security desks on the 3rd floor of the building. Be aware that backpacks are not allowed in the building. All bags are subject to search.

It is recommended that all parties interested in applying for a Testing Laboratory license become familiar with O.R.C. 3796 and the rules promulgated in accordance with Chapter 3796 of the Revised Code. The burden of proving an Applicant's qualifications to operate as a Testing Laboratory rests solely on the Applicant.

The application must be completed in full based on the instructions in this packet. Each page of the application must be completed per instructions or marked N/A, if appropriate. All pages should be included in the submitted application. Attachments should be included following the respective cover pages.



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The application shall consist of the following:

- **One copy of the application must be submitted on paper (standard copy paper, 8.5x11, white),**
- **Two standard CD-R or DVD-R (read-only, not read-write), each of which must contain a digital copy of the application in PDF format, and**
- **The application fee.**

The information submitted on the paper copies must be identical to the information submitted on the digital copies. The following requirements are to be followed in the preparation of and submission of the application:

- **Binders, tabs, and other types of packaging are not required and must be kept to a minimum. Excessive packaging may be removed prior to review. Do not use company stationary or letterhead, presentation materials, or promotional materials.**
- **All attached documents must be 12-point font and margins must be no less than $\frac{3}{4}$ inch on all sides.**

Application Fee

A certified check or money order for the entire application fee must be payable to: "Treasurer, State of Ohio." The fee for Testing Laboratory applicants is \$2,000. This fee is non-refundable and will not be returned to an applicant, regardless of whether the applicant receives a provisional license. If the check is returned by a bank for any reason, the application will be disqualified.

II. Disclosure of Application Information

Information to Subject to Disclosure

Applications that are submitted may or may not be public records and subject to disclosure under the Ohio Sunshine Laws. (R.C. 149.43) While there are exceptions to production in Ohio statutes, federal law, and common law privileges, MMCP cannot guarantee that any or all data in the application will remain confidential at all times. Further, MMCP may use or disclose information contained in the application submission to the extent provided by law. Applicants are strongly encouraged to review the applicable law prior to submitting an application as MMCP is unable to provide legal advice as to the absolute confidentiality of the data received.



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III. Preparing & Submitting your Application

Financial Interest

Paragraph (M) of rule 3796:4-2-08 of the Administrative Code expressly prohibits an owner, officer, board member, administrator, employee, agent, or other person who may significantly influence or control the activities of a Testing Laboratory from having a direct or indirect financial interest in or serving as an officer, board member, administrator, employee, agent, or other person who may significantly influence or control the activities of a cultivator, processor, or dispensary licensed under Chapter 3796. of the Revised Code. Any violation of this rule that is discovered during the application process or after the award of a provisional license or certification of operation will result in enforcement action by the Department, up to and including denial, suspension, or revocation of a license.

Paragraph (C) of rule 3796:4-1-04 of the Administrative Code prohibits a person from being granted more than one Testing Laboratory provisional license or certificate of operation OR from holding a financial interest in or being an owner, partner, officer, director, shareholder, member or other person who may significantly influence or control the activities of more than one Testing Laboratory. Financial interest is defined in rule 3796:1-1-01 to include any actual or future right to ownership, investment, or compensation arrangement with another person. For clarification, the Department offers the following.

- An applicant is permitted to submit separate applications *with identical ownership structures and financial interest allocations*, each accompanied by the corresponding fee, for a Testing Laboratory provisional license at different locations. However, the submission of multiple applications is subject to the restrictions in paragraph (C) of rule 3796:4-1-04. In the event more than one application scores high enough to be awarded a provisional license, the applicant will have 10 days to choose which location will be awarded the provisional license, otherwise the Department will make that determination. The application(s) for the other location(s) will be deemed abandoned, and the application fee will be forfeited.
- If separate applicants submit applications that list the same person, entity, or person affiliated with the entity in the owners and officers roster form as having a financial interest in the applicants, and both applications score high enough to be awarded a provisional license, both applicants will be denied a provisional license, and the application fees will be forfeited.
- A “compensation arrangement,” as used in the definition of financial interest found in rule 3796:1-1-01 of the Administrative Code, does not include employer-employee



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compensation structures or payments to vendors for supplies and/or work performed on an ongoing basis that is necessary to operate in the normal course of business. The term “compensation arrangement” does include royalty payments and other reoccurring payments made to another person or entity where supplies or services are not being provided on an ongoing basis, such that the royalty or reoccurring payment was made in lieu of an equity interest in an attempt to circumvent the restrictions in rule 3796:4-1-04 of the Administrative Code.

Important Notices/Disclaimers

The application may not be altered or changed in any fashion, except to fill-in the areas provided with the information that is required. Should any alteration or revision occur, the Department reserves the right to deny the application in its entirety, or may choose to attribute no points to the response. By submitting an application, an applicant understands and consents to the following:

- An application that contains misstatements, omissions, misrepresentations, or false information may be denied by the Department.
- An applicant is permitted to submit multiple, separate applications, each accompanied by the corresponding fee, for a Testing Laboratory provisional license at more than one location, subject to the financial interest restrictions in paragraph (C) of rule 3796:4-1-04, as further explained in these instructions.
- The issuance of a Testing Laboratory provisional license does not permit the licensee to test medical marijuana, or otherwise operate as a Testing Laboratory, until the licensee passes a pre-operation inspection and has been issued a certificate of operation by the Department and submits the applicable license fee under rule 3796:5-1-01 of the Administration Code.
- All application submissions become the property of the Department and will not be returned.



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Elements of the Application Package:

Notarized Cover Sheet – Sheet should be completed and notarized. The purpose of this form is to certify understanding that the applicant and the owners and officers associated with the applicant will be held responsible for the representations on the form.

Checklist – For use as a guide for the applicant.

Form A Application Assistance Form – Form should be completed for any consultant or firm that assisted in the formulation of the application.

Form B Business Entity & Contact Information Form – Form should be completed appropriately. This form includes the key information that will be used for filing and tracking purposes.

Form C Liquid Assets Form – Form should be completed appropriately and notarized.

Form D Financial Responsibility Form - Insurance – Form should be completed appropriately. In the event insurance products are not available at the time the form is being prepared, applicant should check the first box to indicate willingness and intent to purchase when those products eventually become available. If coverage is available, applicant should check the second box and attach documentation.

Form E Financial Responsibility – Escrow/ Surety – Form should be completed appropriately. Either an escrow or surety bond must be obtained by the time the applicant is ready to receive approval for a certificate of operations license. The form is to certify the ability to obtain one of these financial securities.

Form F Property Owner Approval for Use Form – Form should be completed appropriately. The purpose of this form is to ensure that the applicant is either the owner of the proposed facility property or has a lease or agreement with the property owner that recognizes and permits the proposed use of the property as a Testing Laboratory.

Form G 500 Foot Compliance Cover Page – Compliance with this cover page includes providing an attachment of a map which identifies the surrounding area around a facility and ensures that the neighboring structures or property are not on the list of prohibited facilities, or if they are on the list, the proposed facility is more than 500 feet away. Different types of maps (i.e., satellite images, street maps, etc.) are permissible, but the map must be clearly labeled and legible to be acceptable for the purposes of this requirement.



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Form H Notice of Proper Zoning Form – Form must be completed appropriately. The purpose of this form is to ensure that the applicant has reviewed local zoning issues and actively communicated with local zoning officials on any relevant codes imposed by the local jurisdiction. A permit is desirable but not required at application due to the length of time involved in obtaining a zoning permit. The form should be signed by a local zoning representative or it should be indicated on the form that no local zoning is in place.

Form I Zoning Permit Cover Page – Compliance with this cover page includes providing an attached copy of any approved zoning permit, if the applicant was able to obtain one at the time of application. If this was not obtained, the applicant will not be penalized but should complete the form stating that it was not yet obtained.

Form J Owners and Officers Roster Form – Form must be completed appropriately. This form must list all owners and officers and anyone associated with the proposed facility that has a financial interest in the operation OR will directly or indirectly participate in the management of the operation. For each name on this list, the application must include a corresponding copy of Form L. An additional blank list page is included as a convenience for the applicant but is not required in the packet if not used.

Form K Organizational Chart Cover Page – Compliance with this cover page includes providing an attached organizational chart. The chart should indicate positions of any officers identified in Form J and Form L.

Form L Individual Tax and Background Information Form – Form should be completed appropriately for each person listed on Form J above. Additional forms are available on the website.

Form M Medical Marijuana Business in Other Jurisdictions Form - Form must be completed appropriately. The purpose of this page is to obtain information on the applicant's history of medical marijuana business conducted in other states. Applicant will certify that no owner or officer has received a revocation or suspension from another jurisdiction for the conduct of business. Additional copies of this form should be added if necessary to provide the appropriate information.

Form N Copies of Licenses from Business in Other Jurisdictions Cover Page – Compliance with this cover page includes attaching the respective license for any business identified on Form M.

Form O Tax Certification Page – Compliance with this cover page includes submitting Form B and Form L in accordance with the instructions in the application.



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Form P Disadvantaged Group Applicant - Form must be completed appropriately. This certifies whether the applicant is a member of a Disadvantaged Group, as defined in Chapter 3796 of the Revised Code, and meets the requirements set forth in Chapter 3796 of the Revised Code.

Form Q Business Plan – The purpose of this section is to seek information on the applicant’s experience in any type of business environment, establish the business model for the proposed testing facility, and demonstrate the ability to operate the proposed facility, which includes steps taken with the local authorities.

Form R Operations Plan – The purpose of this section is to seek information from the applicant in the following areas: experience in analytical testing (including medical marijuana), analytical methods and instrumentation, standard operating procedures, inventory tracking and sample management, waste disposal, recordkeeping, and staffing models. Every subsection noted in Table 1 under Form R must be addressed by the applicant.

Form S Security Plan – The purpose of this section is to establish the methods that will be used for security across the proposed facility and during operations, including surveillance technology, security measures around the physical structure, plot plan and map of the entire facility that includes points of ingress and egress and other restricted access areas, emergency notification procedures and transportation guidelines and policies.

Form T Financial Plan – The purpose of this section is to establish the applicant’s ability to meet the financial responsibility requirements and to provide a cost breakdown that has been performed as part of a financial plan. The breakdown must be clear and well-presented but is not required to be in a particular format. The level of detail will be considered as part of the evaluation.

IV. Scoring Methodology

Review Process

The Department will conduct a comprehensive, fair, and impartial evaluation of all applications received in response to this RFA. This review will involve a two-step process.

Every application will be assessed to determine whether it meets the mandatory qualification criteria set forth in rule 3796:4-1-03 of the Administrative Code. An applicant who fails to provide information or who fails to submit one of the attachments will be disqualified prior to the scoring process. Once it is determined that an application meets the mandatory qualification criteria, it will be reviewed and scored based on the quality of the responses to the requirements set out in the RFA.



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Mandatory Qualification Criteria:

The Department will only review and score applications that:

- Are submitted on or before the submission deadline with the application fee;
- Fully and completely respond to all mandatory items in the RFA;
- Do not contain significant inconsistencies or inaccuracies;
- Include the appropriate number of copies; and
- Contain all required signatures.

The Department reserves the right to waive minor irregularities or to request clarifications, modifications or amendments to an application, providing such application substantially complies with the RFA.

Evaluation Criteria

The evaluation of applications that meet the mandatory qualification criteria will involve the scoring of each application. While a maximum score of 100 points is possible, proposals must achieve a minimum score of 60 points to be considered for a provisional license. Additionally, an applicant must achieve a minimum score in every individual plan submitted as part of the application, as outlined in Table 1 below. If an insufficient number of applications obtain a score of at least 60 points or fail to satisfy the minimum points requirements for each plan to award a sufficient number of licenses as determined by the Department, the Department may request modifications from those applicants whose scores are closest to 60 points, so as to render the applications acceptable. Alternately, if the Department determines that sufficient modifications cannot be made to raise enough applications to an acceptable level, the Department may re-issue the RFA or proceed with the number of licenses awarded.

In conducting its evaluation of each of the criteria, the Department may conduct interviews, contact references, conduct background checks, contact state regulators in any other states(s) where the applicant, applicant's backers, or others associated with the applicant have engaged in or sought to be engaged in the state's medical marijuana program and visit the location of the proposed production facility or of other marijuana related businesses associated with the applicant or the applicant's backers or key personnel.

After completing the review and scoring of the applications, the Department shall rank each according to its score. Upon selecting the successful applications, the Department shall notify all applicants of their status in writing.



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The number of points after each heading is the maximum number of points that may be awarded for each of the corresponding components of the RFA. For each category, the applicant's score will be based on the totality of the response to the corresponding RFA section.

Table 1

Form	Description	P/F	Min. Score	Max. Score
Cover sheet	Acknowledgement & Notarized Signature	✓		
A	Application Assistance Form	✓		
B	Business Entity & Contact Information Form	✓		
C	Liquid Assets Form	✓		
D	Financial Responsibility – Insurance	✓		
E	Financial Responsibility – Escrow/ Surety	✓		
F	Property Owner Approval for Use Form	✓		
G	500 Foot Compliance Cover Page	✓		
H	Notice of Proper Zoning Form	✓		
I	Zoning Permit Cover Page	✓		
J	Owners and Officers Roster Form	✓		
K	Organizational Chart Cover Page	✓		
L	Individual Tax and Background Information Form (Include copy for each person listed on Form J)	✓		
M	Medical Marijuana Businesses in Other Jurisdictions Form	✓		
N	Copies of Licenses from Business in Other Jurisdictions Cover Page	✓		
O	Tax Certification Page	✓		
P	Disadvantaged Group Applicant	✓		
Q	Business Plan (maximum of 15 pages)		6 points	10 points
	Experience in Business			
	Business Model			
R	Operations Plan (maximum of 60 pages)		36 points	60 points
	Protocols and instrumentation & Proposed analytical services to be offered			
	Facility specifications			
	Standard Operations Procedures			
	Staffing & Training			
	Inventory tracking and sample management			
	Disposal and Waste Removal			



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S	Security Plan (maximum of 15 pages)		12 points	20 points
	Surveillance Technology and Physical Security			
	Transportation			
	Facility Plot Plan and Specifications			
	Record Keeping, Reporting, Regulatory Compliance, and Emergency Notification Procedures			
T	Financial Plan (maximum of 10 pages)		6 points	10 points
	Funding Analysis			
	Operating Expense Breakdown			