
**CANNABIS CONTROL COMMISSION
MEMORANDUM**

TO: Cannabis Control Commission

FROM: Shawn Collins, Executive Director

SUBJECT: Licensing & Tracking Procurement

DATE: January 17, 2018

CC:

The purpose of this memorandum is to outline the process the Cannabis Control Commission (Commission) has employed to procure two significant software solutions – licensing management and seed-to-sale tracking – and make recommendations to begin contract negotiations for each.

Recognizing the deadlines that the Commission faces to have systems configured, deployed, and operational, this procurement process has been intentionally aggressive. While the procurement timeline may be condensed, the process has at all times remained fair, open, and competitive. The procurement management team (PMT) invested many hours reviewing and evaluating each response and attending each of the demonstrations.

This recommendation reflects their hard work and input.

PROCESS & TIMELINE

DATE	TASK
December 1, 2017	Procurement kick-off
December 12, 2017	Deadline for submissions
December 14, 2017	Deadline for form submission
December 18, 2017	Vendors notified regarding proof of concept demonstrations
December 20, 2017	Proof of concept phase kick-off
January 10-11, 2018	Vendor demonstrations
January 17, 2018	PMT recommendation to Commission

The procurement process began with the Commission's approval of the request for proposals (RFP) on November 28, 2017. The RFP was then posted to the Commission's web site, as well as on COMMBUYS.

The RFP garnered 14 total responses. Some vendors submitted for one specific project, and others proposed solutions for both licensing and tracking combined. Once compiled, the PMT, which consisted of 5 members, convened and evaluated each response. The original pool of 14 was reduced to 6 submissions – 3 each for licensing and tracking – to proceed to the demonstration phase.

The demonstrations were held on January 10-11, 2018. Leading up to the presentations, though, vendors had the ability to engage in frequent (almost daily) calls with the Commission in order to answer questions and conduct both security and accessibility reviews. Each demonstration was attended by all of the 5 original PMT members.

LICENSING

Based on deliberation conducted on January 12, 2018 the PMT recommends that negotiations commence with the licensing candidate JD Software, based in Salem, Massachusetts.

The PMT evaluated 3 total licensing demonstrations and was confident that each vendor would be capable of a successful rollout. However, there are certain distinguishing factors that led to the PMT unanimously recommending JD Software. Those were:

- The functionality of reporting on and exporting relevant data;
- The adaptability to changing requirements;
- Their ability to create and maintain jobs in the Commonwealth;
- Their proposed engagement model; and
- Their references, including the Massachusetts Department of Public Health.

As indicated, JD Software is a Massachusetts-based company headquartered in Salem. They are also the vendor responsible for licensing and registration within the Department of Public Health's Medical Use of Marijuana Program. This program will be transferred to the Commission within this calendar year. Having a relationship with and access to a vendor already familiar with the program will be particularly valuable.

The PMT is confident that JD Software is well-equipped to deploy their product quickly, allowing the Commission to meet the deadline of accepting applications by April 1, 2018. Success will also require involvement, input, and oversight from Commission staff throughout the development process.

Finally, although subject to any final negotiation and Commission approval, the cost estimates provided by JD Software would fit within the Commission's allocated budget.

SEED TO SALE TRACKING

Based on deliberation conducted on January 12, 2018 the PMT recommends that negotiations commence with the seed-to-sale tracking candidate Franwell, which offers the product known as Metrc.

The PMT evaluated 3 total seed-to-sale demonstrations and was confident that each vendor would be capable of a successful deployment. However, there were certain distinguishing factors that led to the PMT unanimously recommending Metrc. Those were:

- The Metrc system utilizes RFID technology, which provides real-time visibility into product inventory at all locations and does not rely on audits for tracking;
- Metrc is currently active in the majority of legalized adult-use states, including Alaska, California, Colorado, Nevada, and Oregon. Many of those states were pleased to provide positive references on behalf of Metrc;
- Metrc works exclusively with regulators and does not provide a commercial product to licensees, instead allowing for integration with any point-of-sale or inventory management system a licensee may choose through an application programming interface, or API; and
- Metrc provided the Commission with competitive and flexible pricing models.

As indicated, Metrc is used in a majority of adult-use states, and is also deployed in Maryland, Michigan, and Ohio for their medical marijuana programs. In the case of Nevada, the system was launched in less than 60 days with complete industry training and onboarding within 30 days. It is based upon this experience, and their strong references from other adult-use states that the PMT felt confident that Metrc would be capable of meeting the Commission's deadlines for rollout.

Finally, although subject to any final negotiation and Commission approval, the pricing models provided by Franwell would fit within the Commission's allocated budget.

CONCLUSION & NEXT STEPS

Based on the information above, and after many hours of review and deliberation, the PMT makes the unanimous recommendation to begin contract negotiations with JD Software for a licensing solution and with Franwell for seed-to-sale tracking software.

This recommendation does not conclude the procurement process, but instead advances it to the final stage. Any final award is subject to successful contract negotiations, and any final contract would require the approval of the Commission.

Finally, it is important to note that this recommendation is the product of a team effort. The Commission is grateful for the support of the Office of the Comptroller, the Executive Office of Technology Services and Security, and of course, Commission staff, during this procurement process.