



MEMORANDUM

To: Cannabis Regulatory Commission Board

From: Jeff Brown, Executive Director

Subject: Recommended awards for vertically integrated and cultivation permits pursuant to the July 1, 2019 - Request for Applications for Alternative Treatment Centers.

Date: October 15, 2021

Contents

Executive Summary.....	2
Background	3
Selection Committee and Scoring	5
Audit Of Applications	8
Quality Control and Audit of Scores	8
Patient Need Revisited	11
Recommendations for Awards	18
Cultivation Award Methodology	21
Table 8. Recommended Cultivation Awards by Region.....	23
Vertically Integrated Award Methodology	23
Post-Award Accountability	26
Conclusion	28
Appendices:.....	29
Appendix A: Department of Health, Medical Marijuana Program 2019 Request for Application	29
Appendix B: 2019 RFA Frequently Asked Questions	29
Appendix C: Assistant Commissioner's Memo on File Corruption	29
Appendix D: Training Documentation.....	29
Appendix E: Scoring Instructions (Excel Attachment).....	29
Appendix F: Cultivation Scores.....	29
Appendix G: Vertical Scores	29
Appendix H: Selection Method (Excel Attachment)	29



EXECUTIVE SUMMARY

This memorandum includes staff recommendations to the Board of the Cannabis Regulatory Commission for selections pursuant to the July 2019 Request for Applications (RFA) for Alternative Treatment Centers (ATC), issued on or about July 1, 2019, by the Department of Health and transferred to the Cannabis Regulatory Commission pursuant to P.L. 2019, c. 153 on April 12, 2021. These recommendations are for cultivation and vertically integrated¹ applicants only.

Upon review of the current market, staff determined that the number of awards contemplated in the July 2019 RFA are no longer adequate to address the patient needs experienced in the market in 2021. Because the ATCs awarded as part of this process will likely take 12-18 months to become fully operational, additional awards are needed to meet the Commission's statutory charge to "ensure a sufficient number of ATCs, pursuant to need..." (PL 2009, c.307, Section 7). To keep pace with expanding patient enrollment, which has continued even after the broad decriminalization of marijuana², staff recommend that the Commission:

1. Double the cultivation awards from five cultivators to ten;
2. Set the original number of cultivation awards in the July 2019 RFA as the minimum threshold for awards in each tier of size of cultivator (5,000 sq ft, 20,000 sq ft, and 30,000 sq ft) and region (two in the north, two in the central and one in the south); and
3. Issue additional awards to the highest scoring applicants.

Doubling the number of cultivators issued as part of this RFA is consistent with the statutory charge and authority of the Cannabis Regulatory Commission to meet patient need, reflective of expansion of the patient population over the last two years, the projected expansion in the future, and the anticipated loss of capacity due to medicinal cannabis businesses redirecting resources to the launch of Personal-Use cannabis sales in the future.

The awards proposed herein, and the terms and conditions proposed for awardees, meet four critical principles: they 1) address patient need; 2) prioritize the highest scoring applicants while also complying with the distribution set out in the RFA; 3) are driven by data; and 4) include accountability measures to ensure that awardees operate to the standards proposed in their applications.

¹ Vertically integrated applications are comprised of three separate permit endorsements: cultivation, manufacturing and dispensing.

² On February 22, 2021, Governor Murphy signed P.L. 2021, c. 16 which amended N.J.S.A 2C:35-10 to decriminalize possession of marijuana up to six ounces, or up to 17 grams of hashish.



BACKGROUND

On July 1, 2019, pursuant to N.J.A.C. 8:64-6.1 (now N.J.A.C. 17:30A-6.1), the Department of Health, Division of Medicinal Marijuana, (herein also referenced as the “Department”) published a RFA in the New Jersey Register for up to 24 ATCs to expand access to medical cannabis by registered qualifying patients. Up to five of the ATCs would be awarded cultivation permit endorsements, up to 15 would be awarded dispensary permit endorsements, and up to four would be awarded vertically integrated permits (allowing the permit-holder to engage in cultivation, manufacturing, and dispensing). The RFA was issued pursuant to P.L. 2009, c.307, prior to the enactment of the Jake Honig Compassionate Use Medical Cannabis Act (P.L. 2019, c.153) and therefore is not subject to many of the statutory provisions from the Jake Honig law that are now in effect.

The RFA was updated on August 2, 2019, to clarify provisions related to the application fees required for vertically integrated applicants.

The RFA is included in this memo as Appendix A.

Applications were required to be submitted to the Department by the following deadlines:

- Dispensary Applications: August 21, 2019, at 3 PM Eastern Time.
- Cultivation and Vertically Integrated Applications: August 22, 2019, at 3 PM Eastern Time.

The application was made up of the following four components:

- Application Cover Sheet – This consists of affidavits, waivers, and releases to be signed on behalf of the applicant.
- Application Part A – This is a fillable form, created by the Department, containing all the mandatory information to be submitted as part of the application.
- Personal History Disclosure – This is a fillable form, created by the Department, concerning background and employment history information for each person listed in response to Question 20 of the Application Part A.
- Application Part B – This is a single PDF file for each endorsement to be created by the applicant containing responses for every scored criterion and measure. A separate submission of Application Part B is required for each endorsement sought: Applicants seeking a cultivation or dispensary endorsement needed to submit one Application Part B, and applicants seeking a Vertically integrated permit needed to submit three Application Part Bs (one for cultivation, one for manufacturing, and one for dispensing).

When the RFA was published, prospective applicants were directed to submit any questions to about the RFA or application process to the Department by July 26, 2019. The Department



subsequently used those submitted questions to publish a list of 50 frequently-asked-questions, along with responses to each question. The Department also hosted a pre-application webinar on August 2, 2019 and posted a recording of the webinar on its website on August 5.

The frequently-asked-questions are included as Appendix B, and the pre-application webinar can be viewed at https://www.youtube.com/watch?v=Kuc6_t49uWg.

The RFA instructions offered applicants two methods for submitting applications, electronically via the Department's website and via delivery or mailing of a paper/hard copy to the Department. To reduce the administrative burden in processing the applications for review, the RFA instructions encouraged applicants to submit applications electronically. If submitting electronically, applicants were instructed to utilize an online submission form easily accessible on the Department's website.

If submitting via paper copy, applicants were instructed to deliver one complete copy of their application to the Department's offices by the relevant deadline(s).

Every applicant, regardless of the submission method used, was required to deliver the application cover sheet and payment for all application fees (via a certified or cashier's check) to the Department by the deadlines listed in the RFA.

The Department received 198 timely application submissions, including 40 applications for cultivation permits, 109 applications for dispensary permits, and 49 applications for vertically integrated permits. Of the 198 applications, two were immediately discovered to not include all required application materials, thus reducing the number of timely applications to 196.

Pursuant to the RFA, the Department conducted a completeness review to identify any applications that did not include all required application components or materials. On or about November 18, 2019, as a result of the completeness review, 51 applicants were disqualified for incomplete or otherwise deficient applications. Reasons for disqualification included but were not limited to: failure to include documentation of local approval, failure to include evidence of site control, failure to include other mandatory documents, submission of incomplete applications, and the submission of files that were inaccessible by the Department due to a corrupted file format and file compression.

An internal memo outlining the issues experienced by some applicants and the Department's subsequent review is attached as Appendix C.

Consistent with the provisions of N.J.A.C. 17:30A-6.2 and 6.4, (formerly 8:64-6.2 and 6.4), all disqualified applicants were given 45 calendar days to appeal their Final Agency Decisions in the Superior Court of New Jersey, Appellate Division ("the Court"). Seventeen applicants appealed their Final Agency Decisions and several applicants filed motions for a stay. On December 23, 2019, the Court issued a stay of proceedings related to the July 2019 Request for Applications.



The Department sought to continue processing and scoring the other applications while the contested Final Agency Decisions were reviewed by the court. However, on January 14, 2020, the Court clarified the scope of the stay to include all administrative proceedings regarding the RFA, including any further scoring of the applications.

More than one year later, on February 18, 2021, the Court issued a decision on the appeals and affirmed the Department's Final Agency Decisions in all but one case. ZY Labs, which had appealed its disqualification due to lack of municipal approval, had its Final Agency Decision reversed by the Court because, although the applicant lacked municipal approval, it included evidence of community support in its application. Accordingly, ZY Labs' application was added back to the applicant pool. The Court also dissolved the stay, allowing the RFA process to proceed.

Following the Court's decision, scoring resumed under the Department of Health. On April 12, 2021, pursuant to the provisions of N.J.S.A. 24:6I-24, the Cannabis Regulatory Commission (also herein referenced as "Commission" or "CRC") assumed authority over and responsibility for the July 2019 Request for Applications.

SELECTION COMMITTEE AND SCORING

Pursuant to N.J.A.C. 17:30A-6.2 (formerly 8:64-6.2), the Department convened a selection committee in conjunction with the publication of RFA in the New Jersey Register. The selection committee was comprised of nine individuals in full-time State service from the Department of Health, the Department of the Treasury, the Department of Environmental Protection, and the Department of Labor.

The Department sought selection committee members from diverse backgrounds, and with diverse expertise that was pertinent to the review process. The selection committee composed of:

- Three members with expertise in the regulation of the cultivation, manufacturing, and dispensing of medicinal cannabis;
- One member with expertise in quality assurance, public health, and emergency preparedness;
- One member with expertise in public health, pharmaceutical assistance, and fiscal management;
- One member with expertise in the management of environmental resources and public affairs;
- One member with expertise in workforce development;
- One member with expertise in labor compliance; and
- One member with expertise in business development and the certification of minority-owned, woman-owned, and veteran-owned businesses.



As full-time State employees, all selection committee members are subject to the provisions of the Uniform Ethics Code as adopted by the State Ethics Commission pursuant to N.J.S.A. 52:13D-23. Prior to beginning work as the selection committee, members were screened for any real or perceived conflicts of interest. Members completed a confidentiality agreement and a business disclosure form to verify that none of the selection committee members had any outside business interests that would conflict with their work on the committee. Additionally, selection committee members were provided a list of the applicants they would be scoring, including the names of associated principals, owners, and directors. Each selection committee member signed a certification verifying they possessed no conflicts of interest with respect to the applicants.

The selection committee was provided with the list of applicants and associate principals, owners and directors again prior to these awards to confirm there were no conflicts.

The Department organized three trainings for selection committee members:

- Each selection committee member attended one initial training held on September 19, 2019, and again on September 23, 2019, which included an overview of the Division of Medicinal Marijuana's regulations, an overview of the medicinal cannabis market as it existed in September of 2019, and a comprehensive review of the terms of the RFA, the scoring criteria, and the assignments for each team; and
- A refresher training was conducted on February 23, 2021, after the Superior Court's stay on administrative proceedings was lifted. This training was an abbreviated version of the training from September 19, 2019, and September 23, 2019.

All training sessions provided the selection committee the opportunity to ask any clarification questions. The selection committee training PowerPoint is attached as Appendix D.

As Table 1 illustrates, the selection committee members were divided into three teams of three, with each team responsible for reviewing and scoring a portion of each permit endorsement application and specific criteria and measures. Each team was responsible for a maximum of 100 points for every permit endorsement sought (100 points for cultivation and dispensary, and 300 points for vertically integrated permits to capture the three included endorsements).



Therefore, for cultivation permit endorsements, the maximum score was 300 points, and for vertically integrated applications, the maximum score was 900 points.

Table 1: Selection Committee Teams and Criteria Reviewed and Scored for Each Application.

Team	Expertise	Criterion Scored (number of specific measures included within the criterion)	Total Points
Team 1	Quality assurance, public health, emergency preparedness, pharmaceutical assistance, fiscal management, public affairs, and the management of environmental resources	<p>Criterion 1: Ability to meet the overall health needs of qualified patients and safety of the public (3 Measures)</p> <p>Criterion 2: History of compliance with regulations and policies governing government-regulated marijuana programs (1 Measure)</p> <p>Criterion 3: Ability and experience of applicant in ensuring an adequate supply of marijuana (1 Measure)</p> <p>Criterion 4: Community Support and Participation (1 Measure)</p> <p>Criterion 5: Ability to provide appropriate research data (1 Measure)</p>	100 points
Team 2	Regulation of the cultivation, manufacturing and dispensing of medicinal cannabis	Criterion 6: Experience in cultivating, manufacturing, or dispensing marijuana in compliance with government-regulated marijuana programs (3 Measures)	100 points
Team 3	Workforce development, labor compliance, business development, and the certification of minority-owned, women-owned, and disabled-veteran owned businesses	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 (4 Measures)	100 points

The selection committee members in Team 1 and Team 2 all possessed relevant expertise that allowed them to effectively judge their assigned measures, therefore each scorer scored every measure within the criteria. The scores were then averaged to create a single composite Team 1 score and a single composite Team 2 score.

Because of the nature of criterion 7 and its underlying measures that were assigned to Team 3, and the specific expertise that each selection committee member on Team 3 possessed, Team 3 committee members each scored the measure(s) they were qualified to score. The scorer with expertise in labor compliance scored Criterion 7, Measures 1 and 2. The scorer with expertise in business development and minority-owned, woman-owned, and veteran-owned business certifications scored Criterion 7, Measure 3. The scorer with expertise in workforce development scored Criterion 7, Measure 4. The scores were then added together to develop the total score for Team 3.



Prior to scoring, selection committee members were provided with detailed scoring instructions, attached as Appendix E. Selection committee members were directed to score cultivation applications first, vertically integrated applications second, and dispensary applications last.

Once scoring began, the Department organized periodic meetings with each team at which time scorers could ask questions about the process, discuss specific applications, and ask for clarification on the scoring instructions. Although the scorers were allowed to discuss specific applications, in order to maintain the independence of each scorer, they were directed not to discuss specific scores. Once the teams and scorers were well acclimated with the process, the group meetings ceased but the Department – and later the Commission – continued periodic check-ins with each individual scorer.

Currently, application scoring has concluded on cultivation and vertically integrated applications but is still ongoing for dispensaries.

AUDIT OF APPLICATIONS

Prior to developing the recommendation of these awards, the CRC performed both quality control review and an audit of scores. CRC staff conducted an audit of all applications and application materials to ensure all the applications that remained in contention were compliant with the provisions of the RFA. As part of this review, several applications are now recommended for disqualification for non-compliance with the RFA. Reasons for disqualification include: violating the RFA instructions by submitting more applications than an applicant was eligible to submit; failure to list individuals with direct or indirect authority over the proposed ATC on the application as instructed; and failure to submit required fee payments, cover sheets, or affidavits.

QUALITY CONTROL AND AUDIT OF SCORES

Once scores were received from each scorer for cultivation and vertically integrated applications, they were compiled into a master spreadsheet and ranked by score. Each score was checked at least twice and validated against each scorer's scoresheet to ensure it was accurately compiled. Scoresheets were also reviewed to ensure that each was accurately labeled with scorer number, applicant name and applicant control number. Once compiled, Cannabis Regulatory Commission staff undertook an extensive quality control review and audit of the scores and the scoresheets.



The quality control review and audit included:

- A review of scores to ensure compliance with scoring instructions and the RFA instructions;
- A review of scoresheets and the compiled spreadsheet for accuracy;
- A statistical audit of all scores to determine consistency;
- A manual audit of scored measures to ensure compliance with scoring instructions and the RFA;
- Interviews with selection committee members; and
- Requests for selection committee members to revisit or confirm certain scores where the quality control review and audit identified a typographical error or potential inconsistency with the RFA, the scoring instructions, or were deemed to be a potential outlier according to the statistical analysis.

For the statistical audit, CRC staff used a three-step approach to verify consistency and accuracy of scores. First, CRC staff conducted a thorough statistical analysis of each reviewer's scores, each team's composite scores, and the final composite scores. As a second check, CRC staff analyzed the distribution around the mean of the three teams' scores. As a final check, CRC staff searched for any outliers in the final total scores.

On Criteria 1-6 and 7.4, where a continuous scale was used, CRC staff searched for scores that statistically qualify as outliers that were more than three standard deviations from the mean. For Criteria 7.1 through 7.3, where an all-or-nothing or partial credit scale was used, CRC staff examined the distribution of zero (0), partial, and full credit values to assure the reviewers' scores were consistent with the scoring rubric.

Out of all the scores, only two scores were found to be statistical outliers. In both cases, CRC staff asked the relevant selection committee members to revisit and confirm the scores. In both cases the scores were confirmed as validly and properly assigned.

Importantly, although there was some variation between scorers on the same teams, the statistical analysis clearly showed that each scorer was consistent with the distribution of their scores across the whole pool of applications, and the teams were also consistent as a whole.



Distribution of Final Cultivation Scores

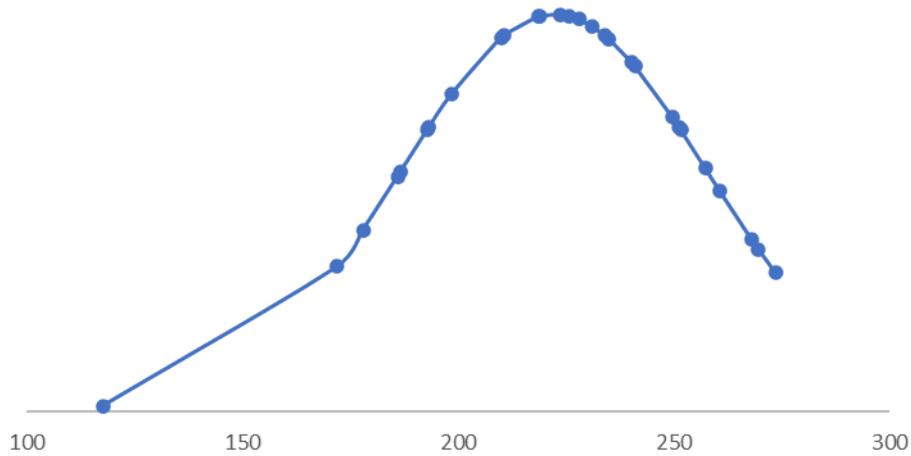


Figure 1.

Distribution of Final Vertical Scores

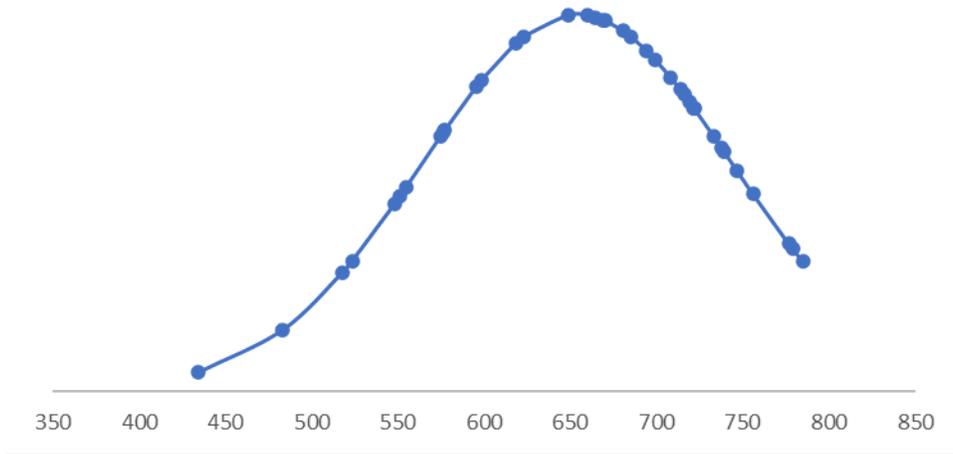


Figure 2.

The score audit resulted in some selection committee members revisiting applications and measures and either confirming or amending their scores. CRC staff only asked selection committee members to revisit scores where they were identified during the quality control audit to



be potentially inconsistent with the terms of the RFA or the scoring instructions, or where a clear error was made. (e.g., assigning a score that was in excess of the maximum score an applicant could receive on a particular measure).

After this thorough review, the Commission can be confident that the final tabulation for each application reflects the scores that each reviewer and team intended to award, that the scores are consistent with both the scoring instructions and the RFA, and that the scores reflect a fair and objective assessment on the part of each selection committee member and their respective team.

PATIENT NEED REVISITED

At the time the Department published the 2019 RFA, Department staff expected that the 2019 RFA would be concluded in 2020, and that the Cannabis Regulatory Commission would soon be seated and take over any future requests for applications for the medicinal industry. The Department could not foresee the occurrence of the COVID-19 pandemic, the stays imposed by the Appellate Division on the RFA review process, nor the delays in resolving the appeals for which the stays were issued.

Because of these factors, it is important to revisit the market analyses that precipitated the RFA. On April 1, 2019, the Department of Health issued the Division of Medicinal Marijuana's Biennial Report, covering years 2017 and 2018. Under N.J.S.A. 24:6I-12, the Biennial Report is required to analyze the following factors:

- Whether the maximum amount of medicinal cannabis allowed to be purchased pursuant to the medicinal cannabis statutes is sufficient to meet the needs of qualified patients in the medicinal cannabis program;
- Whether any alternative treatment center has charged excessive prices for the medicinal cannabis that the center dispensed; and
- Whether there are sufficient numbers of ATCs to meet the needs of qualified patients.

The third factor is especially pertinent to the recommendations contained herein, as it is this analysis that provided the Department – and now the Cannabis Regulatory Commission – with the authority to determine the number of permits issued for medicinal cannabis ATCs.

When the July 2019 RFA was issued, there was just over 105,000 square feet (sq. ft.) of canopy in New Jersey's medicinal cannabis market. Canopy, as defined in the RFA and referenced here, is the area where an ATC is permitted to cultivate medicinal cannabis, excluding any areas used for harvesting, labeling, or storing cannabis.



In the 2017/2018 Biennial Report, the Department estimated the number of registered qualified patients and needed supply of medicinal cannabis through January 2022 using two possible scenarios. Under the “status quo scenario,” the patient enrollment and supply of medicinal cannabis were assumed to continue growing at the same rates present between May 2018 and December 2018. Under the “Executive Order #6 scenario,”³ (herein also referenced as “EO6 scenario”), future patient and medicinal cannabis supply numbers were calculated assuming implementation of a series of operational and programmatic reforms that would lower barriers to medicinal cannabis and increase patient enrollment⁴. These projections are detailed in the Department’s 2017/2018 Biennial Report⁵ and are summarized in Table 2.

The Department projected that, if patient enrollment in the medicinal cannabis program had continued at the same pace, it would reach at least 112,000 by July 2021 and that 386,000 square feet of canopy would be needed to support the needs of that population⁶. When compared to actual enrollment numbers, the predicted future patient enrollment was off the mark by only 2%. In early July 2021, patient enrollment reached 113,952. But despite the increased enrollment numbers, there is only 250,000 square feet of canopy active in the market⁷, a little more than half of what the market needs to provide the patient population with access to diverse products at affordable prices.

Table 2: Biennial Report Patient Enrollment Predictions vs. Actual Enrollment Growth Per Month <i>September 2019 to August 2021 (unless otherwise noted) after enactment of P.L. 2019, c.153</i>			
Model	Patients Enrolled Per Month	Patients Disenrolled Per Month	Total Registry Growth Per Month
Biennial report projections under status quo scenario	2,944	500	2,444
Biennial report projections under Executive Order #6 scenario (EO6)	5,329	542	4,787
Actual			
Last 12-month program statistics (Sept. 2020-Aug. 2021)	5,348	2,775	2,573
Last 24-month program statistics (Sept. 2019 – Aug. 2021)	4,756	2,160	2,596

As evidenced by the data in Table 2, both projections in the 2017/2018 Biennial Report were correct in some respect – actual new patients enrolled per month has trended in line with the EO6

³ Executive Order No. 6 (January 23, 2018), State of New Jersey, <https://nj.gov/infobank/eo/056murphy/>.

⁴ The Department’s Executive Order #6 report details several recommendations to the Legislature, including: expanding the number and types of health care professionals able to recommend medicinal cannabis; eliminating requirements for in-person physician visits every 90 days; eliminating sales tax on medicinal cannabis; and increasing the total monthly purchase limit for patients.

⁵ NJ Department of Health, Division of Medicinal Marijuana Biennial Report, pg. 19, accessed at <https://www.nj.gov/health/medicalmarijuana/documents/BIENNIAL%20REPORT%20-%20Final.pdf>.

⁶ NJ Department of Health, Division of Medicinal Marijuana Biennial Report, pg. 19, accessed at <https://www.nj.gov/health/medicalmarijuana/documents/BIENNIAL%20REPORT%20-%20Final.pdf>.

⁷ Sourced from CRC analysis of floor plans of current permit holders.



scenario projections, but total registry growth has stayed in line with the projections under the Status Quo scenario. That's because the Department's 2017/2018 analysis assumed that the EO6 report's recommended program reforms would be implemented and there would be a corresponding expansion of permits for ATCs. Together, the two factors would address the triumvirate issues of (1) regulatory barriers, (2) cost, and (3) access. The Department believed that implementation of loosened regulations and expansion of the industry as recommended would incentivize patients to stay enrolled in the medicinal program. But the industry expansion has not happened and the data shows that for every two patients that enroll, one disenrolls. Importantly, of the conditions eligible for treatment with medicinal cannabis, the majority are chronic and incurable. Therefore, the number of patients disenrolling should not be as high as it is.

The Cannabis Regulatory Commission's Office of Patient & Customer Services handles on average 7,738 incoming calls per month⁸. Based on actual customer service calls, the following issues have been identified as frequent complaints among patients:

- High prices;
- Lack of preferred products;
- Long waits for appointments and/or service at dispensaries; and
- Inaccessibility/long drive times to locations.

These complaints help explain the paradox described above. The Department and Commission have comprehensively addressed regulatory barriers, making it drastically easier for eligible patients to get access to the market, and patients are enrolling in record numbers. Unfortunately, however, high prices and lack of access are driving them out. Plus, the trend of increased disenrollment started well before the signing of P.L. 2021, c.16 and has been consistent. Therefore, it cannot be attributable to broader cannabis legalization.

Cost and Access for Medicinal Cannabis in 2021

In 2017 and 2018, the cost of medicinal cannabis was high and the number of available dispensaries at the time (six) was not suitable to serve the patient population. In 2021, the cost of medicinal cannabis is still high and although the number of dispensaries has increased to 23, it is still not sufficient to serve the patient population.

⁸ Data represents March 2021-August 2021.



Table 3: Price of and Access to Medicinal Cannabis (2017-2021)⁹

Year	Average price per ounce based on revenue and ounces sold	Patients per dispensary (estimated at end of year)
2017	\$307-\$413	3,200
2018	\$316-\$409	6,333
2019	\$303-\$431	8,142
2020	\$298-\$454	7,652
2021 ¹⁰	\$320-\$480	5,299

Table 4: Current Market Snapshot (September 2021)¹¹

Region	Patients	Canopy (square feet)	Dispensaries	Patients per Dispensary	Current List Price Range
North	36,096	81,614	8	4,512	\$360-\$480
Central	45,824	61,329	7	6,546	\$320-\$480
South	37,389	107,591	8	4,674	\$392-\$456
Total	119,309	250,534	23	5,187	\$320-\$480

While significant progress has been made over the years, the market is still not adequately serving demand. The market may be producing more medicinal cannabis than it ever has, however, CRC staff is still receiving the same complaints from patients: prices are unaffordable, and dispensaries cannot keep high demand products in stock. In fact, when assessing whether ATCs are adequately serving the patient population, the Commission must look beyond raw supply and also look at price and access.

While current ATCs may assert that they are adequately serving the market, the fact that so many patients are leaving the medicinal program, and so many still complain about being unable to afford their medicine or find the products they want, tells a different story. In a recent submission to the CRC, the ATCs made this exact argument – that they are presently *exceeding* patients’ needs and can continue to provide the bare minimum canopy needed to supply the medicinal market – which they estimate to be a mere 85,000 sq ft – and that any additional resources can be dedicated to recreational cannabis sales.

But the Department’s 2017/2018 Biennial Report didn’t seek to project what patients needed at a bare minimum. In fact, for patients, the bare minimum is not even barely acceptable. Rather, the Biennial Report sought to project what a competitive market should look like where ATCs have to compete for patients’ business, products are affordable, and patients can find the products they want -- not where patients have too few choices, where they cannot afford their medicine, and

⁹ Source: actual ATC revenue and sales data and patient registry statistics summary reports.

¹⁰ Based on Market Snapshot below

¹¹ Source: Patient registry data, ATC inventories, ATC floor plans, and current ATC menus.



where they leave the market within two years after they sign up. The Report sought to help patients thrive in this market, not merely survive.

New Jersey’s medicinal cannabis market should not be a market the likes of which a current NJ ATC permit-holder CEO boasted about during a conference in 2020: “[Cannabis] licenses forever will have oligopolist value,” said Abner Kurtin, founder of Ascend Wellness¹². “We put it in the jar for \$8 and sell for \$50-\$60.”¹³

The profit margins alluded to in Mr. Kurtin’s comments are supported by research into the cost of the production of cannabis. In 2010, Jonathan Caulkins, a drug policy researcher at Carnegie Mellon University estimated the cost of producing legal cannabis to be between \$200-\$400 per pound for small sized cultivators and between \$70 and \$215 per pound for larger scale cultivators, with an additional \$20-\$35 per pound for post-cultivation processing¹⁴. These theoretical numbers are backed up by more recent analysis. In January 2020, Reason Foundation, a libertarian think tank, sought to update Mr. Caulkins’ numbers. They estimated the production costs of legal cannabis by using actual 2020 production data and predicted compliance costs, including testing, insurance, and licensing costs. Reason Foundation’s model estimates that the 2020 cost of production for indoor cannabis was \$565 per pound – or \$4.41 per eighth of an ounce.¹⁴ above

For local context, a pound of cannabis in New Jersey currently wholesales for around \$3,000-\$3,200 per pound. If sold directly to a consumer, as many of New Jersey’s vertically integrated operators do, one pound could return well over \$6,000. That equates to an eighth of an ounce being sold for between \$50 and \$60, consistent with Mr. Kurtin’s public remarks.

Clearly, there is plenty of room for ATC product prices to be reduced, but with so few competitors, and so little downward pressure on price, there is arguably little incentive for market players to push prices down.

Therefore, when it comes to determining cultivation capacity needs, the Commission can have confidence in the projections in the 2017/2018 Biennial report. Currently, there is 250,000 square feet of canopy permitted in New Jersey’s market today, yet prices are still high, and patients still complain about not finding the products they prefer. The Biennial Report projected that by July 2021, the market would need 386,000 square feet of canopy to serve 112,000 patients. Today, there are 119,000 registered patients, meaning the market needs nearly 150,000 square feet of canopy in addition to the current available canopy to serve today’s patient population¹⁵. In 18 months, when the awardees from the 2019 RFA are expected to harvest cannabis for the first

¹² Ascend Wellness purchased Greenleaf Compassion Center’s permit in 2020 pursuant to N.J.S.A. 24:6I-7.

¹³ NJ Cannabis Insider Issue 103, published February 20, 2020.

¹⁴ Lawrence, Geoff, Purnell, Spence. Marijuana Taxation & Black Market Crowd-Out. Reason Foundation (Jan. 2020)

¹⁵ To put New Jersey’s projections in context, a recent analysis presented by a subcommittee of the Vermont Cannabis Commission called for 400,000 square feet of canopy for a projected consumer population of roughly 120,000, consistent with New Jersey’s projections for a similar patient population: <http://ccb.vermont.gov/sites/ccb/files/2021-10/Vermont%20Medical%20and%20Adult-use%20Cannabis%20Supply%20and%20Demand%20Model%20-%20Cannabis%20Control%20Board%20%289-1-21%29.xlsx>



time¹⁶, the anticipated canopy need will likely double. Addressing this imbalance now is critical for reducing prices, expanding patient access to products, and avoiding a persistent lag behind patient needs.

New Jersey also needs to address the dearth of available dispensaries. With approximately 5,187 patients per dispensary, a dispensary would have to operate seven days a week for 12-hours a day and serve one patient every five minutes in order to serve 4,000 patients per month – and there are over 5,000 patients for every ATC. Some dispensaries can meet those numbers; however, some cannot. And such high-volume sales do not translate well when accounting for the need to counsel patients on appropriate products and proper use. It is no wonder that one ATC has had a six week wait time for appointments for over two years – and well before the pandemic began – and many dispensaries are always crowded.

The Department and the Commission have successfully reduced regulatory barriers and have made it easier than ever for patients to enroll and get access to New Jersey’s medicinal cannabis market. But it is clear that the development of New Jersey’s cannabis industry has not kept pace with demand or with patients’ needs. The current supply falls short of what is needed, prices remain high, and there are not enough dispensaries to serve the total patient population. It is recommended that the Cannabis Regulatory Commission take action to fix New Jersey’s medicinal cannabis market.

A NOTE ON LEGALIZATION AND DECRIMINALIZATION

While these recommended awards are strictly for permits for medicinal cannabis ATCs pursuant to N.J.S.A. 24:6I-7, the Commission should consider the effect that legalization of recreational cannabis and decriminalization of unregulated marijuana may have on the medicinal market. The awards considered by the Commission do not entitle or guarantee any future licenses to cultivate, manufacture, or sell recreational cannabis pursuant to P.L. 2021, c.16 and N.J.A.C. 17:30. To the contrary, the recommended conditions of the awards would restrict awardees from applying to the Commission to become an “Expanded ATC” until serving medicinal cannabis patients for a minimum of one year. Any awardees from this RFA should be required to prove that they can adequately serve the medicinal market before even applying for Personal-Use cannabis licenses.

Detractors of these recommendations may point to markets where patient enrollment in medicinal cannabis programs decreased following legalization of recreational sales for those over the age of 21. However, with the country approaching nearly a decade of experience with legalization efforts, it is clear that the assumption that medicinal program enrollment will drop off precipitously with legalization is a misguided one. Some markets have experienced a decrease in patient enrollment, but some have actually seen an increase. Many thought New Jersey would see a drop off in

¹⁶ The RFA requires cultivators be operational within 12 months, and vertically integrated awardees within 18 months. Generally, it takes six months from becoming fully operational to achieving a first harvest.



enrollment once unregulated marijuana was decriminalized – but current data suggests that has not happened. Enrollment is as consistent as it was prior to the signing of P.L. 2021, c. 16, and New Jersey is still averaging over 5,000 new patients per month. To date, there have been no signs of a decrease in enrollment.

Table 5: Patient Enrollment for the past 12-month period

Month	Number of Patients Newly Enrolled
Oct-20	7,768
Nov-20	5,291
Dec-20	4,344
Jan-21	4,341
Feb-21	4,355
Mar-21	5,091
Apr-21	4,593
May-21	5,414
Jun-21	5,507
Jul-21	4,755
Aug-21	6,209
Sep-21	4,832
Total Patient Enrollment	62,500

When the Commission allows adult Personal-Use (recreational) sales to begin, patients will continue to receive priority access and a tax benefit¹⁷. Current trends suggest that it is unlikely that patients will stop enrolling into the medicinal program given there is still a tangible benefit from receiving treatment for a legitimately diagnosed medical condition, even when there is legalized access to recreational cannabis.

In fact, according to data presented by the Marijuana Policy Project, enrollment in medical programs remains vibrant in many legalized states¹⁸. Colorado, which legalized recreational cannabis in 2012, still has 1.5% (roughly 86,000 patients) of the population enrolled in the medicinal cannabis program. Michigan, which legalized recreational cannabis in 2018, still has 2.51% of their population enrolled (roughly 251,000 patients). Illinois legalized recreational cannabis on January 1, 2020, yet still has 1.5% of the population enrolled in its medicinal program (roughly 192,000 patients). Massachusetts, Washington, and Oregon are on the lower end of patient enrollment, ranging from 0.5% to 1% of their respective populations. New Jersey’s current patient population represents 1.33% of the total population.

There is undoubtedly some uncertainty with legalized cannabis on the horizon. But staff expect New Jersey’s medicinal program to become more robust over time, in part due to three facts: (1) the regulatory reforms that have been put in place are still effectively providing access to patients,

¹⁷ Under the law, the retail sales tax currently levied on medical cannabis sales will be phased out by July 1, 2022.

¹⁸ Project, M. P. (2018, December 3). *Medical Marijuana Patient Numbers*. Marijuana Policy Project. Retrieved September 29, 2021, from <https://www.mpp.org/issues/medical-marijuana/state-by-state-medical-marijuana-laws/medical-marijuana-patient-numbers/>.



even with unregulated marijuana being decriminalized, and patient enrollment continues to increase; (2) even when legalized sales are authorized, there will be clear financial incentives for patients to continue seeking care in the medicinal market; and (3) P.L. 2019, c. 153 not only empowers the Commission to continue to reduce barriers for patients; it in fact directs the Commission to further expand the medicinal market, regardless of whether legalized recreational cannabis sales are authorized. Above all, the statute under which this RFA was issued directs the Commission, as the successor to the Department of Health, to address patient need.

RECOMMENDATIONS FOR AWARDS

Pursuant to the published 2019 RFA, the Commission's final agency decisions on submitted applications should be based on application scores and the requirements and limitations outlined in the RFA. Awards should also be consistent with effectuating the goals of the medical cannabis laws. Accordingly, the Commission's awards should be guided by three principles centered on meeting registered patients' needs:

- Awards must address patients' varied needs by increasing product availability, reducing prices, and diversifying access points for patients to obtain their medicine;
- Awards should select the most qualified applicants, as determined by application scores assigned by the selection committee; and
- Awards should be supported by objective data.

To ensure that patients continue to be prioritized by ATCs after issuance of these awards, the Commission's Final Agency Decisions should include terms and conditions designed to promote accountability.

To get an accurate picture of what the medicinal market needs in terms of cultivation and vertically integrated operations, we must look at what the market will need 12 to 18 months in the future, which is when the facilities that are awarded permits are likely to become operational.¹⁹ Even when using the 2017/2018 Biennial Report's more conservative status quo scenario approach to estimate how much canopy would be needed today, but updated to accommodate actual growth rates from the last 24 months, the CRC would need to have permitted a total canopy between 527,113 and 581,183 square feet today, and between 33 and 36 cultivators awarded and permitted, in order to meet the future medicinal cannabis needs of late 2022 or mid-year 2023. If any current ATCs devote some of their square footage to Personal-Use (recreational) cannabis operations, which they are eligible to do, the market's needed canopy size is likely to be much higher. Given that New Jersey currently only has 250,534 square feet of canopy, the estimated need means the

¹⁹ Typically, it can take anywhere from 12 to 18 months for a cannabis business to become operational after being issued an award. During this time, businesses begin building (or retrofitting) their facilities, perform zoning inspections and obtain the relevant zoning permits, purchase or develop their product offerings, hire and train staff, and prepare to open to the public. The exact amount of time needed to become operational will depend on the business and how quickly the owners and/or principals complete all the requisite steps.



market is operating at a deficit of roughly 280,000 to 330,000 square feet of canopy, and likely much higher given the ATCs’ intention to devote a portion of their existing capacity to serve recreational cannabis customers in the future.

Table 6: 2017/2018 Biennial Report Model Updated

Month	Enrollment	Competitive Projected Demand (grams)	Total Active Production (Sq Ft)	Avg Sq. Ft. per facility ²⁰	Cultivators (Active)	Dispensaries (Active)
Oct-21	121,616	82,747,390	418,974	20,000	26	61
Apr-22	137,311	93,426,132	473,044	20,000	30	69
Oct-22	153,005	104,104,874	527,113	20,000	33	77
Apr-23	168,700	114,783,616	581,183	20,000	36	84
Oct-23	184,395	125,462,358	635,252	20,000	40	92

Today’s medicinal market reality is one that negatively impacts patients: prices are still high, access points are limited, and demand is still artificially constrained because of current ATCs’ inability to consistently produce supply that is affordable to patients. Further, the ATCs’ paltry estimation for what adequate supply in the medical market is calls into question their ability and willingness to keep pace with demand in perpetuity. With a new legal, Personal-Use market on the horizon, the ATCs are already making the case that patients need less instead of reducing prices to sell more products.

The Commission has before it a cohort of qualified applicants who have been waiting for two years to help serve New Jersey’s medicinal market. After examining current and future patient needs and the current market realities, staff recommend that the Commission double the number of cultivation permit endorsement awards as part of the July 2019 RFA. Doing so will not completely address future patient need – there will need to be more permits issued in the future – but it will put the medicinal industry more in line with the actual patient market needs of 2021 and beyond, while ensuring that the market can better deliver value, access, and product availability to New Jersey’s patients.

The 2019 RFA, as written, provides for a total of up to 225,000 square feet of canopy, distributed across different business sizes as follows:

- Two cultivators with a maximum canopy of 30,000 square feet each;
- Two cultivators with a maximum canopy of 20,000 square feet each;
- One cultivator with a maximum canopy of 5,000 square feet; and

²⁰ The average canopy per ATC in NJ is currently just over 20,000 square feet.



- Four vertically integrated permits with a maximum canopy of 30,000 square feet each.²¹

Additionally, the 2019 RFA set out the regional distribution of awards as follows:

- Two cultivators and one vertically integrated ATC in the Northern Region;
- Two cultivators and one vertically integrated ATC in the Central Region;
- One cultivator and one vertically integrated ATC in the Southern Region; and
- One vertically integrated ATC, location to be determined at the time of award based on patient need.

Based on the provided data instead of awarding a maximum of nine cultivator and vertically integrated awards as specified in the 2019 RFA, it is recommended that the CRC award ten cultivator permits and four vertically integrated permits²² with:

- At least two cultivators with a maximum canopy of 30,000 sq ft each;
- At least two cultivators with a maximum canopy of 20,000 sq ft each;
- At least one cultivator with a maximum canopy of 5,000 sq ft; and
- Up to four vertically integrated permits with a maximum canopy of 30,000 square feet each.

In terms of regional distribution, awards should include:

- At least two cultivators and one vertically integrated ATC in the Northern Region;
- At least two cultivators and one vertically integrated ATC in the Central Region;
- At least one cultivator and one vertically integrated ATC in the Southern Region; and
- One vertically integrated ATC, location to be determined at the time of award based on patient need.

By doubling the number of cultivation awards from five to ten and setting the original permit numbers per region and per canopy tier as a floor rather than a ceiling, the Commission would be issuing awards that align with the principles outlined above.

Finally, it should be noted that, under the terms of the RFA, no applicant can be awarded more than one permit pursuant to the 2019 RFA, and no applicant can hold more than one cultivation endorsement, one manufacturing endorsement, or one dispensary endorsement as a result of the awards made.

²¹ Vertically integrated applicants could choose the size of their maximum canopy. Most applicants chose 30,000 sq ft, but a few chose 20,000 sq ft. None chose 5,000 sq ft.

²² Although enacted after publication of the 2019 RFA, both P.L. 2019, c.153 and P.L. 2021, c.16 have statutory provisions that may apply to these vertically integrated permits and therefore I do not advise increasing this number.



Cultivation Award Methodology

As explained above, awards issued must address patients' varied needs and should reflect the most qualified applicants, as determined by application scores assigned by the selection committee. Because cultivators do not sell items directly to consumers, their location is less important than that of a dispensary or a vertically integrated ATC that must have a retail access point for patients. Cultivators are authorized to wholesale medical cannabis flower and medical cannabis products to dispensaries, regardless of the region in which the cultivator is located. For example, while a cultivator may be located in the Southern Region, it can wholesale to a dispensary in the Central and/or Northern Regions.

Therefore, I recommend the following overall methodology for selecting cultivation awards:

1. Choose the top scorers in each canopy tier:
 - a. Two highest scoring cultivators with a maximum canopy of 30,000 square feet;
 - b. Two highest scoring cultivators with a maximum canopy of 20,000 square feet; and
 - c. Highest scoring cultivator with a maximum canopy of 5,000 square feet cultivator.
2. Select the next five highest scoring applicants that have not been previously selected for a proposed award such that, among the total 10 selected applicants, there are at least two cultivators selected from the Northern Region, two selected from the Central Region, and one selected from the Southern Region.

The next table (Table 7) shows the top 15 scoring cultivation applications returned by the selection committee. The greatest possible total score for cultivation endorsement applications was 300 points. Total scores for all applicants ranged from 273.67 points at the high end, to 117.67 points at the bottom end.



Table 7: 15 Highest Scoring Cultivation Applications

Control #	Applicant Name	Region	Max Canopy Size (Sq. Ft.)	Total Score(s)
19-0145	Hillview Med INC	North	30,000	273.67
19-0154	CYOUR NJ LLC	North	30,000	269.67
19-0164	Green Medicine NJ LLC	Central	30,000	268.00
19-0023	Bloom Medicinals of PA LLC	South	30,000	260.67
19-0058	GSCC Management LLC	North	20,000	257.33
19-0030	NJ Nectar Ventures LLC	Central	20,000	251.67
19-0057	ZY Labs LLC.	Central	20,000	251.33
19-0192	Garden State Releaf LLC	South	30,000	249.67
19-0172	The NAR Group	Central	20,000	241.00
19-0194	Unity Alternative Therapy of NJ LLC	North	30,000	240.33
19-0149	Herbiculture NJ INC.	Central	20,000	235.00
19-0182	Ethereal Green, LLC	South	20,000	234.00
19-0176	Noble Valley Harvest Company	Central	5,000	231.00
19-0089	Marzy Designs LLC	Central	20,000	228.00
19-0156	KARE LLC	South	20,000	225.67

Recommended Cultivation Permit Awards

Applying the methodology described above, the step-by-step award selections are determined as follows:

1. The two highest scoring 30,000 square feet cultivation applications:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0145	Hillview Med INC.	North	30,000	273.67
19-0154	CYOUR NJ LLC	North	30,000	269.67

2. The two highest scoring 20,000 square feet cultivation applications:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0058	GSCC Management LLC	North	20,000	257.33
19-0030	NJ Nectar Ventures LLC	Central	20,000	251.67

3. The highest scoring 5,000 square feet cultivation application:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0176	Noble Valley Harvest Company	Central	5,000	231.00



- The next five highest scoring applicants that have not been previously selected for a proposed award, such that, among the total 10 selected applicants, there are at least two cultivators selected from the Northern Region, two selected from the Central Region, and at least one selected from the Southern Region:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0164	Green Medicine NJ LLC	Central	30,000	268.00
19-0023	Bloom Medicinals of PA LLC	South	30,000	260.67
19-0057	ZY Labs LLC	Central	20,000	251.33
19-0192	Garden State Releaf LLC	South	30,000	249.67
19-0172	The NAR Group Inc.	Central	20,000	241.00

The results of the proposed cultivation awards allow the State to increase its cultivation canopy size by 235,000 square feet. Table 8 identifies the amount of additional cultivation canopy added to each region based on the recommended cultivation awards.

Region	Awardees	Maximum Additional Canopy (Sq. ft)
North (3)	Hillview Med Inc., CYOUR NJ LLC, GSCC Management LLC	80,000
Central (5)	NJ Nectar Ventures LLC, Noble Valley Harvest Company, ZY Labs LLC, The NAR Group, Inc., Green Medicine NJ LLC	95,000
South (2)	Bloom Medicinals of PA LLC, Garden State Releaf LLC	60,000
Total (10)		235,000

Vertically Integrated Award Methodology

Vertically integrated ATCs are authorized to cultivate, manufacture, and dispense cannabis. While each such aspect of operations must be located within the same geographic region (North, Central or South), they need not take place on the same premises. Cultivation and manufacturing operations can take place in a warehouse in one municipality and the medicinal cannabis dispensary can be located in a different municipality, so long as both municipalities are within the same region. Therefore, not only is the CRC evaluating the ability to produce medicinal cannabis and medicinal cannabis products when selecting vertically integrated ATCs, but also evaluating their ability to provide an additional access point for patients. The recommended methodology for choosing these permits is as follows:

- Select the highest scoring vertically integrated applicant in each region;²³ and
- Select the fourth vertically integrated ATC based on overall score and patient need.

²³ Applicants were only allowed to submit one application. Therefore, unlike in the 2018 RFA, this restriction will not disqualify any applications from other regions.



To determine the fourth award based on overall score and patient need, it is recommended that the Commission use a four-factor supply/demand measure. Specifically, the Commission should take: 1) the ratio of patient enrollment in each region to total patient enrollment plus; 2) the ratio of total population in each region to total population statewide; and divide that total by 3) the ratio of canopy in each region to total canopy in the state plus; 4) the ratio of number of dispensaries in the region to total number of dispensaries in the state. The highest number in this analysis dictates the greatest need. This analysis²⁴, when combined with both the current canopy and with the added canopy based on the added cultivation awards, yields the same result: the fourth award should be made in the central region.

$$\text{Demand} \quad / \quad \text{Supply} \quad = \quad \text{Need}$$

$$\frac{[(\text{Patient Enrollment} - \text{Region}) + (\text{Population in Region})]}{\text{Total Patient Enrollment} \quad \text{Total Population}} \div \frac{[(\text{Canopy in Region}) + (\text{Dispensaries in Region})]}{\text{Total Canopy} \quad \text{Total Dispensaries}} = \text{Quantified Need}$$

When using this formula, higher numbers dictate greater need. This analysis²⁴, when calculated with both the current canopy, and with the added canopy based on the added cultivation awards, yields the same result: the fourth award should be made in the central region.

Table 9 shows the top eight scoring vertically integrated applicants returned by the selection committee. The highest total possible score on an application for a vertically integrated permit is 900 points. Total scores for all applicants ranged from 785.00 (highest) to the lowest score of 434.00.

Table 9. Top 8 scoring applicants for vertically integrated permits.				
Control #	Applicant Name	Canopy Size (Sq. Ft.)	Region	Total Score
19-0024	Altus New Jersey LLC	30,000	Central	785.00
19-0169	Greenhouse Wellness of NJ LLC	30,000	South	779.33
19-0078	Holistic NJ I LLC	30,000	Central	776.67
19-0002	Healing Essentials Wellness Dispensary	30,000	South	756.00
19-0198	CHM Consulting LLC	20,000	Central	746.67
19-0152	Etain NJ LLC	30,000	North	739.33
19-0080	Mission NJ	30,000	Central	738.00
19-0180	AP NJ Health LLC	30,000	Central	733.33

²⁴ Attached as Appendix H.



Recommended Vertically Integrated Permit Awards

Applying the methodology described above, the step-by-step award selections are determined as follows:

1. Select the highest scoring applicant in the Northern Region:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0152	Etain NJ LLC	North	30,000	739.33

2. Select the highest scoring applicant in the Central Region:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0024	Altus New Jersey LLC	Central	30,000	785.00

3. Select the highest scoring applicant in the Southern Region:

Control #	Applicant Name	Region	Max Canopy Size	Total Score
19-0169	Greenhouse Wellness of NJ LLC	South	30,000	779.33

4. Pursuant to the terms of the RFA, select the fourth vertically integrated permit award based on overall score and patient need. Because the Central Region is determined to have the greatest patient need, the highest scoring applicant in that region not yet selected for an award is:

Control #	Applicant Name	Region	Canopy Size	Total Score
19-078	Holistic NJ I LLC	Central	30,000	776.67

The results of the vertically integrated awards allow the State to increase its cultivation canopy capacity by 120,000 square feet and add four new manufacturing labs and four new dispensaries. Of the four new dispensaries, two would be in the Central Region, where the ratio of patients per dispensary is the highest in the State; one would be in the North; and one would be in the South. This methodology is consistent with the terms of the RFA and adds at least one new vertically integrated permit awardee in every region.

Table 8 identifies the amount of additional cultivation canopy added to each region based on the recommended vertically integrated awards.



Table 8. Recommended Awards for Vertically Integrated Permits.

Region	Awardees	Additional Manufacturing Labs	Additional Dispensaries	Maximum Additional Canopy (Sq. Ft.)
North (1)	Etain NJ LLC	1	1	30,000
Central (2)	Altus New Jersey LLC, Holistic NJ I LLC	2	2	60,000
South (1)	Greenhouse Wellness of NJ LLC	1	1	30,000
Total (4)				120,000

Table 9 identifies the total amount of additional cultivation canopy added to each region based on the recommended cultivation awards and the recommended vertically integrated awards. This includes the additional cultivation canopy square footage from Table 6 and Table 8 for each region.

Table 9: Projected Market Snapshot Post-Award

Region	Cultivators	Vertically Integrated	Dispensaries	Maximum Additional Canopy (sq. ft)
North	3	5	9	110,000
Central	5	6	9	155,000
South	2	5	9	90,000
Total	10	16	27	355,000

POST-AWARD ACCOUNTABILITY

In order to ensure that applicants are held accountable to the statements and declarations demonstrated in their submitted proposals, it is recommended that the CRC’s Final Agency Decisions include the following conditions for awards:

1. Within five (5) business days of this notification of award, each awardee shall confirm in writing to crc.licensing@crc.nj.gov, that it accepts the award. Acceptance of this award may result in the applicant being disqualified from receiving award of any pending permit endorsement applications;
2. If accepted, within twenty (20) business days from the date of award, the awardee shall confirm in writing, that it still has site control and local approval for the endorsement. An awardee without both site control and local approval after twenty (20) business days will have its award rescinded;
3. An awardee for a cultivation endorsement or for a vertically integrated permit must be fully permitted within 18 months from the date of this award;



4. An awardee shall operate in accordance with its medicinal cannabis application for at least two (2) years, except that it may apply to expand its cultivation canopy for medicinal cannabis after one (1) year, so long as it can be justified by patient need;
5. Awardees are required to comply with deadlines and timelines established by the CRC for submission of information and documentation, including but not limited to deadlines by which members must be fingerprinted. Failure to adhere to established timelines may result in rescission of the award;
6. Awardees shall not be authorized to add any owners or principals that were not disclosed on the application until after the permit is issued;
7. Awardees shall not be authorized to enter into any management services agreements that were not disclosed in the application for two (2) years following the award;
8. If an awardee received scores for a woman-owned, veteran-owned, or minority-owned business certification, the awardee shall confirm in writing or provide a copy of its approved New Jersey Department of the Treasury, Division of Revenue & Enterprise Services Minority, Women, and/or Veteran-Owned Business certificate within twenty (20) business days of this award to confirm that it still possesses the certification. Maintaining the certification is an ongoing material condition of the award. Any awardee that received scores for having a minority-owned, woman-owned, or veteran-owned business that does not confirm they still have the certification within twenty (20) business days of award will have their award rescinded;
9. If an applicant received scores for a labor peace agreement, maintenance of that agreement is a required condition of the award;
10. The awardee shall not transfer majority ownership interest in the ATC until they have operated for at least two (2) years under the permit or endorsement issued in accordance with this award;
11. All awards are strictly for the cultivation, manufacturing, and/or dispensing of medicinal cannabis pursuant to P.L. 2009, c.307 and N.J.A.C. 8:64 (now N.J.A.C. 17:30A). The awards do not authorize any personal-use cannabis activities described under P.L. 2021, c. 16 and N.J.A.C. 17:30. Awardees shall operate in accordance with this award as presented in this Final Agency Decision for at least one (1) year prior to applying to the Commission to become an “Expanded ATC”; and
12. If an award is rescinded due to an applicant’s failing to abide by the required terms and conditions outlined above, or if an applicant fails to accept its award within five (5)



business days of this notification of award, the next highest scoring applicant, such that the award would be consistent with the regional and canopy requirements of the 2019 RFA, will be considered by the Commission for the award.

In the event an award is rescinded due to failing to meet one or more of these conditions, it should be awarded instead to the next highest scoring applicant in that region, regardless of size.

CONCLUSION

The proposed awards are the partial culmination of a two-year project that has involved countless hours of work from not only the selection committee, but a host of individuals at the Department of Health and now the Cannabis Regulatory Commission. The market has changed in two years but has failed to keep pace with patient need for medicinal cannabis. By issuing awards for cultivation endorsements and vertically integrated permits as recommended, the Cannabis Regulatory Commission would be acknowledging those market changes and making a fair, data-driven decision to set New Jersey's medicinal cannabis market on the right path for the future.

Even with legalized personal-use sales on the horizon, prioritizing the needs of registered patients is imperative to maintaining the integrity of New Jersey's medicinal cannabis program. The recommended medical cannabis awards would serve to significantly increase the available medical cannabis canopy, enable the industry to offer more medicinal cannabis products suited to address patients' health conditions, and incentivize ATCs to reduce the prices patients pay for their medicine, all the while affording more businesses the opportunity to participate in the industry. New Jersey's 116,572 registered patients have waited more than two years for expanded access points and lower prices. With the recommended awards, the Commission is poised to leverage the standards outlined in the RFA and the guiding principles described here to deliver relief to those patients in a meaningful way.



APPENDICES:

Appendix A: Department of Health, Medical Marijuana Program 2019 Request for Application

Appendix B: 2019 RFA Frequently Asked Questions

Appendix C: Assistant Commissioner's Memo on File Corruption

Appendix D: Training Documentation

Appendix E: Scoring Instructions (Excel Attachment)

Appendix F: Cultivation Scores

Appendix G: Vertical Scores

Appendix H: Selection Method (Excel Attachment)

APPENDIX A: 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 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 and is inclusive of related entities and individuals as outlined under “Eligibility” in this notice.

“ATC permit holders” means individuals and entities with a 5% or greater 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 cultivate medicinal marijuana in accordance with N.J.A.C. 8:64-1 et seq. For the purposes of this RFA, “canopy” shall not include areas used exclusively for harvesting, labeling or storing of medicinal marijuana.

“Cultivation” includes the planting, propagating, cultivating, growing, harvesting, labeling, or storing 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.

“Vertically integrated permit” means a permit issued by the Department that includes a cultivation endorsement, a manufacturing endorsement, and a dispensary endorsement

II. General Information

The “New Jersey Compassionate Use Medical Marijuana Act,” N.J.S.A. 24:6I-1 et seq. (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 49,000 as of July 1, 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 need and the provisions outlined at 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 24 additional ATC's: up to eight in the northern region, up to eight in the central region, and up to seven in the southern region, and up to 1 additional vertically integrated permit that will be sited during the awards process.

The Department will seek up to the following numbers of permit endorsements/permits in each region as follows:

Northern Region

- Cultivation endorsements: 2
- Dispensary endorsements: 5
- Vertically integrated permits*: 1

Central Region

- Cultivation endorsements: 2
- Dispensary endorsements: 5
- Vertically integrated permits*: 1

Southern Region

- Cultivation endorsements: 1
- Dispensary endorsements: 5
- Vertically integrated permits*: 1

Region determined during award process based on overall score and patient need at the time of award

- Vertically integrated permits*: 1

*Each vertically integrated permit includes 3 endorsements: 1 cultivation endorsement, 1 manufacturing endorsement and 1 dispensing endorsement.

Of the endorsements issued, the Department will seek to issue at least 1 vertically integrated permit in each region and 1 vertically integrated permit to be determined at the time of award based on overall score and patient need. Because the patient population is expanding so quickly and is expected to accelerate, the Department anticipates that this flexible approach for up to 1 vertically integrated permit will allow for 1) the most qualified applicant to be chosen and 2) that the award can most adequately respond to real time changes in enrollment.

Applicants seeking a vertically integrated permit shall maintain all operations under a single ATC Entity, and seek to operate in accordance with the provisions of N.J.A.C. 8:64-7.9.

In total, the Department will seek up to 4 vertically integrated permits, up to 5 cultivation endorsements, and up to 15 dispensary endorsements.

In order to provide for opportunities for different sized businesses to participate in the RFA, the Department will seek to issue cultivation endorsements in the following tiers of canopy size:

Up to 5,000 Square Feet: up to 1 cultivation endorsement.

5,001 square feet to 20,000 Square Feet: up to 2 cultivation endorsements.

20,001 square feet to 30,000 Square Feet: up to 2 cultivation endorsements.

These cultivation tiers represent the ranges of starting cultivation canopy at the ATCs awarded as part of this RFA. The maximum initial canopy for any of the awardees is 30,000 square feet. Vertically integrated applicants may choose any of the canopy tiers.

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 and individuals may seek up to three total permit endorsements as part of this RFA. Applicants may only apply for one cultivation endorsement and may only submit one application per region. A separate application is required for each endorsement, however, an applicant for a vertically integrated permit may submit one application because all endorsements will be located within the same region.

Therefore, the only applicants eligible to submit an application for more than one endorsement per region in this RFA are applicants for vertically integrated permits, and applicants cannot submit for both vertically integrated permits and individual endorsements. Applicants submitting for individual endorsements can submit applications for up to three endorsements, but they can't be in the same region(s).

No applicant shall be awarded more than one permit pursuant to this RFA, and no applicant shall hold more than 1 cultivation endorsement, 1 manufacturing endorsement, and 1 dispensary endorsements as a result of the awards made pursuant to this RFA. Additionally, the Department shall only award up to 4 vertically integrated permits and no other entity shall be awarded both a cultivation endorsement and a dispensary endorsement pursuant to this RFA.

Current ATC permit holders (including awardees from December 2018) are not eligible to participate in this RFA.

If an entity is submitting an application and intends to contract with a third party 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 over 5% 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 an application being deemed

non-responsive and if discovered after an award is made, in disqualification from 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, real estate 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.

All contracts and term sheets – whether proposed or executed – related to management, intellectual property, real estate, equity in, or funding of a proposed ATC must be disclosed and submitted with the application. Failure to disclose and/or submit a contract or term sheet may result in an application being deemed non-responsive.

Pursuant to N.J.A.C. 8:64-7.1, applicants must disclose: all persons or business entities having direct or indirect authority over the management or policies of the proposed ATC; every person or business entity having five percent or more ownership, whether direct or indirect and whether the interest is in profits, land or building; the identities of all creditors holding a security interest in the proposed ATC; and the identities of all employees, principal officers, directors, owners and board members, and whether or not they are associated with any other ATCs – including ventures in other states.

Applicants will not be permitted to supplement applications after the application period closes.

IV. Application

For an application to be deemed responsive it 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 shall be available by July 15, 2019 at <http://www.nj.gov/health/medicalmarijuana>.

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 and is inclusive of related entities and individuals as outlined under “Eligibility” in this notice.

The cover sheet, titled **Affidavit Waiver Release.pdf** must be completed by an individual with the authority to bind the ATC Entity in legal agreements.

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). Applicants applying for vertically integrated permits may submit a single Part A.

Personal History Disclosure Form 2 is a fillable PDF form that contains the required information that is to be submitted by every individual listed on Question 20 of Form A.

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 each response applies. Applicants shall submit a separate Part B for every endorsement being sought, even if those endorsements are within the same region and part of the same application.

For example, vertically integrated applicants shall submit one application which includes one Part A plus a separate Part B for each of the three endorsements that make up the permit.

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

Applicants must download the free program, “Adobe Acrobat Reader,” to properly fill out the Part A form and attach the necessary documents. The program can be downloaded via Adobe’s website at <https://get.adobe.com/reader/>.

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 to Part A as PDF’s and to try to limit file sizes where possible.

For attachments to Part A, applicants shall use the naming convention in the Application Checklist, which will be posted by July 15, 2019 at <http://www.nj.gov/health/medicalmarijuana>.

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, There are no exceptions to the page limits for Part B, however, for a vertically integrated application, applicants shall submit 3 Part Bs with each Part B limited to 100 pages. Exceeding the page limit may result in disqualification. Any materials submitted over the page limit will not be considered.

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 with original signatures, notarized, accompanied by the application fees, **\$20,000 for each endorsement being sought**, 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.**

A vertically integrated application constitutes three permit endorsements (dispensing, manufacturing, cultivation), and therefore requires a total of \$60,000 in application fees.

An application for a single permit endorsement requires a \$20,000 fee.

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 for each endorsement along with the cover sheet and required checks.

For unsuccessful applicants, the Department shall destroy the check(s) 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, with "RFA Question" in the subject line. The Department shall accept questions regarding the RFA up until July 26, 2019. After July 26, 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 August 2, 2019 to review the RFA process and the most commonly submitted questions. Following the August 2, 2019 webinar, the Department shall post a set of Frequently Asked Questions and responses to those questions on its website. Participation in the webinar is not mandatory but is recommended.

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

Applicants should continue to 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. Only complete and timely received applications shall be reviewed.

Applications received after the deadlines shall NOT be accepted.

Copies of the Rules Related to the Division of Medicinal Marijuana may be obtained at <https://www.state.nj.us/oal/>

V. Application Submission and Review Schedule

DATE	ACTION
Monday, July 1, 2019	Request for Applications Notice
Monday, July 15, 2019 (or before)	Forms posted
Friday, August 2, 2019	Pre-Application Webinar
Wednesday, August 21, 2019 at 3 PM EST	Submission Deadline for Dispensary Applications
Thursday August 22, 2019 at 3 PM EST	Submission Deadline for Cultivation and Vertically-Integrated Applications

Any application received after the deadline 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. 8:64-7.1, 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 type of application (vertically integrated, cultivation, or dispensary).

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

Cultivation endorsements and vertically integrated permits: 18 months

Dispensary endorsements: 12 months

If an awardee is not permitted at the end of the above timeline, or the materials submitted with the application are found to be not accurate or truthful, as applicable, the award may be rescinded.

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 Department's website at <http://www.nj.gov/health/medicalmarijuana>.

Each applicants shall submit one Part A for each region being sought.

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;
- 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.

14. All proposed or actual contracts, term sheets or other agreements related to management, intellectual property, real estate, equity in, or funding of the proposed ATC.

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

Part B: Scored Criteria

For Part B, applicants shall file a single .pdf for each endorsement being sought that includes a full and truthful response to the following criteria and measures. The page limit for Part B is 100 pages for each endorsement, with no exceptions/exemptions.

For Criterion 6, applicants shall only respond to the measure that is applicable to the endorsement being pursued. Vertically integrated applicants shall submit 3 Part Bs as part of their application.

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, 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 2 years, and supply proof of their residency. 20 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 and vertically integrated permits 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 vertically integrated permits 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 and vertically integrated permits 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 to patients and 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. Failure to provide a signed agreement will result in a score of 0 for this measure. 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, or evidence that the applicant would otherwise meet the MBE/WBE certification or VOB certification requirements once generating revenue. Applicants with a certification will receive the full 30 pts. Applicants that provide evidence of meeting the criteria in the future shall receive partial credit, based on the strength of the evidence. The selection committee shall take into account related entities for this measure. 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 ownership, management and staffing of the proposed ATC. 20 pts

VII. Fees

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

The applicant shall submit the fees with the application(s), 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(s) and shall destroy the other check(s) 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 an 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 fails to disclose all contracts and term sheets related to management, intellectual property, equity in, or funding of a proposed ATC – including real estate.

14. The applicant initiates unauthorized contact regarding the RFA with a state employee or official.

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

July 2019 Request for Applications for Alternative Treatment Centers
Division of Medicinal Marijuana
New Jersey Department of Health

Question	Response
<p>Our municipality has been approached by an applicant who claims the Department's scoring will give them extra points if a municipality signs an exclusivity agreement with a single applicant. Is this accurate?</p>	<p>No. Exclusivity agreements are not required, nor would the Department consider them in the scoring process. Related to municipalities, the only items the Department is looking for are local approval of the ATC Entity and confirmation either by the municipality or via an analysis supplied by the applicant that the location chosen is in compliance with all local codes and ordinances and outside of a drug free school zone. See the pre-application webinar for more details.</p>
<p>Is there a different application/business plan requirement for just a medical marijuana dispensary endorsement than there is for a cultivating or vertically integrated permit?</p>	<p>Yes. Please review Section IV of the RFA which details the application process for each endorsement type. Permit application forms are available on the Department of Health's website at www.nj.gov/medicalmarijuana.</p>
<p>Criteria 7, Measure 1: Indicates failure to provide a signed [labor peace] agreement will result in a score of 0 for this measure [out of 30 points]. Conversely, if an applicant provides such a signed agreement, does that mean it shall be granted the full 30 points or are there other criteria to be used in scoring?</p>	<p>If an applicant submits a signed labor peace agreement (by ATC entity and a labor union) that includes provisions that ensure the cultivation, manufacturing and dispensing of medical cannabis will not be disrupted by labor-related disputes, the applicant shall receive the full 30 pts.</p>
<p>If my company wins a dispensary endorsement, would that preclude us from being awarded additional licenses in the future as we expand?</p>	<p>Each RFA stands on its own and it is speculative to determine whether current or proposed awardees would be eligible for additional licenses in the future. Also consult N.J.S.A. 24:6I et seq as amended by Jake Honig's Law, signed on July 2nd, 2019.</p>
<p>Are entities only allowed to apply for one vertically integrated license? Or can they apply for multiple vertically integrated licenses (one in each region)?</p>	<p>Please refer to the pre-application webinar. Applicants can only submit one application for a vertically integrated permit.</p>
<p>How do I find a location for a medical dispensary for my ATC Application. I went to city planning and city in Paterson NJ and they told me the state is releasing zoning for each city. then after the state releases there zones the city will check how close they are to schools and make sure its safe. How do I pursue finding a location in this situation?</p>	<p>Zoning laws are at the municipal level and not within the Department's purview. You must consult with the municipality in which you wish to locate. Please also refer to N.J.A.C. 8:64-7.1.</p>

<p>On page 9 of the RFA, item 5 requires “a list of all persons or business entities having five percent or more ownership interest 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”.</p> <p>On Permit Application Part A, page 6, item 20, the standard for requiring a Personal History Disclosure form is “any ownership interest whatsoever”. Which standard applies?</p> <p>If the standard is "whatsoever", this poses an insurmountable problem for an applicant who is partly or wholly owned or funded by a publicly traded company. (it is not possible to acquire personal history disclosure forms from every shareholder). What is the Department guidance?</p>	<p>Please consult the pre-application webinar. Individuals with less than 5% interest and whom do not hold another role in the proposed ATC do not need to be listed, nor fill out a PHD form.</p>
<p>The RFA version spells out the need to include landowners; is there a valid distinction to be made between ownership interest and economic interest, and if so, how does that pertain?</p>	<p>Pursuant to N.J.A.C. 8:64-7.1, applicants must disclose: all persons or business entities having direct or indirect authority over the management or policies of the proposed ATC; every person or business entity having five percent or more ownership, whether direct or indirect and whether the interest is in profits, land or building; the identities of all creditors holding a security interest in the proposed ATC; and the identities of all employees, principal officers, directors, owners and board members, and whether or not they are associated with any other ATCs – including ventures in other states. As medical cannabis in New Jersey is a government-regulated program, the Department expects a high degree of transparency and disclosure from both applicants and awardees.</p>
<p>What is the total patient count broken down by county, and city/township if possible?</p>	<p>Patient count by county can be found on the Department's website.</p>
<p>On page 10 of the instructions, it says "The page limit for Part B is 100 pages for each endorsement". Does the word "endorsement" equate to the 7 Criteria listed? Or does it mean the measures listed? They are different words so I want to verify whether each criterion is limited to 100 pages or if each separate measure is limited to 100 pages.</p>	<p>The 100-page limit applies to the entirety of Part B, which includes all seven criteria and the measures thereunder for each endorsement type. Please refer to Section 1 and Section 4 of the RFA. Applicants are cautioned that applications may be rejected for a number of reasons, including but not limited to the failure to follow application instructions or presentation of information requested in this RFA in a manner inconsistent with the RFA instructions.</p>

<p>In the instructions for filling out and submitting the application it says to “try and limit file size when possible”. Can you tell us if there is an actual number for a file size that would be considered too large?</p>	<p>There is a maximum file size of 150 MB per file, which is noted on the electronic application submission.</p>
<p>According to the RFA, the Department shall only award up to 4 vertically integrated permits and <u>no other entity shall be awarded both a cultivation endorsement and a dispensary endorsement</u>. If two different entities are applying as separate applicants, one for a cultivation endorsement and one for a dispensary endorsement, are they allowed to have any ownership interest at all in each other? If yes, what is the maximum ownership interest that the applicants are allowed to have in each other? For example, could Applicant A have a 10% ownership interest in Applicant B, and vice versa?</p>	<p>As stated under III. Eligibility in the RFA, "entities and individuals may seek up to three permit endorsements as part of this RFA, and may only submit one application per region." The only exception is passive investors with an under 5% interest and no other formal role with the ATC.</p>
<p>Are individual Board members allowed to sit on the Board of more than one Applicant?</p>	<p>As stated under III. Eligibility in the RFA, "entities and individuals may seek up to three permit endorsements as part of this RFA, and may only submit one application per region." The only exception is passive investors with an under 5% interest and no other formal role with the ATC.</p>
<p>Please verify that DOH Canopy definition as published in the DOH Request for Applications is indeed the “total area in square feet in which an ATC is authorized by the Department to plant, propagate, grow, harvest, cure, and store medical marijuana in accordance with NJAC 8-64-1 et.seq.” Canopy by cultivation definition refers to the cultivation area/s or “grow space,” only.</p>	<p>Please consult the RFA posted here: https://www.nj.gov/health/medicalmarijuana/alt-treatment-centers/applications.shtml. For the purposes of this RFA, “canopy” shall not include areas used exclusively for harvesting, labeling or storing of medicinal marijuana.</p>
<p>in Part A, Item 7; The bylaws and a list of the members of the ATC's medical board; Does this requirement apply to dispensary endorsements or is this meant for the cultivation/vertically integrated endorsements? I've reviewed the enabling legislation and can't find where "medical board" is defined. We are already licensed, registered pharmacist owners so I'm confused as to if this requirement applies to us and how we should answer this question.</p>	<p>Please refer to the definition of medical advisory board at <u>N.J.A.C. 8:64-1.2</u> and the requirements for permit application procedures set forth at <u>N.J.A.C. 8:64-7.1</u>. Please note that pursuant to statutory changes enacted on July 2nd, 2019, Medical Advisory Boards are optional.</p>
<p>For Part A Question 11b: Asks for “type of business engaged in by any and all parent, subsidiary, affiliate, predecessor, successor or related entities of the ATC Entity...”. With respect to “type of business engaged”, is this referring to the type of business the affiliate et al is engaged in or to the nature of the relationship between the affiliate and the ATC Entity?</p>	<p>The type of business the entity is engaged in -- for example an ATC in another state would be engaged in the dispensing, cultivation or manufacturing of medical cannabis.</p>

<p>Document construction - can we include charts/graphs/tables that are not formatted Times New Roman 12 pt?</p>	<p>Pursuant to the instructions in Section 4 of the RFA, Part B shall be completed as a single PDF file clearly marked with headings and subheadings. The application, excluding attachments that cannot be formatted accordingly, shall be typed using 12-point Times New Roman font or equivalent, single-spaced on letter-sized (8.5" x 11") pages. Applicants must limit the total pages in Part B to 100 pages.</p>
<p>Does the Applicant need to submit their entire bank number?</p>	<p>Yes. If necessary, confidential information will be redacted by Department of Health consistent with the requirements of the Open Public Records Act.</p>
<p>Does 25a include credit agreements or other debt financings?</p>	<p>Yes. Applicants are instructed to use their best judgment in the preparation of applications. As medical cannabis in New Jersey is a government-regulated program, the Department expects a high degree of transparency and disclosure from both applicants and awardees.</p>
<p>Part A, #26, page 10 asks for Financial Liability of the ATC Entity for each person/entity holding any outstanding debt - is this the debt of the ATC Entity or each owner?</p>	<p>Question 26 on Part A refers to the ATC Entity.</p>
<p>Clarification regarding the Alternative Treatment Center Permit Request Form Required Applicant Information. On Permit Application Part A form, question #5, #14, and #15 (a, b, c) all concern the location of the proposed ATC. Does failure to show proof of ownership or lease, and written approval from the proposed location's municipality at the time the application submitted result in immediate disqualification from the application process? Is proper documentation and/or approval from the municipality's zoning board needed to proceed with the application?</p> <p>Or can these be pending items for submission upon a receipt of provisional award from DOH for a dispensary license?</p>	<p>Please see pre-application webinar and RFA for info. Site control and evidence of local approval are requirements for this RFA. Applicants are cautioned that applications may be rejected for a number of reasons, including but not limited to failing to submit mandatory information.</p>
<p>I have a cannabis client that is looking to submit fingerprints to NJ for the registration and license process. However, there is nothing specific on your website stating how they can go about submitting fingerprint cards because they are out of state, Massachusetts. Any assistance would be greatly appreciated with this process.</p>	<p>Criminal background check forms will be provided when and if required.</p>

<p>The website states that applicants are to create the PDF constituting Part B of their applications. Are applicants to simply cut and paste the "Part B" language from pages 10-12 of the RFA into a new document to create the PDF?</p>	<p>Pursuant to the instructions in Section 4 of the RFA, Part B shall be completed as a single PDF file clearly marked with headings and subheadings. The application, excluding attachments that cannot be formatted accordingly, shall be typed using 12-point Times New Roman font or equivalent, single-spaced on letter-sized (8.5" x 11") pages. Applicants must limit the total pages in Part B to 100 pages.</p>
<p>Are you requiring the "Permit Application Part B - Scored Application Materials" that were part of the 2018 Application for the 2019 application?</p> <p>The materials attached: "DMM-02: Permit Application Part B - Personal History Disclosure" on your website for the 2019 RFA (https://www.nj.gov/health/medicalmarijuana/alt-treatment-centers/applications.shtml) contain the text "DMM-02 (PH-2) Aug 18" in the footer. Are these the correct materials? Please advise.</p>	<p>Please consult the pre-application webinar and RFA. Forms pursuant to this RFA are available at https://www.nj.gov/health/medicalmarijuana/alt-treatment-centers/applications.shtml</p>
<p>Can applicant apply for JUST manufacturing and not include cultivation or dispensary?</p>	<p>There is no separate manufacturing endorsement in this RFA.</p>
<p>If NOT a separate application, what is the fee due for the single application (applying for Cultivation and Manufacturing)? Is it the \$2,000 + \$18,000 (fee for one application), OR is it \$4,000 + \$36,000 (fee for two applications) in checks.</p>	<p>Each endorsement type would require a \$20,000 fee (\$2,000 processing + \$18,000 if successful). Applicants seeking an individual endorsement (either Cultivation or Dispensary) would be required to submit \$20,000. Those seeking a vertically integrated permit would be required to submit a total of \$60,000 (\$6,000 processing + \$54,000 if successful). Applicants should not submit cashier's or certified checks as these checks will not be returned to the applicant.</p>
<p>Will applicants be allowed to attach supporting documentation as evidence to support the claims made in response to Part B? If so, would this count towards the 100 page limit?</p>	<p>Yes and yes. Part B -- for each endorsement -- must be submitted as a single .pdf file, created by the applicant, not to exceed 100 pages.</p>
<p>1) The Act mentions Conditional Permits and criteria for consideration as one. Will conditional permits be issued as part of this RFA?</p> <p>2) The Act mentions microbusinesses. If an applicant for a cultivation endorsement meets the criteria for being a microbusiness, will any microbusiness licenses be issued as part of this RFA?</p>	<p>Conditional permits and microbusinesses are not included in the July 1, 2019 RFA issued by the Department of Health.</p>

<p>Is there a limit to the number of pages of floor plans/renderings that may be submitted under Part A of the application?</p>	<p>While there is no page limit for Part A, applicants are cautioned that inclusion of superfluous documents or attachments in Part A may result in disqualification. Applicants shall only submit the required information in Part A. Additionally, applicants are advised to optimize file size and the maximum file size allowable is 150 mb per section.</p>
<p>If you are applying for a integrated license do you have to pay 20k for each endorsement totaling 60k or just the 20k for the 1 ATC license?</p>	<p>A vertically integrated permit consists of three endorsements: 1 cultivation endorsement, 1 manufacturing endorsement, and 1 dispensary endorsement. The fee is assessed on a per endorsement basis, so applicants for vertically integrated permits would be required to submit \$60,000 (\$6,000 processing + \$54,000 if successful).</p>
<p>Are the four vertically integrated permittees authorized to maintain satellite locations? If so, how many?</p>	<p>No.</p>
<p>Are applicants allowed to apply for one cultivation endorsement total, or one cultivation endorsement per region (up to three total cultivation endorsements)?</p>	<p>Entities and individuals may seek up to three total permit endorsements as part of this RFA. Applicants may only apply for one cultivation endorsement total and may only submit one application per region.</p>
<p>Are landlords considered indirect owners pursuant to N.J.A.C. 8.64-7.1(b)(2)(iv), as “owners of any business entity that owns all or part of the land or building?”</p>	<p>Landlords may be considered indirect owners, in which case they would be asked to submit a PHD as part of the permitting process should an applicant be awarded as part of this RFA. Landlords are to be disclosed on Question 22 of Form Part A.</p>
<p>Section 20 of Part A asks applicant to provide a record of owners, including anyone who has any ownership interest whatsoever in the ATC. N.J.A.C. 8.64-7.1(b)(2)(iv) only requires disclosure of persons or business entities having five percent more ownership in the ATC. Please clarify whether applicant must disclose individuals and entities with less than 5% ownership in the ATC.</p>	<p>Generally, if an individual is listed in the response to Question 20, then a Personal History Disclosure Form is required. An individual with 5% or more direct or indirect ownership interest is required to submit a personal history disclosure form to the Department. An individual with less than 5% direct or indirect ownership interest and no other formal role with the ATC Entity is exempt from submitting a personal history disclosure form to the Department. See N.J.A.C. 8:64 -7.1, and not required to be listed.</p>
<p>For the scoring of Criterion 6, can the Department provide additional clarification as to how the 100 possible points will be allocated among the various scored Measure responses should an application be submitted for a vertical endorsement vs. a cultivation or dispensary endorsement?</p>	<p>Please refer to the Pre-Application Webinar.</p>
<p>Does cultivation mean ONLY growing? Or does it include extraction too?</p>	<p>Pursuant to Section 1 of the RFA, “cultivation” includes the planting, propagating, cultivating, growing, harvesting, labeling, or storing of medicinal marijuana, whereas “manufacturing” means compounding, making, and processing medicinal marijuana in all forms. Cultivation does not include extraction.</p>

<p>Will PHD forms that were previously submitted in the last round be accepted in lieu of getting all new forms completed if the information is still accurate or are new notarizations required?</p>	<p>Each RFA stands on its own. Therefore, applicants are required to submit new forms in response to this RFA.</p>
<p>Is the CIVIL, CRIMINAL AND INVESTIGATORY PROCEEDINGS portion of the form used for scoring or eligibility of the RFA?</p>	<p>This requirement is subject to the Department's completeness review and is not assigned point values. Failure to submit complete and truthful information in this section, or any section, of the RFA may be grounds for rejection of the application pursuant to Section 9 of the RFA.</p>
<p>Does a dispensary endorsement allow for purchases of marijuana and products containing marijuana from NJ ATCs only?</p>	<p>Yes. Dispensaries awarded pursuant to this RFA will be limited to purchasing approved product from New Jersey-based and permitted ATCs.</p>
<p>How does the applicant gain confidence that the electronically submitted application has, in fact, been received by DOH in its entirety as originally sent?</p>	<p>Applicants assume sole responsibility for the complete effort involved in the application submission. Allow plenty of time for the application submission process as applications received after the application period closes will not be considered. Following the submission deadlines, the Department will conduct a completeness review of the submitted applications. Applications deemed complete will be scored by a selection committee. Applications will be rejected and not evaluated if received after the submission deadline.</p>
<p>Question on PHD : "Have you ever been employed by any company, either for-profit or nonprofit, licensed to dispense marijuana for medical purposes in any jurisdiction?"</p> <p>Does this mean dispensing, only? Not cultivation nor manufacturing? You can work as a grower, but not dispense.</p>	<p>This should be construed to include cultivation and manufacturing as well.</p>
<p>Has the Department approved any independent, third party marijuana testing laboratories?</p>	<p>The Department has not approved any independent third-party laboratories at this time.</p>
<p>As to Part A Question 18b, if an ATC Entity, its parent, subsidiary, affiliate, predecessor, successor, or related has been charged with any violation, is there any opportunity to provide a more substantive description than that identified in 18b. Said differently, in the description portion of 18b, is an applicant limited to a certain character count in responding to said charge and/or violation?</p>	<p>If additional information is necessary to explain, please include on a separate page attached to form Part A and clearly indicate the nature of the attachment.</p>
<p>Question 11b on Part A contains text boxes for only up to eight (8) entities. How may an applicant list more?</p>	<p>An applicant may list more by including on a separate page attached to Part A and clearly indicating such.</p>

<p>Criterion 6: “Methods to control insects and pests that do not include the application of pesticides” Are food-grade pesticides acceptable to use? These types of pesticides only contain ingredients that are safe for human consumption, such as garlic oil and sodium bicarbonate.</p>	<p>Pursuant to <u>N.J.A.C. 8:64</u>, pesticides are prohibited. However, the Department does allow for the use of FIFRA 25(b) exempt products.</p>
<p>In the updated RFA the term “applicant” is not defined, what is the definition of “applicant” as used in the RFA?</p>	<p>Please refer to the term "ATC Entity" which is the business entity that is applying to the Department of Health to be permitted to do business as an Alternative Treatment Center and is inclusive of related entities and individuals as outlined under "Eligibility" in the RFA.</p>
<p>What should I do if I run out of space for a question in Part A and there's no button to "add a page"?</p>	<p>If an applicant needs more space for a question for which pages cannot be added on Part A, the applicant should attach a .pdf with the required information that didn't fit on the form, and note on the form that additional information is attached for that particular question. They can note it on the form by writing "additional info attached" in the last line of the question, or by creating a comment in Adobe on that question.</p>
<p>Please clarify what the “application cover page” is that must accompany the application checks. Are they the “Affidavit” (that refers to the Application (both Parts 1 and 2)? Is that meant to cover Parts A and B instead? The “Release Authorization” and The “Waiver of Liability”?</p>	<p>The application cover page refers to the signed Affidavit/Release and Waiver on behalf of the ATC Entity. It must be signed by an individual authorized to legally sign on behalf of the ATC Entity, and notarized. The hard copy shall be submitted to the Department along with the required application fees.</p>
<p>Section VI - Part A. 8. Will a signed statement from each individual suffice as “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”?</p>	<p>Completion of the PHD forms is sufficient evidence that these individuals will cooperate with a background check if awarded as part of this RFA. Please note, however, that only the individuals listed on Question 20 need to fill out a PHD form as part of this RFA. Employees would be required to submit to a criminal background check if the ATC Entity were awarded as part of this RFA.</p>
<p>Can medical cannabis be sold from one ATC to another in a wholesale agreement?</p>	<p>Yes, the Department encourages the wholesaling of product supply between licensed ATCs within the State. All wholesaling must comply with N.J.A.C. 8:64, especially 8:64-9.9 and 8:64-10.10.</p>

Appendix C: Assistant
Commissioner's Memo on File
Corruption



State of New Jersey
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PHILIP D. MURPHY
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JUDITH M. PERSICILLI, RN, BSN, MA
Acting Commissioner

File Corruption in July 2019 Request for Applications for Alternative Treatment Centers (ATCs)

Background: On or about July 1, 2019, the Department of Health released a Request for Applications (RFA) for up to twenty-four new Alternative Treatment Centers, with up to 5 being cultivation permit endorsements, up to 15 being dispensary endorsements, and up to 4 being vertically integrated permits (cultivation, manufacturing and dispensing).

Applications were due by the following dates/times:

Dispensary Applications: 8/21/2019 at 3 PM EST

Cultivation and Vertically Integrated Applications: 8/22/2019 at 3 PM EST

The application was made up of four different components:

Application Cover Sheet – affidavits, waivers and releases to be signed on behalf of the applicant.

Application Part A – A fillable form, created by the Department, containing all the mandatory information to be submitted as part of the application.

Personal History Disclosure – A fillable form, created by the Department, to be completed by applicants and attached to the Part A form, or printed and submitted with the application.

Application Part B – A single .pdf for each endorsement to be created by the Applicant that contained responses for every scored criterion and measure. Cultivation and Dispensary applications only required one Part B, while Vertically Integrated Applications required 3 Part Bs (Cultivation, Manufacturing, Dispensing).

The RFA provided for two methods of submission, electronic and hard copy, though encouraged electronic submission as it would reduce administrative burden in processing the applications for review.

If submitting electronically, applicants were instructed to utilize an online submission form easily accessible on the Department's website.

If submitting via paper/hard copy, applicants were instructed to deliver one full copy of their application prior to the relevant deadline(s).

Every applicant regardless of submission method had to deliver the application cover sheet and checks to the Department prior to the deadlines.

The Department had a dedicated email address for questions and issues related to the RFA (mmpquestions@doh.nj.gov) that was being constantly monitored by at least one staff member prior to the deadlines, and up to three staff members on both submission days. Additionally, the Division of Medicinal Marijuana customer service unit was available from 8 AM – 5 PM on weekdays during the submission period and on both submission deadlines to receive calls and route them in order to receive appropriate answers.

The Department received 196 timely application submissions.

Following application submission, applications were processed and copied to the Department's secure cloud server where they could be stored and reviewed, and the Department began conducting a completeness review to ensure each application was responsive to every mandatory requirement.

During the completeness review, the Department found several applications that contained one or files that were inaccessible to reviewers and that made reviewing them impossible. In total, 15 applications were affected by corrupted/inaccessible files, though 6 also submitted paper copies of required documents. Of the inaccessible files, one application included .zip files which according to Adobe's own FAQs, are unopenable if used as an attachment to a .pdf, and the others had files that were unreadable due to file corruption.

Additionally, on or about August 27, 2019, an applicant ([REDACTED]) sent a memo to the Department claiming that their files attached to the Part A form had become corrupted prior to submission and that because of that file corruption, they failed to submit on time. [REDACTED] claimed they discovered the corruption close to noon on 8/22 (three hours prior to the deadline) but didn't contact the Department until 5 days later, on 8/27.

Immediately, the Department's Office of Health Information Technology (HIT) conducted a review of the submission system for the RFA, the forms themselves, and the corrupted files to determine whether or not they could be fixed, and whether or not the file corruption was caused by the submission process itself.

Based on this review, the Department determined the following:

- 1) File corruption occurred prior to submission by the applicants.

- 2) The electronic submission process did not cause the file corruption, and was functioning properly throughout the open application window.
- 3) Even if applicants experienced an error with Form Part A it was most likely related to the use of certain software, or a software error, and not the form itself. For example, one applicant used .zip files when .zip files are blacklisted and unopenable as attachments by Adobe software due to potential security threats (see: <https://www.adobe.com/devnet-docs/acrobatetk/tools/AppSec/attachments.html>).
- 4) Because the file corruption happened prior to submission, had applicants checked their work, they would have noticed the corruption and could have utilized several methods to contact the Department and arrange for timely submission prior to the deadlines.
- 5) The corrupted/inaccessible files were not recoverable.

Based on those determinations, and the fact that the vast majority of applicants submitted successfully and did not experience any technical issues, the Department disqualified nine applicants with corrupted or otherwise inaccessible mandatory files as they were inaccessible and therefore unreviewable. Six applicants with corrupted files were moved forward to scoring because they submitted paper copies of the required documents.

The Forms: There were three forms associated with the RFA, two of which were fillable and one which was meant to be printed and signed by hand. Both the Part A form and the Personal History Disclosure form were originally created using Adobe Acrobat Pro for the July 2018 RFA. It's worth noting that there were no problems with file corruption in 2018.

There were only six notable changes made to the forms for the July 2019 RFA:

1. Question 5 on Part A was updated to reflect the 2019 opportunity, and functionality was added to allow applicants to easily copy the text contents of the new 5a to the new 5b if they were identical.
2. Question 13 on Part A was updated to reflect the 2019 opportunity, and the layout was edited.
3. The Department instituted a 150 mb size limit to Part A.
4. Part A was updated to work with older versions of Adobe Reader ("reader-enabling").
5. Part B was no longer included as a form. Instead applicants were instructed to create a single .pdf to be submitted as Part B.

Otherwise the forms, including Part A, were the same as the forms from 2018. Importantly, the attachment function was the same attachment function – the default attachment function – used in 2018.

Following the edits to the form, the updated Part A form was tested to ensure its functionality. The only issue found during testing was related to file size – when loaded

with excessively large attachments (in excess of 500 mega-bytes), the form took considerable time to save. The form showed no issues saving at or below the 150 mb file size limit.

After testing, the form was reader-enabled to allow functionality with previous versions of Adobe Reader and uploaded to the RFA website. The forms were uploaded on or about July 15, 2019.

During the week July 29, 2019, the Department received several emails to mmpquestions@doh.nj.gov stating that the “Add Page” function on the Part A form was not working. The Department immediately reviewed the Part A form and found that the “reader-enabling” had inadvertently disabled the add page function in the form.

The Department immediately corrected the form, re-enabling the ability to add pages, and re-tested the form to ensure it’s functionality. Again, the form proved to be totally functional except that at excessive file sizes (above 500 mbs) it took considerable time to save. All other features tested to be functional, and saving was quick when at or below the 150 mb file size limit.

On August 2, 2019, the Department uploaded the fixed Part A form, and posted a notice prominently on the RFA website that directed applicants to download the new form.

From August 2 to the submission deadlines, the Department received no further correspondence nor any questions in regard to legitimate technical errors with the Part A form itself (some emails were received related to user error with the form).

Online Submission: For the July 2019 RFA, the Department utilized the same online submission software as utilized in the July 2018 RFA. The application – called NoviSurvey – allows for both the collection of structured data and the upload of large files.

The Department chose to use the same application in 2019 because it was employed successfully and without issue in the 2018 RFA. In 2018 Applicants experienced longer upload times closer to the deadlines, but the application was operational successfully accepting uploads all the way until the deadline.

In 2019, the Department updated the NoviSurvey forms to accommodate the changes to the RFA and created three different submission portals – one for cultivation, one for vertically integrated, and one for dispensaries – whereas in 2018 there was only one portal.

Again, in 2019, the NoviSurvey application successfully accepted uploads throughout the application window(s) and experienced no outages, though upload times became longer as more applicants tried to submit all at once closer to the deadlines.

Importantly, the Department advised in both RFAs:

“Any application received after the deadline shall not be reviewed by the Department. The Department encourages all applicants to submit their applications as early as possible.”

Paper Submission: In addition to online submission, applicants were given the option to submit in hard copy/paper format. The Department made sure that paper submission was as simple as online submission – applicants were instructed to submit only one paper copy, whereas in 2018 they were required to submit 10 paper copies.

Although the Department encouraged online submission, paper submission was an option for any applicant that experienced issues with the electronic submission method.

Several applicants submitted both electronically and via paper.

Post-Submission Review: After the Department discovered the applications with corrupted files, the Department’s Office of Health Information Technology undertook a review of the affected applications, the Part A form, and the online submission system.

This review included:

- Attempts to open all the corrupt/inaccessible files, and determine what may have happened to corrupt them.
- Coordination with Adobe Support to try and open the files, and determine what may have happened to make them inaccessible.
- Attempts to recreate the file corruption.
- Review of online submission data and application for any evidence of problems or outages.
- Review of communications to the RFA email address for evidence of technical issues with the Part A form.
- Review of full pool of applications for any other issues.

The results of the review were that:

- The files were totally inaccessible and unable to be opened.
- The Department was unable to recreate the problem.
- There was no evidence of problems with the online submission application, no evidence of outages with the online submission application, and the NoviSurvey application itself was incapable of causing the type of corruption seen in the files (if NoviSurvey caused the corruption all of the files would be corrupted/inaccessible, not only the Part A attachments).
- Because the Part A form only used the default attachment function of Adobe, if applicants experienced problems it was end-user caused or software related.
- According to Adobe Support, following review of an inaccessible file and the form: “There could be many reasons for [file corruption] and most common is the involvement of 3rd party PDF APIs.”

The Office of Health Information Technology's final determination regarding the inaccessible files was:

“Since [the Part A form] was successfully completed by the majority of the vendors, the issue cannot be pointed to the form itself and it was caused by the end user who attached the documents or the sender that send [sic] the attachments to the submitter to attach to the form. If there was an issue with the form, it would have been for 100% of the users and would have been widespread. We also only used the default attachment behavior of Adobe to add the attachments, so the issue would have been with the Adobe software, not with the form.” (October 24th email)

In reviewing the full pool of applications and communications regarding the RFA, the Department also considered the August 27th memo from ██████████, which stated it discovered file corruption prior to submission, and a flash drive submitted by one of the applicants that contained the Part A application with corrupted files attached. Both pieces of evidence supported that the file corruption issue took place prior to online submission and was not caused by the NoviSurvey submission portal. The files on the flash drive never went through the online portal – they were hand delivered to the Department -- but were nonetheless corrupt and unreadable. Furthermore, ██████████ asserted by their own admission that the file corruption happened prior to submission. Finally, the submission of .zip files by one of the applicants disqualified for inaccessible files supported the likelihood that the inaccessibility of files was caused by user error – the applicant attached a file type that is unopenable when attached to a .pdf form.

Determination: Based on the post-submission review, the Department determined that the 9 applications that had corrupted or otherwise inaccessible files and had no corresponding paper files for Part A should be disqualified for being non-responsive because:

1. The Department was unable to access mandatory requirements related the ATC application, and therefore was unable to assess them for responsiveness;
2. There was no evidence of problems with the online submission portal, no evidence of outages, and the system itself was determined to be incapable of causing the type of file corruption present in the Part A files;
3. The file corruption occurred prior to submission;
4. The file corruption was determined by the Office of HIT to be caused by the end-user (whether knowingly or not);
5. The applicants affected by the file corruption had both the opportunity to submit in paper and/or to contact the Department prior to the deadline to troubleshoot any technical issues;
6. The Department received no communication from the affected applicants prior to the submission deadline(s); and

7. Both the Part A form and the submission portal were tested and found reliable prior to the submission deadlines.

Furthermore, applicants were instructed of the following in the RFA posted on July 1, 2019:

“Applicants must download the free program, “Adobe Acrobat Reader,” to properly fill out the Part A form and attach the necessary documents. The program can be downloaded via Adobe’s website at <https://get.adobe.com/reader/>.

Applicants should e-mail all written questions or requests for clarification regarding this announcement or the application process to: mmpquestions@doh.nj.gov, with “RFA Question” in the subject line. The Department shall accept questions regarding the RFA up until July 26, 2019. After July 26, 2019, the Department shall only accept and respond to technical questions regarding the application form and submission process.

The deadlines for receipt of application materials, which include the full application, checks and cover sheet, filed in response to this announcement are absolute. Only complete and timely received applications shall be reviewed. Applications received after the deadlines shall NOT be accepted.

Any application received after the deadline shall not be reviewed by the Department. The Department encourages all applicants to submit their applications as early as possible.”

The Department made clear what software should be used to achieve successful results with the Part A form, provided a mechanism for applicants to submit technical questions and issues prior to the deadline, and made clear that deadlines were absolute.

Conclusion: The disqualification of the nine applications with corrupted/inaccessible Part A files was reasonable, fair, and consistent with the requirements and specifications of the RFA.

Because the submission forms were functioning properly, the vast majority of applicants did not have issues with file corruption, and because all applicants were given several easy avenues to submit their applications, the disqualifications are consistent and reasonable. To have allowed the affected applicants to re-submit after the deadline would have given them more time and potentially given them an unfair advantage over the applicants that submitted everything successfully.

Therefore, the Department issued all nine applicants Final Agency Decision letters on November 18, 2019 formally disqualifying them from the July 2019 RFA for being unresponsive to one or more mandatory requirements.

Appendix D: Training Documentation

New Jersey Department of Health Division of Medicinal Marijuana

Selection Committee Training



September 18+23, 2019

Agenda for Today's Training

- **Required Signatures**
- **Introduction: Medical Cannabis in NJ**
- **Overview of RFA**
- **Scoring Process Overview**
- **Additional Important Points**



Required Signatures

- Confidentiality Agreement
- Business Disclosure Form
- Non-conflict of interest certification

Introduction

- **This RFA represents the ongoing commitment of the Department of Health to expand access to medical cannabis.**
- **Thanks to reforms implemented over the course of the last 19 months, enrollment under the Division of Medicinal Marijuana has reached 55,000 patients – or triple the enrollment from January 2018.**
 - 6 new conditions, fees cut in half, streamlined enrollment for patients, caregivers and physicians, promulgated new rules and expanded the industry.
- **Jake Honig’s Law will only expand on those reforms, and continue to grow the program.**

Executive Order #6: Expanding Access to Medicinal Marijuana



Executive Order #6

- **Directed the NJ Department of Health to review the Medicinal Marijuana Program to improve access to patients, reduce regulatory burdens, and increase physician participation**
- **60 day timeline**
- **After internal review, issued Executive Order #6 Report to Governor on March 23, 2018**

Executive Order #6

- **Report included three sets of recommended actions:**
 - ✓ Immediate (through executive action)
 - ✓ Regulatory (through rule-making process)
 - ✓ Statutory (through legislation)



Issued by Acting Commissioner Shereef Elnahal, M.D., M.B.A.

March 23, 2018

E06: Immediate Action

- Expanded conditions
- Reduced fees
- Physician name publication optional
- Mobile Access
- Allow ATC satellites
- Allow 2 caregiver per patient

New Jersey Department of Health Medicinal Marijuana Program

The infographic is divided into several sections. At the top, the title 'New Jersey Department of Health Medicinal Marijuana Program' is displayed in blue. Below this, five blue boxes with white text and icons describe the steps: 1. 'See if you have a qualifying condition.' with a green person icon and a green 'X' in a box. 2. 'Your physician will certify your condition.' with a green doctor icon. 3. 'You* provide information, proof of ID, and payment.' with a green person icon and a yellow dollar sign. 4. 'Your name is added to the New Jersey Department of Health Registry.' with a green person icon and a document icon. 5. 'You may now obtain medicinal marijuana at any of the alternative treatment centers.' with a green map of New Jersey showing treatment centers in Montclair, Secaucus (marked 'opens spring 2018'), Woodbridge, Cranbury, Bellmawr, and Egg Harbor Township. Below these steps, two more blue boxes provide additional information: 'There are five new categories of debilitating conditions:' followed by a list of conditions: Anxiety, Chronic pain related to musculoskeletal disorders, Chronic pain of visceral origin, Migraine, and Tourette's Syndrome; and 'There is a \$100 registration fee for patients and caregivers.' followed by a list of reduced fees: Veterans, Seniors, and Individuals receiving government assistance. At the bottom, the NJ Health logo is shown on the left, and a small disclaimer on the right states: '* A caregiver may represent a patient by applying and meeting conditions including a background check.'

See if you have a qualifying condition.

Your physician will certify your condition.

You* provide information, proof of ID, and payment.

Your name is added to the New Jersey Department of Health Registry.

You may now obtain medicinal marijuana at any of the alternative treatment centers.

There are five new categories of debilitating conditions:

- Anxiety
- Chronic pain related to musculoskeletal disorders
- Chronic pain of visceral origin
- Migraine
- Tourette's Syndrome

There is a \$100 registration fee for patients and caregivers.

Reduced \$20 fee available for:

- ♦ Veterans
- ♦ Seniors
- ♦ Individuals receiving government assistance

Treatment Centers: MONTCLAIR, SECAUCUS (opens spring 2018), WOODBRIDGE, CRANBURY, BELLMAWR, EGG HARBOR TOWNSHIP

NJ Health
New Jersey Department of Health

* A caregiver may represent a patient by applying and meeting conditions including a background check.

New Conditions

Qualifying Conditions

Debilitating:

- ▶ **Chronic pain related to musculoskeletal disorders**
- ▶ **Migraine**
- ▶ **Anxiety**
- ▶ **Chronic pain of visceral origin**
- ▶ **Tourette's Syndrome**
- ▶ **Opioid Use Disorder**
- ▶ Amyotrophic lateral sclerosis
- ▶ Multiple sclerosis
- ▶ Terminal cancer
- ▶ Muscular dystrophy
- ▶ Inflammatory bowel disease (IBD), including Crohn's disease
- ▶ Terminal illness, if the physician has determined a prognosis of less than 12 months of life.



Newly added conditions

Resistance, or intolerance, to conventional therapy:

- ▶ Seizure disorder, including epilepsy
- ▶ Intractable skeletal muscular spasticity
- ▶ Glaucoma
- ▶ Post-Traumatic Stress Disorder (PTSD)

Severe or chronic pain, severe nausea or vomiting, cachexia or wasting syndrome resulting from the condition or treatment of:

- ▶ Positive status for human immunodeficiency virus (HIV)
- ▶ Acquired immune deficiency syndrome (AIDS)
- ▶ Cancer

E06: Regulatory Action

- **Streamline process for the addition of new conditions for treatment with medicinal marijuana**
- **Create separate endorsements in permitting process: dispensary, processor, cultivator**
- **Eliminate 10% THC limit**
- **Eliminate psychiatrist evaluation for minors**

EO6: Statutory Action

- **Allow edible forms for all patients, not only minors**
- **Allow patients to go to more than one ATC at a time**
- **Allow marijuana as a first-line treatment for all approved conditions**
- **Eliminate 2 ounce per month limit for terminal patients**
- **Raise limit for all others over time**
- **Remove non-profit requirement for original ATCs**

EO6: Statutory Action

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- ✓ **Raise limit for all others over time**
- ✓ **Remove non-profit requirement for original ATCs**

All enacted with Jake Honig's Law

E06: Future Considerations

- **Redesigning patient/physician portal**
- **Home delivery**
- **Using external labs for quality control**
- **Elimination of sales tax**
- **Review of ATC permitting and background check process**

E06: Future Considerations

- **Redesigning patient/physician portal – in progress**
- ✓ **Home delivery**
- ✓ **Using external labs for quality control**
- ✓ **Elimination of sales tax**
- ✓ **Review of ATC permitting and background check process**

Division of Medicinal Marijuana

Biennial Report

Findings

- **Prices are not excessive, but are high and are artificially suppressing demand among patients.**
- **2 ounce per month limit should be raised for all patients, removed for terminal patients.**
- **More ATCs are needed. Between 25-50 cultivation sites and 50-90 dispensaries.**

Prices at ATCs

2017

<u>Alternative Treatment Center</u>	<u>Avg Ounce with Discount</u>	<u>% of Illegal Price</u>
Greenleaf Compassion Center	\$413.24	120%
Garden State Dispensary	\$387.69	113%
Breakwater Dispensary	\$322.11	94%
Compassionate Care Foundation	\$332.00	97%
Curaleaf	\$307.32	89%

2018

<u>Alternative Treatment Center</u>	<u>Avg Ounce with Discount</u>	
Greenleaf Compassion Center	\$409.52	119%
Harmony Foundation	\$401.87	117%
Garden State Dispensary	\$392.30	114%
Breakwater Dispensary	\$310.87	90%
Compassionate Care Foundation	\$321.22	94%
Curaleaf	\$316.51	92%

Source: ATC Inventory Management systems, compared against crowd-sourced price of illegal market on PriceOfWeed.com.

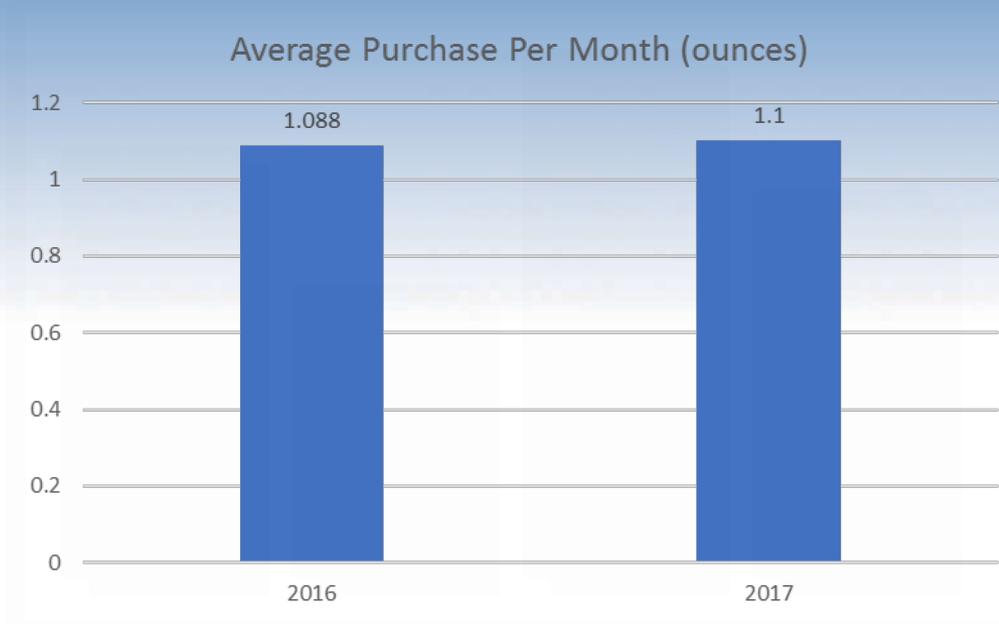


Prices at ATCs

ATC	1/8 Ounce Whole Flower Price	1/4 Ounce Whole Flower Price	Whole Ounce
Breakwater ATC (Cranbury)	\$58.00	\$115.00	\$460.00
			\$472.00
Compassionate Care Foundation (Egg Harbor Twp)	\$59.00	\$118.00	
Curaleaf (Bellmawr)	\$50.00	\$90.00	\$360.00
Garden State Dispensary (Woodbridge)	\$64.50	\$125.00	\$500.00
Greenleaf Compassion Center (Montclair)	\$65.00	\$125.00	\$500.00
Harmony Foundation (Secaucus)	\$60.00	\$120.00	\$480.00

Source: ATC Menus, Sales Tax included

Monthly Purchase Limit



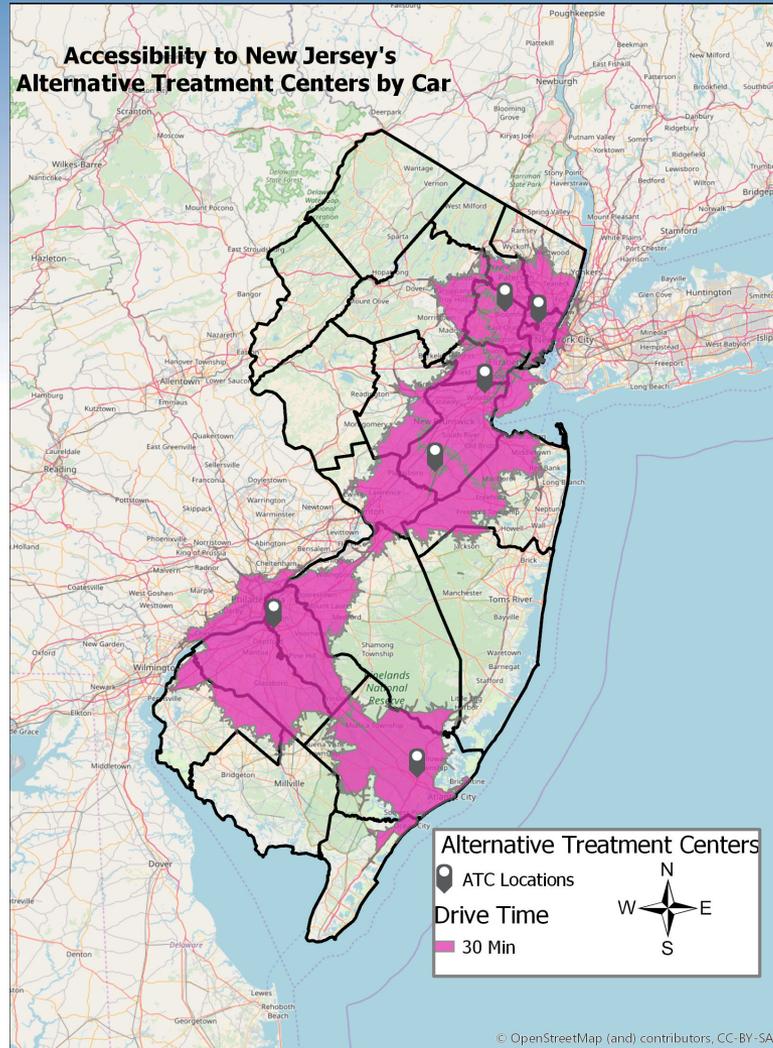
Source: Patient Registry – Average purchase amount among patients making a purchase in a given month.

Monthly Purchase Limit

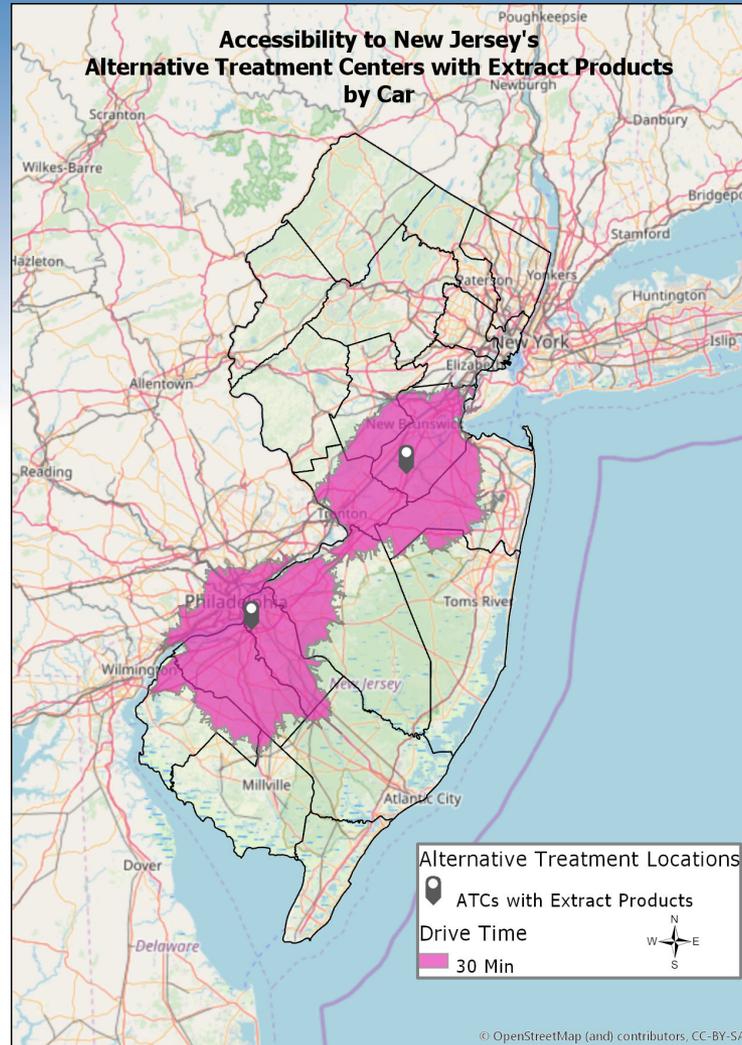
Year	% of Patients Purchasing Up to Limit	# Number of Months
2016	6.82%	6 of 12 months
2016	24.24%	1 of 12 months
2017	8.62%	6 of 12 months
2017	27.71%	1 of 12 months

Source: Patient Registry – Percentage of patients purchasing up to the limit in a specified time period.

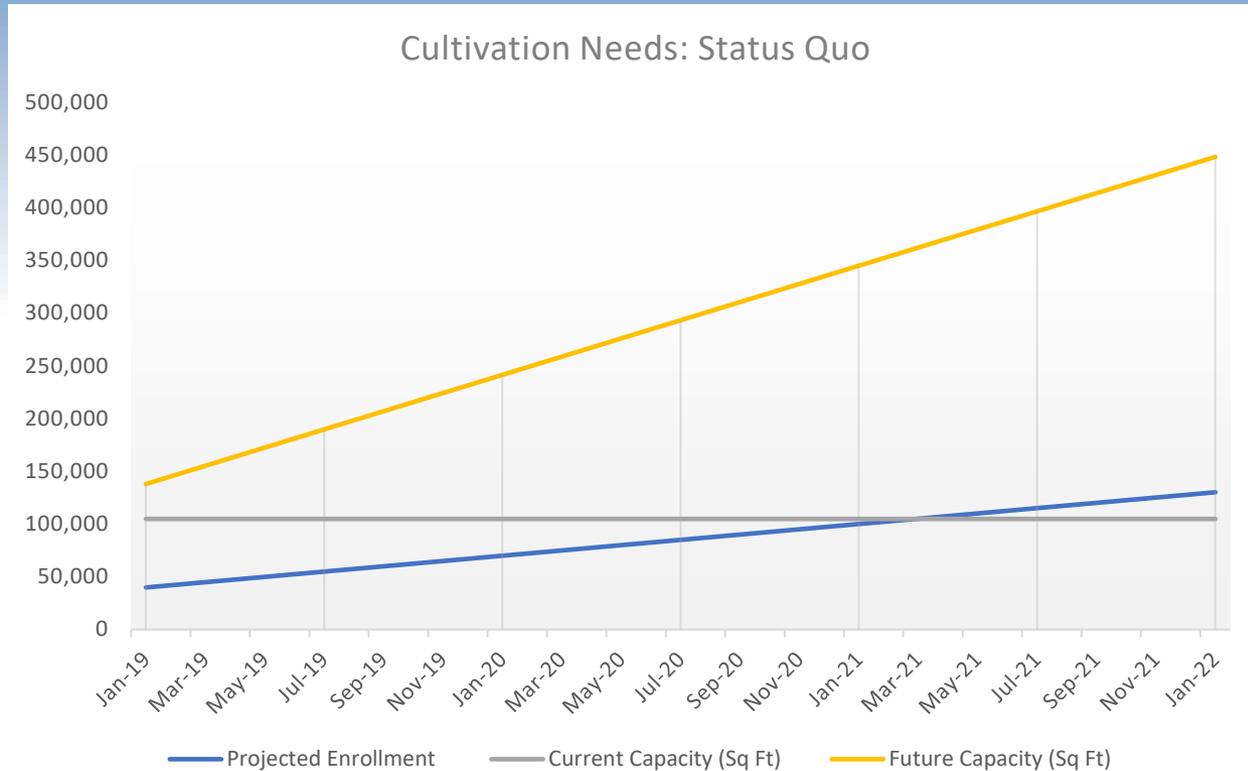
ATC Needs Analysis – Drive Time



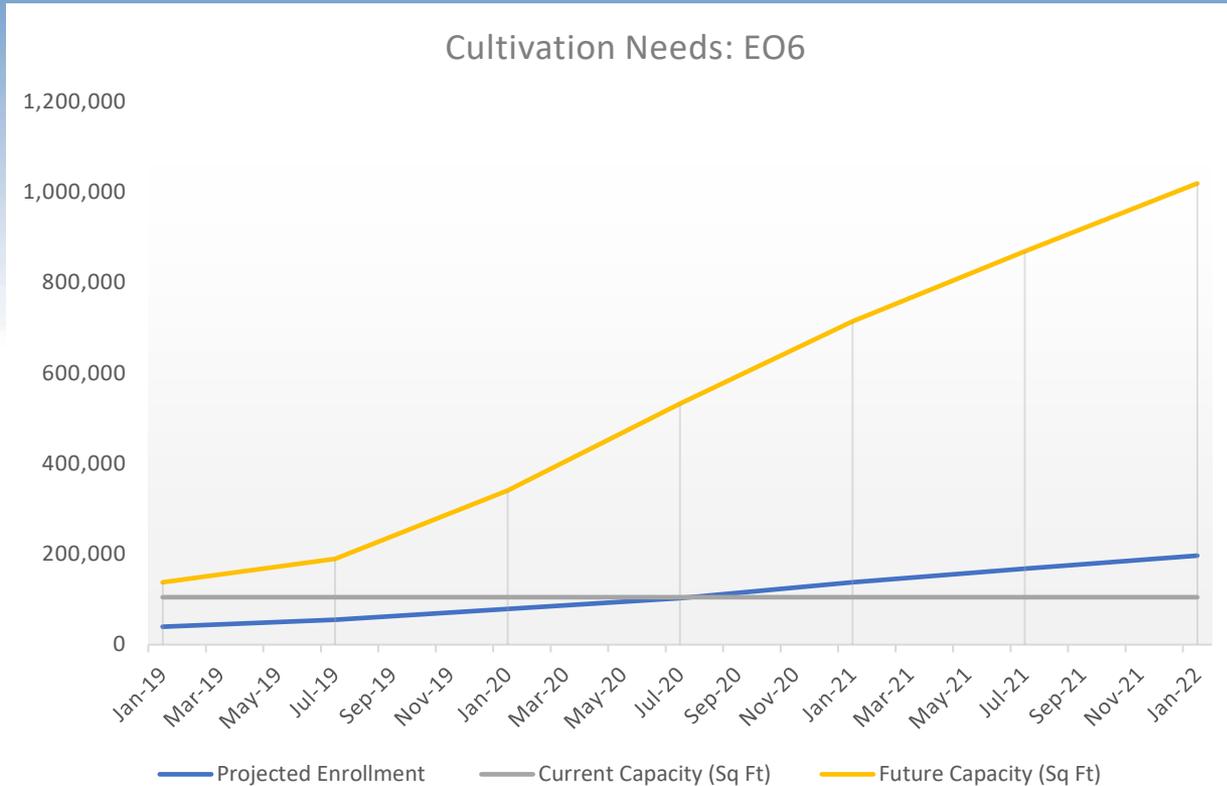
ATC Needs Analysis – Drive Time



ATC Needs Analysis – Cultivation Capacity



ATC Needs Analysis – Cultivation Capacity



Call to Action

- **We need lower prices, and better value for patients.**
- **We need more accessible locations, especially for extracted products.**
- **More ATCs are needed – specifically those committed to operating in more competitive market.**

Forms of Therapy

Forms of Therapy

Current forms of medicinal marijuana in NJ

- **Oral – primarily lozenges that dissolve in the mouth**
- **Topical– oils, ointments, and other formulations that are meant to be absorbed through the skin**
- **Flower – the “buds” that can be smoked, vaporized, or baked.**
- **Oil – oils that contains extracted THC and CBD that can be vaporized.**
- **Edibles – tablets, capsules, drops or syrups that are ingested**
- **Any other form approved by the Department/Commission**

Forms of Therapy

Plant Types:

- **Cannabis Indica**
- **Cannabis Sativa**
- **Hybrid**

Chemotypes:

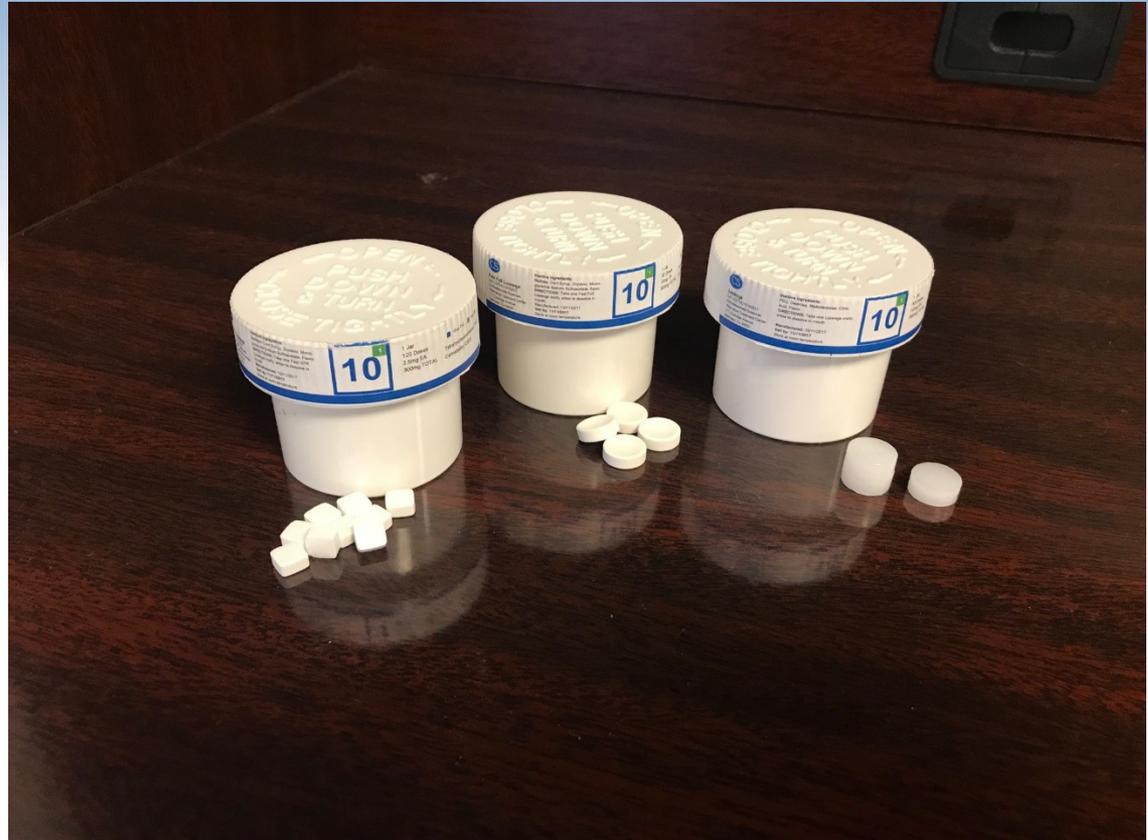
- **1: High THC/Low CBD**
- **2: THC/CBD ratio between .5 and 3.0**
- **3: High CBD/Low THC**



Forms of Therapy

Lozenges/Edibles

- **High-CBD**
- **High-THC**
- **CBD/THC**



Pictured: three types of lozenges, all with 10:1 THC:CBD ratio. Lozenges come in full dose (10 mg THC, 1 mg CBD), half (5 mg THC, .5 mg CBD) or quarter (2.5 mg THC, .25 mg CBD)

Forms of Therapy

Oils



Forms of Therapy



Forms of Therapy

Not in NJ yet, but in other markets:

- **Tinctures**
- **Suppositories**
- **Concentrates**
- **Transdermal patches**

Forms of Therapy

It has been and continues to be an explicit goal of the Department of Health to emphasize non-smokable/non-vapable forms for patients.

RFA Overview

RFA Overview

The Department of Health is seeking new applicants to operate up to 24 Alternative Treatment Centers (ATCs):

Northern Region – UP TO 8

Cultivation Endorsements: 2

Dispensary Endorsements: 5

Vertically Integrated Permits*: 1

Central Region – UP TO 8

Cultivation Endorsements: 2

Dispensary Endorsements: 5

Vertically Integrated Permits*: 1

Southern Region – UP TO 7

Cultivation Endorsements: 1

Dispensary Endorsements: 5

Vertically Integrated Permits*: 1



The Department will also award up to 1 “at-large” vertically integrated permit.

* Each vertically integrated permit includes **3 endorsements**: 1 cultivation endorsement, 1 manufacturing endorsement and 1 dispensing endorsement.



RFA Process Timeline

DATE	ACTION
Monday, July 1, 2019	Notice of Request for Applications (RFA)
Monday, July 15, 2019	RFA Forms Posted
Friday, August 2, 2019	Pre-Application Webinar Posted
Wednesday, August 21, 2019 at 3:00 PM EST	Submission Deadline for DISPENSARY APPLICATIONS
Thursday, August 22, 2019 at 3:00 PM EST	Submission Deadline for CULTIVATION AND VERTICALLY INTEGRATED APPLICATIONS

Responses to frequently asked applicant questions will be posted on the Department's website after this webinar.

The review and award schedule shall be determined based on the volume of applications received.



RFA Overview - Cultivation

The Department has established the following tiers of cultivation canopy size to provide opportunities for businesses of all sizes to participate in this RFA:

- Up to **5,000 Square Feet**: **up to 1** cultivation endorsement
- **5,001 square feet to 20,000 Square Feet**: **up to 2** cultivation endorsements
- **20,001 square feet to 30,000 Square Feet**: **up to 2** cultivation endorsements.

The maximum initial canopy size shall not exceed 30,000 square feet.

Vertically integrated applicants may choose any of the canopy tiers.

RFA Overview – Vertically Integrated Permits

- The Department will seek to issue at least 1 vertically integrated permit in each region and 1 vertically integrated permit to be determined at the time of award based on overall score and patient need.
- Applicants seeking a vertically integrated permit shall maintain all operations under a single ATC Entity, and seek to operate in accordance with the provisions of N.J.A.C. 8:64-7.9.
- Applicants for a vertically integrated permit shall submit 1 Part A as part of its application.
- Vertically integrated applicants shall submit 3 Part Bs as part of its application.

RFA Part A

- Each applicant shall submit one Part A for each region being sought.
- Part A requires applicants to supply the Department with mandatory information, including but not limited to, the following topics:
 - Legal name, status, and owners of business entity
 - Proposed location, evidence of site control and local approval, including evidence of compliance with applicable local codes and ordinances
 - Proposed ATC employees, principal officers, directors, owners, and board members
 - Investors and creditors of the ATC
 - Entities or persons with direct or indirect authority or interest over ATC, including through management services agreements
 - Floor plans, exterior renderings

RFA Part B

- For Part B, applicants shall file a single .pdf for each endorsement being sought that includes a full and truthful response to the following criteria and measures.
- The page limit for Part B is 100 pages for each endorsement, with no exceptions/exemptions.
- For Criterion 6, applicants shall only respond to the measure that is applicable to the endorsement being pursued.
- Vertically integrated applicants shall submit 3 Part Bs as part of their application.

Part B: Exemptions from 100 Page Limit

- None.

Evaluation Process

DATE	ACTION
Thursday, August 22, 2019	End of Open Application Period
August 23 – Sept 23	Completeness Review
September 24, 2019*	Beginning of Application Review
TBD**	Target date to wrap up scoring.
TBD**	Target date to issue awards and denials

*Concurrently with the start of the application period, the first round of denials will be issued for those applications that fail the completeness review.

**Review period determined based on number of applications and time to review.



Application Evaluation

Scored Criteria: The information in the scored sections will be judged by the selection committee according to weights on a 100-point scale per permit endorsement.

Application Evaluation

Three teams:

- **General measures**
- **Endorsement specific**
- **Diversity and labor**

Application Evaluation

Three teams:

- **General measures**
 - Composite score.
- **Endorsement specific**
 - Composite score.
- **Diversity and labor**
 - Measures split, based on expertise.

Team 1

Application Evaluation

Ability to meet overall health and safety needs of qualified patients and safety of the public.

- Security Plan – 10 pts
- Environmental Impact Plan – 10 pts
- Quality Control and Quality Assurance Plan – 10 pts

History of compliance with policies and regulations governing government-regulated marijuana programs

- Background of principals, board members and owners – experience in cannabis industry OR other highly regulated industry – 20 pts

Application Evaluation

Ability and experience of applicant in ensuring an adequate supply of marijuana

- **Financing plan (20 pts)**

Community support and participation

- **Ties to the local community (20 pts)**

Ability to provide appropriate research data

- **Research contributions (10 pts)**

Team 2

Application Evaluation

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

- Cultivation Plan (cultivators and vertically integrated)
- Manufacturing Plan (vertically integrated only)
- Dispensary Plan (dispensaries and vertically integrated)

Applicants shall only respond to the applicable measure(s).

Application Evaluation

Cultivation plan:

- Overall practices, policies and procedures
- 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.

20 pts each = 100 pts

Application Evaluation

Manufacturing plan:

- Overall practices, policies and procedures
- 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.

20 pts each = 100 pts

Application Evaluation

Dispensary plan:

- Overall practices, policies and procedures (20 pts)
- Experience/education in the treatment of patients with qualifying health conditions. (20 pts)
- Patient education and counseling methods. (15 pts)
- Employee education procedures for patient-facing staff members. (15 pts)
- Plans to recruit and educate health care professionals regarding the dispensing of medical cannabis to qualified patients. (15 pts)
- Explanation of how the proposed dispensary location expands access to patients and caregivers (15 pts)

= 100 pts

Team 3

Application Evaluation

Workforce and job creation plan

- Labor Peace Agreement – 30 pts
- Labor Compliance Plan – 20 pts
- Minority-owned, women-owned or veteran-owned business certification – 30 pts
- Workforce and job creation plan – 20 pts

Application Evaluation

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.

Failure to provide a signed agreement will result in a score of 0 for this measure.

Application Evaluation

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, or evidence that the applicant would otherwise meet the MBE/WBE certification or VOB certification requirements once generating revenue. Applicants with a certification will receive the full 30 pts.

Applicants that provide evidence of meeting the criteria in the future shall receive partial credit, based on the strength of the evidence. The selection committee shall take into account related entities for this measure.

Accessing the Applications

Applications will be distributed to the selection committee via Sharepoint.

Selection committee members will have access to a person-specific Sharepoint folder with all the electronic copies of the application.

This will be provided on or before 9/24.

Applications and all materials are to be treated as highly confidential.

Order of Review

- 1: Cultivation Only
- 2: Dispensaries
- 3: Vertically Integrated

2+3 subject to change based on market conditions.

Weekly Check-In Calls

Department will organize weekly, team-specific check-in calls.

Structured opportunity to:

- Discuss process and ask technical questions.
- Assess progress.

Specific scores will not be discussed, and should not be shared/discussed between selection committee members under any circumstance.

Additional Important Points

Part A: Question 20

Owners/investors with an interest of less than 5% do not need to be listed, nor do they need to fill out a Personal History Disclosure as part of the application process.

If there is an investment fund or company in which no owner/investor has an interest of more than 5% (including publicly traded companies), but in total has more than a 5% stake in an applicant, then the primary decision makers for that fund/company should be included and fill out the Personal History Disclosure.

Applicant Eligibility

Current ATC permit holders (including awardees from December 2018) are not eligible to participate in this RFA.

By “NOT ELIGIBLE” we mean “NOT ELIGIBLE” – which includes management services agreements, funding that represents over 5% equity, intellectual property, any/all board representation, and any other significant involvement.

Public Disclosure

- Items submitted and created pursuant to the RFA are generally subject to public release pursuant to the N.J. Open Public Records Act (OPRA) and/or the common law.
- Proprietary and other types of information may be exempt from public disclosure, including but not limited to:
 - Personally identifiable information
 - Confidential information
 - Information that would provide a competitive advantage or disadvantage



Canopy

“Canopy” means the total area in square feet in which an ATC is authorized by the Department to cultivate medicinal marijuana in accordance with N.J.A.C. 8:64-1 et seq. For the purposes of this RFA, “canopy” shall not include areas used exclusively for harvesting, labeling or storing of medicinal marijuana.

Medical Advisory Board

Pursuant to statutory changes enacted on July 2nd, 2019, an ATC may have a Medical Advisory Board.

Therefore, for this RFA, Medical Advisory Boards are optional – but if included as part of the application, must be disclosed on Part A.

Residency

There is no requirement in the Request for Applications that applicants (or those involved in applicant entities) be New Jersey residents.

Ties to the local community, through a history of residency, will be scored as part of Criterion 4, Measure 1.

Proof of Residency

A driver's license may be accepted as one proof of residency. Applicants are instructed to use their best judgment in the preparation of applications.

Please refer to N.J.A.C. 8:64-1.1 for some other types of documents that the Department routinely accepts as proof of residency.

“Silent Partners”

Not permissible in this RFA.

All individuals and entities, as outlined in the RFA, must be disclosed.

Failure to disclose may result in disqualification.

The Department expects a high degree of transparency and disclosure from applicants.

Application Rejection – Section IX

Section IX of the RFA enumerates reasons that RFA applications may be rejected by the Department:

- Late/incomplete delivery of application (all aspects of application are due by the submission deadline – NO EXCEPTIONS)
- Failure to follow RFA instructions/format requirements (including 100 page limit for Part B)
- Failure/inability to demonstrate applicant's ability to satisfy all mandatory requirements of the RFA without material change
- Provision of misleading or inaccurate responses
- Failure to include any signature, certification, etc. as required by the RFA
- Failure to disclose all contracts and term sheets
- Initiation of unauthorized contact regarding the RFA with a State employee/official

Q+A and Next Steps

Notes for Reviewers:

1. Read each of the applications before beginning the process of assigning scores.
 2. Evaluate each application and assign a score up the maximum point value for each measure.
 3. On your scoresheet, enter in the assigned score for each measure.
 4. Only score the measures which you are assigned.
 5. Applications are to be evaluated against the scoring measures and completeness of responses, not against each other.
 6. As a general rule, reviewers should look for completeness in responses, relevance to the measure instructions, clear and measurable plans and goals for the proposed business, and a demonstration of clear value to the patient population the applicant is seeking serve.
-
7. A score of 0 should only be used when the applicant's answer is non-responsive to the measure or criterion, unless otherwise indicated.
 8. Use only whole numbers in the scoring.
 9. Once you are done scoring all the applications, scan the scoresheets, upload to SharePoint, and retain the hard copies to be collected by the Department.

<u>Measure/Criterion</u>	<u>RFA Instructions</u>	<u>Scoring Instructions</u>	<u>Total Possible Points</u>
Criterion 1	Ability to meet the overall health needs of qualified patients and safety of the public.		
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 <u>N.J.A.C. 8:64</u> .	On a scale of 1-10, evaluate the applicant's safety and security plan, with 10 representing the highest possible score. A score of 10 would represent an applicant that demonstrates compliance with all applicable program rules but also goes above and beyond to provide security, prevent diversion, and protect public safety. For applicable program rules, see: 8:64-9.7, 9.8, 10.2, 10.4, 10.5, and 10.11.	10
Measure 2: Environmental impact plan	The applicant shall provide a plan explaining how the proposed ATC would minimize negative environmental impacts.	On a scale of 1-10, evaluate the applicant's environmental impact plan, with 10 representing the highest possible score. A score of 10 would represent an applicant that is highly knowledgeable and transparent about the environmental impacts of ATCs -- like energy needs, waste, odor, water use, light pollution -- and have demonstrated a clear plan for mitigating any negative impacts. The environmental impacts vary between dispensaries, cultivation sites and manufacturing.	10
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 well-being of qualified patients.	On a scale of 1-10, evaluate the applicant's quality control and quality assurance plan, with 10 representing the highest possible score. A score of 10 would represent an applicant that demonstrates a commitment to high quality products and processes and has presented a plan to not only assess the quality of products either produced or sold by the business, but also a plan to continually assess and improve all the processes related to the production and sale of said products. The QA/QC plan may vary between dispensary, manufacturing and cultivation.	10
Criterion 2	History of compliance with regulations and policies governing government-regulated marijuana programs.		
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.	On a scale of 1-20, with 20 representing the highest possible score, assess how experienced the applicant is at working in a highly regulated industry. High scorers will demonstrate a high level of experience in either the cannabis industry or other highly regulated industries where compliance is a critical part of an organization's success, and will clearly demonstrate how their experience is applicable to the application. Scorers are instructed not to advantage cannabis industry experience over other highly-regulated industries, however, all applicants must demonstrate they have a proven track record working in highly regulated environments. For this measure, scorers should also look back to Part A, Question 20, to cross-reference the list of people provided with the full list of owners, board members and principals of the entity in Criterion 2, Measure 1 (Background of principals, etc.). If individuals are not listed in Part A, Question 20, but reported as part of this measure, those individuals should not be accounted for in the scoring.	20
Criterion 3	Ability and experience of applicant in ensuring an adequate supply of marijuana.		

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.

On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's financing plan. High scorers will demonstrate a plan for financing their operations that exhibits a high level of transparency as to the source(s) of their funding, provides concrete evidence they have funding ready and available (shows, not only tells), and provides a rational, evidence-based explanation as to why the funding amount is sufficient to operate their proposed business.

20

Criterion 4

Community Support and Participation.

Measure 1: 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 2 years, and supply proof of their residency.

On a scale of 1-20, with 20 representing the highest possible score, assess their ties to the local community through the history of the residency of the owners, officers, board members and principals of the proposed business. The highest possible score would be a business that is made up of individuals who have all lived in NJ for the past 2 years and that has submitted enough documentation to prove that residency. For acceptable proofs of residency, please refer to N.J.A. 8:64-1.2, under "Proof of Residency". Applicants should not only be judged on the extent to which their business has ties to NJ, but also on the overall suitability of the evidence they provided. The more concrete proof, the better. For this measure, scorers should also look back to Part A, Question 20, to cross-reference the list of people provided with the full list of owners, board members and principals of the entity. Scorers should only take into account individuals listed on Part A, Question 20.

20

Criterion 5

Ability to provide appropriate research data.

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.

On a scale of 0-10, with 10 representing the highest possible score, assess the applicant's past research contributions. Research contributions for this measure are defined as original work (i.e. produced by an individual associated with the applicant) that is published and for which a citation is provided. The highest possible scores will be given to applicants that demonstrate a track record in getting research published in academic, peer-reviewed journals on medical cannabis. For this measure a 0 is not only non-responsive, but is also attributable to an applicant that has no connections to published research and no plans to conduct research in the future.

10

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4. Only score the measures which you are assigned.
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6. As a general rule, reviewers should look for completeness in responses, relevance to the measure instructions, clear and measurable plans and goals for the proposed business, and a demonstration of clear value to the patient population the applicant is seeking serve.
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8. Use only whole numbers in the scoring.
9. Once you are done scoring all the applications, scan the scoresheets, upload to SharePoint, and retain the hard copies to be collected by the Department.

<u>Measure/Criterion</u>	<u>RFA Instructions</u>	<u>Scoring Instructions</u>	<u>Total Possible Points</u>
Criterion 6	Experience in cultivating, manufacturing, or dispensing marijuana in compliance with government-regulated marijuana programs.		
Measure 1: Cultivation plan	Applicants for cultivation endorsements and vertically integrated permits shall provide an overview of practices, policies and procedures for the cultivation of medical cannabis, including the following: Overall practices, policies and procedures related to the cultivation of medical cannabis.	See below. On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's proposed cultivation operation. Highest scores should demonstrate a proficiency in and the application of industrial cultivation techniques that are rooted in evidence and experience. They should exhibit both the technical know-how to build and execute a cultivation operation of the scope/size proposed in the application, but also a high-level attention to detail, process, and results.	100
6.1.1	Experience in botany, horticulture, and phytochemistry and the application of those sciences in the cultivation of medicinal marijuana.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's knowledge, experience and application of the sciences related to the cultivation of medicinal marijuana. Highest scores should demonstrate proficiency and education in all three scientific areas, a solid application of those sciences in their proposed cultivation operation, and a track record of success in prior endeavors.	20
6.1.2			20

	Methods to control insects that do not include the application of pesticides.	On a scale of 1-20, with 20 representing the highest score, assess the applicant's pest control plans. Applicants scoring the highest will have a detailed plan for pest control that does not involve pesticides or herbicides, includes evidence-based preventative measures and constant surveillance throughout the life cycle of the plant. Note, however, that applicants may use FIFRA 25(b) exempt products. A list of eligible products will be provided to scorers of this section.	
6.1.3	Methods to prevent and minimize and test for plant disease and other contamination.	On a scale of 1-20, with 20 representing the highest score, assess the applicant's plans to minimize plant disease. Applicants scoring the highest will have a detailed plan for minimizing plant disease, including how to reduce the prevalence of fungus and bacteria. The plan should include processes for testing cannabis at different stages, potential remediation steps in the case of disease in plants, and evidence-based practices for prevention.	20
6.1.4	Methods and practices related to odor mitigation, sanitation and airflow, and employee safety in cultivation environments.	On a scale of 1-20, with 20 representing the highest score, assess the applicant's plans to reduce odor from cultivated marijuana, keep the facility clean, ensure adequate airflow, and keep employees safe in cultivation environments. Applicants scoring the highest should have a detailed plan to address all aspects of this measure, provide evidence for each proposed method, and provide for measures to ensure ongoing effectiveness.	20
6.1.5			20
Measure 2: Manufacturing plan		See below.	
	Applicants for vertically integrated permits shall provide an overview of practices, policies and procedures for manufacturing medicinal cannabis products, including the following:		
	Overview of practices, policies and procedures for manufacturing medicinal cannabis products.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's proposed manufacturing operation. Highest scores should demonstrate a proficiency in and application of Good Manufacturing Practices (GMP), proficiency in producing food grade products free from contamination, and appropriate methods to ensure patient safety -- like recall procedures. High scorers will also demonstrate that they have a team in place with a strong background in laboratory science.	100
6.2.1	Experience/education in biochemistry, laboratory science, engineering and cannabinoid extraction methods.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's knowledge, experience and application of the sciences related to the manufacturing of medicinal marijuana products. Highest scores should demonstrate proficiency and education in relevant scientific areas, a solid application of those sciences in their proposed manufacturing operation, and a track record of success in prior endeavors.	20
6.2.2			20

	Description of the products the applicant intends to manufacture, including information on ingredients (both active and inactive), cannabinoid profile, and dosing and administration method.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's proposed products. Highest scores will provide a wide variety of medicinal products, including those that aren't currently available on NJ's market, and will tie their product offering to the needs of patients. They will also have an array of cannabinoid profiles, i.e. both high THC, and high CBD products, as well as low-dose products. Scorers should look for a wide-variety of offerings including but not limited to lozenges, ingestible forms, tinctures, concentrates, and topical formulations. All ingredients should be food grade and proven safe for consumption.	
6.2.3	Methods to prevent and test for contamination in extracted products.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's internal testing protocols and methods to ensure products are not contaminated and to test for potential contamination. The highest scores will have internal testing capabilities as well as plans to rely on third party lab validation and will have processes to ensure that extracted products are free from contaminants like bacteria, mold, fungus, heavy metals, solvents and residual chemicals from the extraction process.	20
6.2.4	Health and safety standards for lab employees.	On a scale of 1-20, with 20 being the highest possible score, assess the applicants health and safety standards for lab employees. Highest scorers will have detailed safety standards and procedures, at least 1 designated staff member responsible for ensuring safe working conditions at all times, and will demonstrate a strong commitment to a safe laboratory environment.	20
6.2.5			20
Measure 3: Dispensary plan	Applicants for dispensary endorsements and vertically integrated permits shall provide an overview of practices, policies and procedures for dispensing medical cannabis to qualified patients, included the following:	See below.	
	Overview of practices, policies and procedures for dispensing medical cannabis to qualified patients.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's proposed dispensary operations. Highest scores will not only demonstrate compliance with 8:64-11, but go above and beyond Department requirements in those sections, particularly related to patient education.	100
6.3.1	Experience/education in the treatment of patients with qualifying health conditions.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's background in the treatment of qualifying health conditions. Highest scores on this measure will have a multi-disciplinary team leading the ATC with experience treating the medical conditions for which cannabis is available in New Jersey that goes beyond simply operating a cannabis dispensary. Scorers should look for both experience (professional history) and education (schooling and professional development). Highest scorers would involve traditional health care providers and/or pharmacists vs. just employing and training "bud-tenders."	20
6.3.2			20

6.3.3	Patient education and counseling methods.	On a scale of 1-15, with 15 representing the highest possible score, assess the applicant's plans for patient education and counseling methods. Highest scores will have plans to adequately educate patients about the benefits AND risks of cannabis use, will demonstrate the use of evidence-based techniques to assist patients, and will demonstrate a clear methodology for helping patients determine which products will be most effective for their specific treatment.	15
6.3.4	Employee education procedures for patient-facing staff members.	On a scale of 1-15, with 15 representing the highest possible score, assess the applicant's proposed plans for educating patient-facing staff members and ensuring that qualified patients are properly educated as to the effects and side-effects of medicinal marijuana. Highest scores will demonstrate a commitment to a medical model of patient care and customer service, as well as compliance with program rules (see 8:64-11.1 and 8:64-11.2).	15
6.3.5	Plans to recruit and educate health care professionals regarding the dispensing of medical cannabis to qualified patients.	On a scale of 1-15, with 15 representing the highest possible score, assess the ATC Entity's plans to recruit and educate health care professionals regarding the dispensing of medical cannabis to qualified patients. Highest scores will demonstrate experience in the education of physicians, advanced-practice nurses, and physician assistants and provide a concrete, measurable plan for outreach.	15
6.3.6	Explanation of how the proposed dispensary location expands access to patients and caregivers.	On a scale of 1-15, with 15 representing the highest possible score, assess the extent to which the proposed location expands access to patients and caregivers. Scorers should evaluate the explanation provided by the entity, but also look at data provided by the Department to assist in this measure.	15

Notes for Reviewers

1. Read each of the applications before beginning the process of assigning scores.
2. Evaluate each application and assign a score up the maximum point value for each measure.
3. On your scoresheet, enter in the assigned score for each measure.
4. Only score the measures which you are assigned.
5. Applications are to be evaluated against the scoring measures and completeness of responses, not against each other.
6. As a general rule, reviewers should look for completeness in responses, relevance to the measure instructions, clear and measurable plans and goals for the proposed business, and a demonstration of clear value to the patient population the applicant is seeking serve.
7. A score of 0 should only be used when the applicant's answer is non-responsive to the measure or criterion, unless otherwise indicated.
8. Use only whole numbers in the scoring.
9. Once you are done scoring all the applications, scan the scoresheets, upload to SharePoint, and retain the hard copies to be collected by the Department.

<u>Measure/Criterion</u>	<u>RFA Instructions</u>	<u>Scoring Instructions</u>	<u>Total Possible Points</u>
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.		
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. Failure to provide a signed agreement will result in a score of 0 for this measure.	Pass/Fail - For this measure, the scorer shall assess two factors. 1) Did the applicant supply a signed labor peace agreement with a labor union? 2) Does the signed labor peace agreement include provisions to ensure that the operations of the proposed business will not be disrupted by labor-related disputes? If the answer to both those questions is "YES" the applicant shall receive the full 30 pts. If the applicant does not supply a labor peace agreement, or the labor peace agreement lacks provisions to prevent labor-related work stoppages, then the applicant shall receive 0 for this measure.	30
Measure 2: Labor Compliance Plan	Applicants shall provide a plan to comply with labor laws (including but not limited to 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 other applicable state laws), and an overview of their experience related to collective bargaining and/or accommodating the rights of workers.	On a scale of 1-20, with 20 representing the highest possible score, the scorer shall assess the applicants plan to comply with state and federal labor laws, as well as their experience in collective bargaining and/or accommodating the rights of workers. Highest scorers will demonstrate exceptional knowledge of the labor requirements that must be followed by employers in New Jersey, and will demonstrate a commitment to a safe workplace and to accommodating the rights of workers either through experience in collective bargaining or other means. Please note that highest scorers do not necessarily need to demonstrate experience in collective bargaining provided they can demonstrate a strong history in accommodating the rights of workers (note the "and/or" in measure description).	20
Measure 3: Minority-owned, women-owned or veteran-owned business certification	Applicants shall provide a copy of the certification(s) issued by the Department of the Treasury, Division of Revenue which verifies MBE/WBE certification or VOB certification, or evidence that the applicant would otherwise meet the MBE/WBE certification or VOB certification requirements once generating revenue. Applicants with a certification will receive the full 30 pts. Applicants that provide evidence of meeting the criteria in the future shall receive partial credit, based on the strength of the evidence. The selection committee shall take into account related entities for this measure.	On a scale of 1-30, with 30 representing the highest possible score, assess whether or not the applicant has supplied a certification from the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services, proving the business is minority-owned, women-owned, or veteran-owned (including disabled-veteran owned). If an applicant provides one or more of the certifications, they shall receive the full 30 pts. If the applicant fails to supply a certification because they are a brand new entity with no revenue, but supplies evidence they may meet the criteria once generating revenue, the scorer can result in partial credit (up to 25 pts) based on the strength of the evidence provided. A score of 0 should be only be given to applicants with no certification and that submitted no evidence supporting their ability to qualify in the future, or their involvement of minorities, women or veterans in their leadership. In lieu of a certification, scorers should consult Part A, Question 20 when assessing this measure. Individuals not listed on Part A, Question 20 should not be considered in the evaluation of this measure.	30
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 ownership, management and staffing of the proposed ATC.	On a scale of 1-20, with 20 representing the highest possible score, assess the applicant's workforce and job creation plan. Highest scorers will demonstrate a strong workforce development plan that targets individuals from socio-economically disadvantaged communities, individuals disproportionately impacted by the enforcement of drug laws and people with disabilities in the ownership, management and staffing of the proposed ATC. Highest scorers should have strong outreach and education plans, demonstrate that they have done research on what areas and communities in New Jersey to target, and demonstrate a commitment to employing a diverse set of individuals in the proposed ATC.	20

Cultivation Scoring Document Map

Links To Sheets

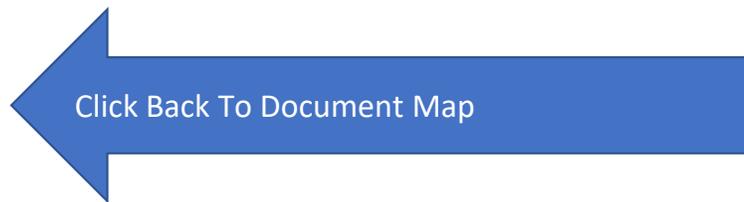
[Final Composite Scores in Descending Order](#)

[Final Scoresheet as Table Descending](#)

[Raw Scores](#)

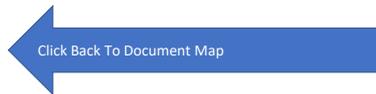
Cultivation Score List

Control #	Name of Applicant	Region	Size	Final Composite Score
19-0145	Hillview Med INC	North	30K	273.67
19-0154	CYOUR NJ LLC	North	30K	269.67
19-0164	Green Medicine NJ LLC	Central	30K	268.00
19-0023	Bloom Medicinals of PA LLC	South	30K	260.67
19-0058	GSCC MANAGEMENT LLC	North	20K	257.33
19-0030	NJ Nectar Ventures LLC	Central	20K	251.67
19-0057	ZY Labs LLC	Central	20K	251.33
19-0192	Garden State Releaf LLC	South	30K	249.67
19-0172	The NAR Group	Central	20K	241.00
19-0194	Unity Alternative Therapy of NJ LLC	North	30K	240.33
19-0149	Herbiculture NJ INC	Central	20K	235.00
19-0182	Ethereal Green LLC	South	20K	234.00
19-0176	Noble Valley Harvest Company	Central	5K	231.00
19-0089	Marzy Designs LLC	Central	20K	228.00
19-0156	KARE LLC	South	20K	225.67
19-0148	BCD9 LLC	North	20K	223.67
19-0134	NJ Green Med Plus LLC	South	20K	219.00
19-0150	Beast Coast Cultivations	North	30K	218.67
19-0031	Jersey Grown LLC	South	20K	210.67
19-0137	East Coast Wellness LLC	Central	5K	210.00
19-0173	Turning Leaf Centers LLC	Central	20K	198.67
19-0135	Roundtable Wellness	Central	20K	193.33
19-0174	Canna Healing Centers LLC	North	20K	193.00
19-0153	Terra Pharm NJ INC	South	30K	186.67
19-0159	ELO NJ LLC	Central	20K	186.00
19-0001	AC Cubed LLC	South	20K	178.00
19-0010	Contemporary Cultivation of NJ LLC	Central	30K	172.00
19-0121	Salem Botanicals	South	20K	117.67



Cultivation Score List

Control #	Name of Applicant	Region	Size	Endorsement Type	Team 1			Team 1	Team 2			Team 2	Team 3			Team 3	Final Composite Score
					Reviewer 2	Reviewer 5	Reviewer 6	Composite	Reviewer 1	Reviewer 8	Reviewer 9	Composite	Reviewer 3	Reviewer 4	Reviewer 7	Composite	
19-0145	Hillview Med INC	North	30K	Cultivation	94	98	88	93	91	72	84	82	30	18	50	98	273.67
19-0154	CYOUR NJ LLC	North	30K	Cultivation	82	94	85	87	88	90	88	89	30	14	50	94	269.67
19-0164	Green Medicine NJ LLC	Central	30K	Cultivation	82	90	79	84	84	89	89	87	30	17	50	97	268.00
19-0023	Bloom Medicinals of PA LLC	South	30K	Cultivation	70	94	79	81	81	96	80	86	30	14	50	94	260.67
19-0058	GSCC MANAGEMENT LLC	North	20K	Cultivation	80	94	85	86	81	85	74	80	25	16	50	91	257.33
19-0030	NJ Nectar Ventures LLC	Central	20K	Cultivation	59	92	82	78	84	76	80	80	30	15	49	94	251.67
19-0057	ZY Labs LLC	Central	20K	Cultivation	52	89	88	76	82	92	69	81	25	19	50	94	251.33
19-0192	Garden State Releaf LLC	South	30K	Cultivation	68	92	86	82	80	73	71	75	25	18	50	93	249.67
19-0172	The NAR Group	Central	20K	Cultivation	53	92	76	74	77	83	75	78	25	14	50	89	241.00
19-0194	Unity Alternative Therapy of NJ LLC	North	30K	Cultivation	73	95	82	83	84	98	82	88	30	19	20	69	240.33
19-0149	Herbiculture NJ INC	Central	20K	Cultivation	51	87	79	72	77	71	79	76	20	17	50	87	235.00
19-0182	Ethereal Green LLC	South	20K	Cultivation	51	88	76	72	67	96	69	77	20	18	47	85	234.00
19-0176	Noble Valley Harvest Company	Central	5K	Cultivation	66	88	74	76	67	76	61	68	20	17	50	87	231.00
19-0089	Marzy Designs LLC	Central	20K	Cultivation	59	84	63	69	67	71	61	66	30	13	50	93	228.00
19-0156	KARE LLC	South	20K	Cultivation	49	81	73	68	88	60	86	78	30	10	40	80	225.67
19-0148	BCD9 LLC	North	20K	Cultivation	59	85	85	76	74	96	68	79	1	17	50	68	223.67
19-0134	NJ Green Med Plus LLC	South	20K	Cultivation	34	85	80	66	73	61	66	67	20	20	46	86	219.00
19-0150	Beast Coast Cultivations	North	30K	Cultivation	30	94	68	64	46	88	75	70	20	15	50	85	218.67
19-0031	Jersey Grown LLC	South	20K	Cultivation	51	89	76	72	75	88	73	79	1	14	45	60	210.67
19-0137	East Coast Wellness LLC	Central	5K	Cultivation	55	95	71	74	53	91	61	68	20	8	40	68	210.00
19-0173	Turning Leaf Centers LLC	Central	20K	Cultivation	41	83	77	67	48	92	60	67	1	14	50	65	198.67
19-0135	Roundtable Wellness	Central	20K	Cultivation	33	96	61	63	44	44	59	49	25	10	46	81	193.33
19-0174	Canna Healing Centers LLC	North	20K	Cultivation	33	79	72	61	48	92	60	67	1	14	50	65	193.00
19-0153	Terra Pharm NJ INC	South	30K	Cultivation	37	66	71	58	47	53	46	49	20	10	50	80	186.67
19-0159	ELO NJ LLC	Central	20K	Cultivation	46	82	76	68	72	95	73	80	1	7	30	38	186.00
19-0001	AC Cubed LLC	South	20K	Cultivation	25	63	61	50	58	93	75	75	0	13	40	53	178.00
19-0010	Contemporary Cultivation of NJ LLC	Central	30K	Cultivation	47	61	67	58	71	73	62	69	1	14	30	45	172.00
19-0121	Salem Botanicals	South	20K	Cultivation	13	24	30	22	10	15	15	13	25	10	47	82	117.67



Cultivation Score Index

		Scores																											
Control #	Name of Applicant	Region	Endorsement Type	Team 1								Team 2								Team				Final Composite Score					
				R2	R5	R6	1.1	1.2	1.3	2.1	3.1	4.1	5.1	Scorer Total	R1	R3	R4	R7	6.1.1	6.1.2	6.1.3	6.1.4	6.1.5		Scorer Total	7.1	7.2	7.3	7.4
19-0001	AC Cubed LLC	South	Cultivation	R2	6	5	2	5	3	3	1	25	R1	12	8	8	12	18	58	R3				0	0				
19-0002	AC Cubed LLC	South	Cultivation	R5	9	7	5	12	12	12	6	63	R8	18	18	18	19	20	93	R4					13	13			
19-0003	AC Cubed LLC	South	Cultivation	R6	9	8	5	14	8	11	6	61	R9	15	14	15	15	16	75	R7	30	10				40			
Composite/Measure Total:												50						75							53		178.00		
19-0010	Contemporary Cultivation Center of NJ LLC	Central	Cultivation	R2	10	8	8	16	2	2	1	47	R1	8	12	18	18	15	71	R3				1	1				
19-0010	Contemporary Cultivation Center of NJ LLC	Central	Cultivation	R5	5	7	8	15	15	10	1	61	R8	15	15	16	15	12	73	R4					14	14			
19-0010	Contemporary Cultivation Center of NJ LLC	Central	Cultivation	R6	7	6	9	16	15	13	1	67	R9	10	10	15	15	12	62	R7	30	0				30			
Composite/Measure Total:												58						69							45		172.00		
19-0023	Bloom Medicinals of PA LLC	South	Cultivation	R2	3	9	8	15	20	5	10	70	R1	12	15	18	18	18	81	R3				30	30				
19-0023	Bloom Medicinals of PA LLC	South	Cultivation	R5	7	9	8	20	20	20	10	94	R8	20	19	19	19	19	96	R4					14	14			
19-0023	Bloom Medicinals of PA LLC	South	Cultivation	R6	6	7	7	17	16	16	10	79	R9	15	18	15	17	15	80	R7	30	20				50			
Composite/Measure Total:												81						86							94		260.67		
19-0030	NJ Nectar Ventures LLC	Central	Cultivation	R2	5	5	6	6	15	17	5	59	R1	15	15	18	18	18	84	R3				30	30				
19-0030	NJ Nectar Ventures LLC	Central	Cultivation	R5	7	9	9	19	20	19	9	92	R8	17	15	16	15	13	76	R4					15	15			
19-0030	NJ Nectar Ventures LLC	Central	Cultivation	R6	8	7	8	17	18	17	7	82	R9	14	15	18	15	18	80	R7	30	19				49			
Composite/Measure Total:												78						80							94		251.67		
19-0031	Jersey Grown LLC	South	Cultivation	R2	8	6	3	12	18	3	1	51	R1	18	5	18	18	16	75	R3				1	1				
19-0031	Jersey Grown LLC	South	Cultivation	R5	10	10	8	17	20	17	7	89	R8	18	17	18	17	18	88	R4					14	14			
19-0031	Jersey Grown LLC	South	Cultivation	R6	10	8	6	17	17	14	4	76	R9	15	10	15	16	17	73	R7	30	15				45			
Composite/Measure Total:												72						79							60		210.67		
19-0057	ZY Labs LLC	Central	Cultivation	R2	4	5	4	7	12	16	4	52	R1	16	12	18	18	18	82	R3				25	25				
19-0057	ZY Labs LLC	Central	Cultivation	R5	7	8	9	18	20	19	8	89	R8	18	19	20	18	17	92	R4					19	19			
19-0057	ZY Labs LLC	Central	Cultivation	R6	8	8	8	17	19	18	10	88	R9	16	15	12	14	12	69	R7	30	20				50			
Composite/Measure Total:												76						81							94		251.33		
19-0058	GSCC Management LLC	North	Cultivation	R2	9	5	4	20	20	12	10	80	R1	12	15	18	18	18	81	R3				25	25				
19-0058	GSCC Management LLC	North	Cultivation	R5	10	9	6	20	20	19	10	94	R8	17	16	19	15	18	85	R4					16	16			
19-0058	GSCC Management LLC	North	Cultivation	R6	8	7	8	18	17	18	9	85	R9	15	12	15	18	14	74	R7	30	20				50			
Composite/Measure Total:												86						80							91		257.33		
19-0089	Marzy Designs	Central	Cultivation	R2	7	9	9	13	16	4	1	59	R1	15	8	15	11	18	67	R3				30	30				
19-0089	Marzy Designs	Central	Cultivation	R5	7	9	9	19	20	10	10	84	R8	15	14	15	15	12	71	R4					13	13			
19-0089	Marzy Designs	Central	Cultivation	R6	5	7	6	16	18	7	4	63	R9	12	12	15	10	12	61	R7	30	20				50			
Composite/Measure Total:												69						66								93		228.00	
19-0121	Salem Botanicals Corporation	South	Cultivation	R2	3	2	2	1	1	3	1	13	R1	2	1	2	2	3	10	R3				25	25				
19-0121	Salem Botanicals Corporation	South	Cultivation	R5	3	3	4	5	3	5	1	24	R8	5	5	0	0	5	15	R4					10	10			
19-0121	Salem Botanicals Corporation	South	Cultivation	R6	4	3	3	6	6	7	1	30	R9	5	5	0	0	5	15	R7	30	17				47			
Composite/Measure Total:												22						13								82		117.67	
19-0134	NJ Green Med Plus LLC	South	Cultivation	R2	5	4	2	7	6	7	3	34	R1	15	14	18	10	16	73	R3				20	20				
19-0134	NJ Green Med Plus LLC	South	Cultivation	R5	10	8	5	18	19	15	10	85	R8	12	11	12	13	13	61	R4					20	20			
19-0134	NJ Green Med Plus LLC	South	Cultivation	R6	9	7	5	18	16	17	8	80	R9	14	10	12	15	15	66	R7	30	16				46			
Composite/Measure Total:												66						67								86		219.00	
19-0135	Roundtable Wellness	Central	Cultivation	R2	3	3	5	5	3	10	4	33	R1	10	10	7	9	8	44	R3				25	25				
19-0135	Roundtable Wellness	Central	Cultivation	R5	9	9	9	20	20	19	10	96	R8	7	10	11	11	5	44	R4					10	10			
19-0135	Roundtable Wellness	Central	Cultivation	R6	5	4	4	15	11	16	6	61	R9	15	12	10	12	10	59	R7	30	16				46			
Composite/Measure Total:												63						49								81		193.33	
19-0137	East Coast Wellness LLC	Central	Cultivation	R2	7	6	7	8	8	17	2	55	R1	10	12	8	8	15	53	R3				20	20				
19-0137	East Coast Wellness LLC	Central	Cultivation	R5	10	10	10	19	20	19	7	95	R8	18	18	18	18	19	91	R4					8	8			
19-0137	East Coast Wellness LLC	Central	Cultivation	R6	8	7	6	17	16	14	3	71	R9	12	12	15	10	12	61	R7	30	10				40			
Composite/Measure Total:												74						68								68		210.00	
19-0145	Hillview Med INC	North	Cultivation	R2	9	9	9	19	20	19	9	94	R1	18	17	20	18	18	91	R3				30	30				

Cultivation Score Index

Scores

Control #	Name of Applicant	Region	Endorsement Type	Team 1							Team 2					Team 3				Final Composite								
				R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	R16	R17	R18	R19	R20	R21	R22	R23	R24	3 Total	Score			
19-0145	Hillview Med INC	North	Cultivation	R5	10	9	10	20	20	19	10	98	R8	13	14	15	14	16	72	R4					18	18		
19-0145	Hillview Med INC	North	Cultivation	R6	9	7	9	18	18	17	10	88	R9	18	18	16	17	15	84	R7	30	20				50		
Composite/Measure Total:												93						82.3							98	273.67		
19-0148	BCD9 LLC	North	Cultivation	R2	6	7	5	7	18	12	4	59	R1	6	18	18	14	18	74	R3			1			1		
19-0148	BCD9 LLC	North	Cultivation	R5	8	8	5	18	19	18	9	85	R8	19	19	19	19	20	96	R4				17		17		
19-0148	BCD9 LLC	North	Cultivation	R6	9	6	6	19	20	18	7	85	R9	12	12	14	12	18	68	R7	30	20				50		
Composite/Measure Total:												76						79							68	223.67		
19-0149	Herbiculture NJ	Central	Cultivation	R2	5	6	6	17	11	4	2	51	R1	10	14	18	17	18	77	R3			20			20		
19-0149	Herbiculture NJ	Central	Cultivation	R5	6	8	9	19	18	18	9	87	R8	13	12	16	14	16	71	R4				17		17		
19-0149	Herbiculture NJ	Central	Cultivation	R6	6	7	8	17	17	16	8	79	R9	15	14	18	15	17	79	R7	30	20				50		
Composite/Measure Total:												72						76							87	235.00		
19-0150	Beast Coast Cultivations	North	Cultivation	R2	3	2	1	16	2	4	2	30	R1	8	12	8	8	10	46	R3			20			20		
19-0150	Beast Coast Cultivations	North	Cultivation	R5	8	10	10	19	20	17	10	94	R8	18	18	18	16	18	88	R4				15		15		
19-0150	Beast Coast Cultivations	North	Cultivation	R6	6	6	8	14	14	18	2	68	R9	14	14	15	16	16	75	R7	30	20				50		
Composite/Measure Total:												64						70							85	218.67		
19-0153	Terra Pharm NJ INC	South	Cultivation	R2	2	2	4	12	8	6	3	37	R1	12	16	7	7	5	47	R3			20			20		
19-0153	Terra Pharm NJ INC	South	Cultivation	R5	6	6	6	15	10	13	10	66	R8	12	11	10	10	10	53	R4				10		10		
19-0153	Terra Pharm NJ INC	South	Cultivation	R6	6	5	6	17	15	15	7	71	R9	10	10	8	10	8	46	R7	30	20				50		
Composite/Measure Total:												58						49							80	186.67		
19-0154	CYOUR NJ LLC	North	Cultivation	R2	10	8	9	17	15	19	4	82	R1	18	17	18	18	17	88	R3			30			30		
19-0154	CYOUR NJ LLC	North	Cultivation	R5	9	8	9	19	20	19	10	94	R8	19	19	15	18	19	90	R4				14		14		
19-0154	CYOUR NJ LLC	North	Cultivation	R6	9	8	7	19	15	18	9	85	R9	18	17	18	18	17	88	R7	30	20				50		
Composite/Measure Total:												87						89							94	269.67		
19-0156	KARE LLC	South	Cultivation	R2	7	5	4	11	6	14	2	49	R1	18	16	18	18	18	88	R3			30			30		
19-0156	KARE LLC	South	Cultivation	R5	9	9	8	19	19	8	9	81	R8	13	13	10	12	12	60	R4				10		10		
19-0156	KARE LLC	South	Cultivation	R6	7	6	6	16	15	16	7	73	R9	17	17	18	16	18	86	R7	30	10				40		
Composite/Measure Total:												68						78							80	225.67		
19-0159	ELO NJ LLC	Central	Cultivation	R2	4	6	4	8	14	8	2	46	R1	18	15	12	12	15	72	R3			1			1		
19-0159	ELO NJ LLC	Central	Cultivation	R5	6	6	6	18	19	19	8	82	R8	20	19	18	19	19	95	R4				7		7		
19-0159	ELO NJ LLC	Central	Cultivation	R6	8	7	6	17	18	17	3	76	R9	15	18	14	14	12	73	R7	30	0				30		
Composite/Measure Total:												68						80							38	186.00		
19-0164	Green Medicine NJ LLC	Central	Cultivation	R2	6	9	5	17	19	17	9	82	R1	15	15	18	18	18	84	R3			30			30		
19-0164	Green Medicine NJ LLC	Central	Cultivation	R5	7	8	8	19	19	19	10	90	R8	18	16	18	19	18	89	R4				17		17		
19-0164	Green Medicine NJ LLC	Central	Cultivation	R6	7	6	7	17	17	17	8	79	R9	18	17	17	18	19	89	R7	30	20				50		
Composite/Measure Total:												84						87							97	268.00		
19-0172	The NAR Group	Central	Cultivation	R2	3	4	9	8	10	18	1	53	R1	14	14	16	16	17	77	R3			25			25		
19-0172	The NAR Group	Central	Cultivation	R5	9	9	8	19	20	19	8	92	R8	15	14	18	18	18	83	R4				14		14		
19-0172	The NAR Group	Central	Cultivation	R6	8	7	6	16	16	17	6	76	R9	14	17	15	14	15	75	R7	30	20				50		
Composite/Measure Total:												74						78							89	241.00		
19-0173	Turning Leaf Centers LLC	Central	Cultivation	R2	5	6	7	14	4	5	0	41	R1	8	8	7	8	17	48	R3			1			1		
19-0173	Turning Leaf Centers LLC	Central	Cultivation	R5	7	7	8	18	17	19	7	83	R8	19	19	18	18	18	92	R4				14		14		
19-0173	Turning Leaf Centers LLC	Central	Cultivation	R6	6	8	8	18	13	18	6	77	R9	10	12	11	12	15	60	R7	30	20				50		
Composite/Measure Total:												67						67							65	198.67		
19-0174	Canna Healing Centers LLC	North	Cultivation	R2	5	6	7	8	4	3	0	33	R1	8	8	7	8	17	48	R3			1			1		
19-0174	Canna Healing Centers LLC	North	Cultivation	R5	7	7	8	18	17	15	7	79	R8	19	19	18	18	18	92	R4				14		14		
19-0174	Canna Healing Centers LLC	North	Cultivation	R6	6	6	8	17	12	17	6	72	R9	10	12	11	12	15	60	R7	30	20				50		
Composite/Measure Total:												61						67							65	193.00		
19-0176	Noble Valley Company	Central	Cultivation	R2	6	8	7	8	18	16	3	66	R1	12	12	15	14	14	67	R3			20			20		
19-0176	Noble Valley Company	Central	Cultivation	R5	9	7	10	18	20	17	7	88	R8	15	14	16	15	16	76	R4				17		17		

Cultivation Score Index

Scores

Control #	Name of Applicant	Region	Endorsement Type	Team 1										Team 2					Team		Final Composite Score				
				R6	1.1	1.2	1.3	2.1	3.1	4.1	5.1	Scorer Total	R9	6.1.1	6.1.2	6.1.3	6.1.4	6.1.5	Scorer Total	R7		7.1	7.2	7.3	7.4
19-0176	Noble Valley Company	Central	Cultivation	R6	8	7	8	16	16	16	3	74	R9	12	10	12	12	15	61	R7	30	20		50	
Composite/Measure Total:																								87	231.00
19-0182	Ethereal Green LLC	South	Cultivation	R2	6	6	4	10	13	11	1	51	R1	5	12	17	15	18	67	R3		20		20	
19-0182	Ethereal Green LLC	South	Cultivation	R5	10	9	8	17	19	17	8	88	R8	19	19	19	19	20	96	R4			18	18	
19-0182	Ethereal Green LLC	South	Cultivation	R6	8	7	6	16	16	16	7	76	R9	13	14	15	15	12	69	R7	30	17		47	
Composite/Measure Total:																								85	234.00
19-0192	Garden State Releaf	South	Cultivation	R2	10	9	6	15	6	17	5	68	R1	18	12	17	16	17	80	R3		25		25	
19-0192	Garden State Releaf	South	Cultivation	R5	9	8	8	19	19	19	10	92	R8	15	15	14	16	13	73	R4			18	18	
19-0192	Garden State Releaf	South	Cultivation	R6	8	7	7	19	17	18	10	86	R9	17	14	12	14	14	71	R7	30	20		50	
Composite/Measure Total:																								93	249.67
19-0194	Unity Alternative Therapy of NJ	North	Cultivation	R2	10	10	10	16	11	11	5	73	R1	17	14	18	18	17	84	R3		30		30	
19-0194	Unity Alternative Therapy of NJ	North	Cultivation	R5	10	10	10	19	17	19	10	95	R8	19	20	20	20	19	98	R4			19	19	
19-0194	Unity Alternative Therapy of NJ	North	Cultivation	R6	7	9	8	18	15	16	9	82	R9	16	15	17	18	16	82	R7	0	20		20	
Composite/Measure Total:																								69	240

Vertically Integrated Scoring Document Map

Links To Sheets

[Final Composite Sores in Descending Order](#)

[Final Scoresheet as Table Descending](#)

[Raw Scores](#)

Final Composit Score

Control #	Name of Applicant	Region	Size	Final Total
19-0024	Altus New Jersey LLC	Central	30K	785.00
19-0169	Greenhouse Wellness of NJ LLC	South	30K	779.33
19-0078	Holistic NJ I LLC	Central	30K	776.67
19-0002	Healing Essentials Wellness Dispensary	South	30K	756.00
19-0198	CHM Consulting LLC dba Applid Cannabis Sciences of NJ LLC	Central	20K	746.67
19-0152	ETAIN NJ LLC	North	30K	739.33
19-0080	Mission New Jersey	Central	30K	738.00
19-0180	AP NJ Health LLC	Central	30K	733.33
19-0079	Vireo Health Inc	South	30K	722.00
19-0143	INSA 2 LLC	South	30K	721.67
19-0119	Curio Holdings NJ LLC	Central	30K	719.33
19-0098	Green Leaf Medical of New Jersey LLC	South	30K	716.00
19-0147	Quest Brands dba Relative Healthand Wellness	Central	20K	713.67
19-0025	Native Roots Roots New Jersey (57 Star)	South	30K	708.33
19-0189	Standard Wellness Co NJ LLC	North	30K	699.33
19-0178	DAHLA LLC	South	30K	694.33
19-0197	Hope Holistic Health Care	South	30K	685.00
19-0171	Jushi Ampal NJ LLC	Central	20K	680.67
19-0144	Revolution NJ LLC	Central	30K	670.33
19-0027	Pure NJ LLC	Central	30K	669.00
19-0163	Surterra New Jersey LLC	South	30K	664.33
19-0187	Cresco Labs Hop LLC	North	30K	660.00
19-0141	93 ID Inc	North	30K	649.00
19-0157	Trulieve Inc NJ	Central	30K	622.67
19-0175	NJ Pharmaceutical Solutions Inc	North	30K	618.67
19-0177	Panacea Botanicals LLC	North	30K	598.67
19-0133	MLH New Jersey LLC	South	30K	595.67
19-0179	Squared Holdings LLC	North	30K	577.33
19-0160	VNJ-Ops Inc	South	30K	576.33
19-0167	Modern Medicine LLC	South	30K	575.00
19-0191	East Orange Health LLC	North	30K	554.67
19-0170	GLCSJ LLC dba Green Line Cares	South	30K	551.33
19-0142	Premium Genetics Partners LLC dba Platinum Meds	North	30K	548.33
19-0138	Glassboro Health Choices Inc.	South	20K	523.67
19-0190	Reliance Med Group LLC	South	30K	517.67
19-0096	ULNJ LLC	Central	30K	483.33
19-0185	Lenola Wellness	South	30K	434.00

Control #	Name of Applicant	Region	Size	Endorsement Type	Team 1				Team 2				Team 3				Final Composite Score	
					Reviewer 2	Reviewer 5	Reviewer 6	Team 1 Composite	Reviewer 1	Reviewer 8	Reviewer 9	Team 2 Composite	Reviewer 3	Reviewer 4	Reviewer 7	Team 3 Composite		
19-0024	Altus New Jersey LLC	Central	30K	Vertical		132	290	278	233	265	282	208	252	90	60	150	300	785.00
19-0169	Greenhouse Wellness of NJ LLC	South	30K	Vertical		138	284	284	235	249	283	218	250	90	54	150	294	779.33
19-0078	Holistic NJ LLC	Central	30K	Vertical		216	279	291	262	231	278	198	236	90	39	150	279	776.67
19-0002	Healing Essentials Wellness Dispensary	South	30K	Vertical		131	289	237	219	253	271	214	246	90	51	150	291	756.00
19-0198	CHM Consulting LLC dba Applid Cannabis Sciences of NJ LLC	Central	20K	Vertical		173	279	284	245	216	283	240	246	90	51	114	255	746.67
19-0152	ETAIN NJ LLC	North	30K	Vertical		102	291	273	222	216	274	207	232	90	45	150	285	739.33
19-0080	Mission New Jersey	Central	30K	Vertical		119	274	258	217	169	273	230	224	90	57	150	297	738.00
19-0180	AP NJ Health LLC	Central	30K	Vertical		213	253	284	250	221	237	263	240	45	48	150	243	733.33
19-0079	Vireo Health Inc	South	30K	Vertical		195	279	243	239	267	260	157	228	60	45	150	255	722.00
19-0143	INSA 2 LLC	South	30K	Vertical		131	285	291	236	172	273	221	222	75	54	135	264	721.67
19-0119	Curio Holdings NJ LLC	Central	30K	Vertical		203	287	267	252	265	289	244	266	3	48	150	201	719.33
19-0098	Green Leaf Medical of New Jersey LLC	South	30K	Vertical		185	280	281	249	253	278	250	260	3	54	150	207	716.00
19-0147	Quest Brands dba Relative Healthand Wellness	Central	20K	Vertical		165	280	275	240	217	190	186	198	75	51	150	276	713.67
19-0025	Native Roots Roots New Jersey (57 Star)	South	30K	Vertical		168	276	242	229	209	249	207	222	60	48	150	258	708.33
19-0189	Standard Wellness Co NJ LLC	North	30K	Vertical		154	284	299	246	235	283	258	259	3	57	135	195	699.33
19-0178	DAHLA LLC	South	30K	Vertical		153	230	270	218	189	268	190	216	60	51	150	261	694.33
19-0197	Hope Holistic Health Care	South	30K	Vertical		87	283	253	208	206	185	159	183	90	54	150	294	685.00
19-0171	Jushi Ampal NJ LLC	Central	20K	Vertical		91	285	289	222	271	275	237	261	3	51	144	198	680.67
19-0144	Revolution NJ LLC	Central	30K	Vertical		87	257	268	204	222	222	181	208	60	48	150	258	670.33
19-0027	Pure NJ LLC	Central	30K	Vertical		128	239	233	200	182	241	237	220	54	105	249	669.00	
19-0163	Surterra New Jersey LLC	South	30K	Vertical		143	288	287	239	201	256	233	230	3	42	150	195	664.33
19-0187	Cresco Labs Hop LLC	North	30K	Vertical		146	280	285	237	223	247	187	219	3	51	150	204	660.00
19-0141	93 ID Inc	North	30K	Vertical		58	240	252	183	182	232	191	202	60	54	150	264	649.00
19-0157	Trulieve Inc NJ	Central	30K	Vertical		155	183	282	207	221	231	220	224	3	54	135	192	622.67
19-0175	NJ Pharmaceutical Solutions Inc	North	30K	Vertical		110	221	239	190	240	257	240	246	0	39	144	183	618.67
19-0177	Panacea Botanicals LLC	North	30K	Vertical		140	255	255	217	201	115	209	175	3	54	150	207	598.67
19-0133	MLH New Jersey LLC	South	30K	Vertical		117	268	277	221	221	253	183	219	3	48	105	156	595.67
19-0179	Squared Holdings LLC	North	30K	Vertical		115	258	286	220	203	182	202	196	3	45	114	162	577.33
19-0160	VNJ-Ops Inc	South	30K	Vertical		201	271	297	256	210	262	173	215	3	57	45	105	576.33
19-0167	Modern Medicine LLC	South	30K	Vertical		55	257	249	187	158	204	208	190	3	45	150	198	575.00
19-0191	East Orange Health LLC	North	30K	Vertical		161	284	264	236	123	191	173	162	3	51	102	156	554.67
19-0170	GLCSI LLC dba Green Line Cares	South	30K	Vertical		67	255	262	195	137	168	171	159	3	51	144	198	551.33
19-0142	Premium Genetics Partners LLC dba Platinum Meds	North	30K	Vertical		85	266	230	194	86	55	167	103	90	57	105	252	548.33
19-0138	Glassboro Health Choices Inc.	South	20K	Vertical		96	243	213	184	97	162	157	139	60	36	105	201	523.67
19-0190	Reliance Med Group LLC	South	30K	Vertical		122	216	262	200	161	196	182	180	90	36	12	138	517.67
19-0096	ULNJ LLC	Central	30K	Vertical		129	241	252	207	93	67	101	87	3	48	138	189	483.33
19-0185	Lenola Wellness	South	30K	Vertical		66	209	219	165	97	128	169	131	3	45	90	138	434.00

Vertical Score Index

Control #	Name of Applicant	Region	Endorsement Type	Cultivation										Manufacturing										Dispensary										Cultivation										Manufacturing										Dispensary										Team 3 Totals	Final Composite Score
				1.1	1.2	1.3	2.1	2.1	3.1	4.1	5.1	1.1	1.2	1.3	2.1	2.1	3.1	4.1	5.1	1.1	1.2	1.3	2.1	2.1	3.1	4.1	5.1	6.1.1	6.1.2	6.1.3	6.1.4	6.1.5	6.2.1	6.2.2	6.2.3	6.2.4	6.2.5	6.3.1	6.3.2	6.3.3	6.3.4	6.3.5	6.3.6	7.1	7.2	7.3	7.4	7.1	7.2	7.3	7.4	7.1	7.2	7.3	7.4	7.1	7.2	7.3	7.4						
19-0114	Jushi Ampal NJ LLC	Central	Vertical	R5	9	10	10	18	20	18	10	9	10	10	18	20	18	10	9	10	10	18	20	18	10	R8	19	19	18	18	18	19	19	20	19	19	18	18	11	14	14	12	R4	7.1	7.2	7.3	7.4	7.1	7.2	7.3	7.4	7.1	7.2	7.3	7.4	17	58	680.67							
19-0171	Jushi Ampal NJ LLC	Central	Vertical	R6	10	9	10	19	19	20	9	10	8	10	20	19	20	9	10	9	10	20	19	20	9	R9	14	12	15	15	16	14	14	17	17	16	16	17	14	14	12	14	R4	30	18	17	30	18	17	30	18	30	18	30	18	17	144	680.67							
Composite/Measure Total:					222										222										261										295										261																				
19-0175	NI Pharmaceutical Solutions Inc	North	Vertical	R2	4	4	5	17	3	2	2	4	4	5	17	3	2	2	4	4	4	17	3	2	2	R1	17	17	17	16	17	17	10	17	17	17	18	16	12	12	10	10	R3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
19-0175	NI Pharmaceutical Solutions Inc	North	Vertical	R5	7	7	7	17	20	10	7	7	7	7	17	20	10	7	7	6	4	17	20	10	7	R8	18	17	17	18	18	19	19	19	17	16	12	12	13	11	11	12	R4	30	18	13	30	18	13	30	18	30	18	30	18	15	39	618.67							
19-0175	NI Pharmaceutical Solutions Inc	North	Vertical	R6	10	8	9	17	18	9	8	10	8	10	17	18	9	8	10	8	10	17	18	9	8	R9	17	16	14	15	12	16	10	18	17	17	18	17	14	13	12	14	R4	30	18	13	30	18	13	30	18	30	18	30	18	15	144	618.67							
Composite/Measure Total:					190										190										246										246																														
19-0177	Panacea Botanicals LLC	North	Vertical	R2	9	4	3	10	2	17	2	8	4	3	10	2	17	2	9	4	3	10	2	17	2	R1	10	17	14	8	8	8	18	17	10	17	10	18	14	11	11	10	R3	1	1	1	1	1	1	1	1	1	1	1	1	1	3	307							
19-0177	Panacea Botanicals LLC	North	Vertical	R5	8	6	7	20	15	19	10	8	6	7	20	15	19	10	8	6	7	20	15	19	10	R8	5	7	5	4	5	9	10	8	6	8	10	10	7	7	7	7	R4	30	18	18	30	18	18	30	18	30	18	30	18	18	64	598.67							
19-0177	Panacea Botanicals LLC	North	Vertical	R6	9	7	8	17	15	19	7	10	8	9	17	16	19	7	10	8	9	17	16	19	7	R9	11	14	10	14	8	15	16	15	15	14	16	15	12	11	12	11	R4	30	20	20	30	20	20	30	20	30	20	30	20	20	150	598.67							
Composite/Measure Total:					217										217										209										209																														
19-0178	DAHLA LLC	South	Vertical	R2	5	4	8	14	10	8	2	5	4	8	14	10	8	2	5	4	8	14	10	8	2	R1	15	15	14	13	13	12	6	15	14	12	15	14	8	7	8	8	R3	20	17	20	20	17	20	20	17	20	17	20	17	20	40	680.67							
19-0178	DAHLA LLC	South	Vertical	R5	5	6	7	17	19	17	6	5	6	7	17	19	17	6	6	7	6	14	19	17	6	R8	19	18	18	19	18	17	20	19	18	14	17	17	12	13	12	12	R4	30	20	17	30	20	17	30	20	30	20	30	20	17	51	680.67							
19-0178	DAHLA LLC	South	Vertical	R6	9	8	9	18	18	19	8	9	8	10	18	18	19	8	9	8	10	18	18	19	8	R9	10	8	11	12	12	14	13	12	14	18	14	16	10	7	12	11	R4	30	20	20	30	20	20	30	20	30	20	30	20	20	150	680.67							
Composite/Measure Total:					218										216										216										216																														
19-0179	Squared Holdings LLC	North	Vertical	R2	6	4	5	9	10	3	1	6	4	5	9	10	3	1	7	4	5	9	10	3	1	R1	17	14	16	15	16	16	18	16	15	16	16	15	2	6	5	0	R3	1	1	1	1	1	1	1	1	1	1	1	1	1	3	307							
19-0179	Squared Holdings LLC	North	Vertical	R5	7	6	9	19	20	18	7	7	6	9	19	20	18	7	7	6	9	19	20	18	7	R8	14	12	14	14	16	15	14	15	14	14	9	10	7	8	6	0	R4	30	8	15	30	8	15	30	8	30	8	30	8	15	45	577.33							
19-0179	Squared Holdings LLC	North	Vertical	R6	10	9	9	20	19	19	9	10	9	9	20	19	19	9	10	9	10	20	19	19	9	R9	16	10	13	14	15	14	12	14	16	15	17	16	11	9	10	0	R4	30	8	15	30	8	15	30	8	30	8	30	8	15	114	577.33							
Composite/Measure Total:					220										216										202										196																														
19-0180	AP NJ Health LLC	Central	Vertical	R2	10	9	6	12	20	11	3	10	9	6	12	20	11	3	10	9	6	12	20	11	3	R1	17	15	15	16	17	15	12	14	14	14	16	13	12	11	8	12	R3	15	15	15	15	15	15	15	15	15	15	15	15	15	45	680.67							
19-0180	AP NJ Health LLC	Central	Vertical	R5	9	9	8	10	20	19	9	9	9	8	10	20	19	9	9	9	8	10	20	19	9	R8	17	16	19	15	17	16	16	17	17	14	12	10	11	10	13	R4	30	20	16	30	20	16	30	20	30	20	30	20	16	48	680.67								
19-0180	AP NJ Health LLC	Central	Vertical	R6	8	8	7	20	20	20	10	9	8	8	20	20	20	10	9	8	8	20	20	20	10	R9	18	18	16	17	17	17	18	16	16	17	18	19	14	13	15	14	R4	30	20	20	30	20	20	30	20	30	20	30	20	20	150	733.33							
Composite/Measure Total:					210										210										240										240																														
19-0185	Lenola Wellness	South	Vertical	R2	3	3	5	0	11	0	1	3	3	4	0	11	0	1	2	3	4	0	11	0	1	R1	10	10	10	5	4	10	10	8	8	6	4	4	2	2	2	2	R3	1	1	1	1	1	1	1	1	1	1	1	1	1	3	307							
19-0185	Lenola Wellness	South	Vertical	R5	8	7	9	15	20	5	6	8	7	10	15	20	5	6	8	7	7	15	20	5	6	R8	11	12	0	0	0	14	12	15	13	7	8	4	5	8	6	R4	30	0	15	30	0	15	30	0	30	0	30	0	15	45	414.00								
19-0185	Lenola Wellness	South	Vertical	R6	7	7	9	14	14	15	6	7	7	9	14	14	15	6	8	8	9	14	14	15	6	R9	13	13	12	10	11	9	10	11	9	12	11	10	9	8	10	11	R4	30	0	15	30	0	15	30	0	30	0	30	0	15	90	414.00							
Composite/Measure Total:					165										209										181										169																														
19-0187	Cresco Labs Hope LLC	North	Vertical	R2	3	3	4	5	19	13	2	3	3	4	5	19	13	2	3	3	3	5	19	13	2	R1	18	16	17	17	18	16	17	16	14	17	17	14	4	4	6	12	R3	1	1	1	1	1	1	1	1	1	1	1	1	1	3	307							
19-0187	Cresco Labs Hope LLC	North	Vertical	R5	9	8	8	19	20	19	10	9	8	9	19	20	19	10	9	8	8	19	20	19	10	R8	20	20	19	20	19	18	17	20	17	19	13	14	5	6	5	15	R4	30	20	17	30	20	17	30	20	30	20	30	20	17	51	680.00							
19-0187	Cresco Labs Hope LLC	North	Vertical	R6	9	8	9	20	19	20	9	9	9	9	20	19	20	9	9	9	9	20	19	20	9	R9	12	11	11	10	12	13	14	14	12	14	14	14	9	8	10	9	R4	30	20	17	30	20	17	30	20	30	20	30	20	17	150	680.00							
Composite/Measure Total:					237										237										187										219																														
19-0189	Standard Wellness Co NJ LLC	North	Vertical	R2	4	6	7	12	10	11	2	4	6	7	12	10	11	2	3	6	6	12	10	11	2	R1	18	17	17	12	17	17	16	15	16	15	17	10	12	12	12	12	R3	1	1	1	1	1	1	1	1	1	1	1	1	1	3	307							
19-0189	Standard Wellness Co NJ LLC	North	Vertical	R5	9	9	9	18	20	19	10	9	9	9	18	20	19	10	9	9	9	18	20	19	10	R8	18	17	17	18	20	19	20	19	20	19	19	19	14	15	15	15	R4	30	15	19	30	15	19	30	15	30	15	30	15	19	57	699.33							
19-0189	Standard Wellness Co NJ LLC	North	Vertical	R6	10	10	10	20	20	20	10	9	10	10	20	20	20	10	10	10	10	20	20	20	10	R9	16	16	15	13	15	19	18	20	18</																														

Vertical Section Methodology

<u>Region</u>	<u>Patients</u>	<u>Percent of Total Patients</u>	<u>Current Canopy</u>	<u>Current Canopy Ratio</u>	<u>Newly Awarded Canopy (after cultivation)</u>	<u>Canopy Ratio After Awards</u>	<u>Current Dispensaries</u>	<u>Percent of Current Dispensaries</u>	<u>Population</u>	<u>Percent of Total Population</u>	<u>Ranking Current</u>	<u>Ranking with Added Canopy</u>
North	36,096	30%	81,614	33%	80,000	33%	8	35%	3,831,570	41%	1.1	1.1
Central	45,824	38%	61,329	24%	95,000	32%	7	30%	3,580,999	39%	1.4	1.2
South	37,389	31%	107,591	43%	60,000	35%	8	35%	1,876,425	20%	0.7	0.7
Total	119,309	100%	250,534	100%	235,000	100%	23	100%	9,288,994	100%		

<u>County</u>	<u>Population</u>
Atlantic County, New Jersey	274,534
Bergen County, New Jersey	955,732
Burlington County, New Jersey	461,860
Camden County, New Jersey	523,485
Cape May County, New Jersey	95,263
Cumberland County, New Jersey	154,152
Essex County, New Jersey	863,728
Gloucester County, New Jersey	302,294
Hudson County, New Jersey	724,854
Hunterdon County, New Jersey	128,947
Mercer County, New Jersey	387,340
Middlesex County, New Jersey	863,162
Monmouth County, New Jersey	643,615
Morris County, New Jersey	509,285
Ocean County, New Jersey	637,229
Passaic County, New Jersey	524,118
Salem County, New Jersey	64,837
Somerset County, New Jersey	345,361
Sussex County, New Jersey	144,221
Union County, New Jersey	575,345
Warren County, New Jersey	109,632
Total	9,288,994

<u>Region</u>	<u>Population</u>
South	1,876,425
Central	3,580,999
North	3,831,570
Total	9,288,994