



MEDICAL CANNABIS TESTING LABORATORY INITIAL SELECTION CRITERIA AND APPLICATION INSTRUCTIONS

Overview

On March 3, 2021, the Alcoholic Beverage Control (ABC) Board announced the availability of five (5) medical cannabis facility registrations, including:

- **Two (2) testing laboratories. All Wards are eligible.**
- One (1) dispensary. Only Wards 3 and 5 are eligible.
- Two (2) cultivation centers. All Wards are eligible except for Ward 5 as the cap has been reached.

Following the conclusion of a Letter of Intent period that took place between 9:00 a.m. EST on March 22, 2021 - 12:00 p.m. EST on May 21, 2021, the ABC Board determined that 176 individuals and entities qualified to submit a formal application.

The application period will open at 9:00 a.m. EST on Monday, November 29, 2021 and close at 12:00 p.m. EST on Monday, March 28, 2022.

Eligibility

Only individuals and entities that submitted timely Letters of Intent and received a letter of acceptance, are permitted to submit an application for a medical cannabis cultivation center, dispensary, or testing laboratory registration.

General Qualifications

Before issuing a registration, the ABC Board shall determine if the applicant meets all of the following criteria:

1. The applicant is of good character and generally fit for the responsibilities of registration.
2. The applicant is at least twenty-one (21) years of age.
3. The applicant has not been convicted of a felony for a crime of violence, gun offense, tax evasion, fraud, or credit card fraud within the three (3) years preceding the date the application is filed.
4. The applicant has paid the annual fee.
5. The applicant is not a licensed authorized practitioner making patient recommendations.
6. The applicant is not a person whose authority to be a caregiver or qualifying patient has been revoked by the Board.
7. The applicant has complied with all the requirements of the Legalization of Marijuana for Medical Treatment Initiative of 1999 (Act), effective July 27, 2010 and Title 22-C of the District of Columbia Municipal Regulations.
8. The applicant is current on all tax filings and has "Clean Hands" (does not owe more than \$100 in outstanding Debt to the District Government).

(Over, please)

Conflicts of Interest and Other Prohibitions

Applicants who do not meet the following are not eligible to submit an application:

1. A registered cultivation center may hold up to one (1) dispensary registration in DC (5401.8).
2. A registered testing laboratory may not hold a cultivation center or dispensary registration in DC (5401.9).
3. No registration shall be issued in a residential zone as indicated in DC's zoning regulations and the official atlases of the Zoning Commission (5412.1).
4. No person or entity may hold directly or indirectly more than twenty (20) percent of the cultivation center registrations in DC (5413.2).

Application Open Period and Determination Timeline

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| • November 29, 2021 | Application submission window opens at 9:00 a.m. EST |
| • December 7, 2021 | Application information session (<i>Participation is optional</i>) |
| • February 28, 2022 | Last day to submit questions about the application process |
| • March 28, 2022 | Application submission window closes at 12:00 p.m. EST |
| • May 12, 2022 | Last day to submit 50-point preference certification from DSLBD to ABRA |
| • May 23, 2022 | Panel completes initial review of applications |
| • June 17, 2022 | Notice to ANCs, proposed sites placarded |
| • August 8, 2022 | ANC comment period closes at 12:00 p.m. EST |
| • September 14, 2022 | Panel recommendations forwarded to ABC Board |
| • September 28, 2022 | ABC Board announces approved applicants |

Applications

ABRA will inform all eligible parties of the availability of applications by email. Applications for all registration types will be made available on ABRA's website at abra.dc.gov.

Applications must be received by ABRA by 12:00 p.m. EST on Monday, March 28, 2022.

Applicants claiming the medical cannabis certified business enterprise (CBE) 50-point preference have until 12:00 p.m. EST on Thursday, May 12, 2022 to submit to ABRA the required Department of Small and Local Business Development (DSLBD)-issued certification documentation.

Application packets or medical cannabis CBE 50-point preference certification documentation submitted late by any amount will be automatically rejected and no appeals will be considered. Incomplete applications will similarly not be accepted for review by the panel.

Applicants are strongly encouraged to read the regulations (22 DCMR Subtitle C) in their entirety and to review their application thoroughly before submitting. Applications cannot be amended, edited, or supplemented following their submission other than to provide DSLBD-issued certification documentation.

Applications must be:

- Complete, including signatures from all relevant parties and supplemental documents.
- Legibly typed (preferably in a 12-point font).
- Filed in their entirety in hard copy OR electronically (all items must be combined into one (1) PDF document).
 - Mailing/Office Address—ABRA, 2000 14th Street NW, Suite 400 South, Washington, DC 20009
 - Electronically--dcgov.app.box.com/f/01203a5596fa4f259285b4e58500841c

Additionally, applicants must pay a non-refundable initial application fee of \$3,500. The initial application fee will be applied to the full fee of \$3,500 if the application is approved.

Accepted methods of payment by application submission:

- Mail—Include with your application a check (no starter checks), money order, or cashier’s check made payable to “DC Treasurer”.
- In-Person—Include with your application a check (no starter checks), money order, or cashier’s check made payable to “DC Treasurer” or present a credit card to an ABRA contact representative upon submission.
- Electronic—Applicants who submit their application electronically must submit their payment by mail or in-person as indicated above.

The full initial application fee must be received by the deadline. Payment cannot be submitted online or by phone. Cash is not accepted.

All costs involved in the preparation and submission of an application is the responsibility of the applicant. ABRA is not responsible for any costs incurred by an applicant in preparation or submission of an application.

Inquiries

ABRA will host an open application information session at 10:00 a.m. EST on Tuesday, December 7, 2021. A recording of the session will be published on ABRA’s website.

Applicants may submit questions until 4:00 p.m. EST February 28, 2022 to mcfacilities@dc.gov. Include “MCP Facility Application Question” in the Subject Line. Phone and in-person inquiries will not be accepted.

Responses to questions will be published on ABRA’s website and not responded to on an individual basis.

Review and Evaluation Criteria

1. Completeness--Per the regulations, if an applicant fails to address all of the required criteria and measures, the application will be considered non-responsive and not accepted for review by the panel.
2. Application Review and Evaluation Criteria--A panel shall be convened to evaluate and score each application. Each panel member shall score each application as defined in the regulations. The panel shall set forth through consensus comments the basis of the scoring decision for each criterion.

Questions

- **Question 1: Suitability**

Detail the suitability of the location for the proposed facility. **(Up to 40 points)**

Supporting documents for Question 1 should be included as Appendix 1.

Measure 1: Demonstrate that the proposed facility is suitable for testing medical cannabis in an environmentally safe manner and is adequate in size to accommodate testing and sample retention. **(Up to 20 points)**

Measure 2: Demonstrate that the proposed facility is suitable to meet the needs of cultivation centers and dispensaries for testing a variety of medical cannabis products in a timely manner and maintaining documented chain of custody. **(Up to 20 points)**

- **Question 2: Staffing Plan**

Detail the staffing plan. **(Up to 30 points)**

Supporting documents for Question 2 should be included as Appendix 2.

Measure 1: Detail the proposed staffing plan that will provide and ensure that personnel meets the requisite qualifications set forth in the regulations, and has demonstrated knowledge, experience, training, and certification to perform in the designated positions and roles and to conduct the required analytical processes, operations, and testing; ensure quality control and quality assurance, adequate staffing and experience during business hours, and adequate security and theft prevention; and maintain chain of custody, and confidential information. **(Up to 15 points)**

Measure 2: Provide an operations manual that demonstrates compliance with the District's medical cannabis rules. The operations manual shall also fully describe a plan to provide and ensure that a system is in place to evaluate and document personnel's competency in performing authorized tests, and to evaluate and document that personnel demonstrate acceptable performance on precision, accuracy, specificity, reportable ranges, blanks, and unknown challenge samples. **(Up to 15 points)**

- **Question 3: Knowledge of Cannabis Laws**

Supporting documents for Question 3 should be included as Appendix 3. **(Up to five (5) points)**

Demonstrate knowledge of District and federal laws and regulations relating to medical cannabis. The applicant shall also submit a notarized written statement indicating that they have read the Act and this title and have knowledge of District and federal law relating to cannabis.

- **Question 4: Testing Plan**

Detail the cannabis testing plan. **(Up to 40 points)**

Supporting documents for Question 4 should be included as Appendix 4.

Measure 1: Demonstrate knowledge, experience, training, and applicable certifications in laboratory testing techniques. **(Up to 15 points)**

Measure 2: Demonstrate knowledge of and fully described plan to provide and ensure quality assurance, quality control, proficiency testing, analytical processes, chain of custody, sample retention, space, record keeping, results reporting, and corrective action protocols. **(Up to 15 points)**

Measure 3: Describe the method(s) used to test medical cannabis and medical cannabis products, and report testing results; this includes but is not limited to standard operating procedures. **(Up to 10 points)**

- **Question 5: Security Plan**

Detail the security plan addressing the below measures and elements. **(Up to 20 points)**

Supporting documents for Question 5 should be included as Appendix 5.

Measure 1: Plan to prevent the theft or diversion of medical cannabis and how the plan will assist with MPD and ABRA enforcement. Specifically, it shall demonstrate compliance with all items and include all submittals required in § 6402.7 and § 5610 of this subtitle. **(Up to five (5) points)**

Measure 2: Plan for record keeping, tracking and monitoring inventory, and security and other policies and procedures that will discourage unlawful activity. **(Up to five (5) points)**

Measure 3: Details of the enclosed, locked facility that will be used to secure or store medical cannabis, including when the location is closed for business, and its security measures, and the steps taken to ensure that medical cannabis is not visible to the public. **(Up to five (5) points)**

Measure 4: Details of how to prevent the diversion of medical cannabis including the applicant's after-action plan for any incidents that may trigger enforcement under District law or regulations. The plan shall also describe plans to coordinate with and dispose of unused or surplus medical cannabis with MPD. **(Up to five (5) points)**

An applicant for a testing laboratory registration shall file a written security plan with the ABC Board. The written security plan shall address, at a minimum, the following elements:

1. Evidence that the space will comply with all security system requirements set forth in § 5610 of the regulations.
2. A site plan showing the entire structure the testing laboratory is housed in, including the street(s), parking lot(s), other tenants within the facility, and any other entities that physically border the testing laboratory.
3. A floor plan of the testing laboratory detailing the location of the following:
 - All entrances and exits to the testing laboratory.
 - The location of any windows, skylights, and roof hatches.
 - The location of all cameras, and their field of view.
 - The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens.
 - The location of the digital video recorder and alarm control panel.
 - Restricted and public areas.
4. The type of security training provided for, and completed by, establishment personnel, including:
 - Conflict resolution training and other security training to be provided by staff.
 - Procedures for handling violent incidents, other emergencies, and calling the MPD
5. How the applicant intends to use and maintain an incident log.
6. The number and location of cameras used by the establishment.
7. Security measures taken by the applicant to prevent individuals from entering the limited access area portion of the registered premises.
8. The applicant's closing procedures after the cessation of business each day.
9. The applicant's plan to prevent theft or the diversion of medical marijuana, including maintaining all medical marijuana in a secure, locked room that is accessible only to authorized persons.
10. The type of alarm system and outdoor lighting to be used by the applicant.
11. The applicant's procedures for obtaining, transporting, posting test results, and disposing of medical cannabis samples.

- **Question 6: Business Plan**

Detail the business plan and services to be offered. **(Up to 15 points)**

Supporting documents for Question 6 should be included as Appendix 6.

Measure 1: Include the business plan that describes how the testing laboratory will operate on a long-term basis. This shall include a detailed description about the amount and source of the equity and debt commitment for the proposed testing laboratory that demonstrates the immediate and long-term financial feasibility of the proposed financing plan, the relative availability of funds for capital and operating needs, and the financial capability to undertake the project. **(Up to five (5) points)**

Measure 2: Detail if any person included in the application or its directors, officers, members, or incorporators has experience in business management and/or having medical industry or laboratory experience. **(Up to five (5) points)**

Measure 3: The business plan shall include a start-up timetable which provides an estimated time from registration of the testing laboratory to full operation, and the assumptions used for the basis of those estimates. **(Up to five (5) points)**

- **Question 7: Advisory Neighborhood Commission Comments**

Advisory Neighborhood Commission (ANC) comments. **(Up to 30 points)**

Measure 1: The ANCs' concerns or support regarding the potential adverse impact of the proposed location to the neighborhood. **(Up to 20 points)**

Measure 2: The ANCs' concerns or support regarding an overconcentration or lack of testing laboratories and the number of cultivation centers or dispensaries in the affected ward. **(Up to 10 points)**

- **Question 8: Environmental Plan**

Detail the facility's environmental plan. **(Up to 20 points)**

Supporting documents for Question 8 should be included as Appendix 8.

Measure 1: Describe the environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the testing of medical cannabis. **(Up to 10 points)**

Measure 2: Describe any plans for (1) the use of alternative energy; (2) the treatment of waste water and runoff; (3) the scrubbing or treatment of exchanged air, (4) the co-location of testing laboratories. **(Up to 10 points)**

- **Question 9: Medical Cannabis Certified Business Enterprise**

Provide documentation that applicant is a medical cannabis certified business enterprise (CBE). Supporting documents for Question 9 should be included as Appendix 9. **(50 points)**

Measure 1: Provide documentation that the applicant is registered as a medical cannabis CBE by the Department of Small and Local Business Development (DSLBD) or is determined to be eligible to be a medical cannabis CBE by DSLBD. To qualify or to be considered eligible to be a medical cannabis CBE an applicant shall be required to meet all of the criteria set forth in D.C. Official Code § 7-1671.06(d)(5)(B-D). Provide the notarized Annual Personal Net Income Attestation Form attesting that the annual personal net income of each owner does not exceed \$349,999 and the Fifty-Point Preference Declaration Form.

- **Question 10: Zoning Compliance**

Provide evidence of compliance with the zoning distance requirements from schools and recreation centers set forth in Section 5201 of 22-C DCMR, for the proposed physical address to be utilized as a testing laboratory. Submission must include either a certified surveyor's report or a detailed Geographic Information Systems (GIS) map requested from ABRA setting forth the proximity of the testing laboratory to the nearest public or private, preschool, primary or secondary school or recreation center, and the name of the school or recreation center. To request a GIS map, email mcfacilities@dc.gov. Include "GIS Map Request for Medical Cannabis Facility Application" in the subject line. **(No points assigned)**

Supporting documents for Question 10 should be included as Appendix 10.

- **Question 11: Zoning Determination**

Provide a valid zoning determination letter from the DCRA Zoning Administrator indicating that a testing laboratory can operate at the premises in which the testing laboratory registration is sought to be located. An applicant, prior to issuance by DCRA of a certificate of occupancy for the building in which the registered premises shall be located, shall provide the below. **(No points assigned)**

Supporting documents for Question 11 should be included as Appendix 11.

- Evidence that the applicant has entered into a signed agreement with the owner of a building proposed to be constructed or remodeled.
- Evidence that under the signed agreement, the applicant has agreed to lease, purchase, or otherwise occupy all

- or a portion of the building for the applicant's use in carrying on the business of a testing laboratory.
- Evidence that the agreement provides that so much of the proposed building to be occupied for business purposes registered under the regulations is to be constructed or remodeled in accordance with specifications set forth in the agreement.
- Evidence that the agreement describes the quarters as reasonably adequate and appropriate for the business to be carried on under the authority of the registration
- A zoning determination letter issued by the Department of Consumer and Regulatory Affairs (DCRA).

- **Question 12: Nature of the Proposed Operation**

Provide a detailed description of the nature of the proposed operation, including the location of all restricted access areas and the hours during which the testing laboratory plans to operate. **(No points assigned)**

Supporting documents for Question 12 should be included as Appendix 12.

- **Question 13: Closure Plans**

Detail the plan for closure of the cultivation center in the event your registration is revoked for the convenience of the District. Your closure plan should satisfy the requirements set forth in Section 6002.4 of Title 22-C of the DCMR. **(No points assigned)**

Supporting documents for Question 13 should be included as Appendix 13.

- **Question 14: Source of Funds**

Detail and provide documentation regarding the source of funds being used to acquire or develop the testing laboratory. **(No points assigned)**

Supporting documents for Question 14 should be included as Appendix 14.

- **Question 15: Acknowledgment and Attestation**

Provide a signed and notarized Medical Cannabis Facility Applicant Initial Selection Criteria Acknowledgment and Attestation. **(No points assigned)**

Supporting documents for Question 15 should be included as Appendix 15.