



**Washington State
Liquor Control Board**

February 22, 2013

Derek Cronkhite
Advanced Canna LLC
1059 108th Ave NE
Suite 3
Bellevue, WA 98004

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Cronkhite,

This letter is to inform you that Advanced Canna LLC's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2 of RFP K430, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Advanced Canna LLC is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Advanced Canna LLC is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



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Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Friday, February 22, 2013 3:41 PM
To: Derek Cronkhite (ircsound@yahoo.com)
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Advanced Canna_Rejection Letter.pdf

Good Afternoon,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



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Liquor Control Board

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John Farley
Procurement Coordinator

cc: K430 Contract file

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

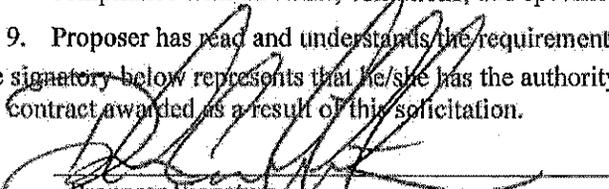
Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.


 Proposer Signature
 PRESIDENT
 Title

ADVANCED CANNA LLC
 Company Name
 2-15-13
 Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name ADVANCED CANNA LLC
 Street Address 1659 108th AVE NE #3
 City, State, Zip BELLEVUE WA 98004
 Federal Tax ID Number PersonallInfo
 UBI 603-092-560
 Website URL WWW.ADVANCEDCANNA.COM

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: DEREK CRONKHITE
 Telephone: 425-241-7383
 Email: IRC SOUND@YAHOO.COM

Payment Options:

- YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.
 Prompt Payment Discount _____ % _____ days, net 30 days.
- YES NO Will you accept the State's Purchasing Card (P-Card)?
- YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
1	Product and Industry Knowledge	<input checked="" type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u>2500</u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ <u>20,000</u> p/day

Advanced Canna LLC.
Derek Cronkhite
1059 108th Ave NE #3
Bellevue, WA. 98004
425-241-7383
ircsound@yahoo.com
February 14, 2013

Dear W.S.L.C.B,

My name is Derek Cronkhite. I am the President and Chairman of Advanced Canna, LLC. , a nonprofit organization called Cannabis Washington, and Cannabis Research Group LLC.

I am writing to you today to ask to be considered for consulting position number one, product and industry knowledge, in the RFP you have posted, I believe it is K430.

There is no way I, or anyone, could describe in two pages or less how to grow or infuse cannabis. Please refer to Google or Ed Rosenthal's book for basic knowledge.

My experience spans 20 years I have knowledge of manufacturing, production, processing. I have current knowledge of the retail, medical, and black markets. Lets just say I know this market very, very, well. I have experience with all types of cannabis cultivation, from dirt production indoors and outdoors to Hydroponics, Aeroponics Deepwater Culture and Tissue Culture. I produce my own cannabis infused products such as beverages, oils such as olive oil, peanut oil, canola oil, and also infused vegetable glycerin for the manufacturing of candies. I also manufacture my own kief, my own cold water extracted hash, and other types of extracts from cannabis. I'm also capable of making creams and lotions with the CBD materials from cannabis in order to cure pain, or cause a relief of pain, for certain people.

To me cannabis production is science with soul. I am an encyclopedia of cannabis knowledge, and I have the experience to match my knowledge. I am a master grower. I am knowledgeable on costs to produce, strain variables, lighting, and environmental needs. I have knowledge of

operational design from the ground up, and proven successful nutrient formulas, as well as I manufacture my own organic spider mite control products. Spider Mites are the number one predator to cannabis crops worldwide.

It is my understanding that the state is seeking a consultant for the purpose of describing the marketplace, production methods necessary to make cannabis, the time frames, the actual returns, and to help project the future of the cannabis trade in Washington. I believe it is referred to as Product and Industry knowledge.

I specialize in and I've dedicated the last 20 years as I previously stated to making sure that I am at the forefront of the science of cannabis and at the forefront of the market. My companies aim to manufacture the highest-quality cannabis possible medically, and with your cooperation, recreationally. I have been a medical patient since 1998. I have been a caretaker for several medical cannabis patients. I am legally blind in one eye and have amblyopia strabismus. My mother has Multiple Sclerosis and my father died when I was a child due to complications from Vietnam. Cannabis is and will always be my passion and source of revenue one way or another. I am a high IQ (150+) visionary.

I have the experience necessary, the knowledge, and the time to dedicate to making sure that this law is formulated correctly. Please consider my application and the included 25 points that I believe the state should consider in their legalization process. Thank you for your time and consideration. If you would like to know why I am more qualified than other applicants please feel free to contact me. You will find my honesty, understanding, cooperation, skill set, and knowledge a refreshing alternative to the many applicants that will tell you they know something they don't just to get your money. Have a nice day.

Derek Cronkhite
425-241-7383
ircsound@yahoo.com

A large, stylized handwritten signature in black ink, appearing to read 'Derek Cronkhite', is written over the typed name and contact information.

25 points for WSLCB to consider

By Advanced Canna

1. Make Reasonable Rules People Will Follow
 - 520 bridge revenue from toll is not what expected
2. Law Must Be Simple and Profitable:
 - No plant limit.
 - Taxed on gram sale price means tax on expenses.
 - No one ounce limit. Guns, Alcohol, and Tobacco have no restrictions for amounts that can be purchased. Also one ounce limit limits state revenue.
3. Legal is Legal
 - Restrictions stop profit for the State – and Grower/Processor/Retailer.
4. Costs To Manufacture Cannabis Varies Depending On:
 - Quality
 - Quantity
 - Skill Level of Grower
 - Production Methods
 - Each Strain has different needs.
5. Out of State Cannabis:
 - How can it be stopped? It can't.
 - Consumer tax like liquor is the only way to insure all cannabis sales are taxed and legal.
 - Enforcement costs are necessary to protect WA state growers and to stop out of state cannabis sales in WA.
 - Licenses must only be issued to WA State residents of more than 5 years.
6. All Other Laws Must Be Followed:
 - Discrimination
 - Equal rights
 - Any resident that qualifies, as a legitimate business or co-op grower should be allowed to be licensed.
7. Growers Sell By The Pound Not Gram

8. IRS Deductions:
 - Taxes & costs with out deductions equal failed businesses, No State revenue.
9. Enforcement Is The Key To Successful Legalization
 - If the state limits growers and their production then the state must provide insurance to licensees that they will enforce the law. How is this possible? People believe it is legal. They will grow with or without a license. This increases enforcement needs not eliminates them and it lowers revenue for WA State. Limiting the number of licenses is wrong.
 - Without enforcement the Black Market will flourish without paying license fees or taxes.
10. Growers Must Be Priority
 - Without their success there is no revenue for the state.
11. Economics
 - Corp Tax 35%, State 25%, Expenses 30% = 90% in costs, that's a 10% profit for a corporate structured business. No corporation will operate like that.
 - Banks refuse to give accounts to cannabis businesses so it is impossible to track revenue that can't be banked or for taxes and deductions to be paid to and received by the IRS.
12. WSLCB Name Change
 - Agriculture Dept. Must Be Involved
13. Tax Consumer Like Liquor. Wholesale Tax Is Stifling
 - Gives point of purchase for all Cannabis WA grown or not.
 - Gives record of all sales. Wholesale that is impossible.
 - This is a farmed, expensive to produce, time consuming crop. Could tomatoes farmers survive with wholesale tax? Or if they weren't allowed to sell their own product to the public, or allowed to only sell them in limited numbers?
14. Wholesale Tax Drives Prices Up And Allows Black Market To Flourish
15. With Currently Suggested License's Producer Cannot Retail
 - Why do I need three licenses? I do them all.
 - Producers must be allowed to retail their own product.

- Farmers sell their own products everyday.

16. Processor Makes Most Profit In State Model

- Wrong. Producers must always make the most for the survival of the industry legally.
- Processor Irrelevant. Most producers also will process.
- Producers must always be considered vital to the success of, and the basis of, the entire revenue stream. Supply then demand.
- Packaged cannabis has a shorter shelf life. It is more likely to mold and not “cure”. Packaging should be done by retailers.
- Processor is irrelevant for flower Cannabis sales – only for extracts, foods, oils, creams.

18. Most People Buy Cannabis From A Friend

- This is unlikely to change with higher prices, because of taxation, at legal cannabis retailers.
- Without enforcement the Black Market will flourish without paying license fees or taxes.

19. Federal Law – 99 Plants

- Impossible To Profit with plant limits, and one ounce sale limit
- Supply & Demand can only be fulfilled by allowing all rightful applicants to be licensed. Otherwise the black-market and out of state cannabis will continue to dominate the revenue stream.

20. License Lottery Or Ridiculous Screening Process Stops Sate Revenue And Discriminates Against People Who Currently Grow and Seek to Legitimize

21. Testing Is A Revenue Killer And Unneeded Expense For State

- Retailers will test anyway.
- Tests don't show quality.
- THC content is only valid if the THC is all active. Inactive THC produces no effect.

22. Black Market Will Continue

- Why would someone pay more for cannabis because it's legal?
- Without enforcement they will flourish without paying license fees or taxes.

23. State Revenue

- Limiting The Number Of Licenses to 100 is equal to \$125,000 in license fees for WA. Not Exactly A Fortune. Hire An Accountant.

24. Forcing Sales At Cannabis Only Stores

- This is discrimination, alcohol is sold at Safeway, Costco etc. Guns are sold at WalMart.

25. People Will Grow Legal Or Not

Stocker, Marlie

From: D Cron <ircsound@yahoo.com>
Posted At: Friday, February 15, 2013 12:54 PM
Conversation: I-502 proposal K430 Advanced Canna
Subject: I-502 proposal K430 Advanced Canna

Dear WSLCB,

Attached is my proposal for K430, I-502 consulting position #1

Thank you,
Derek Cronkhite
425-241-7383
ircsound@yahoo.com

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

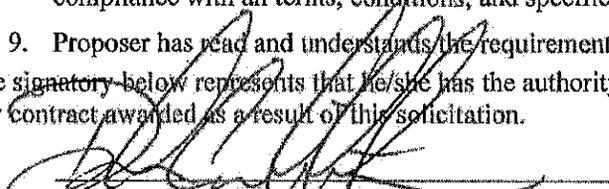
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6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.


 Proposer Signature
 (PRESIDENT)
 Title


 Company Name
 2-15-13
 Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name ADVANCED CANNA LLC
 Street Address 1659 108th AVE NE #3
 City, State, Zip BELLEVUE WA, 98004
 Federal Tax ID Number PersonalInfo
 UBI 603-012-560
 Website URL WWW.ADVANCEDCANNA.COM

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: DEREK CRONKHITE
 Telephone: 425-241-7383
 Email: IREBOUND@YAHOO.COM

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____ % _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
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2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

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Name: _____
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 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
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Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
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 Email: _____
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 OMWBE certified: ___ Yes ___ No

COST PROPOSAL

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Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u>2500</u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ <u>2000</u> p/day

Advanced Canna LLC.
Derek Cronkhite
1059 108th Ave NE #3
Bellevue, WA. 98004
425-241-7383
ircsound@yahoo.com
February 14, 2013

Dear W.S.L.C.B,

My name is Derek Cronkhite. I am the President and Chairman of Advanced Canna, LLC. , a nonprofit organization called Cannabis Washington, and Cannabis Research Group LLC.

I am writing to you today to ask to be considered for consulting position number one, product and industry knowledge, in the RFP you have posted, I believe it is K430.

There is no way I, or anyone, could describe in two pages or less how to grow or infuse cannabis. Please refer to Google or Ed Rosenthal's book for basic knowledge.

My experience spans 20 years I have knowledge of manufacturing, production, processing. I have current knowledge of the retail, medical, and black markets. Lets just say I know this market very, very, well. I have experience with all types of cannabis cultivation, from dirt production indoors and outdoors to Hydroponics, Aeroponics Deepwater Culture and Tissue Culture. I produce my own cannabis infused products such as beverages, oils such as olive oil, peanut oil, canola oil, and also infused vegetable glycerin for the manufacturing of candies. I also manufacture my own kief, my own cold water extracted hash, and other types of extracts from cannabis. I'm also capable of making creams and lotions with the CBD materials from cannabis in order to cure pain, or cause a relief of pain, for certain people.

To me cannabis production is science with soul. I am an encyclopedia of cannabis knowledge, and I have the experience to match my knowledge. I am a master grower. I am knowledgeable on costs to produce, strain variables, lighting, and environmental needs. I have knowledge of

operational design from the ground up, and proven successful nutrient formulas, as well as I manufacture my own organic spider mite control products. Spider Mites are the number one predator to cannabis crops worldwide.

It is my understanding that the state is seeking a consultant for the purpose of describing the marketplace, production methods necessary to make cannabis, the time frames, the actual returns, and to help project the future of the cannabis trade in Washington. I believe it is referred to as Product and Industry knowledge.

I specialize in and I've dedicated the last 20 years as I previously stated to making sure that I am at the forefront of the science of cannabis and at the forefront of the market. My companies aim to manufacture the highest-quality cannabis possible medically, and with your co-operation, recreationally. I have been a medical patient since 1998. I have been a caretaker for several medical cannabis patients. I am legally blind in one eye and have amblyopia strabismus. My mother has Multiple Sclerosis and my father died when I was a child due to complications from Vietnam. Cannabis is and will always be my passion and source of revenue one way or another. I am a high IQ (150+) visionary.

I have the experience necessary, the knowledge, and the time to dedicate to making sure that this law is formulated correctly. Please consider my application and the included 25 points that I believe the state should consider in their legalization process. Thank you for your time and consideration. If you would like to know why I am more qualified than other applicants please feel free to contact me. You will find my honesty, understanding, cooperation, skill set, and knowledge a refreshing alternative to the many applicants that will tell you they know something they don't just to get your money. Have a nice day.

Derek Cronkhite
425-241-7383
ircsound@yahoo.com

A handwritten signature in black ink, appearing to read 'Derek Cronkhite', written over the typed name and contact information.

25 points for WSLCB to consider

By Advanced Canna

1. Make Reasonable Rules People Will Follow
 - 520 bridge revenue from toll is not what expected
2. Law Must Be Simple and Profitable:
 - No plant limit.
 - Taxed on gram sale price means tax on expenses.
 - No one ounce limit. Guns, Alcohol, and Tobacco have no restrictions for amounts that can be purchased. Also one ounce limit limits state revenue.
3. Legal is Legal
 - Restrictions stop profit for the State – and Grower/Processor/Retailer.
4. Costs To Manufacture Cannabis Varies Depending On:
 - Quality
 - Quantity
 - Skill Level of Grower
 - Production Methods
 - Each Strain has different needs.
5. Out of State Cannabis:
 - How can it be stopped? It can't.
 - Consumer tax like liquor is the only way to insure all cannabis sales are taxed and legal.
 - Enforcement costs are necessary to protect WA state growers and to stop out of state cannabis sales in WA.
 - Licenses must only be issued to WA State residents of more than 5 years.
6. All Other Laws Must Be Followed:
 - Discrimination
 - Equal rights
 - Any resident that qualifies, as a legitimate business or co-op grower should be allowed to be licensed.
7. Growers Sell By The Pound Not Gram

8. IRS Deductions:

- Taxes & costs with out deductions equal failed businesses, No State revenue.

9. Enforcement Is The Key To Successful Legalization

- If the state limits growers and their production then the state must provide insurance to licensees that they will enforce the law. How is this possible? People believe it is legal. They will grow with or without a license. This increases enforcement needs not eliminates them and it lowers revenue for WA State. Limiting the number of licenses is wrong.
- Without enforcement the Black Market will flourish without paying license fees or taxes.

10. Growers Must Be Priority

- Without their success there is no revenue for the state.

11. Economics

- Corp Tax 35%, State 25%, Expenses 30% = 90% in costs, that's a 10% profit for a corporate structured business. No corporation will operate like that.
- Banks refuse to give accounts to cannabis businesses so it is impossible to track revenue that can't be banked or for taxes and deductions to be paid to and received by the IRS.

12. WSLCB Name Change

- Agriculture Dept. Must Be Involved

13. Tax Consumer Like Liquor. Wholesale Tax Is Stifling

- Gives point of purchase for all Cannabis WA grown or not.
- Gives record of all sales. Wholesale that is impossible.
- This is a farmed, expensive to produce, time consuming crop. Could tomatoes farmers survive with wholesale tax? Or if they weren't allowed to sell their own product to the public, or allowed to only sell them in limited numbers?

14. Wholesale Tax Drives Prices Up And Allows Black Market To Flourish

15. With Currently Suggested License's Producer Cannot Retail

- Why do I need three licenses? I do them all.
- Producers must be allowed to retail their own product.

- Farmers sell their own products everyday.

16. Processor Makes Most Profit In State Model

- Wrong. Producers must always make the most for the survival of the industry legally.
- Processor Irrelevant. Most producers also will process.
- Producers must always be considered vital to the success of, and the basis of, the entire revenue stream. Supply then demand.
- Packaged cannabis has a shorter shelf life. It is more likely to mold and not “cure”. Packaging should be done by retailers.
- Processor is irrelevant for flower Cannabis sales – only for extracts, foods, oils, creams.

18. Most People Buy Cannabis From A Friend

- This is unlikely to change with higher prices, because of taxation, at legal cannabis retailers.
- Without enforcement the Black Market will flourish without paying license fees or taxes.

19. Federal Law – 99 Plants

- Impossible To Profit with plant limits, and one ounce sale limit
- Supply & Demand can only be fulfilled by allowing all rightful applicants to be licensed. Otherwise the black-market and out of state cannabis will continue to dominate the revenue stream.

20. License Lottery Or Ridiculous Screening Process Stops State Revenue And Discriminates Against People Who Currently Grow and Seek to Legitimize

21. Testing Is A Revenue Killer And Unneeded Expense For State

- Retailers will test anyway.
- Tests don't show quality.
- THC content is only valid if the THC is all active. Inactive THC produces no effect.

22. Black Market Will Continue

- Why would someone pay more for cannabis because it's legal?
- Without enforcement they will flourish without paying license fees or taxes.

23. State Revenue

- Limiting The Number Of Licenses to 100 is equal to \$125,000 in license fees for WA. Not Exactly A Fortune. Hire An Accountant.

24. Forcing Sales At Cannabis Only Stores

- This is discrimination, alcohol is sold at Safeway, Costco etc. Guns are sold at WalMart.

25. People Will Grow Legal Or Not



Washington State
Liquor Control Board

February 25, 2013

Aaron J. Matlewski
838 Zinnia Cir.
Henderson, NV 89015

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Matlewski,

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Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 25, 2013

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Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:34 AM
To: 'lifesevidence@yahoo.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Aaron Matlewski_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

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Sincerely,

A handwritten signature in cursive script that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: AJ Matlewski <lifesevidence@yahoo.com>
Posted At: Thursday, February 14, 2013 7:30 PM
Conversation: i-502 Implementation Bid
Subject: i-502 Implementation Bid

Procurement Coordinator
Washington State Liquor Control Board
3000 Pacific Ave
Olympia WA 98504
K430@liq.wa.gov

Aaron J. Matlewski
838 Zinnia Cir.
Henderson NV 89015
lifesevidence@yahoo.com
(702) 374-8702

February 14, 2013

Dear Procurement Coordinator,

Please find attached my bid for WSLCB, I-502 Implementation. I understand that the decision will be made on March 4, 2013 and announced on March 5, 2013 via WSLCB listserv. I know I would be the best candidate for the I-502 Consulting position, and I look forward to hearing from you.

Sincerely,
Aaron 'Aj' Matlewski

Statement of Confidentiality:

The contents of this e-mail message and any attachments are confidential and are intended solely for the addressee. The information may also be legally privileged. This transmission is sent in trust, for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, any use, reproduction, or dissemination of this transmission is strictly prohibited. If you are not the intended recipient, please immediately **notify** the sender by reply e-mail or phone and **delete** this message and its attachments, if any.

**WASHINGTON STATE LIQUOR CONTROL BOARD
I-502 IMPLEMENTATION
REQUEST FOR PROPOSALS (RFP)**

Product and Industry Knowledge

I have an extensive amount of experience with marijuana (cannabis). My thirteen years of experience includes smoking, selling, transporting, marketing and recipes for the use of every part of the plant to make various concoctions. I intend to prove to you that I would be the best candidate to help make the Washington marijuana program the best it can be. My passion revolves around the one plant that our body reacts to naturally and truly helps it heal.

My experience includes selling on the streets of Las Vegas, Nevada, growing on a legal cannabis farm and working in a legal collective in California. Running cannabis under the radar of the laws, taught me more about proper business techniques, financial etiquette, and satisfying customers while working in a constantly fluctuating market than I could've ever learned in a classroom.

I started small and worked my way up to supplying three major cities. I had a small crew that I ran as a business and I taught them loyalty and integrity. Within the business, I maintained an organized way to package, conceal and keep the product fresh for the client so they never received a product that is below exceptional and the client also remained safe.

I have been able to utilize the Medical Marijuana program for my own benefit due to pain from a major injury from an automobile accident. I had to learn how to hide in plain sight and remain out of trouble with the law. After thirteen years, I have never received any warning, citation or charges regarding the use, possession or intent to sell cannabis. The only way to change people's minds about cannabis being a drug is to treat it like a business and run it as such.

I have grown cannabis on a legal outdoor farm and various indoors grow rooms that consist of one closet to a warehouse. I can maintain specific strains of marijuana and have experience with cross pollinating and mixing the strains. I have grown and dealt with over 150 strains and have the knowledge of the different needs each strain requires from nutrition to environments. In eight to twelve weeks, you will have glorious plants that are ready for the final stages. Harvesting, trimming and curing are the final stages. At the time of harvest the flower (bud) is trimmed to give a well groomed appeal to the clients. Then the bud is cured to help retain their natural fragrance and prime the resin or THC and then is displayed to the client.

Since cannabis is universal, little to almost none of the plant goes to waste. I have recipes for cooking butter and oil, bubble hash, hash oil and crystals. All it takes is time and the person to do it. I am that person.

**WASHINGTON STATE LIQUOR CONTROL BOARD
I-502 IMPLEMENTATION
REQUEST FOR PROPOSALS (RFP)**

Page 2

Product Quality Standards and Testing

This is the most important stage of creating an industry standard. A team of horticultural professionals ranging from a PhD in botany to a chemist will be needed to establish proper environments and nutrition for the plants. This will determine how the plants of different strains will produce the maximum result based on each individual state and the ideal conditions to promote each plant to reach its peak potential. From feeding clones, advancing growth and bloom nutrients, chemically testing for trichomes and cannabinoid counts, will also be beneficial in regulating different choices of quality based a person's available funds, tolerance and availability. To create an abundance of choices for the consumer and the individual needs from smoking the buds themselves to different grades of concentrates, baked goods and all other forms of usable cannabis that produce the psychoactive effects that the consumer search for.

Product Usage and Consumption Validation

At this time, it is not possible to gauge the amount of usage or revenue that will come from cannabis. This will be difficult to establish since cannabis is a criminally illegal substance and is becoming legal, to the point of use, but that doesn't mean that a simple census of use will be able to accurately identify how much a city may consume in comparison to other cities. Reaching out to the public will need to be extensive and unique so consumers grasp the change from being prosecuted to being reorganized as a productive member of society who consumes cannabis.

Product Regulation

The launching point is going to determine the best avenue to create socially sound guidelines that will not be detrimental to the cannabis culture. A simple overview will not be enough to create laws that are structurally sound based on social use. A simple construct without proper cross referencing with the other position requirements will ultimately become the downfall of further legalizations in other states. This is the precipice of change and Washington is on the forefront of that change. The amount of time spent on legislature will make or break Washington's progression. Therefore, the proper cannabis team, the public and the local government will need to place test and implement the entire conclusive phases to create an efficient program that promotes progress.

In conclusion, with all of the experience that I have in the cannabis industry, I know that I would be the ideal person to run your consulting program. A team would be needed to bring your legislature to perfection. I know the type of team that would be needed and with your assistance I know we can make the State of Washington the premier state to prove that cannabis is a simple and positive plant and can change the economy, one state at a time.

Compensation

An annual fee of \$80,600 for the first year and negotiated on the eleventh month of each year for five years. Payments should be paid bi-weekly.

**WASHINGTON STATE LIQUOR CONTROL BOARD
I-502 IMPLEMENTATION
REQUEST FOR PROPOSALS (RFP)**

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WASHINGTON STATE LIQUOR CONTROL BOARD
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Washington State
Liquor Control Board

February 25, 2013

Andrew Fournier
607 South Third Street
West Dundee, IL 60118

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Fournier,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

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It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Andrew Fournier failed to submit a Cost Proposal for evaluation, in response to RFP K430. Furthermore, the Non-Cost Proposal submitted is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Andrew Fournier is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file



**Washington State
Liquor Control Board**

February 25, 2013

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Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:35 AM
To: Andy Fournier (andy.fournier@gmail.com)
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Andrew Fournier_Rejection Letter.pdf

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Procurement Coordinator
K430@liq.wa.gov



Washington State
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John Farley
Procurement Coordinator

cc: K430 Contract file

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to lcbids@liq.wa.gov.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the lcbids@liq.wa.gov inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|--------------------------|
| Proposer's Authorized Offer (see page 2) | <input type="checkbox"/> |
| Proposer Information (see page 3) | <input type="checkbox"/> |
| Subcontractor Information (see page 4) | <input type="checkbox"/> |
| Letter of Submittal (see page 5) | <input type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input type="checkbox"/> |
| Cost Proposal (see page 8) | <input type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Proposer Signature

Andrew Fournier

Title: NA

Company Name: NA

Date 2/14/13

PROPOSER INFORMATION

Proposer Profile:

Firm Name _____
 Street Address _____
 City, State, Zip _____
 Federal Tax ID Number _____
 UBI _____
 Website URL _____

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: Andrew Fournier
 Telephone: (847) 666-7761
 Email: andy.fournier@gmail.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____% _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
1	Product and Industry Knowledge	<input checked="" type="checkbox"/>
2	Product Quality Standards and Testing	<input checked="" type="checkbox"/>
3	Product Usage and Consumption Validation	<input checked="" type="checkbox"/>
4	Product Regulation	<input checked="" type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/day

Stocker, Marlie

From: Andy Fournier <andy.fournier@gmail.com>
Posted At: Thursday, February 14, 2013 7:50 PM
Conversation: RFP- K430, Andrew Fournier
Subject: RFP- K430, Andrew Fournier

To whom this may concern,

Attached are both a submittal document, and a letter of submittal for my proposal to RFP - K430.

Thank you for your consideration,
Andrew Fournier

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to lbbids@liq.wa.gov.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the lbbids@liq.wa.gov inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|--------------------------|
| Proposer's Authorized Offer (see page 2) | <input type="checkbox"/> |
| Proposer Information (see page 3) | <input type="checkbox"/> |
| Subcontractor Information (see page 4) | <input type="checkbox"/> |
| Letter of Submittal (see page 5) | <input type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input type="checkbox"/> |
| Cost Proposal (see page 8) | <input type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Proposer Signature

Andrew Fournier

Title: NA

Company Name: NA

Date 2/14/13

PROPOSER INFORMATION

Proposer Profile:

Firm Name _____
 Street Address _____
 City, State, Zip _____
 Federal Tax ID Number _____
 UBI _____
 Website URL _____

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: Andrew Fournier
 Telephone: (847) 666-7761
 Email: andy.fournier@gmail.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____% _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
1	Product and Industry Knowledge	<input checked="" type="checkbox"/>
2	Product Quality Standards and Testing	<input checked="" type="checkbox"/>
3	Product Usage and Consumption Validation	<input checked="" type="checkbox"/>
4	Product Regulation	<input checked="" type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/day

Andrew Scot Fournier
607 South Third Street, West Dundee IL, 60118
(847) 666-7761; andy.fournier@gmail.com

To the Washington State Liquor Control Board,

My name is Andrew Fournier and I have written this proposal for services consulting with the implementation of the newly legalized recreational marijuana system. I think that marijuana and its unique characteristics warrant the use of this controlled substance for adults similar to that of alcohol and tobacco. In addition, the medical and commercial benefits of marijuana are substantial enough to deserve proper attention to its production, regulation, and distribution to consumers. Not only do I want to help in this process, but I feel that the skills I have acquired between my education and job experience make me a strong candidate for this position.

This proposal was written by myself as of 2/13/13. Due to limited time constraints between the email delays obtaining the necessary information, and my current job, I have not been able to complete the proposal in the described format. I hope that as a result you do not look strictly at the possibility of misguided formatting. If necessary, I can be contacted and will make any necessary adjustments to still be considered for this contract. In addition, since I am a single person, I do not have any cost proposals, which would be up for discussion upon a response from the WSCLB.

I have included both a written proposal for my services, as well as a resume highlighting my experience and abilities relative to this position. Please contact me through any of the contact methods listed in the header with any questions.

Andrew Scot Fournier
2/13/2013
andy.fournier@gmail.com

WSLCB RFP for Consulting Services to Assist With the Implementation of the Legalized Recreational System

Objective:

This is a proposal for the job of consulting the implementation of the recently legalized production, distribution, and use of marijuana. In this proposal I will address and discuss each of the requested abilities, and why I am suitable for this position. In addition I have included a short resume highlighting abilities and experience relevant to this proposal. Several ideas will also be included as examples for both implementation procedures, as well as, my ability to fulfill this role.

Personal objectives for this position include the reevaluation of the effectiveness and reasons for the previous legal status regarding marijuana. Both the medical and recreational effects of marijuana merit the controlled use and distribution to adults over the age of 21 similar to that of both alcohol and tobacco. As a result, I would like to help in the establishment and regulation of marijuana to help as a standard for other states to follow.

Desired Skills:

- **Product and Industry Knowledge**

I have recently graduated from Northern Illinois University with a Bachelor of Science in the major of Biological Sciences. This degree was completed after completing three years as a Biochemistry major at the Illinois Institute of Technology in Chicago, Illinois. These two periods of schooling have allowed me to learn many different areas of health sciences, biology, ecology, and chemistry. I have also worked in several different areas of food production and retail including working as a cashier at Woodman's Food Markets. I also worked as a production helper involved in the sanitation and production of food products at General Mills Inc, in West Chicago, IL. I currently work as a lab technician in the Quality Regulations and Operations division at the same General Mills plant.

I have moderate experience in plant growth from having a garden and being outdoors all of my life, as well as being an Eagle Scout. In addition, classes in plant biology and physiology combined with an interest in growing marijuana gives me some familiarity to the growth cycle of this species. The knowledge of physiology allows me to also offer insights on ways to improve methods that are already established. Cultivating, harvesting, and curing are topics that while I am capable of, I will be reading more extensively for ways to increase efficiency.

Application and infusion into other products would be one of my strong points. In addition to personal experience in multiple methods of extraction, my chemistry knowledge allows me to understand and propose more efficient methods for this process. With my recent

experience in food production and regulation, I have an idea of how things should be handled relating to the public safety and accountability of producers and retailers relating to the consumption of marijuana.

While the possibilities of contamination and recalled product are something that would require more work and reading into the proposed methods of distribution, I have ideas both on what to do with this and over-produced product. One thing to mention at this time is the possibility of donating excess product to medical centers for people with legitimate need of treatments by marijuana such as glaucoma. The idea here is that since supply exceeds demand, excess marijuana can be given to those who may not be able to afford treatment for their specific ailments either cheaper or relatively free.

- **Product Quality Standards and Testing**

My current position at General Mills and general laboratory experience has given me strong expertise in a laboratory both in terms of designing and performing routine lab techniques. I have a basic idea for things to test such as moisture content as a method to determine proper curing time. I am also familiar with the safety measures put in place to safeguard food, which will help me to add ideas on how to better ensure public safety.

I am also involved in sensory evaluations in the food produced in West Chicago. This means that I have experience in what to judge in terms of product quality. While a chemical analysis can tell you several things, senses allow you to understand the same thing the consumer will experience. I have consumed marijuana in a couple different forms including smoke, food, and drinks. Therefore, I would be able to not only guide, but participate in testing for product qualities both chemically, and the same way the consumer would.

- **Product Usage and Consumption Validation**

I have no firsthand experience living in Washington state, but I possess an interest in the local culture, as well as an understanding of economic principles. I feel that the combination of my background, in conjunction with the analysis of clinical and census-based data, will enable me to make intelligent decisions relating to the distribution of marijuana. For example, I feel that monitoring product sales in test locations will yield valuable statistical information in regards to usage, and create actual figures to work from, rather than theoretical ones.

- **Product Regulation**

I am familiar with the controlled substance act and I-502, and would consider it my responsibility to remain informed on all applicable legislation regarding marijuana regulation, as well as maintaining up-to-date knowledge as new legislation passes at both the state and federal levels, to ensure that as we establish the groundwork for this new set of rules, we maintain legal relevancy and credibility. I would also be able to help in areas such as the legal driving threshold while under the influence of marijuana.

My experience in food production at a plant has also given me insight into the regulations set in place by the FDA among other administrations regarding products for consumption. This combined with knowledge of the legal system would allow me to suggest ways to comply or improve the finished product that reaches the consumer.

- **General Skills**

I possess many skills that make me a strong match for this position. I have a strong work ethic for my job, and this opportunity is something that excites me guaranteeing my hard work. In addition I am a fast learner and a perfectionist which will help me to think of things in their entirety. This combined with a plethora of abnormal approaches to every day problems will make me a valuable asset to the different groups of people responsible for establishing a system for the regulation and use of marijuana. I have experience in many different areas of science and real life practice which allow me to understand and add to current procedures involving the production and safety of the consumer. In addition, any area that I am lacking in will be mitigated by my drive to complete the task at hand, meaning I will study and learn anything I need to in order to produce an effective system to set an example for other states.

Andy Fournier

607 South Third Street, West Dundee IL, 60118

(847) 666-7761; andy.fournier@gmail.com

Objective:

To gain skills and experience related to the application as well as theory of biological sciences in various consumer products.

Experience:

Laboratory Technician I QRO

January 2013 - Present

General Mills, West Chicago IL

- Responsible for the chemical analysis of product.
- Ensure public safety through HACCP checks.
- Sensory testing and evaluation of finished product.
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- Cashier and bagger for groceries.
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January 2008 – March 2010

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- Knowledge and experience in growing and harvesting plants.
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- Proficient at finding and learning necessary information from all resources.



Washington State
Liquor Control Board

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Smith,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Ben Smith failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Letter of Submittal, Non-Cost Proposal and Cost Proposal. Ben Smith submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file



**Washington State
Liquor Control Board**

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Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:36 AM
To: mr.ben247@hotmail.com
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Ben Smith_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

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Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Smith,

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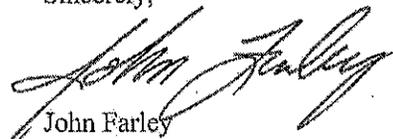
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: Ben Smith <mr.ben247@hotmail.com>
Posted At: Friday, February 15, 2013 9:45 AM
Conversation: Formal application
Subject: Formal application

Lately I have been submitting ideas regarding Washington State's new cannabis laws. The Washington State Liquor Control Board was looking for somebody with inside knowledge of production, market, and other. I have been considering applying for the job I do know the market inside and out. I am knowledgeable in just about every aspect including testing. I do not have a degree but I don't think somebody with a degree in botany is necessarily the right type of person for the job. A botanist is an expert in plant growth but I have known botanist that have tried their hand in what was a black market. They did grow large plants and have knowledge of insects and diseases that can effect production. I had been called in to improve the quality of the product and teach the botanist a few things that are done differently with this particular plant. I consider myself one of the worlds top quality growers but not a quantity grower. My interests were more in forced breeding improving genetics and creating new strains. I have over 50 of my own hybrids. In order for me to take a job for the WSLCB I would need to exclude myself from growing and retail in order to avoid a conflict of interest. I live on the Eastern side of the state near the Horse Heaven Hills. This area as well as the Yakima Valley and Columbia basin has some of the best farmland in the world with some of the best conditions for growing the highest grade cannabis as well as many other crops. To meet high standards I have suggested in other letters which seem to be taken into consideration the best and most economical way to grow this product is in a greenhouse with extra lighting for winter seasons and black out curtains for forced production. Cannabis can to forced into flowering by reducing light to 12 or less per day. What the beginner grower may not realize is that even a pinhole of light during 12 hours of darkness can cause hermaphrodite plants. The females will produce pollen sacks and pollinate the crop producing and abundance of seeds. If industrial hemp is ever considered for production the pollen from that could pollinate plants from many miles away. This is fine if cannabis is grown inside and the air is properly filtered. My ultimate goal is to help with large scale irrigation projects starting with the Horse Heaven Hills. Right now we are paying farmers not to farm instead of looking to produce more exports like we should be doing. I want to help pay down Washington State's accumulated debts and produce the revenue to cover the cost instead of running at a deficit. I am glad to hear news of Jay Inslee writing a letter to congress. Without the Federal Government I don't think any plans can actually move forward because nobody would be able to hire employees or deduct expenses. Farmers with land in C.R.P. or any other Federal programs would not be able to participate in new industries. Cannabis can also be made into diesel but I don't know about practicality because diesel is made from the oil produced by the seed. Strains would need to be bred to maximize seed production. I really think algae and enzymes used to convert protein cells from grasses and wast into more of a sugar to produce alcohol fuels. What I need to know is job details. Would I be responsible for issuing permits to high quality growers? I believe I am picky enough to select only the best growers to insure the highest quality. This could be done with temporary permits to inspect growers facility and insure high quality standard. Would I be responsible for making sure retail outlets are following the rules and paying tax? Would some sort of U.P.C. system need to be used to keep track of inventory. The state could use something similar to what they use to keep track of bundles of scratch tickets. When retail location activates a batch the State would then know exactly what is on the legal market. Would I be responsible for making sure that edibles are safe? Edibles can be over concentrated causing panic attacks and disabling mobility similar to too much alcohol. Would I be responsible for starting program to determine safe THC blood percentage? Insurance companies have no set standards for determining if cannabis is impairing skills causing accidents. Most people with good jobs will not be able to use this product due to drug testing required by insurance companies. Once they have standards they could vary their policies. Hopefully WSLCB has my other letters on file. Do I need to come apply in person if I am considered for the job?



Washington State
Liquor Control Board

February 25, 2013

Toby Paterson
Berkshire Cascade Corporation
7745 Jenni Street NE
Olympia, WA 98506

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Paterson,

This letter is to inform you that Berkshire Cascade Corporation's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

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It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Berkshire Cascade Corporation is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Berkshire Cascade Corporation is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

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**Washington State
Liquor Control Board**

February 25, 2013

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"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Berkshire Cascade Corporation is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Berkshire Cascade Corporation is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:38 AM
To: 'toby@berkshire-cascade.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Berkshire Cascade Corp_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

Toby Paterson
Berkshire Cascade Corporation
7745 Jenni Street NE
Olympia, WA 98506

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Paterson,

This letter is to inform you that Berkshire Cascade Corporation's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2 of RFP K430, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Berkshire Cascade Corporation is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Berkshire Cascade Corporation is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jstf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to lcbids@liq.wa.gov.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the lcbids@liq.wa.gov inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

Proposer's Authorized Offer (see page 2)	<input checked="" type="checkbox"/>
Proposer Information (see page 3)	<input checked="" type="checkbox"/>
Subcontractor Information (see page 4)	<input checked="" type="checkbox"/>
Letter of Submittal (see page 5)	<input checked="" type="checkbox"/>
Non-Cost Proposal (see page 6)	<input checked="" type="checkbox"/>
Cost Proposal (see page 8)	<input checked="" type="checkbox"/>

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Toby Paterson

Proposer Signature

CEO and Senior Research Scientist

Title

Berkshire Cascade Corporation

Company Name

02/14/2013

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name	Berkshire Cascade Corporation
Street Address	7745 Jenni ST NE
City, State, Zip	Olympia, WA 98506
Federal Tax ID Number	PersonallInfo
UBI	603263318
Website URL	

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name:	Toby Paterson
Telephone:	360-338-0930
Email:	toby@berkshire-cascade.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount 2.00 % 10 days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input checked="" type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

<p>Subcontractor 1</p> <p>Name: <u>Analytical 360</u></p> <p>Services: <u>Cannabis Analysis Laboratory</u></p> <p>Address: <u>4035 Stone Way N, Seattle, WA 98103</u></p> <p>Telephone: <u>206-577-6998</u></p> <p>Email: <u>sales@analytical360.com</u></p> <p>Fed ID: <u>PersonallInfo</u></p> <p>UBI: <u>603120434</u></p> <p>Work to be Performed: <u>Consultation on cannabis testing and content analysis</u></p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Subcontractor 2</p> <p>Name: _____</p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Subcontractor 3</p> <p>Name: _____</p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Subcontractor 4</p> <p>Name: _____</p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>

LETTER OF SUBMITTAL

Letter of Submittal
02/14/2013

Berkshire Cascade Corporation
7745 Jenni ST NE
Olympia, WA 98506
360-338-0930
Cellular: 360-229-0956

Toby Paterson, CEO and Senior Research Scientist
7745 Jenni ST NE
Olympia, WA 98506
360-338-0930

Joe Morse, President
230 Holmes RD
Pittsfield, MA 01201
413-446-4459

Thank you for the opportunity to compete for the Marijuana consulting contract. We are pleased to offer our consulting services, and firmly believe that our expertise, industry knowledge and skill will provide the finest possible results for the mission critical outcomes necessary for the State to implement the commerce devices by the due date. We are responding to all RFP categories (1-4).

Our leadership team is: Toby Paterson, CEO/ Senior Research Scientist and Joe Morse, President. Toby holds a Master's degree in Agricultural Economics and a Bachelor's degree in economics. Beyond Toby's work for the Berkshire Cascade Corporation, he is an economist for the Washington State Employment Security Department. His work is related to labor market information and statistical data collection, estimation and publication in cooperation with the Bureau of Labor Statistics. He has no affiliation with the Liquor Control Board, or the regulatory process affecting the Liquor Control Board in his work capacity. Joe holds a Master's degree in Agricultural Business and Marketing.

Both Toby and Joe worked as Statisticians for the United States Department of Agriculture's National Agricultural Statistics Service. They both have extensive experience collecting, analyzing and publishing National and State agricultural production data and working with regulatory offices. Toby and Joe worked on the 2007 Census of Agriculture.

We have, and continue to build, a network of experts to work with including professors from Washington universities. We firmly believe that our team will deliver the most cost effective, accurate and useful analysis and guidance to move the state forward into an efficient marijuana market place:

Thank you for your consideration and time, we look forward to discussing the contract with you in the near future.

Sincerely,
RFP K430 Submittal Document

Toby Paterson
CEO and Senior Research Scientist
Berkshire Cascade Corporation

NON-COST PROPOSAL

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Ability, Capacity and Skills:

The Principals have extensive Agricultural production experience and knowledge. Together, they have over two decades of experience in Agricultural business and economics from the academic research, public, and private sectors including all phases from farm to processor to consumer. The Company also works with academic researchers from Washington State higher education institutions.

Our firm has the knowledge of food science and expanding markets related to Marijuana to bring valuable expertise to the topic of food and beverage infusion. Additionally, our firm has supply chain management and marketing expertise that will prove to be beneficial when considering retail consumption.

Our firm's experience with Agricultural producers has given us insight into best practices for managing overproduction or contamination of crops. We have various methodologies to study and implement that will find the optimal solution specific to Marijuana. This can include, but is not limited to, incineration, remediation (depending on contaminant), and quarantine with a composting option. In the case of a recall, it would be necessary to have a tracking system similar to other Agricultural production that could trace the product back through the supply chain.

The company's Senior Research Scientist has Marijuana industry knowledge specific to Washington and the environment for growing, distributing, and consumer acceptance.

The team structure and internal controls are simplified to enhance communication, reduce errors and duplication, and provide superior results to our client. The firms Principal's have responsibility for completion of work. The Senior Research Scientist, Toby Paterson, will work directly with any subcontractors in Washington, to complete work as necessary.

Toby Paterson, CEO and Senior Research Scientist

5 years as Statistician for the National Agricultural Statistics Service

4 years as Economist for Washington State

MA-Agricultural Economics

Expertise in agronomics, supply/demand (distribution and consumer behavior), edibles and other derivative products of Marijuana.

Joseph Morse, President

5 years as Statistician for the National Agricultural Statistics Service

MA-Agribusiness

Expertise in marketing channel management and regulatory affairs

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Ability, Capacity and Skills:

The Company's ability to ensure proper Marijuana product quality testing is derived from our network of experts in the field. We will enlist the assistance of an experienced subcontractors in this area. The subcontractor has confirmed they are willing to provide product quality and standards consultation and scientific lab testing consultation.

Consumer demand for the various strains, product types, and potencies of marijuana will be evaluated through examination of existing data and through surveys of the consumers and sellers in the medicinal industry and existing underground market industry.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Ability, Capacity and Skills:

The Company has all of the ability, capacity and skills necessary to produce accurate, timely, and relevant statistical estimates for product usage and consumption levels by geographic area in Washington State.

Our firm's experience comes from a combined decade with the National Agricultural Statistics Service conducting surveys and producing reports from statistical data. Statistical methods research and survey methodology are two of our Principal's specialties. Toby Paterson, Senior Research Scientist, and Joseph Morse, President would manage the design, data collection, analysis, and reporting of statistical results.

Our data collection methodology would optimally be done through a Census of known Marijuana consumers in Washington State. We believe a census, cost permitting, is more likely to achieve the desired result, mainly because a survey captures a smaller group (which may not be accurately representative of the intended target population). However, in the event that cost and or the availability of respondents are constraining factors to completing a census, we will implement sample based surveys and rely on statistical estimation. Once data is collected, we can analyze raw data for outliers and statistical validity and then summarize the findings into usable results.

CATEGORY 4 – PRODUCT REGULATION

Ability, Capacity and Skills:

Since the Principals of our firm are former Federal government employees who have been involved in regulated industries, we believe that we have the necessary skills for consulting on best practices for managing government procedures and developing system regulations.

Our firm's Principals have worked on rulemaking panels and industry collaborative projects to advise State government departments how to implement new laws with the most favorable impact on effected stakeholders. Specifically, Joseph Morse, has recently spent time working on a Massachusetts Local Distribution Company collaborative for the Department of Public Utilities to implement changes to gas utility rate recovery process. Toby Paterson, Senior Research Scientist, has provided Employment Security Department data, research and analysis to the Legislature of Washington State, and advised on fiscal notes and policy impacts, through his work with the State. Toby was a member of the Federal Joint Subcommittee on Aquaculture, and advised the Montana State Governor's Drought Advisory Board.

The Company's approach to rule making and regulation for Washington's Marijuana System will be to gather input from stakeholders (producers, merchants, consumers, and other interested parties) for inclusion of ideas. Taking this input into consideration, we will form a collaborative group of industry participants who can help develop rules that will be manageable, have community acceptance, and have measurable results.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 **or** Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate **or** Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

RFP K430 Submittal Document

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u>75.00</u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ _____ p/day

Stocker, Marlie

From: toby@berkshire-cascade.com
Posted At: Friday, February 15, 2013 9:14 AM
Conversation: RFP K430, Berkshire Cascade Corporation
Subject: RFP K430, Berkshire Cascade Corporation

Hello,

Please find attached the Berkshire Cascade Corporation Submittal document in regard to the RFP 430.

Thank you for your time and consideration.

Sincerely,

Toby Paterson, CEO and Senior Research Scientist
Berkshire Cascade Corporation
7745 Jenni ST NE
Olympia, WA 98506
360-338-0930
Cellular 360-229-8956
toby@berkshire-cascade.com

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to lcbids@liq.wa.gov.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
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SUBMITTAL CHECKLIST

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Proposer's Authorized Offer (see page 2)	<input checked="" type="checkbox"/>
Proposer Information (see page 3)	<input checked="" type="checkbox"/>
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Non-Cost Proposal (see page 6)	<input checked="" type="checkbox"/>
Cost Proposal (see page 8)	<input checked="" type="checkbox"/>

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Toby Paterson

Berkshire Cascade Corporation

Proposer Signature

Company Name

CEO and Senior Research Scientist

02/14/2013

Title

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name	Berkshire Cascade Corporation
Street Address	7745 Jenni ST NE
City, State, Zip	Olympia, WA 98506
Federal Tax ID Number	PersonalInfo
UBI	603263318
Website URL	

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name:	Toby Paterson
Telephone:	360-338-0930
Email:	toby@berkshire-cascade.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount 2.00 % 10 days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input checked="" type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1	Subcontractor 2
Name: <u>Analytical 360</u>	Name: _____
Services: <u>Cannabis Analysis Laboratory</u>	Services: _____
Address: <u>4035 Stone Way N, Seattle, WA 98103</u>	Address: _____
Telephone: <u>206-577-6998</u>	Telephone: _____
Email: <u>sales@analytical360.com</u>	Email: _____
Fed ID: <u>PersonallInfo</u>	Fed ID: _____
UBI: <u>603120434</u>	UBI: _____
Work to be Performed: <u>Consultation on cannabis testing and content analysis</u>	Work to be Performed: _____
OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No	OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No

Subcontractor 3	Subcontractor 4
Name: _____	Name: _____
Services: _____	Services: _____
Address: _____	Address: _____
Telephone: _____	Telephone: _____
Email: _____	Email: _____
Fed ID: _____	Fed ID: _____
UBI: _____	UBI: _____
Work to be Performed: _____	Work to be Performed: _____
OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No	OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No

LETTER OF SUBMITTAL

Letter of Submittal
02/14/2013

Berkshire Cascade Corporation
7745 Jenni ST NE
Olympia, WA 98506
360-338-0930
Cellular: 360-229-0956

Toby Paterson, CEO and Senior Research Scientist
7745 Jenni ST NE
Olympia, WA 98506
360-338-0930

Joe Morse, President
230 Holmes RD
Pittsfield, MA 01201
413-446-4459

Thank you for the opportunity to compete for the Marijuana consulting contract. We are pleased to offer our consulting services, and firmly believe that our expertise, industry knowledge and skill will provide the finest possible results for the mission critical outcomes necessary for the State to implement the commerce devices by the due date. We are responding to all RFP categories (1-4).

Our leadership team is: Toby Paterson, CEO/ Senior Research Scientist and Joe Morse, President. Toby holds a Master's degree in Agricultural Economics and a Bachelor's degree in economics. Beyond Toby's work for the Berkshire Cascade Corporation, he is an economist for the Washington State Employment Security Department. His work is related to labor market information and statistical data collection, estimation and publication in cooperation with the Bureau of Labor Statistics. He has no affiliation with the Liquor Control Board, or the regulatory process affecting the Liquor Control Board in his work capacity. Joe holds a Master's degree in Agricultural Business and Marketing.

Both Toby and Joe worked as Statisticians for the United States Department of Agriculture's National Agricultural Statistics Service. They both have extensive experience collecting, analyzing and publishing National and State agricultural production data and working with regulatory offices. Toby and Joe worked on the 2007 Census of Agriculture.

We have, and continue to build, a network of experts to work with including professors from Washington universities. We firmly believe that our team will deliver the most cost effective, accurate and useful analysis and guidance to move the state forward into an efficient marijuana market place.

Thank you for your consideration and time, we look forward to discussing the contract with you in the near future.

Sincerely,

RFP K430 Submittal Document

Toby Paterson
CEO and Senior Research Scientist
Berkshire Cascade Corporation

NON-COST PROPOSAL

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Ability, Capacity and Skills:

The Principals have extensive Agricultural production experience and knowledge. Together, they have over two decades of experience in Agricultural business and economics from the academic research, public, and private sectors including all phases from farm to processor to consumer. The Company also works with academic researchers from Washington State higher education institutions.

Our firm has the knowledge of food science and expanding markets related to Marijuana to bring valuable expertise to the topic of food and beverage infusion. Additionally, our firm has supply chain management and marketing expertise that will prove to be beneficial when considering retail consumption.

Our firm's experience with Agricultural producers has given us insight into best practices for managing overproduction or contamination of crops. We have various methodologies to study and implement that will find the optimal solution specific to Marijuana. This can include, but is not limited to, incineration, remediation (depending on contaminant), and quarantine with a composting option. In the case of a recall, it would be necessary to have a tracking system similar to other Agricultural production that could trace the product back through the supply chain.

The company's Senior Research Scientist has Marijuana industry knowledge specific to Washington and the environment for growing, distributing, and consumer acceptance.

The team structure and internal controls are simplified to enhance communication, reduce errors and duplication, and provide superior results to our client. The firm's Principal's have responsibility for completion of work. The Senior Research Scientist, Toby Paterson, will work directly with any subcontractors in Washington, to complete work as necessary.

Toby Paterson, CEO and Senior Research Scientist

5 years as Statistician for the National Agricultural Statistics Service

4 years as Economist for Washington State

MA-Agricultural Economics

Expertise in agronomics, supply/demand (distribution and consumer behavior), edibles and other derivative products of Marijuana.

Joseph Morse, President

5 years as Statistician for the National Agricultural Statistics Service

MA-Agribusiness

Expertise in marketing channel management and regulatory affairs

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Ability, Capacity and Skills:

The Company's ability to ensure proper Marijuana product quality testing is derived from our network of experts in the field. We will enlist the assistance of an experienced subcontractors in this area. The subcontractor has confirmed they are willing to provide product quality and standards consultation and scientific lab testing consultation.

Consumer demand for the various strains, product types, and potencies of marijuana will be evaluated through examination of existing data and through surveys of the consumers and sellers in the medicinal industry and existing underground market industry.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Ability, Capacity and Skills:

The Company has all of the ability, capacity and skills necessary to produce accurate, timely, and relevant statistical estimates for product usage and consumption levels by geographic area in Washington State.

Our firm's experience comes from a combined decade with the National Agricultural Statistics Service conducting surveys and producing reports from statistical data. Statistical methods research and survey methodology are two of our Principal's specialties. Toby Paterson, Senior Research Scientist, and Joseph Morse, President would manage the design, data collection, analysis, and reporting of statistical results.

Our data collection methodology would optimally be done through a Census of known Marijuana consumers in Washington State. We believe a census, cost permitting, is more likely to achieve the desired result, mainly because a survey captures a smaller group (which may not be accurately representative of the intended target population). However, in the event that cost and or the availability of respondents are constraining factors to completing a census, we will implement sample based surveys and rely on statistical estimation. Once data is collected, we can analyze raw data for outliers and statistical validity and then summarize the findings into usable results.

CATEGORY 4 – PRODUCT REGULATION

Ability, Capacity and Skills:

Since the Principals of our firm are former Federal government employees who have been involved in regulated industries, we believe that we have the necessary skills for consulting on best practices for managing government procedures and developing system regulations.

Our firm's Principals have worked on rulemaking panels and industry collaborative projects to advise State government departments how to implement new laws with the most favorable impact on effected stakeholders. Specifically, Joseph Morse, has recently spent time working on a Massachusetts Local Distribution Company collaborative for the Department of Public Utilities to implement changes to gas utility rate recovery process. Toby Paterson, Senior Research Scientist, has provided Employment Security Department data, research and analysis to the Legislature of Washington State, and advised on fiscal notes and policy impacts, through his work with the State. Toby was a member of the Federal Joint Subcommittee on Aquaculture, and advised the Montana State Governor's Drought Advisory Board.

The Company's approach to rule making and regulation for Washington's Marijuana System will be to gather input from stakeholders (producers, merchants, consumers, and other interested parties) for inclusion of ideas. Taking this input into consideration, we will form a collaborative group of industry participants who can help develop rules that will be manageable, have community acceptance, and have measurable results.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

RFP K430 Submittal Document

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u>75.00</u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ _____ p/day



Washington State
Liquor Control Board

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Ms. Nevins,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Betty Nevins failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Letter of Submittal, Non-Cost Proposal and Cost Proposal. Betty Nevins submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

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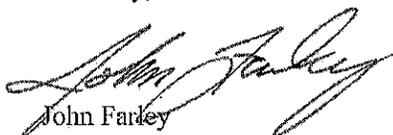
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:39 AM
To: 'whnca35@comcast.net'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Betty Nevins_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

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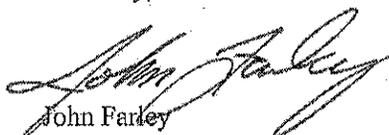
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: whnca35@comcast.net
Posted At: Thursday, February 14, 2013 4:53 PM
Conversation: K430

Subject: K430

To: WSLCB
From: Betty Nevins
Date: February 14, 2013
Subject: Recommendation for Legalized Marijuana

Washington is in a position to set a standard economically and medically with the growth, harvest, and production of Marijuana. Many people want it socially, but I believe few realize the true potential. If nothing else, please read the section on dedicated funding.

Licensing and Retailing: This is relatively easy if people wish to adhere to the standards the state sets.

Growth: Small businesses such as a farm co-op could do much to stimulate the economy. Since it is a rather time intensive crop, it makes more sense than having only a few growers whose crops could fail from disease. It could be population based county by county and grown in a warehouse facility, where everything can be controlled and monitored. Harvesting and uniform packaging could all be done on-site. All should be under state scrutiny at all times via random checks, testing, samples, etc. Cleanliness and Sanitary conditions would also be easier to monitor in such a facility.

Uniformity: There is a strong need for uniformity in naming, labeling, and tracking what the different strains do, how they react to different people, such as pain relief, appetite, sensuality, anxiety relief. Some are highly powerful, others are not. No new strains or names should be allowed until they have state approval. They should be lab tested for any trace of bad chemical and THC content.

Packaging: Uniformity in labeling and packaging for buds and any food products should be clean, sanitary, and fool proof for keeping contaminants out of the product.

Dedicated Funding: I believe the state has overlooked some very important issues in funding. We all might be better served by using a substantial portion of the funds raised to research the exact effects marijuana has on the body. For example, It touches every cell in our body and effects us differently at different times. It is extremely relaxing when first used and definitely causes minimal hearing impairment. Thus the loud volume of music or tv. The next day eyesight is improved and hearing far more sensitive. One drives more sanely because you are more relaxed. This causes me to think that the varying levels of THC or perhaps other trace chemicals could be directed to certain parts of the body through time release capsules creating huge health benefits. It is extremely psychological and definitely enhances other medications. The question is "to what degree," or "is it all in the brain?" I can envision its use in subduing your enemies. It needs to be studied in depth by hospitals, schools, and universities until this "weed of wisdom" can be figured out.

Driving Under the Influence: No one having just smoked Marijuana should be allowed to drive for 2 to 4 hours after last ingesting it. There are a few clues for police such as the inability to concentrate on any one topic for very long, droopy eyelids, a very relaxed expression. Alcohol significantly enhances these characteristics. These effects might be studied in depth through blood samples, urine analysis, or through whatever means needed to understand exactly what it does to our body. Then one can really know how to handle abuses.

Qualifications: Associate Degree in general education, 1998.
Professional Writing Certificate, 2000.
Bachelor of Arts in Humanities, 2001.
Bachelor of Arts in English, 2005.

Ability to research and understand law, state and federal, inception to end, accept for shepardizing. I am one of the few people who has kept notes on the effects of Marijuana. I am a relatively new Medical Marijuana user of approximately two years, who discovered I could have a normal life after twenty-three years of pain caused by very radical cancer surgery.

Conclusion: While Washington may lead the way with legalizing Marijuana and boosting our economy, I believe we are capable of doing so much more with study and an open mind that comes with legalization. I believe we can give humanity a gift as well. I can understand that you would not be interested in hiring me, a medical Marijuana user, however, I have never used it illegally, but one time, to find out if I could tolerate it.



Washington State
Liquor Control Board

February 25, 2013

Emery Krahn
Big Em Marketing
802 N. Cedar Rd.
Deer Park, WA 99006

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Krahn,

This letter is to inform you that Big Em Marketing's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2 of RFP K430, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Big Em Marketing is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Big Em Marketing is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jssf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 25, 2013

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Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:41 AM
To: 'emerykrahn@gmail.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Big Em Marketing_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

Emery Krahn
Big Em Marketing
802 N. Cedar Rd.
Deer Park, WA 99006

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John Farley
Procurement Coordinator

cc: K430 Contract file



Big Em Marketing **Emery Krahn, President**

Amy Krahn VP.

emerykrahn@gmail.com

802 N Cedar Rd.

Deer Park , WA 99006

509-238-9443 Cell 990-6969

John Farley (360) 664-1600 K430@liq.wa.gov
Liquor Control Board Initiative 502 Consulting Services
Regarding: 21828 K430

We are skilled experienced to provide Consulting Services to assist the Washington State Liquor Control Board with the implementation of Initiative 502 requirements. We have years of Product and Industry Knowledge and have a network of experts to call upon when needed.

Were familiar with Product Quality Standards and can provide minimum standards for all products infused with THC. We would suggest independent Testing when needed at no cost to the state. I have no former or current state employees with me.

We estimate that a 100,000 pounds of product will be consumed per month. With our system this will generate \$25,000,000 per month in taxes from the farmers. And an additional \$15,680,000 in retails sales tax. Our system of using the current assets and Departments within the Washington state system will build a low cost to regulate and enforce this new product. When we use what we know works in Washington state and build the system to be self-enforcing due to its fairness we will achieve a system that will be emulated by all. This system is mutually beneficial to all concerned and spreads the work and wealth to existing agencies in Washington State. When you make it so the farmers are making money by following the rules and regulating the system you eliminate the black market. By allowing individuals to farm you are minimizing the cost of production to market value. We can track the product from conception to point of sale with this system. We permit the farmers, tag the Plants. License bond and insure the producers keep the tags with the product to the point of sale. All the regulation and the burden of tracking are on the bonded producer. Normal regulations apply to the retail outlets. Keep it simple and use the systems we have that already work for the state.

Gratefully
Emery Krahn

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to **lcbids@liq.wa.gov**.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the **lcbids@liq.wa.gov** inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|----------------------------|
| Proposer's Authorized Offer (see page 2) | X <input type="checkbox"/> |
| Proposer Information (see page 3) | X <input type="checkbox"/> |
| Subcontractor Information (see page 4) | X <input type="checkbox"/> |
| Letter of Submittal (see page 5) | X <input type="checkbox"/> |
| Non-Cost Proposal (see page 6) | X <input type="checkbox"/> |
| Cost Proposal (see page 8) | X <input type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.



Proposer Signature

President

Title

Big EM Marketing

Company Name

2-15-2013

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name	<u>Big Em Marketing</u>
Street Address	<u>802 N Cedar Rd</u>
City, State, Zip	<u>Deer Park WA</u>
Federal Tax ID Number	<u>PersonalInfo</u>
UBI	<u>601369556</u>
Website URL	<u>www.arrowhaviation</u>

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name:	<u>Emery Krahn</u>
Telephone:	<u>509-990-6969</u>
Email:	<u>emery@magicbuildings.com</u>

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____ % _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	X <input type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

<p>Subcontractor 1</p> <p>Name: <u>NA</u></p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Subcontractor 2</p> <p>Name: <u>NA</u></p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Subcontractor 3</p> <p>Name: <u>NA</u></p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Subcontractor 4</p> <p>Name: <u>NA</u></p> <p>Services: _____</p> <p>Address: _____</p> <p>Telephone: _____</p> <p>Email: _____</p> <p>Fed ID: _____</p> <p>UBI: _____</p> <p>Work to be Performed: _____</p> <p>OMWBE certified: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u> 50 </u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ <u> 400 </u> p/day

No Cost Proposal

Category 1 –Product and industry Knowledge.

A Currently marijuana is grown and cultivated in Washington indoors and out. The indoor grow operations are in homes commercial buildings shops garages barns motor homes underground cargo containers back room in existing businesses. The size ranges from 1-2 plants to hundreds of plants. The indoor plants are grown under grow lights from power supplied from standard electrical companies to power generated from onsite generators, or from stealing power before meters can record usage. One of the ways to detect illegal indoor grows is from excessive power usage this has created the necessity to find power off the grid or move your grow frequently. Outdoor growing operations are susceptible to numerous challenges such as thieves, animals eating your plants bugs frost unforgiving weather.

Outdoor marijuana is harvested in the fall and processed on site. You hang the plant by the stems upside down letting cure till dried to 80-90%. The leaves are trimmed off and you have a tight bud with around 20% The content.

Indoor marijuana is harvested any time it has been in a bud stage of growth for 60 days this usually follows a 60 day Vegetative state. Making the processes four months and yielding about a pound per plant. It is easier to control security indoors for obvious reasons. You can produce a higher THC content by providing the plant with a perfect growing environment. it is best for controlling pest and moisture and lighting ratios with all the environment controlled by fans thermostats and fertilized and treated water.

Although there are commercial grade processors and dryers it is most common for farmers to process their own plants by hand. This is a lot of manual work and takes hours to accomplish.

But if you do not process the plant properly you can destroy the quality and resale value instantly.

If you do not cure it properly you will get mold. If you over dry it you will get a crunchy product that is harsh. If you over handle it you will knock off all the crystal. And the crystal is the whole appeal to the consumer.

B the THc is released from the cured plant thru many methods the basic system is utilizing its fat soluble properties to infuse it into butter or oil. There are other methods of creating oils thru wicking out The thru ice water or chemicals then using the extracts to melt with beers and wines. The candies and edible products are usually infused in syrup or sugar based products to make them appealing and consumable.

C Marijuana will need to have its tag from its point of origin thru the whole process. This process and its regulations and enforcement will be similar to the process of permitting a hunter to harvest an animal. You will sell the farmer a permit to grow @ \$200 times 1000 farmers is

\$200,000. Just to get started then you sell tags at \$5.00 per plant times 100,000 plants per month that's \$500,000 per month. The tags stay with the product to the point of sale. These tags are 16 zip tie like tags infused into the plants between the stem and the branches. Then placed in the bag for delivery to the producer or broker the broker pays the farmer fair market value about \$3.00 per gram or \$1000 per pound or plant and he then pays the state tax of \$250 per pound. The 16 zip tie tags are registered to that farmer. The 16 tags can be with every ounce of product as its moved to the point of sale. The tags themselves can be cut into 28 individual strips to be sold with every gram if necessary. A gram is usually the smallest unit of product ever sold. This system is easy cost effective and easily enforced. it puts the burden on the broker who is Licensed ,bonded and insured to pay the farmer tax and deliver legal taxed marijuana to retail outlets. The broker can sell to retail outlets at \$7.00 per gram and make a profit that will keep him or her honest. A broker will not want to risk losing privileges by supporting any other processes to deliver legal Taxed marijuana. Farmers will not tolerate black market farmers when they are playing buy the rules. It will serve as self-enforcement

D With the tracking system I previously described you will easily be able to track and account for all products in the market place

E You can easily destroy marijuana by sending it to the incinerator this is a low cost existing process readily available and right next door to the state patrol office in Spokane.

My experience in this industry spans four decades from the time my brother returned from Vietnam and provided me with my first book "the modern day cultivation of marijuana" to currently being entrusted with a network of growing operations working together to provide cannabis for medical users. Although I currently do not partake due to preference I am fully aware of the condition of euphoria when under the influence of marijuana. I am aware of the different strains and there effects as reported to me by networking with consumers. I was arrested in 1999 for growing 33 plants and imprisoned in a federal facility in 2004 for that grow. This has provided me with the experience of dealing with the federal system. I am currently a certified pilot and have a vast amount of experience in working with the federal government thru the FAA to secure my pilot certificate after my conviction. This and probation provided me with a knowledge of drug testing programs and treatment programs. Within the state and federal system. I have applied for and received my Washington state rights to hold office and vote. I am a very organized man who has 20 years of experience of working with L&I as a general contractor I am highly skilled in solving problems. I am very capable in researching programs and systems that will solve challenges. I have a vast network of resources to call upon to get current and applicable information that pertains to the need at the time. I operated a flight school for 13 years. I understand how to train educate and motivate students and coworkers. I am honest and very loyal. I am a servant to my community. I serve Rotary, Greenhouse Food Bank, Chamber, VFW, Eagles, Economic development Board. Operating a flight school under the rules and regulations of the Federal Aviation Administration and homeland security has provided

me with the insight and experience performing my job under the scrutiny of the United States of America.

Stocker, Marlie

From: Emerys Magic building <emery@magicbuildings.com>
Posted At: Friday, February 15, 2013 1:22 PM
Conversation: RFP-K430,Big Em Marketing
Subject: RFP-K430,Big Em Marketing



Big Em Marketing
Emery Krahn, President
Amy Krahn VP.
emerykrahn@gmail.com
802 N Cedar Rd.
Deer Park , WA 99006
509-238-9443 Cell 990-6969

John Farley (360) 664-1600 K430@liq.wa.gov
Liquor Control Board Initiative 502 Consulting Services
Regarding: 21828 K430

We are skilled experienced to provide Consulting Services to assist the Washington State Liquor Control Board with the implementation of Initiative 502 requirements.

We have years of Product and Industry Knowledge and have a network of experts to call upon when needed.

Were familiar with Product Quality Standards and can provide minimum standards for all products infused with THC. We would suggest independent Testing when needed at no cost to the state. I have no former or current state employees with me.

We estimate that a 100,000 pounds of product will be consumed per month. With our system this will generate \$25,000,000 per month in taxes from the farmers. And an additional \$15,680,000 in retails sales tax. Our system of using the current assets and Departments within the Washington state system will build a low cost to regulate and enforce this new product. When we use what we know works in Washington state and build the system to be self-enforcing due to its fairness we will achieve a system that will be emulated by all. This system is mutually beneficial to all concerned and spreads the work and wealth to existing agencies in Washington State. When you make it so the farmers are making money by following the rules and regulating the system you eliminate the black market. By allowing individuals to farm you are minimizing the cost of production to market value. We can track the product from conception to point of sale with this system. We permit the farmers, tag the Plants. License bond and insure the producers keep the tags with the product to the point of sale. All the regulation and the burden of tracking are on the bonded producer. Normal regulations apply to the retail outlets. Keep it simple and use the systems we have that already work for the state.

Gratefully
Emery Krahn



Big Em Marketing
Emery Krahn, President

Amy Krahn VP.

emerykrahn@gmail.com

802 N Cedar Rd.

Deer Park , WA 99006

509-238-9443 Cell 990-6969

John Farley (360) 664-1600 K430@liq.wa.gov
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We are skilled experienced to provide Consulting Services to assist the Washington State Liquor Control Board with the implementation of Initiative 502 requirements. We have years of Product and Industry Knowledge and have a network of experts to call upon when needed.

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Gratefully
Emery Krahn

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to **lcbids@liq.wa.gov**.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the **lcbids@liq.wa.gov** inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

Proposer's Authorized Offer (see page 2)	X <input type="checkbox"/>
Proposer Information (see page 3)	X <input type="checkbox"/>
Subcontractor Information (see page 4)	X <input type="checkbox"/>
Letter of Submittal (see page 5)	X <input type="checkbox"/>
Non-Cost Proposal (see page 6)	X <input type="checkbox"/>
Cost Proposal (see page 8)	X <input type="checkbox"/>

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Emeruys

Proposer Signature

President

Title

Big EM Marketing

Company Name

2-15-2013

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name	Big Em Marketing
Street Address	802 N Cedar Rd
City, State, Zip	Deer Park WA
Federal Tax ID Number	PersonalInfo
UBI	601369556
Website URL	www.arrowhaviation

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name:	Emery Krahn
Telephone:	509-990-6969
Email:	emery@magicbuildings.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____% _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	X <input type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: NA
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 2

Name: NA
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 3

Name: NA
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 4

Name: NA
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u> 50 </u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ <u> 400 </u> p/day

State of Washington
LIQUOR CONTROL BOARD
3000 Pacific Ave SE, P.O. Box 43090 • Olympia, Washington 98504-3090 • (360) 664-1700
<http://www.liq.wa.gov/>

REQUEST FOR PROPOSALS (RFP)

K430 INITIATIVE 502 CONSULTING SERVICES

Solicitation Number	Pre-Proposal Conference Date & Time	Proposal due date and time
K430	January 30, 2013 11:00 AM (PT)	February 15, 2013 2:00 PM (PT)

John Farley
Contracts Specialist
E-mail: K430@liq.wa.gov

To request this information in alternative formats call (360) 664-1600

Proposals must be received via email & electronically date/time stamped on or before the Proposal due date and time in the following inbox:

lcbids@liq.wa.gov

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1 INTRODUCTION

1.1 SCOPE

The Washington State Liquor Control Board (WSLCB) is conducting this Request for Proposals (RFP) in order to establish a Contract(s) for Consulting Services to assist the WSLCB with the implementation of the Washington State Initiative 502 (I-502) requirements.

1.2 BACKGROUND

The WSLCB was formed in 1933 by the Steele Act to regulate the importation, manufacture, distribution, and sale of alcohol within the state of Washington. The current Mission of the WSLCB is to promote public safety by consistent and fair administration of liquor laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol and tobacco. In November 2012, Washington State voters passed Initiative 502, which authorizes the WSLCB to regulate and tax Marijuana for persons twenty-one (21) years of age and older. Currently, the WSLCB must implement the requirements of I-502, while keeping public safety a top priority.

Initiative 502 requires that Marijuana be a tightly regulated, state-licensed system similar to that for controlling spirits. This new Washington State system for growing, processing, retailing, and producing Marijuana is unprecedented and must be built from the ground up. The WSLCB is given until December 1, 2013 to finalize rules to implement all requirements of I-502. The WSLCB currently estimates that it will take the full time allowed to develop the rules and infrastructure required under I-502.

Proposers responding to this RFP must be familiar with the full text of I-502 in order to successfully provide the Consulting Services required herein. Full text of I-502 can be found here: [Initiative 502](#).

For the purposes of this RFP, the WSLCB's I-502 Consulting Services requirements have been divided into the following four Categories:

1. Product and Industry Knowledge
2. Product Quality Standards and Testing
3. Product Usage and Consumption Validation
4. Product Regulation

1.3 PURPOSE

The purpose of this RFP is to establish a Contract(s) for Consulting Services for each Category listed below, to assist the WSLCB with the implementation of the requirements of Initiative 502. The Awarded Contractor(s) shall have expertise in and provide assistance with, but not limited to, the following Categories:

➤ **Category 1: Product and Industry Knowledge**

This Category includes, but is not limited to:

- a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
- b. How Marijuana is infused into food and beverages
- c. How Marijuana should be packaged, labeled, transported, and sold at retail level
- d. How wholesale and retail Product should be recalled and accounted for
- e. How Marijuana should be destroyed if over produced, contaminated, or recalled

Category 1 Minimum Qualifications:

Proposers and/or associates responding to this Category must have at least three (3) years of consulting experience relating to the knowledge of the Cannabis industry, including but not limited to, product growth, harvesting, packaging, product infusion, and product safety.

➤ **Category 2: Product Quality Standards and Testing**

This Category includes, but is not limited to:

- a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
- b. Assisting the WSLCB with establishing quality standards for testing

Category 2 Minimum Qualifications:

Proposers and/or associates responding to this Category must have a Bachelor's degree in Chemistry, Biology, Agriculture or related field, or at least five (5) years of experience with Cannabis testing to determine THC/CBD levels and ratios, mold or chemical contaminants and strain.

➤ **Category 3: Product Usage and Consumption Validation**

This Category includes, but is not limited to:

- a. Expertise to estimate Product usage and consumption levels by geographic areas in Washington State.

Category 3 Minimum Qualifications:

Proposers and/or associates responding to this Category must have a Bachelor's degree in a field related to statistical research, or five (5) years of experience determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.

➤ **Category 4: Product Regulation**

This Category includes, but is not limited to:

- a. A strong understanding of State, local or Federal government processes and procedures
- b. Assisting the WSLCB in crafting Marijuana system regulations

Category 4 Minimum Qualifications:

Proposers and/or associates must have at least five (5) years of experience working within the confines of a regulatory system, and experience in creating/modifying rule, law, ordinance or guidelines. A Juris Doctor (JD) is preferred, but not required.

The Awarded Contractor(s) shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as stated in Section 1.6, Statement of Work. The WSLCB reserves the right to add or remove required areas of expertise to meet the operational and strategic objectives of the WSLCB to implement the requirements of Initiative 502.

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described above. In order to better leverage resources available for performing the services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated herein.

1.4 AWARD

The WSLCB intends to award the Contract(s) resulting from this solicitation to the responsive responsible Proposer(s) with the highest total score(s).

It is the intent of the WSLCB to enter into a single Contract for all Categories (1-4) listed in Section 1.3 above. While awarding a single Contract to one (1) Proposer meeting the requirements of all Categories is preferred, the WSLCB reserves the right to make multiple awards by Category as necessary, to meet the operational and strategic objectives of the agency.

The Washington State Liquor Control Board does not represent or guarantee any minimum purchase. This solicitation does not obligate the Washington State Liquor Control Board to contract for services specified herein.

1.5 TERM

The initial term of the Contract(s) resulting from this RFP shall be two (2) years from date of award, with the option to extend for additional one (1) year term(s) or portions thereof. The majority of the work will be required during the first year of the Contract to meet the I-502 implementation deadline of December 1, 2013, with as needed consulting services thereafter.

Extensions for each additional term shall be offered at the sole discretion of the WSLCB and are subject to written mutual agreement. The total contract term, including the initial term and all subsequent extensions, shall not exceed five (5) years unless an emergency exists and/or special circumstances require a partial term extension. The WSLCB reserves the right to extend with all or some of the Contractors, as solely determined by the WSLCB.

1.6 STATEMENT OF WORK

The Awarded Contractor(s) shall:

Provide Consulting Services to the WSLCB which shall assist the agency with the implementation of I-502 requirements including, but not limited to, the following: development of reports, documents, strategies, standards, guidelines, project plans, protocol, stakeholder assessments, data, etc.

Category 1: Product and Industry Knowledge

The Awarded Contractor shall assist the WSLCB with the implementation of I-502 requirements including, but not limited to, establishing the following:

1. Minimum standards relating to the growth, harvesting, transporting and sale of useable recreational Marijuana
2. Minimum standards for Product safety relating to the infusion of Marijuana or Marijuana byproducts in food, beverage, lotions, ointments or other Products to be sold in retail locations
3. Minimum standards for the tracking and reconciliation of Product grown, sold, and/or destroyed

Category 2: Product Quality Standards and Testing

The Awarded Contractor shall assist the WSLCB with the implementation of I-502 requirements including, but not limited to, establishing the following:

1. Minimum standards allowed for testing and confirming Product safety from contaminants
2. Testing standards for Product testing of THC/CBD levels and ratios for Product offered
3. Labeling standards needed to meet the requirements as defined by law

Category 3: Product Usage and Consumption Validation

The Awarded Contractor shall assist the WSLCB with the implementation of I-502 requirements including, but not limited to, providing the following:

1. A report detailing recreational, medical and total Marijuana use in Washington State, by county
2. A projected volume of Marijuana needed on an annual basis to satisfy demand, and establish plant yield and growth volume assumptions needed to keep pricing at or below black market levels

Category 4: Product Regulation

The Awarded Contractor shall assist the WSLCB with the implementation of I-502 requirements including, but not limited to, the following:

1. Conduct stakeholder focus groups for discussion and determination of best practice relating to the growth, harvesting, distribution, product infusion and sale of useable recreational Marijuana
2. Provide written independent third party assumptions, recommendations and oversight following guidelines established by the Open Government Act

General Requirements:

The Awarded Contractor(s) will work in conjunction with the WSLCB project manager and any other identified WSLCB personnel to ensure that the services are provided in accordance with industry standards and best practices.

1.7 SOLICITATION SPECIFIC DEFINITIONS

- Cannabis:** Marijuana
- Category:** For the purposes of this RFP, each area of expertise that the WSLCB is seeking to assist with the implementation of I-502, which include the following:
- Product and Industry Knowledge
 - Product Quality Standards and Testing
 - Product Usage and Consumption Validation
 - Product Regulation
- CBD:** Cannabidiol
- Marijuana:** Marijuana, useable marijuana, marijuana-infused products
- Marijuana System:** The new Washington State system for growing, processing, retailing, and producing marijuana
- Product:** Marijuana
- THC:** Tetrahydrocannabinol

1.8 CONTRACTING WITH CURRENT OR FORMER STATE EMPLOYEES

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. Proposers should familiarize themselves with the requirements prior to submitting a Proposal that includes current or former state employees.

1.9 ACQUISITION AUTHORITY

This RFP is issued in accordance with RCW 39.26 and complies with the policies and procedures of the Department of Enterprise Services (DES).

1.10 SOLICITATION STANDARDS

The Solicitation Standards document has been included as Appendix B.

This document contains important information for Proposers applicable to this solicitation. This information applies directly to, and is incorporated by reference, into the solicitation and contract(s) resulting from this solicitation. As such, Proposers do not need to attach this document with their response to the solicitation. It is the responsibility of the Proposer to read and fully understand the details of all items contained herein prior to Proposal submittal.

2 GENERAL INFORMATION

2.1 ESTIMATED PROCUREMENT SCHEDULE

The dates listed below represent the projected procurement schedule. The WSLCB reserves the right to change the schedule. Notification of amendments to the procurement schedule prior to Proposal opening may be sent electronically to all properly registered users of the Department of Enterprise Services' Washington's Electronic Business Solution (WEBS) who downloaded this RFP from WEBS.

Changes to the Procurement Schedule after Proposal Opening may be communicated to all Proposers reflecting the change.

Date	Time	Event
January 17, 2013		Issue Solicitation Document (Available for download at https://fortress.wa.gov/ga/webs/)
January 17, 2013 – February 13, 2013		Question and Answer Period
January 28, 2013		Amendment Issued, if applicable (Proposers should begin checking WEBS for any amendments)
January 30, 2013	11:00 a.m. (PT)	Proposer Pre-Proposal Conference
February 4, 2013		Amendment Issued, if applicable (Proposers should begin checking WEBS for any amendments)
February 15, 2013	2:00 p.m. (PT)	Proposals Due
February 19, 2013		Evaluation Begins
March 5, 2013		Apparent Successful Proposer Announcement
March 5, 2013 – March 8, 2013		Debriefing Period (see <u>section 4.6</u>)
March 11, 2013 – March 15, 2013		Protest Period (see <u>section 4.7</u>)
March 20, 2013		Anticipated Award Date

2.2 QUESTION AND ANSWER PERIOD

Proposer questions and/or comments regarding this RFP will be allowed consistent with the respective dates specified in the Procurement Schedule. All Proposer questions and/or comments must be submitted in writing to K430@liq.wa.gov. Official written WSLCB responses will be provided for Proposer questions received by the respective deadlines.

The Proposer that submitted each question will not be identified. Verbal responses to questions will be considered unofficial and non-binding. Only written responses posted to WEBS will be considered official and binding.

2.3 PRE-PROPOSAL CONFERENCE

An optional Pre-Proposal conference to address solicitation requirements will be held at the time and location indicated below. While attendance is not mandatory, Proposers are encouraged to attend and actively participate. If interpretations, specifications, or other changes to the solicitation are required as a result of the conference, the Procurement Coordinator may make amendments to the solicitation and provide those amendments by posting them on WEBS at <https://fortress.wa.gov/ga/webs/>.

Assistance for disabled, blind or hearing-impaired persons who wish to attend is available with prior arrangement with the Procurement Coordinator.

Pre-Proposal Date: January 30, 2013
Pre-Proposal Time: 11:00 a.m. (PT)
Pre-Proposal Location: Greater Tacoma Convention & Trade Center
1500 Broadway
Tacoma, WA 98402

Driving directions and parking information for the Greater Tacoma Convention and Trade Center is available at http://tacomaconventioncenter.com/plan_directions.html.

2.4 AUTHORIZED COMMUNICATION

Upon release of this RFP, all Proposer communications concerning this solicitation must be directed to the Procurement Coordinator listed below. **Unauthorized contact regarding this solicitation with other State employees, including WSLCB employees, involved with the solicitation may result in disqualification.** All oral communications will be considered unofficial and non-binding on the WSLCB. Proposers should rely only on written statements issued by the Procurement Coordinator.

Procurement Coordinator: John Farley
Email Address: K430@liq.wa.gov
Address: Washington State Liquor Control Board
3000 Pacific Avenue SE
Olympia, WA 98504

2.5 CONTRACT FORMATION

A Proposal submitted in response to the Solicitation is an offer to contract with the WSLCB. The successful Proposal will become an element of the awarded Contract.

2.6 CONTRACT REQUIREMENTS

A Model Contract has been included as [Appendix B](#).

To be Responsive, Proposers must indicate a willingness to enter into a Contract substantially the same as the Contract in Appendix B, by signing the *Certifications and Assurances* located in the Submittal Document located in [Appendix A](#). Any specific areas of dispute with the attached terms and conditions must be identified in the Response and may, at the sole discretion of the WSLCB, be grounds for disqualification from further consideration in the award of a Contract.

Under no circumstances is a Proposer to submit their own standard contract terms and conditions as a Response to this solicitation. Instead, Proposer must review and identify the language in Appendix B that Proposer finds problematic, state the issue, and propose the language or contract modification Proposer is requesting. All of Proposer's exceptions to the contract terms and conditions in Appendix B must be submitted within the Response, attached to the Submittal Document. The WSLCB expects the final Contract(s) signed by the Successful Proposer(s) to be

substantially the same as the Contract located in Appendix B, but will consider proposed changes. Proposer's submission of a Response to this solicitation constitutes acceptance of these contract requirements.

The foregoing should not be interpreted to prohibit either party from proposing additional contract terms and conditions during negotiation of the final Contract.

2.7 INCORPORATION OF DOCUMENTS INTO CONTRACT

This Solicitation document, any subsequent Amendments, and the Proposer's Response will be incorporated into the resulting Contract.

The WSLCB reserves the right to make an award without further discussion of the Response submitted; i.e., there may be no best and final offer request. Therefore, the Response should be submitted on the most favorable terms that Proposer intends to offer.

2.8 INSURANCE

The Successful Proposer(s) is required to obtain insurance to protect the WSLCB should there be any claims, suits, actions, costs, or damages or expenses arising from any negligent or intentional act or omission of the Proposer or its Subcontractor(s), or their agents, while performing work under the terms of any Contract resulting from this solicitation. Proposers will find a complete description of the specific insurance requirements in the proposed contract terms in the Model Contract Document located in Appendix B.

3 PROPOSAL SUBMITTALS

Respond to the following requirements in this section.

3.1 SUBMITTAL INSTRUCTIONS

Proposer shall submit one (1) electronic copy of their complete Proposal to icbbids@liq.wa.gov in the following manner:

- Complete entire Submittal Document located in Appendix A and attach it to the email.
- Clearly mark the subject line of the email: RFP K430, Vendor Name (e.g. RFP-K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.
- To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their Proposals.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

3.2 PREPARATION OF PROPOSALS

Proposer shall complete and provide the following information (1-6). Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP.

1. Proposer's Authorized Offer

Proposer's Authorized Offer, in the Submittal Document of Appendix A, must be signed by the Proposer's Authorized Representative. For the purposes of this solicitation, an email date/time stamp will be accepted as signed by the legally authorized representative of the proposing firm. Proposer must complete the signature box information on the Proposer's Authorized Offer page.

2. Proposer Information

Using the Submittal Document in Appendix A, the Proposer shall complete the Proposer Profile, Proposer Authorized Representative, Payment Options, and Categories of Service sections.

3. Subcontractor Information

Using the Submittal Document in Appendix A, Proposer is instructed to complete the Subcontractor Information section if the Proposer intends on utilizing Subcontractors. If Proposer does not intend to use Subcontractors, the Proposer is not required to complete this section of the Submittal Document. If no information is entered, the WSLCB will assume that Subcontractors will not be used.

The WSLCB will accept Responses that include third party involvement only if the Proposer submitting the Response agrees to take complete responsibility for all actions of such Subcontractors. Proposer must state whether Subcontractors are/are not being used.

If applicable, Proposer shall identify all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), and anticipated dollar value of each subcontract. Proposer shall complete this section of Appendix A. The WSLCB reserves the right to approve or reject any and all Subcontractors that Proposer proposes. Any Subcontractors not listed in the Proposer's Response, who are engaged after award of the Contract must be pre-approved, in writing, by the WSLCB, before providing services under the contract.

Specific restrictions apply to contracting with current or former state employees pursuant to Chapter 42.52 RCW. Proposers should familiarize themselves with the requirements prior to submitting a Response.

4. Letter of Submittal

Proposer shall compose and submit a Letter of Submittal which meets the requirements set forth in the Submittal Document in Appendix A.

5. Non-Cost Proposal

Using the Submittal Document located in Appendix A, Proposer is instructed to complete and submit the Non-Cost Section. The Proposer may attach additional sheets if necessary.

6. Cost Proposal

Using the Submittal Document located in Appendix A, Proposer is instructed to complete and submit the Cost Section. The Proposer may attach additional sheets if necessary.

Proposers shall extend unit pricing as required. In the event of an error in the extension of prices, the unit price shall prevail. For travel related costs, see the Model Contract located in Appendix B.

Prices proposed are in U.S dollars. All costs associated with the services provided must be incorporated into the Proposer's Cost Submittal. Proposer must complete Appendix A.

All pricing shall include the costs of Proposal preparation, servicing of accounts, and complying with all contractual requirements. Failure to identify all costs in a manner consistent with the instructions in this RFP is sufficient grounds for disqualification.

3.3 PROPOSER RESPONSIVENESS

Proposer must respond to each question/requirement contained in this RFP. Failure to comply with any applicable item may result in the Response being deemed non-responsive and disqualified.

Failure to provide adequate information to demonstrate to the evaluators that your firm meets the requirements may constitute grounds for disqualification and may be established by any of the following conditions:

- The Proposer states a requirement cannot be met.
- The Proposer fails to include information requested.
- The Proposer fails to include sufficient information to substantiate that a given requirement can be met.

The WSLCB reserves the right to consider the actual level of Proposer's compliance with the requirements specified in this solicitation and to waive informalities in a Proposal. An informality is an immaterial variation from the exact requirements of the competitive solicitation, having no effect or merely a minor or negligible effect on quality, quantity, or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to Proposers.

4 EVALUATION AND AWARD

4.1 OVERVIEW

The Proposer(s) who meets all of the RFP requirements and receives the highest number of total points as described in this section, will be declared the Successful Proposer(s) and enter into contract negotiations with the WSLCB.

It is the intent of the WSLCB to enter into a single Contract for all Categories (1-4) listed in Section 1.3, Purpose. If it is deemed in the best interest of the Agency, the WSLCB may award Contract(s) by individual Category(ies).

4.2 ALLOCATION OF POINTS

The scores for each Proposal will be assigned a relative importance for each scored section. The relative importance for each section is as follows:

PHASE 1 EVALUATION

Phase 1 Requirements	Available Points
Non-Cost Proposal:	1000 points
Cost Proposal:	100 points
Total Possible Phase 1 Points:	1100 points

PHASE 2 EVALUATION (OPTIONAL)

Phase 2 Requirements	Available Points
Oral Presentation (optional):	100 points
Total Possible Phase 2 Points	100 points

If it is deemed to be in the best interest of the WSLCB to only complete the Phase 1 Evaluation, there are a maximum of 1100 points available. If it is deemed to be in the best interest of the WSLCB to complete both the Phase 1 and Phase 2 Evaluations, there are a maximum of 1200 points available.

4.3 EVALUATION PROCESS

1. Initial Determination of Responsiveness (pass/fail)

Responses will be reviewed initially by the Procurement Coordinator to determine on a pass/fail basis compliance with administrative requirements as specified in this RFP. Evaluators will only evaluate Responses meeting this requirement.

The WSLCB reserves the right to determine at its sole discretion whether Proposer's Response meets the Responsiveness criteria as set forth within this document. If, however, all responding Proposers are determined to be deemed Non-Responsive, the WSLCB will cancel the solicitation and reject all Proposals.

Only Responses that pass the Initial Determination of Responsiveness review will be evaluated based on the requirements in this Solicitation.

2. Phase 1 Evaluation – Non-Cost and Cost Elements (scored)

a. Non-Cost Scoring:

Evaluators will score each Non-Cost element of the Non-Cost portion of the Submittal. The Procurement Coordinator will tabulate evaluators' scoring. A statistical calculation will be performed to establish a single score for the Non-Cost section of each Proposal. There are a maximum of **1000 points** available in the Non-Cost section, broken down per Category as detailed in Table 1 below.

Table 1: Non-Cost Point Summary

Category	Available Non-Cost Points
Category 1: Product & Industry Knowledge	200
Category 2: Product Quality Standards & Testing	250
Category 3: Product Usage & Consumption Validation	200
Category 4: Product Regulation	350
Total	1000

Individual Category Award: If it is deemed to be in the best interest of the WSLCB to award by Category, an individual Non-Cost score will be established for each Category, using the maximum available Non-Cost points for each Category described in Table 1 above.

b. Cost Proposal Evaluation:

The Procurement Coordinator will calculate the Cost score for the Cost Proposal section of the Response using Proposer's Cost submittal. The total available points for the Cost

Proposal section are **100 points**. Cost scoring will be calculated by combining elements of the Cost Proposal to determine the overall cost to the WSLCB.

The Proposer's Cost Proposal shall be scored in relation of the other Cost Proposals received.

Individual Category Award: If it is deemed to be in the best interest of the WSLCB to award by Category, the available Cost points for each Category shall be in accordance with Table 2 below.

Table 2: Individual Category Award Available Cost Points

Category	Available Cost Points
Category 1	20
Category 2	25
Category 3	20
Category 4	35

c. **Proposer Total Score:**

Proposers' Total Scores will be calculated by summing Cost and Non-Cost factor points (maximum of **1100 points**) to determine the Proposer's total Phase 1 score.

Individual Category Award: If it is deemed to be in the best interest of the WSLCB to award by Category, the Total Score(s) will be calculated by summing the Non-Cost and Cost factor points for each individual Category, to determine the Proposer's total Phase 1 score for each Category. The maximum points per Category are detailed in Table 3 below.

Table 3: Available Cost and Non-Cost Points per Category

Category	Available Non-Cost Proposal Points	Available Cost Proposal Points	Total Possible Phase 1 Points
Category 1	200	20	220
Category 2	250	25	275
Category 3	200	20	220
Category 4	350	35	385

3. Phase 2 Evaluation - Oral Presentation (scored) (Optional)

The WSLCB reserves the right to schedule Oral Presentations if determined to be in the best interest of the WSLCB. In the event Oral Presentations are required, the WSLCB will contact the top-scoring Proposer(s) to schedule a presentation date, time, and location. A score of up to **100** additional points may be awarded for the Oral Presentation. The Proposer's score for the Oral Presentation may be added to the Proposer's total score described in Step 2 above.

Commitments made by the Proposer during the Oral Presentation, if any, will be considered binding.

4. References (pass/fail)

The WSLCB reserves the right to request and check references after Proposal submittal, to assist in determining the overall responsibility of the Proposer. Failure to submit references to the Procurement Coordinator within three (3) business days of the reference request may result in the Proposer being deemed non-responsive and thus be disqualified.

References may be checked prior to announcement of the Apparent Successful Proposer to determine the responsibility of Proposers. Failure by Proposers to achieve an average performance level of two (2) or greater from all references contacted may deem the Proposer irresponsible and thus be disqualified.

The WSLCB reserves the right to reject any proposal submittal if the Proposer receives unfavorable references based on the following criteria:

References with which contact is established will be asked to rate Proposer's past performance on the following scale:

Performance Level 3: Performance exceeds expectations.

Performance Level 2: Performance meets minimum expectations and is adequate.

Performance Level 1: Performance is often or always incomplete. Deficiencies exist in critical areas.

Performance Level 0: Contacted reference fails or refuses to respond when asked to rate Proposer.

The WSLCB will only attempt to make contact with a Proposer's provided references a maximum of three (3) times. If such contact cannot be established with any of the references provided, then those references with which contact cannot be established may be deemed non-responsive and no further attempts will be made to contact that particular reference.

The WSLCB reserves the right to seek and substitute other references to determine the sufficiency of the Proposer's level of responsibility.

5. Determination of Proposer Responsibility (pass/fail)

After Proposal submittal, the WSLCB reserves the right to make reasonable inquiry and/or requests for additional information, to assist in determining the overall responsibility of any Proposer. Requests may include, but are not limited to, educational degrees, business licenses, financial statements, credit ratings, references, record of past performance, criminal background check, clarification of Proposer's offer, and on-site inspection of Proposer's or Proposer's subcontractor's facilities. Failure to respond to said request(s) may result in the Proposer being deemed non-responsive and thus disqualified.

4.4 SELECTION OF APPARENTLY SUCCESSFUL PROPOSER(S)

The Proposer(s) with the highest total score(s) who represents the overall best value to the WSLCB will be declared the Apparent Successful Proposer(s). The WSLCB may enter into contract negotiations with the Apparent Successful Proposer(s).

Should contract negotiations fail to be completed within one (1) month after initiation, the WSLCB may immediately cease contract negotiations and declare the Proposer with the second highest score as the new Successful Proposer and enter into contract negotiations with that Proposer. This process will continue until the Contracts are signed or no qualified Proposers remain.

The Successful Proposer(s) will be expected to execute the final Contract within ten (10) Business Days of its receipt. If the selected Proposer fails to sign the Contract within the allotted ten (10) Business Day timeframe, the WSLCB may consider the Successful Proposer to be non-responsive and elect to cancel the award and award the Contract to the next ranked Proposer, or cancel or reissue this solicitation.

4.5 NOTIFICATION OF APPARENT SUCCESSFUL PROPOSER(S)

All Responsive Proposers responding to this solicitation will be notified when the WSLCB has determined the Successful Proposer(s).

The date of notification of the Apparent Successful Proposer(s) will be the date of announcement from the WSLCB.

4.6 DEBRIEFING OF UNSUCCESSFUL PROPOSERS

Only Proposers who submit a Response may request an optional debriefing conference to discuss the evaluation of the Response. The request for a debriefing conference must be made in writing and be received by the Procurement Coordinator listed in this RFP within three (3) business days after notification of the Apparent Successful Proposer(s).

The optional debriefing will not include any comparison between the Proposer's Response and any other Responses submitted. However, the WSLCB will discuss the factors considered in the evaluation of the requesting Proposer's Response and address questions and concerns about Proposer's performance with regard to the solicitation requirements.

4.7 PROTEST PROCEDURES

Only Proposers who have submitted a Response to this solicitation and have had a debriefing conference may make protests. Upon completion of the debriefing conference, a Proposer is allowed five (5) business days to file a formal protest of the solicitation with the Procurement Coordinator. Further information regarding the grounds for filing and resolution of protests are contained in the Solicitation Standards located in Appendix B.

4.8 POST AWARD CONFERENCE

The Awarded Contractor(s) may be required to attend a post award conference scheduled by the Procurement Coordinator to discuss contract performance requirements. The time and place of this conference will be scheduled following Contract award.

APPENDIX A
PROPOSAL SUBMITTALS

Submittal Document: Proposers must complete and submit the below document with their Proposal.

K430 Submittal
Document

APPENDIX B

Model Contract Document: The WSLCB expects the final Contract signed by the Successful Proposer to be substantially the same as this Contract. This document does not need to be submitted however Proposers are instructed to be familiar with it.

K430 Model Contract

Solicitation Standards: This document contains the Standard Definitions, Instructions to Proposers and Terms and Conditions. This document does not need to be submitted, however Proposers are instructed to be familiar with it as it governs this solicitation and will be incorporated into the resulting Contract.

K430 Solicitation
Standards

Initiative 502: The link to the Initiative 502 document is provided below for Proposers' convenience. It does not need to be submitted with your proposal. Proposers are instructed to be familiar with the Initiative 502 and all of its requirements.

Initiative 502

No Cost Proposal

Category 1 –Product and industry Knowledge.

A Currently marijuana is grown and cultivated in Washington indoors and out. The indoor grow operations are in homes commercial buildings shops garages barns motor homes underground cargo containers back room in existing businesses. The size ranges from 1-2 plants to hundreds of plants. The indoor plants are grown under grow lights from power supplied from standard electrical companies to power generated from onsite generators, or from stealing power before meters can record usage. One of the ways to detect illegal indoor grows is from excessive power usage this has created the necessity to find power off the grid or move your grow frequently. Outdoor growing operations are susceptible to numerous challenges such as thieves, animals eating your plants bugs frost unforgiving weather.

Outdoor marijuana is harvested in the fall and processed on site. You hang the plant by the stems upside down letting cure till dried to 80-90%. The leaves are trimmed off and you have a tight bud with around 20% The content.

Indoor marijuana is harvested any time it has been in a bud stage of growth for 60 days this usually follows a 60 day Vegetative state. Making the processes four months and yielding about a pound per plant. It is easier to control security indoors for obvious reasons. You can produce a higher THC content by providing the plant with a perfect growing environment. it is best for controlling pest and moisture and lighting ratios with all the environment controlled by fans thermostats and fertilized and treated water.

Although there are commercial grade processors and dryers it is most common for farmers to process their own plants by hand. This is a lot of manual work and takes hours to accomplish.

But if you do not process the plant properly you can destroy the quality and resale value instantly.

If you do not cure it properly you will get mold. If you over dry it you will get a crunchy product that is harsh. If you over handle it you will knock off all the crystal. And the crystal is the whole appeal to the consumer.

B the THc is released from the cured plant thru many methods the basic system is utilizing its fat soluble properties to infuse it into butter or oil. There are other methods of creating oils thru wicking out The thru ice water or chemicals then using the extracts to melt with beers and wines. The candies and edible products are usually infused in syrup or sugar based products to make them appealing and consumable.

C Marijuana will need to have its tag from its point of origin thru the whole process. This process and its regulations and enforcement will be similar to the process of permitting a hunter to harvest an animal. You will sell the farmer a permit to grow @ \$200 times 1000 farmers is

\$200,000. Just to get started then you sell tags at \$5.00 per plant times 100,000 plants per month that's \$500,000 per month. The tags stay with the product to the point of sale. These tags are 16 zip tie like tags infused into the plants between the stem and the branches. Then placed in the bag for delivery to the producer or broker the broker pays the farmer fair market value about \$3.00 per gram or \$1000 per pound or plant and he then pays the state tax of \$250 per pound. The 16 zip tie tags are registered to that farmer. The 16 tags can be with every ounce of product as its moved to the point of sale. The tags themselves can be cut into 28 individual strips to be sold with every gram if necessary. A gram is usually the smallest unit of product ever sold. This system is easy cost effective and easily enforced. it puts the burden on the broker who is Licensed, bonded and insured to pay the farmer tax and deliver legal taxed marijuana to retail outlets. The broker can sell to retail outlets at \$7.00 per gram and make a profit that will keep him or her honest. A broker will not want to risk losing privileges by supporting any other processes to deliver legal Taxed marijuana. Farmers will not tolerate black market farmers when they are playing buy the rules. It will serve as self-enforcement

D With the tracking system I previously described you will easily be able to track and account for all products in the market place

E You can easily destroy marijuana by sending it to the incinerator this is a low cost existing process readily available and right next door to the state patrol office in Spokane.

My experience in this industry spans four decades from the time my brother returned from Vietnam and provided me with my first book "the modern day cultivation of marijuana" to currently being entrusted with a network of growing operations working together to provide cannabis for medical users. Although I currently do not partake due to preference I am fully aware of the condition of euphoria when under the influence of marijuana. I am aware of the different strains and there effects as reported to me by networking with consumers. I was arrested in 1999 for growing 33 plants and imprisoned in a federal facility in 2004 for that grow. This has provided me with the experience of dealing with the federal system. I am currently a certified pilot and have a vast amount of experience in working with the federal government thru the FAA to secure my pilot certificate after my conviction. This and probation provided me with a knowledge of drug testing programs and treatment programs. Within the state and federal system. I have applied for and received my Washington state rights to hold office and vote. I am a very organized man who has 20 years of experience of working with L&I as a general contractor I am highly skilled in solving problems. I am very capable in researching programs and systems that will solve challenges. I have a vast network of resources to call upon to get current and applicable information that pertains to the need at the time. I operated a flight school for 13 years. I understand how to train educate and motivate students and coworkers. I am honest and very loyal. I am a servant to my community. I serve Rotary, Greenhouse Food Bank, Chamber, VFW, Eagles, Economic development Board. Operating a flight school under the rules and regulations of the Federal Aviation Administration and homeland security has provided

me with the insight and experience performing my job under the scrutiny of the United States of America.

Stocker, Marlie

From: Andy Fournier <andy.fournier@gmail.com>
Posted At: Thursday, February 14, 2013 7:50 PM
Conversation: RFP- K430, Andrew Fournier
Subject: RFP- K430, Andrew Fournier

To whom this may concern,

Attached are both a submittal document, and a letter of submittal for my proposal to RFP - K430.

Thank you for your consideration,
Andrew Fournier



Washington State
Liquor Control Board

February 25, 2013

Billy Yorek
2810 NE 35th Avenue
Portland, OR 97212

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Yorek,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Billy Yorek failed to complete and submit the following required items in response to RFP K430: Proposer Information, Subcontractor Information, Letter of Submittal, Non-Cost Proposal and Cost Proposal. Billy Yorek submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 25, 2013

Billy Yorek
2810 NE 35th Avenue
Portland, OR 97212

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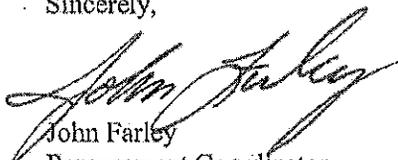
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:42 AM
To: Terry Ortis/Allen (tajp4evr@yahoo.com)
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Billy Yorek_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

Billy Yorek
2810 NE 35th Avenue
Portland, OR 97212

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Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

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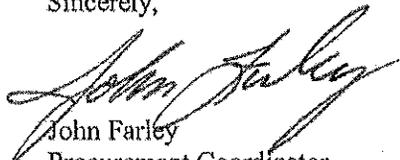
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Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jstf@liq.wa.gov.

Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

*Billy Yorek
2810 NE 35th Ave
Portland, Or 97212
503-804-0400*

*John Farley
Contact Specialist
K430@liq.wa.gov*

Job Title:

*K430 Initiative 502 Consulting Services
#K430*

With more than five years experience in medical marijuana I have learned when planting, start with a high quality seed to ensure best results. After cultivating to maturity, this plant can be cloned numerous times lasting up to three years. The first three weeks after planting, the plants must be sexed and separated.(Failure to do this step will result in the loss of the entire crop.) After sexing the plants put the females four or five feet apart in 50 lbs of soil. The plants will need nutrients weekly and watered daily. The PH needs to be checked and any infected plants

removed to ensure the health of the other plants,

October is the primary month for harvesting. After observing the tricyclone for strength and quality you now begin to harvest by cutting the stock from the bottom. You must hang the plants to dry for 14 days. After the 14 days of curing, trim off the sugar leaves off the bud (save for making butter) and finally trim the leaves off the bud then bag accordingly for consumer consumption.

For consumers who ingest marijuana in cakes, brownies, cookies, candy or butter; They must slow cook bud, sugar leaves and stems for approximately 24 hours to produce a butter or oil to substitute in any baking the dish.

Depending on the strain, the strengths can vary for a variety of reasons; from Indica (being a little stronger for body pain) to Sativa (for stress and anxiety brain relaxed) and Hybrids (which is a mixture of higher quality plants). Strengths are measured by the temperature at which the tricyclone melt. The higher the temperature, higher the quality.

My opinion of consumption per person is approximately one ounce per month per person. Assuming half the population of Washington (3,415,160) consumes this amount of marijuana, you must yield a total of 2,561,370 lbs per year. You would need at least 1,617 acre to produce that much product. One acre could possible grow 1584 plants..You could grow on numerous sites. Hillsides or even rugged terrain not acceptable for building sites could be used, therefore putting unused land back into the economy.

I would sent 80% yield to Puget lowland region, 7%Portland Basin, 7%Columbia Region 3%Northern Cascades 3% Okanogan Highlands

After talking to my lawyer about regulatons, we discussed the possibility of consulting other know legal states what regulations that have worked for them and the problems that they have encountered to have Washington state do this right..

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to **lcbids@liq.wa.gov**.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the **lcbids@liq.wa.gov** inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|--------------------------|
| Proposer's Authorized Offer (see page 2) | <input type="checkbox"/> |
| Proposer Information (see page 3) | <input type="checkbox"/> |
| Subcontractor Information (see page 4) | <input type="checkbox"/> |
| Letter of Submittal (see page 5) | <input type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input type="checkbox"/> |
| Cost Proposal (see page 8) | <input type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Billy Yorek

Proposer Signature

Grower consultant

Title

Company Name

2/14/2013

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name _____

Street Address _____

City, State, Zip _____

Federal Tax ID Number _____

UBI _____

Website URL _____

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: _____

Telephone: _____

Email: _____

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____% _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: Yes No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/day

Stocker, Marlie

From: Terry Ortis/Allen <tajp4evr@yahoo.com>
Posted At: Thursday, February 14, 2013 1:56 PM
Conversation: RFP K430 Billy Yorek

Subject: RFP K430 Billy Yorek

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to **lcbids@liq.wa.gov**.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the **lcbids@liq.wa.gov** inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|--------------------------|
| Proposer's Authorized Offer (see page 2) | <input type="checkbox"/> |
| Proposer Information (see page 3) | <input type="checkbox"/> |
| Subcontractor Information (see page 4) | <input type="checkbox"/> |
| Letter of Submittal (see page 5) | <input type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input type="checkbox"/> |
| Cost Proposal (see page 8) | <input type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Billy Yorek

Proposer Signature

Grower consultant

Title

Company Name

2/14/2013

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name _____

Street Address _____

City, State, Zip _____

Federal Tax ID Number _____

UBI _____

Website URL _____

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: _____

Telephone: _____

Email: _____

Payment Options:

- YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.
 Prompt Payment Discount _____ % _____ days, net 30 days.
- YES NO Will you accept the State's Purchasing Card (P-Card)?
- YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/day

*Billy Yorek
2810 NE 35th Ave
Portland, Or 97212
503-804-0400*

*John Farley
Contact Specialist
K430@liq.wa.gov*

Job Title:

*K430 Initiative 502 Consulting Services
#K430*

With more than five years experience in medical marijuana I have learned when planting, start with a high quality seed to ensure best results. After cultivating to maturity, this plant can be cloned numerous times lasting up to three years. The first three weeks after planting, the plants must be sexed and separated.(Failure to do this step will result in the loss of the entire crop.) After sexing the plants put the females four or five feet apart in 50 lbs of soil. The plants will need nutrients weekly and watered daily. The PH needs to be checked and any infected plants

removed to ensure the health of the other plants,

October is the primary month for harvesting. After observing the tricyclone for strength and quality you now begin to harvest by cutting the stock from the bottom. You must hang the plants to dry for 14 days. After the 14 days of curing, trim off the sugar leaves off the bud (save for making butter) and finally trim the leaves off the bud then bag accordingly for consumer consumption.

For consumers who ingest marijuana in cakes, brownies, cookies, candy or butter; They must slow cook bud, sugar leaves and stems for approximately 24 hours to produce a butter or oil to substitute in any baking the dish.

Depending on the strain, the strengths can vary for a variety of reasons; from Indica (being a little stronger for body pain) to Sativa (for stress and anxiety brain relaxed) and Hybrids (which is a mixture of higher quality plants). Strengths are measured by the temperature at which the tricyclone melt. The higher the temperature, higher the quality.

My opinion of consumption per person is approximately one ounce per month per person. Assuming half the population of Washington (3,415,160) consumes this amount of marijuana, you must yield a total of 2,561,370 lbs per year. You would need at least 1,617 acre to produce that much product. One acre could possible grow 1584 plants..You could grow on numerous sites. Hillsides or even rugged terrain not acceptable for building sites could be used, therefore putting unused land back into the economy.

I would sent 80% yield to Puget lowland region, 7%Portland Basin, 7%Columbia Region 3%Northern Cascades 3% Okanogan Highlands

After talking to my lawyer about regulatons, we discussed the possibility of consulting other know legal states what regulations that have worked for them and the problems that they have encountered to have Washington state do this right..





Washington State
Liquor Control Board

February 25, 2013

Brian Reardon
Software Engineer
12 Fourth Street
Farmingdale, NY 11735

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Reardon,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Brian Reardon failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Non-Cost Proposal and Cost Proposal. Brian Reardon submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 25, 2013

Brian Reardon
Software Engineer
12 Fourth Street
Farmingdale, NY 11735

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

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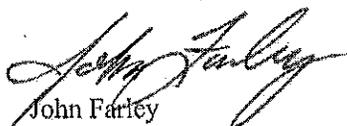
Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Brian Reardon failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Non-Cost Proposal and Cost Proposal. Brian Reardon submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jstf@liq.wa.gov.

Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:43 AM
To: 'info@sneltec.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Brian Reardon_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

Brian Reardon
Software Engineer
12 Fourth Street
Farmingdale, NY 11735

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Reardon,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

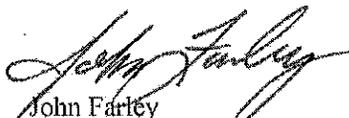
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Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: info@sneltec.com
Posted At: Wednesday, February 06, 2013 5:28 PM
Conversation: Submission regarding RFP for K430 INITIATIVE 502 CONSULTING SERVICES
Subject: Submission regarding RFP for K430 INITIATIVE 502 CONSULTING SERVICES

To whom it may concern,

Please see the attached document in response to the RFP regarding K430 INITIATIVE 502 CONSULTING SERVICES.

If you would prefer to receive the body of the document in a different format, please feel free to reply to this email address and specify the preferred document format.

Kind regards,

Brian Reardon
Software Engineer

Brian Reardon
Software Engineer
12 Fourth Street
Farmingdale, NY 11735

Mr. John Farley
Contracts Specialist
State of Washington
Liquor Control Board
3000 Pacific Ave. SE, P.O. Box 43090
Olympia, Washington 98504-3090

Dear Mr. Farley,

Please allow me to introduce myself. My name is Brian Reardon and I am writing in response to RFP: K430 INITIATIVE 502 CONSULTING SERVICES. I would like to offer my assistance regarding the implementation of the Washington State Initiative 502 (I-502) requirements.

I spent 2004 through 2010 living in Amsterdam and from 2005 until 2010 I had an engineering company called Sneltec registered with the Dutch Chamber of Commerce. While working in Holland as a self-employed software engineer, I developed a point-of-sale (POS) system for use in coffeshops. The POS, referred to as Slimkassa (Dutch for "smart cash register") was presented to the proper Dutch authorities to be validated for use in a coffeshop environment wherein cannabis products are sold.

To be certified for use by the governing body that controls and administers coffeshop rules and regulations, I was required to submit the Slimkassa program and software to the Dutch testing and certification authority, NMI (<http://www.nmi.nl/?lg=en>). As a result, the system was evaluated and was awarded a certificate of compliance that makes it valid for use in coffeshops in Amsterdam. It is one of only 3 systems that are legally allowed to be used to weigh and distribute cannabis products in coffeshops.

During the time that I was developing the system, I worked closely with the manager of the coffeshop who defined the system functionality to adhere not only to the shop owners requirements, but also the governing body who oversees coffeshop operations and regulations. As a result, the system became an efficiency improvement tool for him and we decided to market it to other shops. There are now 5 coffeshops in Amsterdam using the Slimkassa system. This allowed me to become very informed on coffeshop regulations as well as the restrictions regarding distribution, stocking and product monitoring. I also have knowledge of cultivation and processing as well as quality testing and product analysis.

I would be happy to contribute my knowledge, if desired, to the state of Washington as it moves forward in its effort to establish and implement Washington State Initiative 502 (I-502). I applaud the State of Washington's decision to consider this endeavor as it moves forward in its effort to establish the guidelines for responsible management of a product that I believe has been slandered and greatly misunderstood and misrepresented in the past in the United States and elsewhere. While I understand the RFP is for a consultant with specific abilities, I do not believe I have all the qualifications required. However, I would be happy to assist in any fashion you may deem useful to share the information gleaned by being tightly associated and involved in the Amsterdam coffeshop business on a voluntary basis.

Thank you for your time and I wish you success in implementing the initiative.

Kind regards,

Brian Reardon
bri@sneltec.com



**Washington State
Liquor Control Board**

February 22, 2013

Brandon Webby
Cannabis Consultants, LLC
595 Arkansas Mtn. Rd.
Boulder, CO 80302

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Webby,

This letter is to inform you that Cannabis Consultants' response to Request for Proposals (RFP) K430 has been rejected because it was not received before the required due date and time.

Statewide contracting policy promotes open and effective competition and the equal treatment of all proposers by firmly mandating that the acceptance of late proposals is prohibited. In accordance with Washington Administrative Code (WAC) 200-300-025:

"...All bids must be received in the office of the purchasing activity by the date and time specified in the document or addenda. No deviations will be allowed..."

Responses to RFP K430 were due on or before 2:00 p.m. on February 15, 2013. As partially stated in Amendment 2 to RFP K430:

"Complete Proposals must be received electronically on or before February 15, 2013 at 2:00PM (PT)..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their proposal is submitted on time. The WSLCB received Cannabis Consultants' proposal in the lcbids@liq.wa.gov inbox on February 15, 2013 at 2:03 p.m. (PT). Cannabis Consultants failed to submit their proposal on time and is thus deemed non-responsive and rejected from further participation in RFP K430.

Thank you for your interest in doing business with the Washington State Liquor Control Board. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jfsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 22, 2013

Brandon Webby
Cannabis Consultants, LLC
595 Arkansas Mtn. Rd.
Boulder, CO 80302

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Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

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Thank you for your interest in doing business with the Washington State Liquor Control Board. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jstf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Friday, February 22, 2013 3:13 PM
To: 'BrandonEWebby@gmail.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Rejection Letter_Cannabis Consultants.pdf

Good Afternoon,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 22, 2013

Brandon Webby
Cannabis Consultants, LLC
595 Arkansas Mtn. Rd.
Boulder, CO 80302

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

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Thank you for your interest in doing business with the Washington State Liquor Control Board. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Brandon E. Webby has built the most publicly awarded dispensary and associated Growing facilities in Colorado (The Dandelion, Boulder, CO).
The Medical Marijuana Enforcement Division used the Dandelion and it's growing as a training model for new officers.

Bandon Webby has been a pioneer in both the Retail, MIP and growing aspects of this industry, additionally Brandon Co-Founded marQaha, a leading Drink, Tincture and Mist company (MIP=Manufactured Infused Product Company).

Brandon has become a leading MMJ consultant offering various services to many of the Top Dispensaries and has championed responsible growing techniques that limit risks to the end user and make this a safer industry.

Retail:

The Dandelion
Boulder, CO 80302

MIP:
marQaha
marQaha.com

Biography

Craig Kloppenberg has been a life long resident of Colorado and has positioned himself to be an attribute to developing policy and recommendations through education and experience. Craig began his education at Trinidad State Junior College where he completed an Associate of Arts degree in Criminal Justice. He was also a member of the collegiate baseball team learning to manage time between being a college athlete and student. Craig was chosen for "Who's Who Among American Junior Colleges" for his work on student council, Resident Assistant, Athlete and student. Craig then completed formal police academy training at Arapahoe Community College in 1992 and was hired as a deputy sheriff in La Plata County Sheriff's Office. While working for the sheriff's office, Craig was recruited to work Marijuana eradication conducting covert assignments that required surveillance of clandestine marijuana grows, developing information and relationships with community leaders as well as stake holders in energy to further information gathering and investigative information. Craig worked in concert with agents of The Drug Enforcement Administration, Federal Bureau of Investigations and other local law enforcement agencies during his assignment to Marijuana eradication. Craig continued his law enforcement education completing courses in Marijuana eradication, learning growing techniques, and packaging techniques to avoid detection and vehicle movement to avoid detection by law enforcement. Craig moved to Littleton Police Department in 1995 as a patrol officer and furthered his education by graduating from Regis University with a Bachelor Degree in Criminal Justice. Craig completed 10 years as a SWAT Operator obtaining numerous certifications as a defensive tactics instructor, less lethal instructor, taser instructor and firearms instructor. These skills allowed me to develop my abilities as a presenter and getting thoughts conveyed to new officers. During Craig's tenure with Littleton Police Department, he was a field training officer for 10 years training approximately 75 new officers in that span. Craig developed ability to complete written reports documenting satisfactory performance and unsatisfactory performance that required individual counseling or designing alternative learning methods for those he was training. Craig was also a Police Academy instructor for 8 years focusing on firearms and defensive tactic curriculums.

In 2011 Craig joined Medical Marijuana Enforcement Division as a criminal investigator. During his time with MMED, he was responsible for completing routine inspections on medical marijuana dispensaries, associated grows and food products that were being produced with medical marijuana. Craig was involved with complex investigations that included Colorado State Attorney General Office and Federal Bureau of Investigations that focused on illegal transportation and sale of marijuana from outside the State of Colorado thru medical marijuana dispensaries. Craig was charged with developing processes and systems to chart marijuana that was being produced and sold at 8 different dispensaries. Craig developed a training program that was

taught to local jurisdictions about the benefit of regulations and the role Medical Marijuana Enforcement Division took to assist local, state and federal law enforcement.

Craig has completed over 300 inspections on medical marijuana centers, cultivation centers and infused product centers. Craig has been exposed to several different grow methods, business methods and transportation methods. Craig was able to gain knowledge on the business model for many medical marijuana centers in Colorado.

August 2012, Craig partnered with MMJ America as a compliance officer completing similar tasks that he completed as a state criminal investigator. This position has offered Craig a unique look at how a dispensary and grow operates from the business side. Craig has taken on a new knowledge of growing techniques, tracking techniques, inventory issues, internal theft and transportation concerns. Craig has been able to implement and develop unique process to monitor those issues to render a viable and legal marijuana dispensary.

Joel Smith has approximately 12 years experience in law enforcement as a police officer and investigator with the Colorado Medical Marijuana Enforcement Division.

Joel received his Bachelor's Degree in Law Enforcement and Justice Administration with a secondary degree in Sociology from Western Illinois University in 1998. He received his Master's Degree in Law Enforcement and Justice Administration from Western Illinois University in 2003.

Joel worked as a police officer in both Rockford, IL and Denver, CO between March 2001 and July 2011. He worked as a patrol officer and as a community resource officer during his tenure at these departments. Joel's duties as the community resources officer included organizing and leading neighborhood watch meetings, working with various city agencies to close problem properties and assisting the Rockford Police Narcotics Units in approximately 75 narcotics raids.

From July 2011 to November 2012 Joel worked for the Colorado Department of Revenue, Medical Marijuana Enforcement Division (MMED). He worked as a criminal investigator and performed approximately 600 licensing inspections of medical marijuana centers, associated marijuana grows and marijuana infused product manufacturers. My inspections certified the businesses adhered to State of Colorado rules and regulations.

Since November 2012 Joel has been doing private consulting with medical marijuana businesses in the Denver area. He is confirming the businesses are operating within the State of Colorado rules and regulations. Joel is also assisting the businesses in creating internal security policies.

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to lbbids@liq.wa.gov.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the lbbids@liq.wa.gov inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|-------------------------------------|
| Proposer's Authorized Offer (see page 2) | <input checked="" type="checkbox"/> |
| Proposer Information (see page 3) | <input checked="" type="checkbox"/> |
| Subcontractor Information (see page 4) | <input checked="" type="checkbox"/> |
| Letter of Submittal (see page 5) | <input checked="" type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input checked="" type="checkbox"/> |
| Cost Proposal (see page 8) | <input checked="" type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Brandon Webby

Proposer Signature
Horticulturist/Business Manager

Title

Cannabis Consultants, LLC

Company Name
2/13/13

Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name Cannabis Consultants, LLC
 Street Address 595 Arkansas Mtn. Rd.
 City, State, Zip Boulder, CO 80302
 Federal Tax ID Number PersonallInfo
 UBI _____
 Website URL www.CannaConsult.org

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: Brandon Webby
 Telephone: 720-560-5733
 Email: BrandonEWebby@gmail.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____% _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input checked="" type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminants, and Product strain.

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
 - a. Experience with State, local or Federal government processes and procedures
 - b. Experience in crafting system regulations
14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.
15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals which are consistent with State government efforts to conserve state and federal resources.

Instructions to Proposer: Proposer shall complete either Table 1 or Table 2 below by entering their Not-to-Exceed (NTE) Hourly Rate or Not-to-Exceed Daily rate for Initiative 502 Consulting Services. For the purposes of this RFP, one day shall consist of a total of eight (8) hours.

Proposer is instructed to be familiar with the Initiative 502 language when preparing their response. A link to the I-502 document is located in Appendix B of the RFP for Proposer's convenience.

Table 1: Hourly Rate

Description	NTE Hourly Rate
Not-to-Exceed (NTE) Hourly Rate for I-502 Consulting Services as stated in this RFP	\$ <u>600.00</u> p/hour

Table 2: Daily Rate

Description	NTE Daily Rate
Not-to-Exceed (NTE) Daily Rate for I-502 Consulting Services as stated in this RFP	\$ ____ p/day

Biography for Retired Special Agent
Paul W. Schmidt

S/A Schmidt began his career with Drug Enforcement Administration (DEA) in 1987 after serving more than six years with the Arapahoe County Sheriff's Department in Littleton, Colorado. As a Deputy Sheriff, S/A Schmidt worked various assignments including patrol, investigations, and the Special Services Unit (SWAT). After working with the DEA Task Force in Denver, Colorado, Deputy Schmidt applied for the position of Special Agent with the Drug Enforcement Administration. He was hired by the DEA in May 1987 at the Denver Division Office. Upon graduation from the DEA academy, S/A Schmidt's first assignment was the Portland, Oregon Resident Office (1987-1991), where he advanced to a GS-12 level before applying for an overseas assignment. In 1991, S/A Schmidt was transferred to the Maracaibo, Venezuela Office and served there until the office was closed in 1992. S/A Schmidt completed his overseas tour at the Country Office in Caracas, Venezuela when he was transferred to the Miami Field Division in 1995. While in Miami, he worked as a senior agent in an enforcement group until he was promoted to a managerial/enforcement GS-14 position. In May 1998, S/A Schmidt assumed the position of the Resident Agent in Charge of the Cheyenne Resident Office. In September 2001, S/A Schmidt transferred to the Special Operations Division in Washington D.C. where he served as a Staff Coordinator assigned to the international money laundering unit. In June 2004, he was transferred to the Austin Resident Office and assumed the position of the Resident Agent in Charge. He maintained the RAC position in Austin for over three years before he was promoted to a GS-15 position. In March 2008, SA Schmidt assumed the responsibilities of the Assistant Special Agent in Charge of the Portland, Oregon District Office. He oversaw and managed the DEA activities and operations in the State of Oregon and southwest counties of the State of Washington.

Throughout S/A Schmidt's law enforcement career, he has strived to advance his knowledge and skill relative to the various assignments at hand. Building upon his past experience from previous law enforcement responsibilities he started to improve and expand his investigative abilities and skills. S/A Schmidt started at a GS-7 entry level and advanced to a GS-12 while assigned to the Portland, Oregon Resident Office. He handled various investigations including clandestine laboratories/methamphetamine, indoor marijuana cultivation, and heroin/cocaine smuggling networks. He "chaired" several trials in the District of Oregon and the Western District of Washington that included testimony as an expert witness for the prosecution. While stationed in the northwest, S/A Schmidt participated with Ph. D. Mahmoud A. ElSohly, Project Director, for a study of cannabis sponsored by the National Institute on Drug Abuse (NIDA) at the University of Mississippi, Research Institute of Pharmaceutical Sciences, Health Sciences Research Division at the School of Pharmacy. S/A Schmidt worked with researchers analyzing various samples of seized cannabis (marijuana) to determine the THC%, CBC%, CBD%, and CBN% (percentages) and values. With this data, the project in part studied what strains of cannabis cultivated under various conditions produced the highest levels of each cannabinoid.

Overseas, S/A Schmidt acquired a language proficiency in Spanish that assisted him in his assigned duties at the Maracaibo Resident Office and the Caracas Country

Biography for Retired Special Agent
Paul W. Schmidt

Office. He worked various investigations with Venezuelan counterparts that included several controlled deliveries back to the United States that resulted in successful prosecutions. During his tour overseas, he developed various confidential sources that included a special contact that was able to infiltrate several large scale international money laundering organizations based in Venezuela and Colombia. This source was passed on to agents remaining in country and has continued to work with law enforcement officials.

After his transfer to the Miami Field Division, he worked as a senior agent assigned to an enforcement group working with fellow DEA and FBI agents; where he developed and sharpened his skills regarding Title-III telecommunications intercept investigations and new technologies. S/A Schmidt's personality and skills allowed him to ensure that a strong working relationship existed between the DEA Group Four and FBI Squad Four along with state and local counterparts. This cohesiveness led to numerous Title-III telecommunications intercept investigations that resulted in successful prosecutions and asset forfeitures.

Beginning his management career in May 1998, S/A Schmidt was promoted to the Resident Agent in Charge of the Cheyenne, Wyoming Resident Office. He quickly developed a new set of skills and knowledge relative to operating an office of eleven people, including a Post of Duty in Casper, Wyoming. He headed the Resident Office and was responsible for the State of Wyoming and the northern border areas of Colorado. S/A Schmidt worked with state authorities in Wyoming and Colorado along with twenty-six separate counties. He pursued a strong commitment to repair and build working relationships among the DEA, state and local law enforcement counterparts since previous situations had given way to a stalemate in drug enforcement efforts in Wyoming and northern Colorado. He and office personnel made daily efforts to build on the "positive" aspects that eventually gave way to sound working relationships among counterparts. During S/A Schmidt's tenure in Wyoming, the DEA Cheyenne Resident Office received the Administrator's Award for the first Title-III telecommunication intercept completed on a "pre-paid" calling card used by a Mexican National Drug Trafficking Organization based in Greeley, Colorado.

In September 2001, S/A Schmidt reported to the Special Operations Division located in Lorton, Virginia where he worked as a Staff Coordinator and was assigned to the international money laundering unit overseen by an ICE manager. In this assignment he acquired valuable skills relative to Title-III investigations and the diplomacy required to coordinate large scale investigations among the DEA, the FBI, and the ICE domestic and foreign offices. These skills were sharpened and expanded as he assumed the responsibilities as "acting" Unit Chief of the money laundering section on a regular basis. He also assisted in the development and deployment of several computer software applications including the financial database application currently named "FIND IT" that assists Staff Coordinators in researching financial information including Grand Jury materials. This project required him to testify before Grand Juries in the District of Columbia and present the project and updates to the Chief Judge of the District. Another

Biography for Retired Special Agent
Paul W. Schmidt

project of his involved the design and implementation of a "telephone de-confliction and resource data base" eventually named "DARTS."

In June 2004, S/A Schmidt reported to the Austin Resident Office to assume the position of the Resident Agent in Charge. He built upon his previous management experiences at the Cheyenne Resident Office and quickly adapted his management abilities to work within the Austin, Texas environment. He continued to learn and develop his management skills and knowledge relative to the operation of the Austin office consisting of twenty-four people with the assistance of one group supervisor. With responsibility for an area of thirteen counties and a population of 1.3 million people, he pursued a strong commitment to repair and build working relationships between the DEA, state, and local law enforcement counterparts as previous situations had led to a negative reputation of the DEA among the major law enforcement authorities in and around Austin, Texas. With the cooperation of office personnel he turned this situation around and made positive strides towards strong working relationships with counterparts. During his tenure in Austin, Texas, the DEA Austin Resident Office received recognition from the San Antonio District Office and the Houston Field Division as a leader in using innovative investigative techniques and methods to effectively handle enforcement and administrative matters. In 2007, S/A Schmidt managed the Austin office without the assistance of any support positions due to the DEA hiring freeze. He expanded his working knowledge of employee issues ranging from performance improvement plans, working "in-depth" with the Employee Assistance Program, to handling the extended sick leave of an employee battling cancer and relying on the use of the DEA and the DOJ voluntary leave banks.

In March 2008, S/A Schmidt received a promotion and reported to the Portland, Oregon District Office to assume the responsibilities of the Assistant Special Agent in Charge (ASAC). He assumed enforcement and administrative operations for the State of Oregon and the southern counties of Washington State along the Columbia River. He worked to improve the District's administrative functions encouraging a more positive and effective environment. S/A Schmidt and the DEA offices in Oregon made a concentrated effort to re-establish strong working relationships with state and local counterparts regarding enforcement efforts within the State of Oregon. These actions resulted in the development of several large scale investigations that led to successful prosecutions and asset forfeitures. He continues to build upon his skill as an agency leader and manager, strengthening working relationships with others, leveraging available resources to achieve the highest possible level of performance. ASAC Schmidt retired from DEA in 2010 in good standing to take a position with the Colorado Department of Revenue, Medical Marijuana Enforcement Division as the Agent in Charge of Enforcement Operations.

Agent in Charge Paul Schmidt started his career with the Colorado Department of Revenue, Medical Marijuana Enforcement Division (MMED) in January 2011. He was one of the initial hired members of the MMED. He assumed various responsibilities reading the development of the Division (MMED) including vital input as a subject

Biography for Retired Special Agent
Paul W. Schmidt

matter expert on cannabis for the MMED and recognized expert in federal and state courts (Western District of Washington and Oregon / Colorado.)

In addition, Paul Schmidt conducts independent credited training seminars for medical professionals such as the Texas Osteopathic Medical Association (TOMA) in Dallas, Texas and the Iowa Osteopathic Medical Association (IOMA) in Des Moines, IA. These training seminars are related to pharmaceutical prescription abuse and regulatory rules and protocols associated with the handling controlled substances. These seminars allow doctors and associated employees a means to keep current with changing trends among abusers and methods of detection to help build a successful practice and pain management strategy.

In conclusion, Paul Schmidt has thirty-three years of law enforcement experience with fifteen years of experience in mid and upper level management positions. He is currently POST certified at the state level and a retired federal agent in good standing. Paul has taken every opportunity to learn and strengthen his "skill" regarding the management and operations of law enforcement professionals.

(Summary)

As a law enforcement professional, Paul Schmidt has worked domestically and overseas. He has accumulated an extensive knowledge of controlled substances and the rules and regulations associated to the management of pharmaceuticals. DEA provided a firm foundation regarding the investigation of illicit narcotics and the oversight of the DEA Diversion Program which has the responsibility of auditing and reviewing the pharmaceutical production and distribution of controlled substances. Paul's initial law enforcement career allows him an avenue to work and relate well with local municipalities as well as county and state level enforcement levels.

With his career experience, he has developed into a recognized expert in the field of cannabis, testifying as an expert on the part of prosecutions and assisting the Medical Marijuana Industry within Colorado with helpful hints of the trade from electrical power phasing to current cultivation techniques.

In twenty-three years of service with the DEA, S/A Schmidt has received a total of twenty-one ratings for "Outstanding" performance and two ratings of "Excellent" performance. These twenty-three ratings were given by a combination of seventeen different supervisors.

(Recognition and Awards)

S/A Schmidt has received ten certificates of recognition that include; Outstanding Contributions, Exceptional Performance, Excellence of Service, and the Administrator's Award for Outstanding Group Achievement.

(References)

Available upon request

Stocker, Marlie

From: Erica Kondo <bpkondo@gmail.com>
Posted At: Friday, February 15, 2013 2:03 PM
Conversation: RFP- K430, Cannabis Consultants, LLC
Subject: RFP- K430, Cannabis Consultants, LLC

Please see attached Submittal Document and additional documents.

Thank you for your consideration,
Cannabis Consultants
www.CannaConsult.org

RFP K430 SUBMITTAL DOCUMENT

Proposer must complete and submit all sections of this Submittal Document as listed below:

- Proposer's Authorized Offer
- Proposer Information
- Subcontractor Information
- Letter of Submittal
- Non-Cost Proposal
- Cost Proposal

SUBMITTAL INSTRUCTIONS

Complete Proposals must be received electronically on or before **February 15, 2013 at 2:00PM (PT)**. Proposer must complete and submit all sections of this Submittal Document. Proposer may attach additional sheets as necessary. Proposer should:

- Attach the completed submittal document to a single email message and send it to **lcbids@liq.wa.gov**.
- Clearly mark the subject line of the email: RFP- K430, Vendor Name (e.g. RFP- K430, ABC Company).
- The preferred software formats are Microsoft Word 2000 (or more recent version) and PDF. If this presents any problem or issue, contact the Procurement Coordinator immediately. To keep file sizes to a minimum, Proposers are cautioned not to use unnecessary graphics in their proposals.
- It is preferred that electronic signatures appear on all documents requiring signature. However, an email date stamp will be accepted as signed by the legally authorized representative of the firm for the purpose of this Proposal only.

Time of receipt will be determined by the e-mail date and time **received** at the WSLCB's mail server in the **lcbids@liq.wa.gov** inbox. The "receive date/time" posted by the WSLCB's email system will be used as the official time stamp. The WSLCB is not responsible for problems or delays with e-mail when the WSLCB's systems are operational. If a Proposal is late, it may be rejected.

Proposals should be submitted in the format described in this solicitation. All Proposals and any accompanying documentation become the property of the WSLCB and will not be returned. Incomplete Proposals may be rejected. Proposals submitted by fax, will not be accepted and will be considered non-responsive.

SUBMITTAL CHECKLIST

This checklist is provided for Proposer's convenience only and identifies the sections of this submittal document to be completed and submitted with each Response. Any response received without any one or more of these sections may be rejected as being non-responsive.

- | | |
|--|-------------------------------------|
| Proposer's Authorized Offer (see page 2) | <input checked="" type="checkbox"/> |
| Proposer Information (see page 3) | <input checked="" type="checkbox"/> |
| Subcontractor Information (see page 4) | <input checked="" type="checkbox"/> |
| Letter of Submittal (see page 5) | <input checked="" type="checkbox"/> |
| Non-Cost Proposal (see page 6) | <input checked="" type="checkbox"/> |
| Cost Proposal (see page 8) | <input checked="" type="checkbox"/> |

Note: The WSLCB understands that potential Proposers may have limited experience in providing the expertise required in all Categories described in RFP K430. In order to better leverage resources available for performing the Services required herein, the WSLCB recommends that potential Proposers may form teams that combine their knowledge, skills, and abilities into one (1) Proposal to meet the requirements as stated in RFP K430.

PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430
Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.

Brandon Webby

 Proposer Signature
 Horticulturist/Business Manager

 Title

Cannabis Consultants, LLC

 Company Name
 2/13/13

 Date

PROPOSER INFORMATION

Proposer Profile:

Firm Name Cannabis Consultants, LLC
 Street Address 595 Arkansas Mtn. Rd.
 City, State, Zip Boulder, CO 80302
 Federal Tax ID Number PersonalInfo
 UBI _____
 Website URL www.CannaConsult.org

Proposer Authorized Representative:

Proposer must designate an Authorized Representative who will be the principal point of contact for the WSLCB Contract Administrator for the duration of this RFP process. Proposer's Authorized Representative will serve as the focal point for business matters and administrative activities.

Representative Name: Brandon Webby
 Telephone: 720-560-5733
 Email: BrandonEWebby@gmail.com

Payment Options:

YES NO Do you offer a Prompt Payment Discount? If yes, please provide below.

Prompt Payment Discount _____ % _____ days, net 30 days.

YES NO Will you accept the State's Purchasing Card (P-Card)?

YES NO Will you accept Electronic Funds Transfer (EFT)?

Categories of Service:

Proposer must designate the Category(ies) of service for which this Response applies. Please check the appropriate box(es) below:

Category	Description	Response Applies this Category
All	<u>ALL</u> Categories (1-4) listed below	<input checked="" type="checkbox"/>
1	Product and Industry Knowledge	<input type="checkbox"/>
2	Product Quality Standards and Testing	<input type="checkbox"/>
3	Product Usage and Consumption Validation	<input type="checkbox"/>
4	Product Regulation	<input type="checkbox"/>

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor 1

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 2

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 3

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

Subcontractor 4

Name: _____
 Services: _____
 Address: _____
 Telephone: _____
 Email: _____
 Fed ID: _____
 UBI: _____
 Work to be Performed: _____
 OMWBE certified: ___ Yes ___ No

LETTER OF SUBMITTAL

The Proposer's Letter of Submittal must be signed by the individual within the organization authorized to bind the bidder to the offer. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Proposer and any proposed subcontractors:

- Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.)
- Location of the facility from which the Proposer would operate.
- Statement of which of the following Categories Proposer is responding to:
 - Category 1: Product and Industry Knowledge
 - Category 2: Product Quality Standards and Testing
 - Category 3: Product Usage and Consumption Validation
 - Category 4: Product Regulation
- Identify any state employees or former state employees employed or on the firm's governing board as of the date of the proposal. Include their position and responsibilities within the Proposer's organization. If following a review of this information, it is determined by the WSLCB that a conflict of interest exists, the Proposer may be disqualified from further consideration for the award of a contract.

NON-COST PROPOSAL

Please refrain from using company name or other information that will identify your company while preparing your response for the Non-Cost Submittal. The Washington State Liquor Control Board (WSLCB) reserves the right to modify proposals in order to eliminate company names or any other information that may identify a specific company brand.

CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
 - b. How Marijuana is infused into food and beverages
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
 - d. How wholesale and retail Product should be recalled and accounted for
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.
3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.
4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations
 - b. Assisting the WSLCB with establishing quality standards for testing Marijuana
6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.
7. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
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Description	NTE Daily Rate
Not-to-Exceed (NTE) <u>Daily</u> Rate for I-502 Consulting Services as stated in this RFP	\$ _____ p/day

Brandon E. Webby has built the most publicly awarded dispensary and associated Growing facilities in Colorado (The Dandelion, Boulder, CO).
The Medical Marijuana Enforcement Division used the Dandelion and it's growing as a training model for new officers.

Brandon Webby has been a pioneer in both the Retail, MIP and growing aspects of this industry, additionally Brandon Co-Founded marQaha, a leading Drink, Tincture and Mist company (MIP=Manufactured Infused Product Company).

Brandon has become a leading MMJ consultant offering various services to many of the Top Dispensaries and has championed responsible growing techniques that limit risks to the end user and make this a safer industry.

Retail:

The Dandelion
Boulder, CO 80302

MIP:
marQaha
marQaha.com

Biography

Craig Kloppenberg has been a life long resident of Colorado and has positioned himself to be an attribute to developing policy and recommendations through education and experience. Craig began his education at Trinidad State Junior College where he completed an Associate of Arts degree in Criminal Justice. He was also a member of the collegiate baseball team learning to manage time between being a college athlete and student. Craig was chosen for "Who's Who Among American Junior Colleges" for his work on student council, Resident Assistant, Athlete and student. Craig then completed formal police academy training at Arapahoe Community College in 1992 and was hired as a deputy sheriff in La Plata County Sheriff's Office. While working for the sheriff's office, Craig was recruited to work Marijuana eradication conducting covert assignments that required surveillance of clandestine marijuana grows, developing information and relationships with community leaders as well as stake holders in energy to further information gathering and investigative information. Craig worked in concert with agents of The Drug Enforcement Administration, Federal Bureau of Investigations and other local law enforcement agencies during his assignment to Marijuana eradication. Craig continued his law enforcement education completing courses in Marijuana eradication, learning growing techniques, and packaging techniques to avoid detection and vehicle movement to avoid detection by law enforcement. Craig moved to Littleton Police Department in 1995 as a patrol officer and furthered his education by graduating from Regis University with a Bachelor Degree in Criminal Justice. Craig completed 10 years as a SWAT Operator obtaining numerous certifications as a defensive tactics instructor, less lethal instructor, taser instructor and firearms instructor. These skills allowed me to develop my abilities as a presenter and getting thoughts conveyed to new officers. During Craig's tenure with Littleton Police Department, he was a field training officer for 10 years training approximately 75 new officers in that span. Craig developed ability to complete written reports documenting satisfactory performance and unsatisfactory performance that required individual counseling or designing alternative learning methods for those he was training. Craig was also a Police Academy instructor for 8 years focusing on firearms and defensive tactic curriculums. In 2011 Craig joined Medical Marijuana Enforcement Division as a criminal investigator. During his time with MMED, he was responsible for completing routine inspections on medical marijuana dispensaries, associated grows and food products that were being produced with medical marijuana. Craig was involved with complex investigations that included Colorado State Attorney General Office and Federal Bureau of Investigations that focused on illegal transportation and sale of marijuana from outside the State of Colorado thru medical marijuana dispensaries. Craig was charged with developing processes and systems to chart marijuana that was being produced and sold at 8 different dispensaries. Craig developed a training program that was

taught to local jurisdictions about the benefit of regulations and the role Medical Marijuana Enforcement Division took to assist local, state and federal law enforcement.

Craig has completed over 300 inspections on medical marijuana centers, cultivation centers and infused product centers. Craig has been exposed to several different grow methods, business methods and transportation methods. Craig was able to gain knowledge on the business model for many medical marijuana centers in Colorado.

August 2012, Craig partnered with MMJ America as a compliance officer completing similar tasks that he completed as a state criminal investigator. This position has offered Craig a unique look at how a dispensary and grow operates from the business side. Craig has taken on a new knowledge of growing techniques, tracking techniques, inventory issues, internal theft and transportation concerns. Craig has been able to implement and develop unique process to monitor those issues to render a viable and legal marijuana dispensary.

Joel Smith has approximately 12 years experience in law enforcement as a police officer and investigator with the Colorado Medical Marijuana Enforcement Division.

Joel received his Bachelor's Degree in Law Enforcement and Justice Administration with a secondary degree in Sociology from Western Illinois University in 1998. He received his Master's Degree in Law Enforcement and Justice Administration from Western Illinois University in 2003.

Joel worked as a police officer in both Rockford, IL and Denver, CO between March 2001 and July 2011. He worked as a patrol officer and as a community resource officer during his tenure at these departments. Joel's duties as the community resources officer included organizing and leading neighborhood watch meetings, working with various city agencies to close problem properties and assisting the Rockford Police Narcotics Units in approximately 75 narcotics raids.

From July 2011 to November 2012 Joel worked for the Colorado Department of Revenue, Medical Marijuana Enforcement Division (MMED). He worked as a criminal investigator and performed approximately 600 licensing inspections of medical marijuana centers, associated marijuana grows and marijuana infused product manufacturers. My inspections certified the businesses adhered to State of Colorado rules and regulations.

Since November 2012 Joel has been doing private consulting with medical marijuana businesses in the Denver area. He is confirming the businesses are operating within the State of Colorado rules and regulations. Joel is also assisting the businesses in creating internal security policies.

Biography for Retired Special Agent
Paul W. Schmidt

S/A Schmidt began his career with Drug Enforcement Administration (DEA) in 1987 after serving more than six years with the Arapahoe County Sheriff's Department in Littleton, Colorado. As a Deputy Sheriff, S/A Schmidt worked various assignments including patrol, investigations, and the Special Services Unit (SWAT). After working with the DEA Task Force in Denver, Colorado, Deputy Schmidt applied for the position of Special Agent with the Drug Enforcement Administration. He was hired by the DEA in May 1987 at the Denver Division Office. Upon graduation from the DEA academy, S/A Schmidt's first assignment was the Portland, Oregon Resident Office (1987-1991), where he advanced to a GS-12 level before applying for an overseas assignment. In 1991, S/A Schmidt was transferred to the Maracaibo, Venezuela Office and served there until the office was closed in 1992. S/A Schmidt completed his overseas tour at the Country Office in Caracas, Venezuela when he was transferred to the Miami Field Division in 1995. While in Miami, he worked as a senior agent in an enforcement group until he was promoted to a managerial/enforcement GS-14 position. In May 1998, S/A Schmidt assumed the position of the Resident Agent in Charge of the Cheyenne Resident Office. In September 2001, S/A Schmidt transferred to the Special Operations Division in Washington D.C. where he served as a Staff Coordinator assigned to the international money laundering unit. In June 2004, he was transferred to the Austin Resident Office and assumed the position of the Resident Agent in Charge. He maintained the RAC position in Austin for over three years before he was promoted to a GS-15 position. In March 2008, SA Schmidt assumed the responsibilities of the Assistant Special Agent in Charge of the Portland, Oregon District Office. He oversaw and managed the DEA activities and operations in the State of Oregon and southwest counties of the State of Washington.

Throughout S/A Schmidt's law enforcement career, he has strived to advance his knowledge and skill relative to the various assignments at hand. Building upon his past experience from previous law enforcement responsibilities he started to improve and expand his investigative abilities and skills. S/A Schmidt started at a GS-7 entry level and advanced to a GS-12 while assigned to the Portland, Oregon Resident Office. He handled various investigations including clandestine laboratories/methamphetamine, indoor marijuana cultivation, and heroin/cocaine smuggling networks. He "chaired" several trials in the District of Oregon and the Western District of Washington that included testimony as an expert witness for the prosecution. While stationed in the northwest, S/A Schmidt participated with Ph. D. Mahmoud A. ElSohly, Project Director, for a study of cannabis sponsored by the National Institute on Drug Abuse (NIDA) at the University of Mississippi, Research Institute of Pharmaceutical Sciences, Health Sciences Research Division at the School of Pharmacy. S/A Schmidt worked with researchers analyzing various samples of seized cannabis (marijuana) to determine the THC%, CBC%, CBD%, and CBN% (percentages) and values. With this data, the project in part studied what strains of cannabis cultivated under various conditions produced the highest levels of each cannabinoid.

Overseas, S/A Schmidt acquired a language proficiency in Spanish that assisted him in his assigned duties at the Maracaibo Resident Office and the Caracas Country

Biography for Retired Special Agent
Paul W. Schmidt

Office. He worked various investigations with Venezuelan counterparts that included several controlled deliveries back to the United States that resulted in successful prosecutions. During his tour overseas, he developed various confidential sources that included a special contact that was able to infiltrate several large scale international money laundering organizations based in Venezuela and Colombia. This source was passed on to agents remaining in country and has continued to work with law enforcement officials.

After his transfer to the Miami Field Division, he worked as a senior agent assigned to an enforcement group working with fellow DEA and FBI agents; where he developed and sharpened his skills regarding Title-III telecommunications intercept investigations and new technologies. S/A Schmidt's personality and skills allowed him to ensure that a strong working relationship existed between the DEA Group Four and FBI Squad Four along with state and local counterparts. This cohesiveness led to numerous Title-III telecommunications intercept investigations that resulted in successful prosecutions and asset forfeitures.

Beginning his management career in May 1998, S/A Schmidt was promoted to the Resident Agent in Charge of the Cheyenne, Wyoming Resident Office. He quickly developed a new set of skills and knowledge relative to operating an office of eleven people, including a Post of Duty in Casper, Wyoming. He headed the Resident Office and was responsible for the State of Wyoming and the northern border areas of Colorado. S/A Schmidt worked with state authorities in Wyoming and Colorado along with twenty-six separate counties. He pursued a strong commitment to repair and build working relationships among the DEA, state and local law enforcement counterparts since previous situations had given way to a stalemate in drug enforcement efforts in Wyoming and northern Colorado. He and office personnel made daily efforts to build on the "positive" aspects that eventually gave way to sound working relationships among counterparts. During S/A Schmidt's tenure in Wyoming, the DEA Cheyenne Resident Office received the Administrator's Award for the first Title-III telecommunication intercept completed on a "pre-paid" calling card used by a Mexican National Drug Trafficking Organization based in Greeley, Colorado.

In September 2001, S/A Schmidt reported to the Special Operations Division located in Lorton, Virginia where he worked as a Staff Coordinator and was assigned to the international money laundering unit overseen by an ICE manager. In this assignment he acquired valuable skills relative to Title-III investigations and the diplomacy required to coordinate large scale investigations among the DEA, the FBI, and the ICE domestic and foreign offices. These skills were sharpened and expanded as he assumed the responsibilities as "acting" Unit Chief of the money laundering section on a regular basis. He also assisted in the development and deployment of several computer software applications including the financial database application currently named "FIND IT" that assists Staff Coordinators in researching financial information including Grand Jury materials. This project required him to testify before Grand Juries in the District of Columbia and present the project and updates to the Chief Judge of the District. Another

Biography for Retired Special Agent
Paul W. Schmidt

project of his involved the design and implementation of a "telephone de-confliction and resource data base" eventually named "DARTS."

In June 2004, S/A Schmidt reported to the Austin Resident Office to assume the position of the Resident Agent in Charge. He built upon his previous management experiences at the Cheyenne Resident Office and quickly adapted his management abilities to work within the Austin, Texas environment. He continued to learn and develop his management skills and knowledge relative to the operation of the Austin office consisting of twenty-four people with the assistance of one group supervisor. With responsibility for an area of thirteen counties and a population of 1.3 million people, he pursued a strong commitment to repair and build working relationships between the DEA, state, and local law enforcement counterparts as previous situations had led to a negative reputation of the DEA among the major law enforcement authorities in and around Austin, Texas. With the cooperation of office personnel he turned this situation around and made positive strides towards strong working relationships with counterparts. During his tenure in Austin, Texas, the DEA Austin Resident Office received recognition from the San Antonio District Office and the Houston Field Division as a leader in using innovative investigative techniques and methods to effectively handle enforcement and administrative matters. In 2007, S/A Schmidt managed the Austin office without the assistance of any support positions due to the DEA hiring freeze. He expanded his working knowledge of employee issues ranging from performance improvement plans, working "in-depth" with the Employee Assistance Program, to handling the extended sick leave of an employee battling cancer and relying on the use of the DEA and the DOJ voluntary leave banks.

In March 2008, S/A Schmidt received a promotion and reported to the Portland, Oregon District Office to assume the responsibilities of the Assistant Special Agent in Charge (ASAC). He assumed enforcement and administrative operations for the State of Oregon and the southern counties of Washington State along the Columbia River. He worked to improve the District's administrative functions encouraging a more positive and effective environment. S/A Schmidt and the DEA offices in Oregon made a concentrated effort to re-establish strong working relationships with state and local counterparts regarding enforcement efforts within the State of Oregon. These actions resulted in the development of several large scale investigations that led to successful prosecutions and asset forfeitures. He continues to build upon his skill as an agency leader and manager, strengthening working relationships with others, leveraging available resources to achieve the highest possible level of performance. ASAC Schmidt retired from DEA in 2010 in good standing to take a position with the Colorado Department of Revenue, Medical Marijuana Enforcement Division as the Agent in Charge of Enforcement Operations.

Agent in Charge Paul Schmidt started his career with the Colorado Department of Revenue, Medical Marijuana Enforcement Division (MMED) in January 2011. He was one of the initial hired members of the MMED. He assumed various responsibilities reading the development of the Division (MMED) including vital input as a subject

Biography for Retired Special Agent
Paul W. Schmidt

matter expert on cannabis for the MMED and recognized expert in federal and state courts (Western District of Washington and Oregon / Colorado.)

In addition, Paul Schmidt conducts independent credited training seminars for medical professionals such as the Texas Osteopathic Medical Association (TOMA) in Dallas, Texas and the Iowa Osteopathic Medical Association (IOMA) in Des Moines, IA. These training seminars are related to pharmaceutical prescription abuse and regulatory rules and protocols associated with the handling controlled substances. These seminars allow doctors and associated employees a means to keep current with changing trends among abusers and methods of detection to help build a successful practice and pain management strategy.

In conclusion, Paul Schmidt has thirty-three years of law enforcement experience with fifteen years of experience in mid and upper level management positions. He is currently POST certified at the state level and a retired federal agent in good standing. Paul has taken every opportunity to learn and strengthen his "skill" regarding the management and operations of law enforcement professionals.

(Summary)

As a law enforcement professional, Paul Schmidt has worked domestically and overseas. He has accumulated an extensive knowledge of controlled substances and the rules and regulations associated to the management of pharmaceuticals. DEA provided a firm foundation regarding the investigation of illicit narcotics and the oversight of the DEA Diversion Program which has the responsibility of auditing and reviewing the pharmaceutical production and distribution of controlled substances. Paul's initial law enforcement career allows him an avenue to work and relate well with local municipalities as well as county and state level enforcement levels.

With his career experience, he has developed into a recognized expert in the field of cannabis, testifying as an expert on the part of prosecutions and assisting the Medical Marijuana Industry within Colorado with helpful hints of the trade from electrical power phasing to current cultivation techniques.

In twenty-three years of service with the DEA, S/A Schmidt has received a total of twenty-one ratings for "Outstanding" performance and two ratings of "Excellent" performance. These twenty-three ratings were given by a combination of seventeen different supervisors.

(Recognition and Awards)

S/A Schmidt has received ten certificates of recognition that include; Outstanding Contributions, Exceptional Performance, Excellence of Service, and the Administrator's Award for Outstanding Group Achievement.

(References)

Available upon request



**Washington State
Liquor Control Board**

February 25, 2013

William Jamieson
Cannabis Network Solutions
PO Box 47700
Phoenix, AZ 85068

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Jamieson,

This letter is to inform you that Cannabis Network Solutions' response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Cannabis Network Solutions failed to complete and submit a Cost Proposal in response to RFP K430, and is therefore unable to be evaluated in accordance with RFP requirements. Cannabis Network Solutions submitted an incomplete response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

February 25, 2013

William Jamieson
Cannabis Network Solutions
PO Box 47700
Phoenix, AZ 85068

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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:45 AM
To: 420patients.com (wj@420patients.com)
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Cannabis Network Solutions_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

William Jamieson
Cannabis Network Solutions
PO Box 47700
Phoenix, AZ 85068

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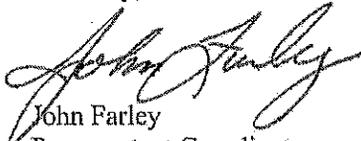
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

CANNABIS NETWORK SOLUTIONS

Cannabis Network Solutions LLC was developed to provide options to Dispensary Groups in need....we have well over 100 years of combined experience and feel confident we can provide solutions for all your dispensary needs. With current 420Patients.com caregiver networks in 4 states providing local flower product and successful products launches of Bhang Chocolates, 420Suckers and prebaked infused products, we feel confident we have the solutions you are looking for. We currently manage over 100,000sf of cultivation space and utilize state of the art technologies to increase yields and reduce costs. With an approved Dispensary in Arizona finally on its way, functioning kitchens in several states and cultivation facilities providing for all of our production requirements, we are positioned to provide a new patient, experienced caregiver or an entire state assistance with all the opportunities the Cannabis Industry has to offer. Located in Phoenix, Arizona we are prepared to provide all 4 categories of services for the RFP process.

Vertical Xchange	Strategic Relationships Building
http://www.verticalxchange.com/	
420Patients	Patient and Caregiver networking
http://www.420patients.com/	
Cannaline Jars and Bags	Dispensary Packaging
http://www.cannaline.com/420/	
Bhang Chocolates	Cannabis Edible Products
http://bhangchocolate.com/	
Bakers Candies	Candy Company
http://www.bakercandies.com/	
Keef Cola	Cannabis Drinks
http://www.keefcola.com/	
NutraMetrix	Vitamins and Nutrients
nutrametrix.com/420patients	
Erupt Nutrients	Dispensary Nutrient Solutions
http://eruptnutrients.com/	
Happy Harvester Hydroponics	Lights, Fans, Nutrients
http://www.happyharvestersaz.com/	
MJFreeWay	MMJ Software
http://www.mjfreeway.com/	
WeedMaps	Online Search and Website
http://www.legalmarijuanadispensary.com/	
Mayes Telles Law Firm	Cannabis Legal Assistance
http://www.mayestelles.com/	
DAUM Commercial Real Estate	Commercial Real Estate
http://www.daumcommercial.com/Home.aspx	

We appreciate your consideration,

Very truly yours,

William Jamieson
MA., Clinical Psych
Founding Member of
Cannabis Network Solutions
420Patients.com
602-332-0748
WJ@420Patients.com

Contract Number K430
For
Initiative 502 Consulting Services
Between the
Washington State Liquor Control Board
and
Cannabis Network Solutions

This Contract is made and entered into by and between the Washington State Liquor Control Board, hereinafter referred to as the "WSLCB", and the below named Company, hereinafter referred to as "Contractor", for the purpose of providing Initiative 502 Consulting Services.

Cannabis Network Solutions

William Jamieson

PO BOX 47700

Phoenix, Arizona

Phone: 602-332-0748

Email: WJ@420Patients.com

Federal TIN: 34-1980534 Plant FloorXChange "DBA" AGXchanges LLC

WA State UBI Number:

PURPOSE

The purpose of this Contract is to enter into an agreement for Initiative 502 (I-502) Consulting Services, to assist the WSLCB with the implementation of the requirements of I-502.

SCOPE OF WORK

Exhibit A, attached hereto and incorporated by reference, contains the General Terms and Conditions governing the goods to be provided and services to be performed under this contract, the nature of the working relationship between the WSLCB and the Contractor, and specific obligations of both parties.

The Contractor will provide goods, services, and staff, and otherwise do all things necessary for or incidental to the performance of work, as included in the WSLCB'S Request for Proposals No. K430, attached as Exhibit B, and the Contractor's proposal dated 2/15/2013, attached as Exhibit C.

The Contractor shall:

Provide Consulting Services to the WSLCB which shall assist the agency with the implementation of I-502 requirements including, but not limited to, the following Categories of expertise:

➤ **Category 1: Product and Industry Knowledge**

Contractor shall be a product expert and have expert knowledge, including but not limited, to the following:

- a. How Marijuana is grown, cultivated, harvested, cured, and processed
- b. How Marijuana is infused into food and beverages
- c. How Marijuana should be packaged, labeled, transported, and sold at retail level
- d. How wholesale and retail product should be recalled and accounted for
- e. How Marijuana should be destroyed if over produced, contaminated, or recalled

Category 1 Deliverables:

Contractor shall provide the following:

1. Minimum standards relating to the growth, harvesting, transporting and sale of useable recreational Marijuana
2. Minimum standards for Product safety relating to the infusion of Marijuana or Marijuana byproducts in food, beverage, lotions, ointments or other Products to be sold in retail locations
3. Minimum standards for the tracking and reconciliation of Product grown, sold, and/or destroyed

➤ **Category 2: Product Quality Standards and Testing**

Contractor shall:

- a. Have expert knowledge of the infrastructure required to test Marijuana to ensure the following:
 - Product quality, content, and ingredients
 - Consumer safety
- b. Assist the WSLCB with establishing quality standards for testing
- c. Assist the WSLCB with establishing and implementing Industry testing standards and practices
- d. Be knowledgeable on methods to safely process product

Category 2 Deliverables:

Contractor shall provide the following:

1. Minimum standards allowed for testing and confirming Product safety from contaminants
2. Testing standards for Product testing of THC/CBD levels and ratios for Product offered
3. Labeling standards needed to meet the requirements as defined by law

➤ **Category 3: Product Usage and Consumption Validation**

Contractor shall:

- a. Have the expertise to estimate product usage and consumption levels by geographic areas in Washington State.

Category 3 Deliverables:

Contractor shall provide the following:

1. A report detailing recreational, medical and total Marijuana use in Washington State, by county
2. A projected volume of Marijuana needed on an annual basis to satisfy demand, and establish plant yield and growth volume assumptions needed to keep pricing at or below black market levels

➤ **Category 4: Product Regulation**

Contractor shall:

- a. Have a strong understanding of State, local or Federal government processes and procedures
- b. Assist the WSLCB in crafting Marijuana system regulations.

Category 4 Deliverables:

Contractor shall:

1. Conduct stakeholder focus groups for discussion and determination of best practice relating to the growth, harvesting, distribution, product infusion and sale of useable recreational Marijuana
2. Provide written independent third party assumptions, recommendations and oversight following guidelines established by the open government act

General Requirements:

Contractor will work in conjunction with the WSLCB project manager and any other identified WSLCB personnel to ensure that the services are provided in accordance with industry standards and best practices.

PERIOD OF PERFORMANCE

The period of performance under this contract shall be for two (2) years from the date of execution, with the option to extend for additional terms or portions thereof.

COMPENSATION

Total compensation for services rendered shall be as follows:

Item Description	Price
Total	

MICELLANEOUS EXPENSES

The WSLCB may reimburse Contractor for travel and related expenses as identified in this Contract, or as authorized in writing, in advance by the WSLCB in accordance with the current rules and regulations set forth in the Washington State Administrative and Accounting Manual (<http://www.ofm.wa.gov/policy/default.asp>), and not to exceed expenses actually incurred. No payment of travel expenses will be made to Contractor for routine travel to and from the WSLCB's location. Contractor may be required to provide a detailed itemization of expenses, including description, amounts and dates, and receipts for amounts of fifty dollars (\$50) or more when requesting reimbursement.

BILLING PROCEDURES AND PAYMENT

The WSLCB will pay Contractor upon acceptance of goods and/or services provided and receipt of properly completed invoices, which should be submitted electronically to: HQSupply@liq.wa.gov.

If Contractor is unable to submit invoices electronically, invoices may be submitted by mail to:

Washington State Liquor Control Board
 Attn: Support Services
 PO Box 43090
 Olympia, WA 98504

Each invoice shall be identified with the following items:

- State INVOICE
- Identify the invoice number and date
- **Be identified by Contract Number K430**
- Identify Contractor's Statewide Vendor registration number assigned by Washington State Office of Financial Management (OFM)
- Be in U.S. dollars
- Identify the all applicable prompt payment discount and/or volume discount(s)

- Identify payee name and address in compliance with U.S. Postal regulations
- Describe and document, to the WSLCB'S satisfaction, a description of the goods provided and/or work performed, including dates
- Be accompanied by documentation that confirms that services were performed or products were received

The WSLCB may, in its sole discretion, terminate the contract or withhold payments claimed by the Contractor for goods and/or services rendered if the Contractor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the WSLCB.

Payment shall be considered timely if made by the WSLCB within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

Payment for materials, supplies and/or equipment received and for services rendered shall be made by WSLCB and be redeemable in U.S. dollars. Any bank or transaction fees or similar costs associated with currency exchange procedures or the use of purchasing/credit cards shall be fully assumed by the Contractor.

In the event that the Contractor overcharges the WSLCB, checks shall be mailed with the hard copy credit memos PO BOX 43085 Olympia WA 98504.

CONTRACT ADMINISTRATION

All authorized communication regarding this contract shall occur between the Contractor's Authorized Representative or designee and the WSLCB Contract Administrator or designee.

Contractor's Authorized Representative	WSLCB Contract Administrator
Contractor's Authorized Representative William Jamieson PO BOX 47700 Phoenix, Arizona 85068 Phone : (602) 332-0748 Email address: WJ@420Patients.com	Name Washington State Liquor Control Board PO Box 43090 Olympia, WA 98504 Phone: (360) 664- Email address: Enter Email

ORDER OF PRECEDENCE

Each of the exhibits listed below is hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable federal and state of Washington statutes and regulations
2. Special terms and conditions as contained in this basic contract instrument
3. Exhibit A – General Terms and Conditions
4. Exhibit B – Request for Proposals No. K430
5. Exhibit C – Contractor’s Proposal dated 2/15/2013
6. Any other provision, term or material incorporated herein by reference or otherwise incorporated

APPROVAL

The signatories to this Contract represent that they have the authority to bind their respective organizations to this Contract.

In Witness Whereof, the parties hereto, having read this Contract in its entirety, including all attachments, do agree in each and every particular and have thus set their hands hereunto.

For Contractor:		Project Manager for WSLCB:	
<i>(Contractor Authorized Representative Signature) (Date)</i>		<i>(Signature) (Date)</i>	
Contractor Name	CANNABIS NETWORK SOLUTIONS	Agency Name	Washington State Liquor Control Board 3000 Pacific Ave SE Olympia, WA 98504
Print Name	WILLIAM JAMIESON	Print Name	
Telephone No.	602-332-0748	Telephone No.	
Email	WJ@420Patients.com	Email	
Authorizing WSLCB Contract Manager Approval			
Print Name		Date	
Signature		Email	
		Phone	

**EXHIBIT A -
GENERAL TERMS AND CONDITIONS**

DEFINITIONS.....	7
ACCEPTANCE	ERROR! BOOKMARK NOT DEFINED.
ADMINISTRATIVE SUSPENSION.....	9
ADVANCE PAYMENTS PROHIBITED.....	9
ADVERTISING.....	9
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DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "Acceptance" -- The materials, supplies, services, and/or equipment have passed appropriate inspection. In the event that there is a formal Acceptance Testing period required in the Solicitation document then acceptance is formalized in writing. If there is no Acceptance Testing, acceptance may occur when the Products are delivered and inspected.
- B. "Acceptance Testing" -- The process for ascertaining that the materials, supplies, services, and/or equipment meets the standards set forth in the Solicitation, prior to Acceptance by the WSLCB.

- C. "WSLCB" -- shall mean the Liquor Control Board of the State of Washington, any division, section, office, unit or other entity of the WSLCB, or any of the officers or other officials lawfully representing that WSLCB.
- D. "Agent" -- shall mean the Director, and/or the representative authorized in writing to act on the Director's behalf, or Contractor's authorized representative acting on behalf of the Contractor.
- E. "Amendment" -- For the purposes of this Contract, shall mean an agreement between the parties to change this Contract after it is fully signed by both parties. Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change. An Order Document shall not constitute an Amendment to this Contract.
- F. "Business Days" -- Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.
- G. "Calendar Days" -- Consecutive days of the year including weekends and holidays, each of which commence at 12:00:01 a.m. and end at Midnight, Pacific Time. When "days" are not specified, Calendar Days shall prevail.
- H. "Contract" -- An agreement, or mutual assent, between two or more competent parties with the elements of the agreement being offer, acceptance, consideration, and legal binding.
- I. "Contract Administrator" -- The primary contact for the WSLCB regarding this contract.
- J. "Contractor" -- shall mean that firm, provider, organization, individual or other entity providing goods and or service(s) under this contract, and shall include all employees of the Contractor.
- K. "Contractor's Authorized Representative" -- An individual or agent designated by the Contractor to act on its behalf and with the authority to legally bind the Contractor concerning the terms and conditions set forth in Solicitation and Contract documents.
- L. "Inspection" -- An examination of delivered material, supplies, services, and/or equipment prior to Acceptance aimed at forming a judgment as to whether such delivered items are what was ordered, were properly delivered and ready for Acceptance. Inspection may include a high level visual examination or a more thorough detailed examination as is customary to the type of purchase, as set forth in the solicitation document and/or as agreed between the parties. Inspection shall be acknowledged by an authorized signature of the WSLCB.
- M. "Invitation For Bids" (IFB) -- The form utilized to solicit Bids in the formal, sealed Bid procedure and any amendments thereto issued in writing by the WSLCB. Specifications and qualifications are clearly defined.
- N. "Lead Time/After Receipt of Order (ARO)" -- The period of time between when the Contractor receives the order and the WSLCB receives the materials, supplies, equipment, or services order.
- O. "Order Document" -- A written communication, submitted by the WSLCB to the Contractor, which details the specific transactional elements required by the WSLCB within the scope of this Contract such as delivery date, size, color, capacity, etc. An Order Document may include, but is not limited to purchase orders, work order or other writings as may be designated by the parties hereto. No additional or alternate terms and conditions on such written communication shall apply unless authorized by this Contract and expressly agreed between the WSLCB and the Contractor.
- P. "Proposal" -- A written offer to perform a Contract to supply materials, supplies, services, and/or equipment in response to a Request for Proposal (RFP).

- Q. "Request for Proposals (RFP)" -- The form utilized to solicit Proposals in the formal, sealed Bid procedure and any amendments thereto issued in writing by the WSLCB. The specifications and qualification requirements are written in an outcome based form allowing for consideration of a broad range of different solutions to meet the procurement need.
- R. "Subcontractor" -- shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor.

ADMINISTRATIVE SUSPENSION

When in the best interest of the WSLCB, the WSLCB may at any time, and without cause, suspend the Contract or any portion thereof for a period of not more than thirty (30) calendar days per event by written notice from the Contract Administrator to the Contractor's Representative. Contractor shall resume performance on the next business day following the 30th day of suspension unless an earlier resumption date is specified in the notice of suspension. If no resumption date was specified in the notice of suspension, the Contractor can be demanded and required to resume performance within the thirty (30) day suspension period by the Contract Administrator providing the Contractor's Representative with written notice of such demand.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the WSLCB.

ADVERTISING

Contractor shall not publish or use any information concerning this Contract in any format or media for advertising or publicity without prior written consent from the Contract Administrator.

ALTERNATIVE DISPUTE RESOLUTION FEES AND COSTS

In the event that the parties engage in arbitration, mediation or any other alternative dispute resolution forum to resolve a dispute in lieu of litigation, both parties shall share equally in the cost of the alternative dispute resolution method, including cost of mediator or arbitrator. In addition, each party shall be responsible for its own attorneys' fees incurred as a result of the alternative dispute resolution method.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ANTITRUST

The WSLCB maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the WSLCB. Therefore, the Contractor hereby assigns to the WSLCB any and all of the Contractor's claims for such price fixing or overcharges which arise under federal or state antitrust laws, relating to the materials, supplies, services and/or equipment purchased under this Contract.

ASSIGNMENT

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the Contractor without prior written consent of the WSLCB.

ASSURANCES

The WSLCB and the Contractor agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

CHANGES

The WSLCB reserves the right to modify this Contract by mutual agreement between the WSLCB and the Contractor, so long as such modification is substantially within the scope of the original Contract.

Alterations to any of the terms, conditions, or requirements of this Contract shall only be effective upon written issuance of a mutually agreed Contract Amendment by the Contract Administrator.

COMMENCEMENT OF WORK

No work shall be performed by Contractor until this Contract is executed by the Contractor and the WSLCB and is received by the Contractor.

CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The Contractor shall not use or disclose any information concerning the WSLCB, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the WSLCB, or as may be required by law.

CONFLICT

To the extent possible, the terms of this Contract shall be read consistently.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the WSLCB may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the WSLCB shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the WSLCB provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

CONFORMITY

If any provision of this Contract violates any Federal or State of Washington statute or rule of law, it is considered modified to conform to that statute or rule of law.

CONTRACTOR COMMITMENTS, WARRANTIES AND REPRESENTATIONS

Any written commitment by Contractor within the scope of this Contract shall be binding upon Contractor. Failure of Contractor to fulfill such a commitment may constitute breach and shall render Contractor liable for damages under the terms of this Contract. For purposes of this section, a commitment by Contractor includes: (i) Prices, discounts, and options committed to remain in force over a specified period of time; and (ii) any warranty or representation made by Contractor in its Response or contained in any Contractor or manufacturer publications, written materials, schedules, charts, diagrams, tables, descriptions, other written representations, and any other communication medium accompanying or referred to in its Response or used to effect the sale to WSLCB.

COST OF REMEDY

Cost of Remedying Defects: All defects, indirect and consequential costs of correcting, removing or replacing any or all of the defective materials or equipment will be charged against the Contractor.

COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for securing business.

The WSLCB shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DETERMINATION OF STANDARD OF QUALITY/CONSISTENCY OVER TERM OF CONTRACT

If, in the sole judgment of the WSLCB, any item is determined not to be an equal, the WSLCB may take any or all of the following actions:

1. the product may be returned at Contractor's expense;
2. the contract may be terminated without any liability to the WSLCB

DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with Agent.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the Contractor's name, address, and contract number; and

- Be mailed to the Agent and the other party's (respondent's) Contract Administrator within three (3) working calendar days after the parties agree that they cannot resolve the dispute.
- 2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within five (5) working calendar days.
- 3. The Agent shall review the written statements and reply in writing to both parties within ten (10) working days. The Agent may extend this period if necessary by notifying the parties.
- 4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable dispute resolution method in addition to the dispute resolution procedure outlined above.

ENTIRE AGREEMENT

This Contract document and all subsequently issued amendments comprise the entire agreement between the WSLCB and the Contractor. No other statements or representations, written or oral, shall be deemed a part of the Contract.

This Contract sets forth the entire agreement between the parties with respect to the subject matter hereof and except as provided in the section titled **Contractor Commitments, Warranties and Representations**, understandings, agreements, representations, or warranties not contained in this Contract or a written amendment hereto shall not be binding on either party. Except as provided herein, no alteration of any of the terms, conditions, delivery, price, quality, or specifications of this Contract will be effective without the written consent of both parties.

ESTABLISHED BUSINESS

Prior to commencing performance, or prior to that time if required by the WSLCB, law or regulation, Contractor must be an established business firm with all required licenses, fees, bonding, facilities, equipment and trained personnel necessary to meet all requirements and perform the work as specified in the Solicitation. Contractor shall maintain compliance with these requirements throughout the entire term of this contract.

The WSLCB the right to require receipt of proof of compliance with said requirements within ten (10) calendar days from the date of request, and to terminate this Contract as a material breach for noncompliance with any requirement of this paragraph.

FORCE MAJEURE

The term "force majeure" means an occurrence that causes a delay that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences.

Exceptions: Except for payment of sums due, neither party shall be liable to the other or deemed in breach under this Contract if, and to the extent that, such party's performance of this Contract is prevented by reason of force majeure.

Notification: If either party is delayed by force majeure, said party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall likewise be provided. So far as consistent with the Rights Reserved below, the time of completion shall be extended by Contract amendment for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Contract.

Rights Reserved: The WSLCB reserves the right to authorize an amendment to this Contract, terminate the Contract, and/or purchase materials, supplies, equipment and/or services from the best available source during the time of force majeure, and Contractor shall have no recourse against the WSLCB.

GIFTS AND GRATUITIES

Contractor shall comply with all state laws regarding gifts and gratuities, including but not limited to: RCW 39.26.020, RCW 42.52.150, RCW 42.52.160, and RCW 42.52.170 under which it is unlawful for any person to directly or indirectly offer, give or accept gifts, gratuities, loans, trips, favors, special discounts, services, or anything of economic value in conjunction with state business or contract activities.

Under RCW 39.26.020 and the Ethics in Public Service Law, Chapter 42.52 RCW state officers and employees are prohibited from receiving, accepting, taking or seeking gifts (except as permitted by RCW 42.52.150) if the officer or employee participates in contractual matters relating to the purchase of goods or services.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INCORPORATED DOCUMENTS

Each of the documents listed below is, by this reference, incorporated into this Contract as though fully set forth herein.

1. WSLCB RFP K430 with all attachments and exhibits, and all amendments thereto
2. Contractor's response to RFP K430 dated 2/15/2013
3. The terms and conditions contained on WSLCB's Order Documents, if used; and
4. All Contractor or manufacturer publications, written materials and schedules, charts, diagrams, tables, descriptions, other written representations and any other supporting materials Contractor made available to WSLCB and used to affect the sale of the Product to the WSLCB.

INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless the WSLCB and all officials, agents and employees of the WSLCB, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from.

Contractor's obligations to indemnify, defend, and hold harmless includes any claim by Contractor's agents, employees, representatives, or any Subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the WSLCB for any claim arising out of or incident to Contractor's or any Subcontractor's performance or failure to perform the contract. Contractor's obligation to indemnify, defend, and hold harmless the WSLCB shall not be eliminated or reduced by any actual or alleged concurrent negligence of WSLCB or its agents, agencies, employees and officials.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless WSLCB and its agencies, officials, agents or employees.

IDENTIFICATION

All invoices, packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this Contract shall be identified by the Contract number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent Contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the WSLCB. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the WSLCB or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

INDUSTRIAL INSURANCE COVERAGE

The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, WSLCB may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. The WSLCB may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the WSLCB under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

INSPECTION AND REJECTION

The WSLCB's inspection of all materials, supplies and equipment upon delivery is for the purpose of forming a judgment as to whether such delivered items are what was ordered, were properly delivered and ready for Acceptance. Such inspection shall not be construed as final acceptance, or as acceptance of the materials, supplies or equipment, if the materials, supplies or equipment does not conform to contractual requirements. If there are any apparent defects in the materials, supplies, or equipment at the time of delivery, the WSLCB will promptly notify the Contractor. Without limiting any other rights, the WSLCB may require the Contractor to: (1) repair or replace, at Contractor's expense, any or all of the damaged goods; (2) refund the price of any or all of the damaged goods; or (3) accept the return of any or all of the damaged goods.

INSURANCE

The Contractor shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the WSLCB should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the Contractor or Subcontractor, or agents of either, while performing under the terms of this contract.

Contractor shall, at their own expense, obtain and keep in force insurance as follows until completion of the Contract. Within fifteen (15) calendar days of receipt of notice of award, the Contractor shall furnish evidence in the form of a certificate of insurance satisfactory to the WSLCB that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in Contract cancellation.

Contractor shall include all Subcontractors as insureds under all required insurance policies, or shall furnish separate Certificates of Insurance and endorsements for each Subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

All insurance provided in compliance with this Contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.

Specific Requirements:

Employers Liability (Stop Gap): The Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and will maintain Employers Liability insurance with a limit of no less than \$1,000,000.00. The WSLCB will not be held responsible in any way for claims filed by the Contractor or their employees for services performed under the terms of this Contract.

Commercial General Liability Insurance: The Contractor shall at all times during the term of this Contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this Contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the Contractor's premises/operations, independent Contractors, products/completed operations, personal injury and advertising injury, and contractual liability (including the tort liability of another assumed in a business Contract), and contain separation of insured's (cross liability) conditions.

Contractor waives all rights against the WSLCB for the recovery of damages to the extent they are covered by general liability or umbrella insurance.

The limits of liability insurance shall not be less than as follows:

General Aggregate Limits (other than products-completed operations)	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury Aggregate	\$1,000,000
Each Occurrence (applies to all of the above)	\$1,000,000
Fire Damage Limit (per occurrence)	\$ 50,000
Medical Expense Limit (any one person)	\$ 5,000

Business Auto Policy (BAP): In the event that services delivered pursuant to this Contract involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease, and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, Subcontractor, or anyone employed by either.

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a combined single limit not less than \$1,000,000 per occurrence. The business auto liability shall include Hired and Non-Owned coverage.

Contractor waives all rights against the WSLCB for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

Additional Insurance Provisions: All above insurance policies shall include, but not be limited to, the following provisions:

Additional Insured: The WSLCB shall be named as an additional insured on all general liability, umbrella, excess, and property insurance policies. All policies shall be primary over any other valid and collectable insurance.

Notice of Policy(ies) Cancellation/Non-renewal: For insurers subject to Chapter 48.18 RCW (Admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the Contract Administrator forty-five (45) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Contract. Written notice shall include the affected Contract reference number.

Surplus Lines: For insurers subject to Chapter 48.15 RCW (Surplus Lines) a written notice shall be given to the Contract Administrator twenty (20) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Contract. Written notice shall include the affected Contract reference number.

Cancellation for Non-payment to Premium: If cancellation on any policy is due to non-payment of premium, a written notice shall be given the Contract Administrator ten (10) calendar days prior to cancellation. Written notice shall include the affected Contract reference number.

Identification: Policy(ies) and Certificates of Insurance shall include the affected Contract reference number.

Insurance Carrier Rating: The insurance required above shall be issued by an insurance company authorized to do business within the State of Washington. Insurance is to be placed with a carrier that has a rating of A- Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Risk Manager for the State of Washington, by submitting a copy of the Contract and evidence of insurance before Contract commencement. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and Chapter 284-15 WAC.

Excess Coverage: The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Contractor from liability in excess of such limits.

Limit Adjustments: The WSLCB reserves the right to increase or decrease limits as appropriate.

LEGAL NOTICES

Any notice or demand or other communication required or permitted to be given under this Contract or applicable law (except notice of malfunctioning Equipment) shall be effective only if it is in writing and signed by the applicable party, properly addressed, and either delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class mail, postage prepaid [certified mail, return receipt requested, via facsimile or by electronic mail], to the Contract Administrator [and fax numbers, e-mail addresses] provided in this Contract. For purposes of complying with any provision in this Contract or applicable law that requires a "writing," such communication, when digitally signed with a Washington State Licensed Certificate, shall be considered to be "in writing" or "written" to an extent no less than if it were in paper form.

Notices shall be effective upon receipt or four (4) Business Days after mailing, whichever is earlier. The notice address as provided herein may be changed by written notice given as provided above. In the event that a subpoena or other legal process commenced by a third party in any way concerning the Equipment or Services provided pursuant to this Contract is served upon Contractor or WSLCB, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and WSLCB further agree to

cooperate with the other party in any lawful effort by the other party to contest the legal validity of such subpoena or other legal process commenced by a third party.

LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIENS, CLAIMS AND ENCUMBRANCES

All materials, equipment, supplies and/or services shall be free of all liens, claims, or encumbrances of any kind, and if the WSLCB requests, a formal release of same shall be delivered.

LIMITATION OF AUTHORITY

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by both parties.

LIMITATION OF LIABILITY

The parties agree that neither Contractor or the WSLCB shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except a claim related to bodily injury or death, or a claim or demand based on patent, copyright, or other intellectual property right infringement, in which case liability shall be as set forth elsewhere in this Contract. This section does not modify any sections regarding liquidated damages or any other conditions as are elsewhere agreed to herein between the parties. The damages specified in the sections titled Termination for Default and Retention of Records are not consequential, incidental, indirect, or special damages as that term is used in this section.

Neither the Contractor nor the WSLCB shall be liable for damages arising from causes beyond the reasonable control and without the fault or negligence of the Contractor or the WSLCB. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of a governmental body other than the WSLCB acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of the Contractor, the WSLCB, or their respective Subcontractors.

If delays are caused by a Subcontractor without its fault or negligence, Contractor shall not be liable for damages for such delays, unless the Services to be performed were obtainable on comparable terms from other sources in sufficient time to permit Contractor to meet its required performance schedule.

Neither party shall be liable for personal injury to the other party or damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.

LIQUIDATED DAMAGES

Any delay by Contractor in meeting the Delivery Date, Installation Date, maintenance or repair date, or other applicable date set forth under this Contract will interfere with the proper implementation of WSLCB's programs and will result in loss and damage to WSLCB.

As it would be impracticable to fix the actual damage sustained in the event of any such failure(s) to perform, WSLCB and Contractor agree that in the event of any such failure(s) to perform, the amount of damage which will be sustained will be the amount set forth in the following subsections and the parties agree that Contractor shall pay such amounts as liquidated damages and not as a penalty.

Liquidated damages provided under the terms of this Contract are subject to the same limitations as provided in the section titled Limitation of Liability.

If Contractor's maintenance personnel fail to arrive at WSLCB's site within [insert agreed upon time period] after notification by WSLCB that maintenance is required, Contractor shall pay to WSLCB as fixed and agreed liquidated damages, in lieu of all other damages due to such non-responsiveness, for each hour between the agreed [insert agreed upon time period] response time and the actual response time an amount of [__0__] dollars [(\$__0_)] per hour for each "late" hour or part thereof (prorated) beginning with the time of notification by WSLCB and ending with the time that Contractor's maintenance personnel arrive at the WSLCB Distribution Center.

MATERIALS AND WORKMANSHIP

The Contractor shall be required to furnish all materials, supplies, equipment and/or services necessary to perform Contractual requirements. Materials, supplies and workmanship used in the construction of equipment for this Contract shall conform to all applicable federal, state, and local codes, regulations and requirements for such equipment, specifications contained herein, and the normal uses for which intended. Materials, supplies and equipment shall be manufactured in accordance with the best commercial practices and standards for this type of materials, supplies, and equipment.

MATERIAL BREACH

A Contractor may be Terminated for Cause by the WSLCB, at the sole discretion of the Contract Administrator, for failing to perform a contractual requirement or for a material breach of any term or condition. Material breach of a term or condition of the Contract may include but is not limited to:

1. Contractor failure to perform services or deliver materials, supplies, or equipment by the date required or by an alternate date as mutually agreed in a written amendment to the Contract;
2. Contractor failure to carry out any warranty or fails to perform or comply with any mandatory provision of the contract;
3. Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
4. Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the Contractor's proper performance hereunder;
5. Appointment of any receiver, trustee, or similar official for Contractor or any of the Contractor's property and such appointment endangers the Contractor's proper performance hereunder;
6. A determination that the Contractor is in violation of federal, state, or local laws or regulations and that such determination renders the Contractor unable to perform any aspect of the Contract.

NO ADDITIONAL CHARGES

Unless otherwise specified in the Solicitation no additional charges by the Contractor will be allowed including, but not limited to: handling charges such as packing, wrapping, bags, containers, reels; or the processing fees associated with the use of credit cards. Notwithstanding the foregoing, in the event that market conditions, laws, regulations or other unforeseen factors dictate, at the Contract Administrators sole discretion, additional charges may be allowed.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the Contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the WSLCB. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

NON-EXCLUSIVE REMEDIES

The remedies provided for in this Contract shall not be exclusive but are in addition to all other remedies available under law.

OPPORTUNITY TO CURE

In the event that Contractor fails to perform a contractual requirement or materially breaches any term or condition, the WSLCB may issue a written cure notice. The Contractor may have a period of time in which to cure. The WSLCB is not required to allow the Contractor to cure defects if the opportunity for cure is not feasible as determined solely within the discretion of the WSLCB. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages, or otherwise affects any other remedies available against Contractor under the Contract or by law.

If the breach remains after Contractor has been provided the opportunity to cure, the WSLCB may do any one or more of the following:

1. Exercise any remedy provided by law;
2. Terminate this Contract and any related Contracts or portions thereof;
3. Procure replacements and impose damages as set forth elsewhere in this Contract;
4. Impose actual or liquidated damages;
5. Suspend or bar Contractor from receiving future Solicitations or other opportunities;
6. Require Contractor to reimburse the state for any loss or additional expense incurred as a result of default or failure to satisfactorily perform the terms of the Contract.

OSHA AND WISHA REQUIREMENTS

Contractor agrees to comply with conditions of the Federal Occupational Safety and Health Administration (OSHA) and, if manufactured or stored in the State of Washington, the Washington Industrial Safety and Health Act (WISHA) and the standards and regulations issued there under, and certifies that all items furnished and purchased will conform to and comply with said laws, standards and regulations. Contractor further agrees to indemnify and hold harmless WSLCB from all damages

assessed against WSLCB as a result of Contractor's failure to comply with those laws, standards and regulations, and for the failure of the items furnished under the Contract to so comply.

OVERPAYMENTS TO CONTRACTOR

Contractor shall refund to WSLCB the full amount of any erroneous payment or overpayment under this Contract within thirty (30) days' written notice. If Contractor fails to make timely refund, WSLCB may charge Contractor one percent (1%) per month on the amount due, until paid in full.

OWNERSHIP/RIGHTS IN DATA

The WSLCB and Contractor agree that all data and work products (collectively called "Work Product") produced pursuant to this Contract shall be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. §101 *et seq.*, and shall be owned by the WSLCB. Contractor is hereby commissioned to create the Work Product. Work Product includes, but is not limited to, discoveries, formulae, ideas, improvements, inventions, methods, models, processes, techniques, findings, conclusions, recommendations, reports, designs, plans, diagrams, drawings, Software, databases, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions, to the extent provided by law. Ownership includes the right to copyright, patent, register and the ability to transfer these rights and all information used to formulate such Work Product.

If for any reason the Work Product would not be considered a work made for hire under applicable law, Contractor assigns and transfers to the WSLCB the entire right, title and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.

Contractor shall execute all documents and perform such other proper acts as the WSLCB may deem necessary to secure for WSLCB the rights pursuant to this section.

Contractor shall not use or in any manner disseminate any Work Product to any third party, or represent in any way Contractor ownership in any Work Product, without the prior written permission of the WSLCB. Contractor shall take all reasonable steps necessary to ensure that its agents, employees, or Subcontractors shall not copy or disclose, transmit or perform any Work Product or any portion thereof, in any form, to any third party.

Material that is delivered under this Contract, but that does not originate therefrom ("Preexisting Material"), shall be transferred to the WSLCB with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, display, and dispose of such Preexisting Material, and to authorize others to do so except that such license shall be limited to the extent to which Contractor has a right to grant such a license. Contractor shall exert all reasonable effort to advise the WSLCB at the time of delivery of Preexisting Material furnished under this Contract, of all known or potential infringements of publicity, privacy or of intellectual property contained therein and of any portion of such document which was not produced in the performance of this Contract. Contractor agrees to obtain, at its own expense, express written consent of the copyright holder for the inclusion of Preexisting Material. the WSLCB shall receive prompt written notice of each notice or claim of copyright infringement or infringement of other intellectual property right worldwide received by Contractor with respect to any Preexisting Material delivered under this Contract. The WSLCB shall have the right to modify or remove any restrictive markings placed upon the Preexisting Material by Contractor.

PERSONAL LIABILITY

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the WSLCB when executing their official duties in good faith, be in any way personally liable or responsible for any agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this agreement.

PRICE INCREASES

Contractor requests for adjustments in pricing will be considered at sole discretion of the WSLCB only after expiration of the firm and fixed price period, and then on a pass through basis only that does not produce a higher profit margin for Contractor than that established by the original contract pricing.

Contractors may not make extensions contingent on price adjustments.

Price Increases will not be considered without supporting documentation sufficient to justify the requested increase. Documentation must be based on published indices and/or the result of increases at the manufacturer's level, incurred after contract commencement date. The grant of any price adjustment will be at the sole discretion of the WSLCB and, if granted, shall not produce a higher profit margin for the Contractor than that established by the original contract pricing. Any adjustments in pricing shall be set forth in a written amendment to the contract. Price adjustments granted by the WSLCB shall remain unchanged for at least 365 calendar days thereafter, and no request for adjustments in price will be considered during that time period.

PRICE PROTECTION

Contractor warrants that prices of materials, supplies, services, and/or equipment set forth herein do not exceed those charged by the Contractor to any other customer purchasing the same under similar conditions and in like or similar quantities.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. Contractor shall ensure its directors, officers, employees, Subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. Contractor and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the WSLCB or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the WSLCB for any damages related to the Contractor's unauthorized use of personal information.

PROBLEM RESOLUTION AND DISPUTES

Problems arising out of the performance of this Contract shall be resolved in a timely manner at the lowest possible level with authority to resolve such problem. If a problem persists and cannot be resolved, it may be escalated within each organization.

In the event a bona fide dispute concerning a question of fact arises between the WSLCB and Contractor and it cannot be resolved between the parties through the normal escalation processes, either party may initiate the dispute resolution procedure provided herein.

The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within three (3) Business Days. The

initiating party shall have three (3) Business Days to review the response. If after this review a resolution cannot be reached, both parties shall have three (3) Business Days to negotiate in good faith to resolve the dispute.

If the dispute cannot be resolved after three (3) Business Days, a Dispute Resolution Panel may be requested in writing by either party who shall also identify the first panel member. Within three (3) Business Days of receipt of the request, the other party will designate a panel member. Those two panel members will appoint a third individual to the Dispute Resolution Panel within the next three (3) Business Days.

The Dispute Resolution Panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.

Each party shall bear the cost for its panel member and share equally the cost of the third panel member.

Both parties agree to be bound by the determination of the Dispute Resolution Panel.

Both parties agree to exercise good faith in dispute resolution and to settle disputes prior to using a Dispute Resolution Panel whenever possible.

The WSLCB and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract that are not affected by the dispute.

If the subject of the dispute is the amount due and payable by WSLCB for materials, supplies, services and/or equipment being provided by Contractor, Contractor shall continue providing materials, supplies, services and/or equipment pending resolution of the dispute provided the WSLCB pays Contractor the amount WSLCB, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount Contractor, in good faith, believes is due and payable.

PUBLICITY

The Contractor agrees to submit to the WSLCB all advertising and publicity matters relating to this contract wherein the WSLCB'S name is mentioned or language used from which the connection of the WSLCB'S name may, in the WSLCB'S judgment, be inferred or implied. The Contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the WSLCB.

RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the WSLCB, personnel duly authorized by the WSLCB, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RETENTION OF RECORDS

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Contract and the provision of materials, supplies, services and/or equipment described herein, including, but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review, or audit by the WSLCB, personnel duly authorized by the WSLCB, the Washington State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until final resolution of all litigation, claims, or audit findings involving the records.

RIGHT OF INSPECTION

The Contractor shall provide right of access to its facilities to the WSLCB, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on WSLCB premises, Contractor, its agents, employees, or Subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

STATEWIDE VENDOR PAYMENT REGISTRATION

Contractors are required to be registered in the Statewide Vendor Payment system, prior to submitting a request for payment under this Contract.

The Washington State Office of Financial Management (OFM) maintains a central Contractor registration file for Washington State agencies to process Contractor payments.

To obtain registration materials go to <http://www.ofm.wa.gov/isd/vendors.asp> the form has two parts; Part 1 is the information required to meet the above registration condition. Part 2 allows the state to pay invoices electronically with direct deposit and is the state's most efficient method of payment. Contractor are encouraged to sign up for this form of payment.

SUBCONTRACTING

Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the WSLCB. In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to the Department for any breach in the performance of the Contractor's duties. This

clause does not include contracts of employment between the Contractor and personnel assigned to work under this contract.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. Contractor and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the WSLCB or as provided by law.

SUPERVISION AND COORDINATION

Contractor shall:

1. Competently and efficiently, supervise and coordinate the implementation and completion of all Contract requirements specified herein;
2. Identify the Contractor's Representative, who will be the principal point of contact for the WSLCB Contract Administrator concerning Contractor's performance under this Contract.
3. Immediately notify the Contract Administrator in writing of any change of the designated Contractor's Representative assigned to this Contract; and
4. Violation of any provision of this paragraph may be considered a material breach establishing grounds for Contract termination.
5. Be bound by all written communications given to or received from the Contractor's Representative.

SURVIVORSHIP

All transactions executed for Products and Services provided pursuant to the authority of this Contract shall be bound by all of the terms, conditions, Prices and Price discounts set forth herein, notwithstanding the expiration of the initial term of this Contract or any extension thereof. Further, the terms, conditions and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive. In addition, the terms of the sections titled **Overpayments to Contractor; Ownership/Rights in Data; Contractor's Commitments, Warranties and Representations; Confidentiality/Safeguarding Information; Incorporation of Documents; Order of Precedence; Publicity; Retention of Records; Problem Resolution and Disputes; and Limitation of Liability** shall survive the termination of this Contract.

TAXES, FEES AND LICENSES

Taxes:

Where required by statute or regulation, the Contractor shall pay for and maintain in current status all taxes that are necessary for Contract performance. Unless otherwise indicated, the WSLCB agrees to pay State of Washington taxes on all applicable materials, supplies, services and/or equipment purchased. No charge by the Contractor shall be made for federal excise taxes and if requested the WSLCB agrees to furnish Contractor with an exemption certificate where appropriate.

Collection of Retail Sales and Use Taxes:

In general, Contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state Contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the State of Washington is significantly associated with Contractor's ability to

establish or maintain a market for its products in Washington State. Examples of such activity include where the Contractor either directly or by an agent or other representative:

1. Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
2. Maintains an in-state inventory or stock of goods for sale;
3. Regularly solicits orders from Purchasers located within the State of Washington via sales representatives entering the State of Washington;
4. Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with Purchasers in an attempt to establish or maintain market(s); or
5. Other factors identified in WAC 458-20.

Department of Revenue Registration for Out-of-State Contractors:

Out-of-state Contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to WAC 458-20-193, and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state Contractors are not required to collect and remit "use tax," the WSLCB will be responsible for paying this tax, if applicable, directly to the Department of Revenue.

Fees/Licenses:

After award of Contract, and prior to commencing performance under the Contract, the Contractor shall pay for and maintain in a current status any licenses, fees, assessments, permit charges, etc., which are necessary for Contract performance. It is the Contractor's sole responsibility to maintain licenses and to monitor and determine any changes or the enactment of any subsequent regulations for said fees, assessments, or charges and to immediately comply with said changes or regulations during the entire term of this Contract.

Customs/Brokerage Fees:

Contractor shall take all necessary actions, including, but not limited to, paying all customs, duties, brokerage, and/or import fees, to ensure that materials, supplies, and/or equipment purchased under the Contract are expedited through customs. Failure to do so may subject Contractor to liquidated damages as identified herein and/or to other remedies available by law or Contract. The WSLCB will not incur additional costs related to Contractor's payment of such fees.

Taxes on Invoice:

Contractor shall calculate and enter the appropriate Washington State and local sales tax on all invoices. Tax is to be computed on new items after deduction of any trade-in in accordance with WAC 458-20-247.

TERMINATION BY MUTUAL AGREEMENT

The WSLCB and the Contractor may terminate this Contract in whole or in part, at any time, by mutual agreement.

TERMINATION FOR CAUSE

In the event the WSLCB determines the Contractor has failed to comply with any and/or all of the conditions of this contract in a timely manner, the WSLCB has the right to suspend or terminate this contract. Before suspending or terminating the contract, the WSLCB may notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within thirty (30) Calendar Days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The WSLCB reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the WSLCB to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of the WSLCB provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

TERMINATION FOR CONFLICT OF INTEREST

The WSLCB may terminate this Contract by written notice to Contractor if it is determined, after due notice and examination, that any party to this Contract has violated Chapter 42.52 RCW, Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts. In the event this Contract is so terminated, the WSLCB shall be entitled to pursue the same remedies against Contractor as it could pursue in the event that the Contractor breaches this Contract.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the WSLCB may, by ten (10) calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the WSLCB shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION FOR NON-ALLOCATION OF FUNDS

If funds are not allocated to the WSLCB to continue this Contract in any future period, the WSLCB may terminate this Contract by seven (7) calendar day's written notice to Contractor or work with Contractor to arrive at a mutually acceptable resolution of the situation. The WSLCB will not be obligated to pay any further charges for materials, supplies, services and/or equipment including the net remainder of agreed to consecutive periodic payments remaining unpaid beyond the end of the then-current period. The WSLCB agrees to notify Contractor in writing of such non-allocation at the earliest possible time.

No penalty shall accrue to the WSLCB in the event this section shall be exercised. This section shall not be construed to permit the WSLCB to terminate this Contract in order to acquire similar materials, supplies, services and/or equipment from a third party.

TERMINATION FOR WITHDRAWAL OF AUTHORITY

In the event that the WSLCB's authority to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this Contract and prior to normal completion, the WSLCB may terminate this Contract, in whole or in part, by seven (7) calendar day's written notice to Contractor.

TERMINATION PROCEDURES

Upon termination of this contract, the WSLCB, in addition to any other rights provided in this contract, may require the Contractor to deliver to the WSLCB any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The WSLCB shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the WSLCB, and the amount agreed upon by the Contractor and the WSLCB for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the WSLCB, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability of the WSLCB. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The WSLCB may withhold from any amounts due the Contractor such sum as the Agent determines to be necessary to protect the WSLCB against potential loss or liability.

The rights and remedies of the WSLCB provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for goods, materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the WSLCB, in the manner, at the times, and to the extent directed by the Agent, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the WSLCB has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent Agent may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the WSLCB and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract had been completed, would have been required to be furnished to the WSLCB;
6. Complete performance of such part of the work as shall not have been terminated by the Agent; and
7. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the WSLCB has or may acquire an interest.

TITLE TO PRODUCT

Upon Acceptance, Contractor shall convey to the WSLCB good title to the Product free and clear of all liens, pledges, mortgages, encumbrances, or other security interests.

TREATMENT OF ASSETS

- A. Title to all property furnished by the WSLCB shall remain in the WSLCB. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as

a direct item of cost under this contract, shall pass to and vest in the WSLCB upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the WSLCB upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the WSLCB in whole or in part, whichever first occurs.

- B. Any property of the WSLCB furnished to the Contractor shall, unless otherwise provided herein or approved by the WSLCB, be used only for the performance of this contract.
- C. The Contractor shall be responsible for any loss or damage to property of the WSLCB which results from the negligence of the Contractor which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- D. If any WSLCB property is lost, destroyed or damaged, the Contractor shall immediately notify the WSLCB and shall take all reasonable steps to protect the property from further damage.
- E. The Contractor shall surrender to the WSLCB all property of the WSLCB prior to settlement upon completion, termination or cancellation of this contract
- F. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

WAIVER

Failure or delay of the WSLCB to insist upon the strict performance of any term or condition of the Contract or to exercise any right or remedy provided in the Contract or by law; or the WSLCB's acceptance of or payment for materials, supplies, services and/or equipment, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the WSLCB to insist upon the strict performance of the entire agreement by the Contractor. In the event of any claim for breach of Contract against the Contractor, no provision of this Contract shall be construed, expressly or by implication, as a waiver by the WSLCB of any existing or future right and/or remedy available by law.

WARRANTIES

Contractor warrants that all materials, supplies, services and/or equipment provided under this Contract shall be fit for the purpose(s) for which intended, for merchantability, and shall conform to the requirements and specifications herein. Acceptance of any materials, supplies, service and/or equipment, and inspection incidental thereto, by the WSLCB shall not alter or affect the obligations of the Contractor or the rights of the WSLCB.

WITHDRAWAL OF FUNDING

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the WSLCB may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the WSLCB'S discretion under those new funding limitations and conditions.

Exhibit B
WSLCB'S Request for Proposals No. K430

Exhibit C
Contractor's Proposal



**Washington State
Liquor Control Board**

February XX, 2013

Name
Company
Street Address
City, State, Zip Code

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. XXXX,

This letter is to inform you that Vendor's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2 of RFP K430, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. The Non-Cost Proposal submitted by Vendor is vague and incomplete, and therefore unable to be evaluated in accordance with the requirements of RFP K430. Vendor is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Proposal For

Washington State Liquor Control Board

Cannabis Consultants



**Washington State
Liquor Control Board**

Presented by:

William Jamieson

Cannabis Network Solutions.com

420Patients LLC

Vertical Xchange LLC

VerticalXchange



PROPOSER'S AUTHORIZED OFFER

(PROPOSAL SIGNATURE PAGE)

Initiative 502 Consulting Services – RFP K430

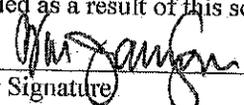
Issued by the Washington State Liquor Control Board

Certifications and Assurances

We make the following certifications and assurances as a required element of the Response, to which it is attached, affirming the truthfulness of the facts declared here and acknowledging that the continuing compliance with these statements and all requirements of the RFP are conditions precedent to the award or continuation of the resulting Contract.

1. The prices in this Response have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to (i) those prices, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the prices offered. The prices in this Response have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before Contract award unless otherwise required by law. No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition. However, we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
2. The attached Response is a firm offer for a period of 120 days following the Response Due Date specified in the RFP, and it may be accepted by the Washington State Liquor Control Board (WSLCB) without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120 day period. In the case of protest, our Response will remain valid for 180 days or until the protest and any related court action is resolved, whichever is later.
3. In preparing this Response, we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this solicitation, or prospective Contract, and who was assisting in other than his or her official, public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this Response. Any exceptions to these assurances are to be described in full detail on a separate page and attached to the Proposer's Response.
4. We understand that the Washington State Liquor Control Board (WSLCB) will not reimburse us for any costs incurred in the preparation of this Response. All Responses become the property of the WSLCB, and we claim no proprietary right to the ideas, writings, items or samples unless so stated in the Response. Submission of the attached Response constitutes an acceptance of the evaluation criteria and an agreement to abide by the procedures and all other administrative requirements described in the solicitation document.
5. We understand that any Contract awarded, as a result of this RFP will incorporate all the solicitation requirements. Submission of a Response and execution of this Certifications and Assurances document certify our willingness to comply with the Contract terms and conditions appearing in Appendix B, [or substantially similar terms], if selected as a contractor. It is further understood that our standard contract will not be considered as a replacement for the terms and conditions appearing in Appendix B of this solicitation.
6. We (circle one) are / are not submitting proposed Contract exceptions.
7. The authorized signatory below acknowledges having read and understood the entire solicitation and agrees to comply with the terms and conditions of the solicitation in submitting and fulfilling the offer made in its Proposal.
8. By submitting this Proposal, Proposer hereby offers to furnish materials, supplies, services and/or equipment in compliance with all terms, conditions, and specifications contained in this solicitation.
9. Proposer has read and understands the requirements of the WSLCB set forth in and pertaining to Initiative 502.

The signatory below represents that he/she has the authority to bind the company named below to the Proposal submitted and any contract awarded as a result of this solicitation.



Proposer Signature
FOUNDER

Title

CANNABIS NETWORK SOLUTIONS

Company Name
2-15-2013

Date

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CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
 - a. How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
420Patients.com / Erupt nutrients / Happy Harvesters Hydroponics
 - b. How Marijuana is infused into food and beverages
Bhang Chocolates, Iron Labs and Keef Cola to handle
 - c. How Marijuana should be packaged, labeled, transported, and sold at retail level
420Patients.com / Cannaline / Iron Labs to handle
 - d. How wholesale and retail Product should be recalled and accounted for
420Patients.com / Iron Labs and Cannaline to handle
 - e. How Marijuana should be destroyed if overproduced, contaminated, or recalled
Iron Labs and kitchens to handle

Subcontractors are companies functioning in other states, please see websites for technologies used and more information. With well over 100 years of combined experience we feel confident we can provide solutions for all your Cannabis needs. With current caregiver networks in 4 states providing local flower product and successful launches of several products, we feel confident we have the solutions you are looking for. We currently manage over 100,000sf of cultivation space and utilize state of the art technologies to increase yields and reduce costs

2. **Experience.** In two (2) pages or less, please describe your firm's experience in Product and Industry Knowledge as it relates to Marijuana.

With well over 100 years of combined experience and feel confident we can provide solutions for all your dispensary needs. With current caregiver networks in 4 states providing local flower product and successful products launches of several products, we feel confident we have the solutions you are looking for. We currently manage over 100,000sf of cultivation space and utilize state of the art technologies to increase yields and reduce costs

3. **Team Structure and Internal Controls.** In two (2) pages or less, please describe the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Please define how the firm will establish lines of authority for personnel who might be involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm.

Traditional Project management techniques and a tracking system will be used for structural organization and communications. Flow Charting will provide a clear identifiable path for coordinators, current task associated with each project and any updates will be provided via email.

4. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

Please see subcontractor list & websites for additional information, as each company has specialists available to provide specific contributions to their company, too many to list.

CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Please answer the questions listed below, attaching additional pages as necessary:

5. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or expertise in Product Quality Standards and Testing, including but not limited to the following:
 - a. Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations

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Iron Labs to handle

b. Assisting the WSLCB with establishing quality standards for testing Marijuana

Iron Labs to handle

6. **Experience.** In two (2) pages or less, please describe your firm's experience in the Product Quality Standards and Testing field, as it relates to Marijuana.

With well over 100 years of combined experience and feel confident we can provide solutions for all your dispensary needs. With current 420Patients.com caregiver networks in 4 states providing local flower product and successful products launches of Bhang Chocolates, 420Suckers and prebaked infused products, we feel confident we have the solutions you are looking for. We currently manage over 100,000sf of cultivation space and utilize state of the art technologies to increase yields and reduce costs

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8. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB to develop a reputable protocol for Product Quality Standards and Testing as requested in this RFP, to determine TCH/CBD levels and/or ratios, mold or chemical contaminates, and Product strain.

Microscopic Analysis

Our first step in testing is to examine the sample under a high-powered dissecting microscope. Here we check on two things: The trichome ripeness and the impurities present. Trichomes are examined by checking their size, color for overall ripeness, and also the relative amount of damage. For Impurities we look for synthetic fibers, pests, mold, disease, hairs, seeds, and other contaminants. We also try to give relative amounts and describe the contaminants to aid the caregiver in isolating and solving any problems discovered. Our staff has hundreds of hours' experience doing microscopic visual analysis of cannabis in providing a thorough and accurate analysis of any flower sample.

Chromatography

GC-FID (Gas Chromatograph – Flame Ionization Detector)

Here at Iron Labs we test all of our flower and concentrate samples multiple times using separate independent GC-FID machines in an effort to eliminate the possibility of human systematic error whenever possible. Our equipment is calibrated daily with the highest quality standards available from Restek. We spend up to fifteen minutes giving each sample a visual analysis, recording any impurities, pest, or contaminates we detect. We break the sample down to view inside each floret revealing anything that may be trapped or hiding inside. We are passionate about this and it shows in the reproducibility of our results. Once more, we insist on self-validation and self-regulation in an evolving industry.

A GC-FID works by injecting a sample into a column (tube) in an oven which heats up and measures the transition between the stationary phase (solid or liquid) and mobile phase (gas) as it moves through the column and through the flame ionization detector. Our software analyzes the amounts of each compound and displays them as peaks on a graph as they come out at varying temperature over time. The area under the curve is measured and compared to the calibration to give us accurately quantified results.

While we prefer GC analysis for our flowers and concentrates, we realize the difficulties involved with using a GC to test for all properties of edible forms of medical cannabis, also known as edibles. The GC requires harsh chemicals to derivitize cannabinoids so that they

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vaporize at temperatures lower than their decarboxylation temperature in order to separate their raw, or acid, forms from the activated, or decarboxylated, forms. This is why we have a HPLC specifically for testing edibles.

HPLC (High Pressure Liquid Chromatograph)

The lower operating temperatures of the HPLC allow for greater control over variables used for separating and quantifying various chemical compounds. One compound we are able to isolate is THC-A, which can only be detected in the cooler temperatures of the HPLC. Measuring the THC-A is important because it can indicate to us how well an edible or topical product is decarboxylated, or chemically activated into its psychoactive form.

GC-MS (Gas Chromatograph – Mass Spectrometer)

We are happy to announce that we have purchased another piece of high tech testing equipment that is en route: A GC-MS works like the GC-FID but with a mass spec detector instead of a flame ionization detector. The mass spec separates compounds by molecular weight to further increase our cannabinoid testing accuracy. It also will be equipped to test the full terpenoid profile of any cannabis flower sample and further increase our pesticide testing capabilities. We are excited to have this incredible piece of technology in our laboratory arsenal. It will raise the community bar on testing analysis and expectations. Best of all, the benefit goes to the patient!

CATEGORY 3 – PRODUCT USAGE AND CONSUMPTION VALIDATION

Please answer the questions listed below, attaching additional pages as necessary:

9. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.

We will work with our subcontracted internet companies WeedMaps and MJFreeway for tracking of usage and current local caregiver networks, in addition to standard usage from other states.

10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.

With a Masters Degree in Clinical Psychology, interpreting reports is a regular process, we also have several other graduate degree individuals to assist in the review process within each subcontractor's company.

11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

Please see subcontractor list & websites for additional information, as each company has specialists available to provide specific contributions to their company, too many to list.

12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

We will use the federal protocol model currently being utilized for the PTSD study by Dr Sue Sisley MD at the University of Arizona

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CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
- Experience with State, local or Federal government processes and procedures
Attorney and Real Estate subcontractor to handle
 - Experience in crafting system regulations
Attorney and Real Estate subcontractor to handle

Experienced, Aggressive & Caring Representation

Anyone faced with criminal charges should immediately seek and retain a Phoenix criminal defense lawyer. Only an attorney will have the training, knowledge and skill to build a strong defense and fight for the freedom of the accused victim in court. It can be very difficult, however, to weed through all of the different firms and find the legal representation that your case needs. How do you know if an attorney is right for you? We understand your dilemma if you have been arrested for a crime and we could provide you with a solution.

One of the most important characteristics that an excellent defense attorney should be his experience. Unless an attorney has handled cases similar to yours, it cannot be guaranteed that they are capable of obtaining the results you need. Our team also has insight into the thoughts and strategies of the prosecution due to Attorney David V. Telles' former experience as a county prosecutor. Our firm has defended clients from false criminal charges for years and could fight for your freedom today.

A competent lawyer should also be highly determined and aggressive when defending a client. Unless your attorney is willing to give their all to fight your charges, you cannot have the highest possible chance of success. Our legal team never gives less than their all when representing a client in court. We dedicate our full attention to each client and stop at nothing to defend them from a wrongful conviction. Through a free consultation with a member of our team, you could learn about our levels of care and commitment first-hand, so call our offices as soon as possible if you are facing charges.

14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.

One of the most important characteristics that an excellent defense attorney should be his experience. Unless an attorney has handled cases similar to yours, it cannot be guaranteed that they are capable of obtaining the results you need. Our team also has insight into the thoughts and strategies of the prosecution due to Attorney David V. Telles' former experience as a county prosecutor. Our firm has defended clients from false criminal charges for years and could fight for your freedom today.

15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

Law firm has over 10 years of experience

16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

We will suggest a model similar to Colorado and or Arizona

Stocker, Marlie

From: 420patients.com <wj@420patients.com>
Posted At: Friday, February 15, 2013 1:56 PM
Conversation: RFP K430, Cannabis Network Solutions
Subject: RFP K430, Cannabis Network Solutions

Hi John,

Here are the documents for the RFP K430

Please let me know if you need any additional documents.

We prefer email ...

Thanks, Jamie J
MA., Clinical Psych
Cannabis Coach
Cell: 602-332-0748

Check us out @ www.420patients.com
Cannabis Network Solutions
Lifestyle Choices and Changes Programs
Arizona Hemp Festival
Bhang Chocolates Arizona
nutrametrix.com/420patients

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor	Vertical Xchange
Name:	<u>GREG GEISLER</u>
Services:	<u></u>
Address:	<u>14551 County Road 11 #145 Burnsville, MN 55337</u>
Telephone:	<u>952-736-9360</u>
Email:	<u>GREG@VERTICALXCHANGE.COM</u>
Fed ID:	<u>PersonallInfo Plant Floor Xchange -DBA: AGXchange LLC</u>
UBI:	<u></u>
Work to be Performed:	<u>Event Management- Product and Industry Knowledge</u>
OMWBE certified: ___ Yes ___ x ___ No	

Subcontractor	Cannaline Jars and Bags
Name:	<u>Andy Rickert</u>
Services:	<u>Cannabis Packaging</u>
Address:	<u>2939 New Rover Rd West Friendship, MD 21794</u>
Telephone:	<u>301-768-4718</u>
Email:	<u>andy.rickert@cannaline.com</u>
Fed ID:	<u>To be provided</u>
UBI:	<u></u>
Work to be Performed:	<u>Packaging Product and Industry Knowledge</u> <u>Product Regulation</u> <u>Product Usage & Consumption Validation</u> <u>Product Quality Standards & Testing</u>
OMWBE certified: ___ Yes ___ x ___ No	

SUBCONTRACTOR INFORMATION

Subcontractor **MJFreeWay**
Name: Julie Hood
Services: Information Technology - POS data management Software
Address: _____
Telephone: 720-398-6456
Email: jhood@mjfreeway.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product Regulation
Product Usage & Consumption Validation
Product Quality Standards & Testing
Product and Industry Knowledge
OMWBE certified: ___ Yes No

Subcontractor **Mayes Telles Law Firm**
Name: David Telles
Services: Legal
Address: 909 West McDowell Road Phoenix, AZ 85007
Telephone: 602-714-7900
Email: David@MayesTelles.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge - legal
OMWBE certified: ___ Yes No

Subcontractor **DAUM Commercial Real Estate**
Name: Jay Krew
Services: Commercial Real Estate
Address: 1702 E Highland Ave Phoenix, AZ 85016
Telephone: 602-575-2315
Email: Jay.krew@daumcommercial.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge- Real Estate
OMWBE certified: ___ Yes No

SUBCONTRACTOR INFORMATION

Subcontractor	Iron Laboratories
Name:	Howard Lutz
Services:	Full Service Cannabis Testing
Address:	MICHIGAN
Telephone:	248-613-3085
Email:	Howard.Lutz@IronLabsLLC.co
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Subcontractor	Aaron Barney
Name:	Aaron Barney
Services:	Community Relations - Washington State
Address:	
Telephone:	206-856-8781
Email:	Aaronmv75@gmail.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Subcontractor	DeCio Pasta
Name:	Scott Morrson
Services:	Commercial Kitchen
Address:	2235 W. First St. Tempe, AZ 85281
Telephone:	480-456-1080
Email:	Scott@deciopasta.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SUBCONTRACTOR INFORMATION

Subcontractor **NutraMetrix**
Name: Suzette Smith
Services: Custom Health Solutions - Nutrients
Address: Arizona
Telephone 480-239-8561
Email: Suzettesmith480@gmail.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: Yes No

Subcontractor **Erupt Nutrients**
Name: Stu Green
Services: Nutrients- cultivation
Address: Po Box 31964 Tucson , AZ
Telephone 520-401-0272
Email: Stu@eruptnutrients.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: Yes No

Subcontractor **Happy Harvester Hydroponics**
Name: Mike Klingler
Services: Hydroponics Store
Address: MICHIGAN AND ARIZONA
Telephone 480-857-8878
Email: contact@HappyHarvestersAZ.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: Yes No

Subcontractor **WeedMaps**
Name: Scott Hoerling
Services: Internet and web management - advertisement
Address: California
Telephone 948-870-1460
Email: Scott@dimensionsoftware.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge- Advertisement
OMWBE certified: Yes No

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CATEGORY 1 – PRODUCT AND INDUSTRY KNOWLEDGE

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, skills and/or other expertise in Product and Industry Knowledge, including but not limited to the following:
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CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

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Iron Labs to handle

b. Assisting the WSLCB with establishing quality standards for testing Marijuana

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GC-FID (Gas Chromatograph – Flame Ionization Detector)

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We will work with our subcontracted internet companies WeedMaps and MJFreeway for tracking of usage and current local caregiver networks, in addition to standard usage from other states.

10. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.

With a Masters Degree in Clinical Psychology, interpreting reports is a regular process, we also have several other graduate degree individuals to assist in the review process within each subcontractor's company.

11. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

Please see subcontractor list & websites for additional information, as each company has specialists available to provide specific contributions to their company, too many to list.

12. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

We will use the federal protocol model currently being utilized for the PTSD study by Dr Sue Sisley MD at the University of Arizona

NON-COST PROPOSAL

CATEGORY 4 – PRODUCT REGULATION

Please answer the questions listed below, attaching additional pages as necessary:

13. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise in Product Regulation, including but not limited to, the following:
- Experience with State, local or Federal government processes and procedures
Attorney and Real Estate subcontractor to handle
 - Experience in crafting system regulations
Attorney and Real Estate subcontractor to handle

Experienced, Aggressive & Caring Representation

Anyone faced with criminal charges should immediately seek and retain a Phoenix criminal defense lawyer. Only an attorney will have the training, knowledge and skill to build a strong defense and fight for the freedom of the accused victim in court. It can be very difficult, however, to weed through all of the different firms and find the legal representation that your case needs. How do you know if an attorney is right for you? We understand your dilemma if you have been arrested for a crime and we could provide you with a solution.

One of the most important characteristics that an excellent defense attorney should be his experience. Unless an attorney has handled cases similar to yours, it cannot be guaranteed that they are capable of obtaining the results you need. Our team also has insight into the thoughts and strategies of the prosecution due to Attorney David V. Telles' former experience as a county prosecutor. Our firm has defended clients from false criminal charges for years and could fight for your freedom today.

A competent lawyer should also be highly determined and aggressive when defending a client. Unless your attorney is willing to give their all to fight your charges, you cannot have the highest possible chance of success. Our legal team never gives less than their all when representing a client in court. We dedicate our full attention to each client and stop at nothing to defend them from a wrongful conviction. Through a free consultation with a member of our team, you could learn about our levels of care and commitment first-hand, so call our offices as soon as possible if you are facing charges.

14. **Experience.** In two (2) pages or less, please describe your firm's experience in working within the confines of a regulatory system, and experience in creating and/or modifying rule, law, ordinance, and/or guidelines.

One of the most important characteristics that an excellent defense attorney should be his experience. Unless an attorney has handled cases similar to yours, it cannot be guaranteed that they are capable of obtaining the results you need. Our team also has insight into the thoughts and strategies of the prosecution due to Attorney David V. Telles' former experience as a county prosecutor. Our firm has defended clients from false criminal charges for years and could fight for your freedom today.

15. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.

Law firm has over 10 years of experience

16. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firms' proposed approach and methodology to be used in assisting the WSLCB with developing rules and a regulation strategy for the state of Washington's new Marijuana System.

We will suggest a model similar to Colorado and or Arizona

Contract Number K430
For
Initiative 502 Consulting Services
Between the
Washington State Liquor Control Board
and
Cannabis Network Solutions

This Contract is made and entered into by and between the Washington State Liquor Control Board, hereinafter referred to as the "WSLCB", and the below named Company, hereinafter referred to as "Contractor", for the purpose of providing Initiative 502 Consulting Services.

Cannabis Network Solutions

William Jamieson

PO BOX 47700

Phoenix, Arizona

Phone: 602-332-0748

Email: WJ@420Patients.com

Federal TIN: 34-1980534 Plant FloorXChange "DBA" AGXchanges LLC

WA State UBI Number:

PURPOSE

The purpose of this Contract is to enter into an agreement for Initiative 502 (I-502) Consulting Services, to assist the WSLCB with the implementation of the requirements of I-502.

SCOPE OF WORK

Exhibit A, attached hereto and incorporated by reference, contains the General Terms and Conditions governing the goods to be provided and services to be performed under this contract, the nature of the working relationship between the WSLCB and the Contractor, and specific obligations of both parties.

The Contractor will provide goods, services, and staff, and otherwise do all things necessary for or incidental to the performance of work, as included in the WSLCB'S Request for Proposals No. K430, attached as Exhibit B, and the Contractor's proposal dated 2/15/2013, attached as Exhibit C.

The Contractor shall:

Provide Consulting Services to the WSLCB which shall assist the agency with the implementation of I-502 requirements including, but not limited to, the following Categories of expertise:

➤ **Category 1: Product and Industry Knowledge**

Contractor shall be a product expert and have expert knowledge, including but not limited, to the following:

- a. How Marijuana is grown, cultivated, harvested, cured, and processed
- b. How Marijuana is infused into food and beverages
- c. How Marijuana should be packaged, labeled, transported, and sold at retail level
- d. How wholesale and retail product should be recalled and accounted for
- e. How Marijuana should be destroyed if over produced, contaminated, or recalled

Category 1 Deliverables:

Contractor shall provide the following:

1. Minimum standards relating to the growth, harvesting, transporting and sale of useable recreational Marijuana
2. Minimum standards for Product safety relating to the infusion of Marijuana or Marijuana byproducts in food, beverage, lotions, ointments or other Products to be sold in retail locations
3. Minimum standards for the tracking and reconciliation of Product grown, sold, and/or destroyed

➤ **Category 2: Product Quality Standards and Testing**

Contractor shall:

- a. Have expert knowledge of the infrastructure required to test Marijuana to ensure the following:
 - Product quality, content, and ingredients
 - Consumer safety
- b. Assist the WSLCB with establishing quality standards for testing
- c. Assist the WSLCB with establishing and implementing Industry testing standards and practices
- d. Be knowledgeable on methods to safely process product

Category 2 Deliverables:

Contractor shall provide the following:

1. Minimum standards allowed for testing and confirming Product safety from contaminants
2. Testing standards for Product testing of THC/CBD levels and ratios for Product offered
3. Labeling standards needed to meet the requirements as defined by law

➤ **Category 3: Product Usage and Consumption Validation**

Contractor shall:

- a. Have the expertise to estimate product usage and consumption levels by geographic areas in Washington State.

Category 3 Deliverables:

Contractor shall provide the following:

1. A report detailing recreational, medical and total Marijuana use in Washington State, by county
2. A projected volume of Marijuana needed on an annual basis to satisfy demand, and establish plant yield and growth volume assumptions needed to keep pricing at or below black market levels

➤ **Category 4: Product Regulation**

Contractor shall:

- a. Have a strong understanding of State, local or Federal government processes and procedures
- b. Assist the WSLCB in crafting Marijuana system regulations.

Category 4 Deliverables:

Contractor shall:

1. Conduct stakeholder focus groups for discussion and determination of best practice relating to the growth, harvesting, distribution, product infusion and sale of useable recreational Marijuana
2. Provide written independent third party assumptions, recommendations and oversight following guidelines established by the open government act

General Requirements:

Contractor will work in conjunction with the WSLCB project manager and any other identified WSLCB personnel to ensure that the services are provided in accordance with industry standards and best practices.

PERIOD OF PERFORMANCE

The period of performance under this contract shall be for two (2) years from the date of execution, with the option to extend for additional terms or portions thereof.

COMPENSATION

Total compensation for services rendered shall be as follows:

Item Description	Price
Total	

MICELLANEOUS EXPENSES

The WSLCB may reimburse Contractor for travel and related expenses as identified in this Contract, or as authorized in writing, in advance by the WSLCB in accordance with the current rules and regulations set forth in the Washington State Administrative and Accounting Manual (<http://www.ofm.wa.gov/policy/default.asp>), and not to exceed expenses actually incurred. No payment of travel expenses will be made to Contractor for routine travel to and from the WSLCB's location. Contractor may be required to provide a detailed itemization of expenses, including description, amounts and dates, and receipts for amounts of fifty dollars (\$50) or more when requesting reimbursement.

BILLING PROCEDURES AND PAYMENT

The WSLCB will pay Contractor upon acceptance of goods and/or services provided and receipt of properly completed invoices, which should be submitted electronically to: HQSupply@liq.wa.gov.

If Contractor is unable to submit invoices electronically, invoices may be submitted by mail to:

Washington State Liquor Control Board
 Attn: Support Services
 PO Box 43090
 Olympia, WA 98504

Each invoice shall be identified with the following items:

- State INVOICE
- Identify the invoice number and date
- **Be identified by Contract Number K430**
- Identify Contractor's Statewide Vendor registration number assigned by Washington State Office of Financial Management (OFM)
- Be in U.S. dollars
- Identify the all applicable prompt payment discount and/or volume discount(s)

- Identify payee name and address in compliance with U.S. Postal regulations
- Describe and document, to the WSLCB'S satisfaction, a description of the goods provided and/or work performed, including dates
- Be accompanied by documentation that confirms that services were performed or products were received

The WSLCB may, in its sole discretion, terminate the contract or withhold payments claimed by the Contractor for goods and/or services rendered if the Contractor fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the WSLCB.

Payment shall be considered timely if made by the WSLCB within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

Payment for materials, supplies and/or equipment received and for services rendered shall be made by WSLCB and be redeemable in U.S. dollars. Any bank or transaction fees or similar costs associated with currency exchange procedures or the use of purchasing/credit cards shall be fully assumed by the Contractor.

In the event that the Contractor overcharges the WSLCB, checks shall be mailed with the hard copy credit memos PO BOX 43085 Olympia WA 98504.

CONTRACT ADMINISTRATION

All authorized communication regarding this contract shall occur between the Contractor's Authorized Representative or designee and the WSLCB Contract Administrator or designee.

Contractor's Authorized Representative	WSLCB Contract Administrator
Contractor's Authorized Representative William Jamieson PO BOX 47700 Phoenix, Arizona 85068 Phone : (602) 332-0748 Email address: WJ@420Patients.com	Name Washington State Liquor Control Board PO Box 43090 Olympia, WA 98504 Phone: (360) 664- Email address: Enter Email

ORDER OF PRECEDENCE

Each of the exhibits listed below is hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable federal and state of Washington statutes and regulations
2. Special terms and conditions as contained in this basic contract instrument
3. Exhibit A – General Terms and Conditions
4. Exhibit B – Request for Proposals No. K430
5. Exhibit C – Contractor’s Proposal dated 2/15/2013
6. Any other provision, term or material incorporated herein by reference or otherwise incorporated

APPROVAL

The signatories to this Contract represent that they have the authority to bind their respective organizations to this Contract.

In Witness Whereof, the parties hereto, having read this Contract in its entirety, including all attachments, do agree in each and every particular and have thus set their hands hereunto.

For Contractor:		Project Manager for WSLCB:	
_____ <i>(Contractor Authorized Representative Signature) (Date)</i>		_____ <i>(Signature) (Date)</i>	
Contractor Name	CANNABIS NETWORK SOLUTIONS	Agency Name	Washington State Liquor Control Board 3000 Pacific Ave SE Olympia, WA 98504
Print Name	WILLIAM JAMIESON	Print Name	
Telephone No.	602-332-0748	Telephone No.	
Email	WJ@420Patients.com	Email	
Authorizing WSLCB Contract Manager Approval			
Print Name		Date	
Signature		Email	
		Phone	

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DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "Acceptance" -- The materials, supplies, services, and/or equipment have passed appropriate inspection. In the event that there is a formal Acceptance Testing period required in the Solicitation document then acceptance is formalized in writing. If there is no Acceptance Testing, acceptance may occur when the Products are delivered and inspected.
- B. "Acceptance Testing" -- The process for ascertaining that the materials, supplies, services, and/or equipment meets the standards set forth in the Solicitation, prior to Acceptance by the WSLCB.

- C. "WSLCB" -- shall mean the Liquor Control Board of the State of Washington, any division, section, office, unit or other entity of the WSLCB, or any of the officers or other officials lawfully representing that WSLCB.
- D. "Agent" -- shall mean the Director, and/or the representative authorized in writing to act on the Director's behalf, or Contractor's authorized representative acting on behalf of the Contractor.
- E. "Amendment" -- For the purposes of this Contract, shall mean an agreement between the parties to change this Contract after it is fully signed by both parties. Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change. An Order Document shall not constitute an Amendment to this Contract.
- F. "Business Days" -- Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.
- G. "Calendar Days" -- Consecutive days of the year including weekends and holidays, each of which commence at 12:00:01 a.m. and end at Midnight, Pacific Time. When "days" are not specified, Calendar Days shall prevail.
- H. "Contract" -- An agreement, or mutual assent, between two or more competent parties with the elements of the agreement being offer, acceptance, consideration, and legal binding.
- I. "Contract Administrator" -- The primary contact for the WSLCB regarding this contract.
- J. "Contractor" -- shall mean that firm, provider, organization, individual or other entity providing goods and or service(s) under this contract, and shall include all employees of the Contractor.
- K. "Contractor's Authorized Representative" -- An individual or agent designated by the Contractor to act on its behalf and with the authority to legally bind the Contractor concerning the terms and conditions set forth in Solicitation and Contract documents.
- L. "Inspection" -- An examination of delivered material, supplies, services, and/or equipment prior to Acceptance aimed at forming a judgment as to whether such delivered items are what was ordered, were properly delivered and ready for Acceptance. Inspection may include a high level visual examination or a more thorough detailed examination as is customary to the type of purchase, as set forth in the solicitation document and/or as agreed between the parties. Inspection shall be acknowledged by an authorized signature of the WSLCB.
- M. "Invitation For Bids" (IFB) -- The form utilized to solicit Bids in the formal, sealed Bid procedure and any amendments thereto issued in writing by the WSLCB. Specifications and qualifications are clearly defined.
- N. "Lead Time/After Receipt of Order (ARO)" -- The period of time between when the Contractor receives the order and the WSLCB receives the materials, supplies, equipment, or services order.
- O. "Order Document" -- A written communication, submitted by the WSLCB to the Contractor, which details the specific transactional elements required by the WSLCB within the scope of this Contract such as delivery date, size, color, capacity, etc. An Order Document may include, but is not limited to purchase orders, work order or other writings as may be designated by the parties hereto. No additional or alternate terms and conditions on such written communication shall apply unless authorized by this Contract and expressly agreed between the WSLCB and the Contractor.
- P. "Proposal" -- A written offer to perform a Contract to supply materials, supplies, services, and/or equipment in response to a Request for Proposal (RFP).

- Q. "Request for Proposals (RFP)" -- The form utilized to solicit Proposals in the formal, sealed Bid procedure and any amendments thereto issued in writing by the WSLCB. The specifications and qualification requirements are written in an outcome based form allowing for consideration of a broad range of different solutions to meet the procurement need.
- R. "Subcontractor" -- shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor.

ADMINISTRATIVE SUSPENSION

When in the best interest of the WSLCB, the WSLCB may at any time, and without cause, suspend the Contract or any portion thereof for a period of not more than thirty (30) calendar days per event by written notice from the Contract Administrator to the Contractor's Representative. Contractor shall resume performance on the next business day following the 30th day of suspension unless an earlier resumption date is specified in the notice of suspension. If no resumption date was specified in the notice of suspension, the Contractor can be demanded and required to resume performance within the thirty (30) day suspension period by the Contract Administrator providing the Contractor's Representative with written notice of such demand.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the WSLCB.

ADVERTISING

Contractor shall not publish or use any information concerning this Contract in any format or media for advertising or publicity without prior written consent from the Contract Administrator.

ALTERNATIVE DISPUTE RESOLUTION FEES AND COSTS

In the event that the parties engage in arbitration, mediation or any other alternative dispute resolution forum to resolve a dispute in lieu of litigation, both parties shall share equally in the cost of the alternative dispute resolution method, including cost of mediator or arbitrator. In addition, each party shall be responsible for its own attorneys' fees incurred as a result of the alternative dispute resolution method.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ANTITRUST

The WSLCB maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the WSLCB. Therefore, the Contractor hereby assigns to the WSLCB any and all of the Contractor's claims for such price fixing or overcharges which arise under federal or state antitrust laws, relating to the materials, supplies, services and/or equipment purchased under this Contract.

ASSIGNMENT

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the Contractor without prior written consent of the WSLCB.

ASSURANCES

The WSLCB and the Contractor agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

CHANGES

The WSLCB reserves the right to modify this Contract by mutual agreement between the WSLCB and the Contractor, so long as such modification is substantially within the scope of the original Contract.

Alterations to any of the terms, conditions, or requirements of this Contract shall only be effective upon written issuance of a mutually agreed Contract Amendment by the Contract Administrator.

COMMENCEMENT OF WORK

No work shall be performed by Contractor until this Contract is executed by the Contractor and the WSLCB and is received by the Contractor.

CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The Contractor shall not use or disclose any information concerning the WSLCB, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the WSLCB, or as may be required by law.

CONFLICT

To the extent possible, the terms of this Contract shall be read consistently.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the WSLCB may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the WSLCB shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the WSLCB provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

CONFORMITY

If any provision of this Contract violates any Federal or State of Washington statute or rule of law, it is considered modified to conform to that statute or rule of law.

CONTRACTOR COMMITMENTS, WARRANTIES AND REPRESENTATIONS

Any written commitment by Contractor within the scope of this Contract shall be binding upon Contractor. Failure of Contractor to fulfill such a commitment may constitute breach and shall render Contractor liable for damages under the terms of this Contract. For purposes of this section, a commitment by Contractor includes: (i) Prices, discounts, and options committed to remain in force over a specified period of time; and (ii) any warranty or representation made by Contractor in its Response or contained in any Contractor or manufacturer publications, written materials, schedules, charts, diagrams, tables, descriptions, other written representations, and any other communication medium accompanying or referred to in its Response or used to effect the sale to WSLCB.

COST OF REMEDY

Cost of Remedying Defects: All defects, indirect and consequential costs of correcting, removing or replacing any or all of the defective materials or equipment will be charged against the Contractor.

COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for securing business.

The WSLCB shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DETERMINATION OF STANDARD OF QUALITY/CONSISTENCY OVER TERM OF CONTRACT

If, in the sole judgment of the WSLCB, any item is determined not to be an equal, the WSLCB may take any or all of the following actions:

1. the product may be returned at Contractor's expense;
2. the contract may be terminated without any liability to the WSLCB

DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with Agent.

1. The request for a dispute hearing must:
 - Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties;
 - State the Contractor's name, address, and contract number; and

- Be mailed to the Agent and the other party's (respondent's) Contract Administrator within three (3) working calendar days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within five (5) working calendar days.
 3. The Agent shall review the written statements and reply in writing to both parties within ten (10) working days. The Agent may extend this period if necessary by notifying the parties.
 4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable dispute resolution method in addition to the dispute resolution procedure outlined above.

ENTIRE AGREEMENT

This Contract document and all subsequently issued amendments comprise the entire agreement between the WSLCB and the Contractor. No other statements or representations, written or oral, shall be deemed a part of the Contract.

This Contract sets forth the entire agreement between the parties with respect to the subject matter hereof and except as provided in the section titled **Contractor Commitments, Warranties and Representations**, understandings, agreements, representations, or warranties not contained in this Contract or a written amendment hereto shall not be binding on either party. Except as provided herein, no alteration of any of the terms, conditions, delivery, price, quality, or specifications of this Contract will be effective without the written consent of both parties.

ESTABLISHED BUSINESS

Prior to commencing performance, or prior to that time if required by the WSLCB, law or regulation, Contractor must be an established business firm with all required licenses, fees, bonding, facilities, equipment and trained personnel necessary to meet all requirements and perform the work as specified in the Solicitation. Contractor shall maintain compliance with these requirements throughout the entire term of this contract.

The WSLCB the right to require receipt of proof of compliance with said requirements within ten (10) calendar days from the date of request, and to terminate this Contract as a material breach for noncompliance with any requirement of this paragraph.

FORCE MAJEURE

The term "force majeure" means an occurrence that causes a delay that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences.

Exceptions: Except for payment of sums due, neither party shall be liable to the other or deemed in breach under this Contract if, and to the extent that, such party's performance of this Contract is prevented by reason of force majeure.

Notification: If either party is delayed by force majeure, said party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall likewise be provided. So far as consistent with the Rights Reserved below, the time of completion shall be extended by Contract amendment for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Contract.

Rights Reserved: The WSLCB reserves the right to authorize an amendment to this Contract, terminate the Contract, and/or purchase materials, supplies, equipment and/or services from the best available source during the time of force majeure, and Contractor shall have no recourse against the WSLCB.

GIFTS AND GRATUITIES

Contractor shall comply with all state laws regarding gifts and gratuities, including but not limited to: RCW 39.26.020, RCW 42.52.150, RCW 42.52.160, and RCW 42.52.170 under which it is unlawful for any person to directly or indirectly offer, give or accept gifts, gratuities, loans, trips, favors, special discounts, services, or anything of economic value in conjunction with state business or contract activities.

Under RCW 39.26.020 and the Ethics in Public Service Law, Chapter 42.52 RCW state officers and employees are prohibited from receiving, accepting, taking or seeking gifts (except as permitted by RCW 42.52.150) if the officer or employee participates in contractual matters relating to the purchase of goods or services.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INCORPORATED DOCUMENTS

Each of the documents listed below is, by this reference, incorporated into this Contract as though fully set forth herein.

1. WSLCB RFP K430 with all attachments and exhibits, and all amendments thereto
2. Contractor's response to RFP K430 dated 2/15/2013
3. The terms and conditions contained on WSLCB's Order Documents, if used; and
4. All Contractor or manufacturer publications, written materials and schedules, charts, diagrams, tables, descriptions, other written representations and any other supporting materials Contractor made available to WSLCB and used to affect the sale of the Product to the WSLCB.

INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless the WSLCB and all officials, agents and employees of the WSLCB, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting there from.

Contractor's obligations to indemnify, defend, and hold harmless includes any claim by Contractor's agents, employees, representatives, or any Subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the WSLCB for any claim arising out of or incident to Contractor's or any Subcontractor's performance or failure to perform the contract. Contractor's obligation to indemnify, defend, and hold harmless the WSLCB shall not be eliminated or reduced by any actual or alleged concurrent negligence of WSLCB or its agents, agencies, employees and officials.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless WSLCB and its agencies, officials, agents or employees.

IDENTIFICATION

All invoices, packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this Contract shall be identified by the Contract number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.

INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent Contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the WSLCB. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the WSLCB or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

INDUSTRIAL INSURANCE COVERAGE

The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, WSLCB may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. The WSLCB may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the WSLCB under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

INSPECTION AND REJECTION

The WSLCB's inspection of all materials, supplies and equipment upon delivery is for the purpose of forming a judgment as to whether such delivered items are what was ordered, were properly delivered and ready for Acceptance. Such inspection shall not be construed as final acceptance, or as acceptance of the materials, supplies or equipment, if the materials, supplies or equipment does not conform to contractual requirements. If there are any apparent defects in the materials, supplies, or equipment at the time of delivery, the WSLCB will promptly notify the Contractor. Without limiting any other rights, the WSLCB may require the Contractor to: (1) repair or replace, at Contractor's expense, any or all of the damaged goods; (2) refund the price of any or all of the damaged goods; or (3) accept the return of any or all of the damaged goods.

INSURANCE

The Contractor shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the WSLCB should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the Contractor or Subcontractor, or agents of either, while performing under the terms of this contract.

Contractor shall, at their own expense, obtain and keep in force insurance as follows until completion of the Contract. Within fifteen (15) calendar days of receipt of notice of award, the Contractor shall furnish evidence in the form of a certificate of insurance satisfactory to the WSLCB that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in Contract cancellation.

Contractor shall include all Subcontractors as insureds under all required insurance policies, or shall furnish separate Certificates of Insurance and endorsements for each Subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

All insurance provided in compliance with this Contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.

Specific Requirements:

Employers Liability (Stop Gap): The Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and will maintain Employers Liability insurance with a limit of no less than \$1,000,000.00. The WSLCB will not be held responsible in any way for claims filed by the Contractor or their employees for services performed under the terms of this Contract.

Commercial General Liability Insurance: The Contractor shall at all times during the term of this Contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of services provided under this Contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the Contractor's premises/operations, independent Contractors, products/completed operations, personal injury and advertising injury, and contractual liability (including the tort liability of another assumed in a business Contract), and contain separation of insured's (cross liability) conditions.

Contractor waives all rights against the WSLCB for the recovery of damages to the extent they are covered by general liability or umbrella insurance.

The limits of liability insurance shall not be less than as follows:

General Aggregate Limits (other than products-completed operations)	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury Aggregate	\$1,000,000
Each Occurrence (applies to all of the above)	\$1,000,000
Fire Damage Limit (per occurrence)	\$ 50,000
Medical Expense Limit (any one person)	\$ 5,000

Business Auto Policy (BAP): In the event that services delivered pursuant to this Contract involve the use of vehicles, or the transportation of clients, automobile liability insurance shall be required. The coverage provided shall protect against claims for bodily injury, including illness, disease, and death; and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, Subcontractor, or anyone employed by either.

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a combined single limit not less than \$1,000,000 per occurrence. The business auto liability shall include Hired and Non-Owned coverage.

Contractor waives all rights against the WSLCB for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

Additional Insurance Provisions: All above insurance policies shall include, but not be limited to, the following provisions:

Additional Insured: The WSLCB shall be named as an additional insured on all general liability, umbrella, excess, and property insurance policies. All policies shall be primary over any other valid and collectable insurance.

Notice of Policy(ies) Cancellation/Non-renewal: For insurers subject to Chapter 48.18 RCW (Admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the Contract Administrator forty-five (45) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Contract. Written notice shall include the affected Contract reference number.

Surplus Lines: For insurers subject to Chapter 48.15 RCW (Surplus Lines) a written notice shall be given to the Contract Administrator twenty (20) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Contract. Written notice shall include the affected Contract reference number.

Cancellation for Non-payment to Premium: If cancellation on any policy is due to non-payment of premium, a written notice shall be given the Contract Administrator ten (10) calendar days prior to cancellation. Written notice shall include the affected Contract reference number.

Identification: Policy(ies) and Certificates of Insurance shall include the affected Contract reference number.

Insurance Carrier Rating: The insurance required above shall be issued by an insurance company authorized to do business within the State of Washington. Insurance is to be placed with a carrier that has a rating of A- Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Risk Manager for the State of Washington, by submitting a copy of the Contract and evidence of insurance before Contract commencement. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW and Chapter 284-15 WAC.

Excess Coverage: The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Contractor from liability in excess of such limits.

Limit Adjustments: The WSLCB reserves the right to increase or decrease limits as appropriate.

LEGAL NOTICES

Any notice or demand or other communication required or permitted to be given under this Contract or applicable law (except notice of malfunctioning Equipment) shall be effective only if it is in writing and signed by the applicable party, properly addressed, and either delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class mail, postage prepaid [certified mail, return receipt requested, via facsimile or by electronic mail], to the Contract Administrator [and fax numbers, e-mail addresses] provided in this Contract. For purposes of complying with any provision in this Contract or applicable law that requires a "writing," such communication, when digitally signed with a Washington State Licensed Certificate, shall be considered to be "in writing" or "written" to an extent no less than if it were in paper form.

Notices shall be effective upon receipt or four (4) Business Days after mailing, whichever is earlier. The notice address as provided herein may be changed by written notice given as provided above. In the event that a subpoena or other legal process commenced by a third party in any way concerning the Equipment or Services provided pursuant to this Contract is served upon Contractor or WSLCB, such party agrees to notify the other party in the most expeditious fashion possible following receipt of such subpoena or other legal process. Contractor and WSLCB further agree to

cooperate with the other party in any lawful effort by the other party to contest the legal validity of such subpoena or other legal process commenced by a third party.

LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIENS, CLAIMS AND ENCUMBRANCES

All materials, equipment, supplies and/or services shall be free of all liens, claims, or encumbrances of any kind, and if the WSLCB requests, a formal release of same shall be delivered.

LIMITATION OF AUTHORITY

Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by both parties.

LIMITATION OF LIABILITY

The parties agree that neither Contractor or the WSLCB shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except a claim related to bodily injury or death, or a claim or demand based on patent, copyright, or other intellectual property right infringement, in which case liability shall be as set forth elsewhere in this Contract. This section does not modify any sections regarding liquidated damages or any other conditions as are elsewhere agreed to herein between the parties. The damages specified in the sections titled Termination for Default and Retention of Records are not consequential, incidental, indirect, or special damages as that term is used in this section.

Neither the Contractor nor the WSLCB shall be liable for damages arising from causes beyond the reasonable control and without the fault or negligence of the Contractor or the WSLCB. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of a governmental body other than the WSLCB acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of the Contractor, the WSLCB, or their respective Subcontractors.

If delays are caused by a Subcontractor without its fault or negligence, Contractor shall not be liable for damages for such delays, unless the Services to be performed were obtainable on comparable terms from other sources in sufficient time to permit Contractor to meet its required performance schedule.

Neither party shall be liable for personal injury to the other party or damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.

LIQUIDATED DAMAGES

Any delay by Contractor in meeting the Delivery Date, Installation Date, maintenance or repair date, or other applicable date set forth under this Contract will interfere with the proper implementation of WSLCB's programs and will result in loss and damage to WSLCB.

As it would be impracticable to fix the actual damage sustained in the event of any such failure(s) to perform, WSLCB and Contractor agree that in the event of any such failure(s) to perform, the amount of damage which will be sustained will be the amount set forth in the following subsections and the parties agree that Contractor shall pay such amounts as liquidated damages and not as a penalty.

Liquidated damages provided under the terms of this Contract are subject to the same limitations as provided in the section titled Limitation of Liability.

If Contractor's maintenance personnel fail to arrive at WSLCB's site within [insert agreed upon time period] after notification by WSLCB that maintenance is required, Contractor shall pay to WSLCB as fixed and agreed liquidated damages, in lieu of all other damages due to such non-responsiveness, for each hour between the agreed [insert agreed upon time period] response time and the actual response time an amount of [_ 0 _] dollars [(\$ _ 0 _)] per hour for each "late" hour or part thereof (prorated) beginning with the time of notification by WSLCB and ending with the time that Contractor's maintenance personnel arrive at the WSLCB Distribution Center.

MATERIALS AND WORKMANSHIP

The Contractor shall be required to furnish all materials, supplies, equipment and/or services necessary to perform Contractual requirements. Materials, supplies and workmanship used in the construction of equipment for this Contract shall conform to all applicable federal, state, and local codes, regulations and requirements for such equipment, specifications contained herein, and the normal uses for which intended. Materials, supplies and equipment shall be manufactured in accordance with the best commercial practices and standards for this type of materials, supplies, and equipment.

MATERIAL BREACH

A Contractor may be Terminated for Cause by the WSLCB, at the sole discretion of the Contract Administrator, for failing to perform a contractual requirement or for a material breach of any term or condition. Material breach of a term or condition of the Contract may include but is not limited to:

1. Contractor failure to perform services or deliver materials, supplies, or equipment by the date required or by an alternate date as mutually agreed in a written amendment to the Contract;
2. Contractor failure to carry out any warranty or fails to perform or comply with any mandatory provision of the contract;
3. Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
4. Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the Contractor's proper performance hereunder;
5. Appointment of any receiver, trustee, or similar official for Contractor or any of the Contractor's property and such appointment endangers the Contractor's proper performance hereunder;
6. A determination that the Contractor is in violation of federal, state, or local laws or regulations and that such determination renders the Contractor unable to perform any aspect of the Contract.

NO ADDITIONAL CHARGES

Unless otherwise specified in the Solicitation no additional charges by the Contractor will be allowed including, but not limited to: handling charges such as packing, wrapping, bags, containers, reels; or the processing fees associated with the use of credit cards. Notwithstanding the foregoing, in the event that market conditions, laws, regulations or other unforeseen factors dictate, at the Contract Administrators sole discretion, additional charges may be allowed.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the Contractor's non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the WSLCB. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION

During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

NON-EXCLUSIVE REMEDIES

The remedies provided for in this Contract shall not be exclusive but are in addition to all other remedies available under law.

OPPORTUNITY TO CURE

In the event that Contractor fails to perform a contractual requirement or materially breaches any term or condition, the WSLCB may issue a written cure notice. The Contractor may have a period of time in which to cure. The WSLCB is not required to allow the Contractor to cure defects if the opportunity for cure is not feasible as determined solely within the discretion of the WSLCB. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages, or otherwise affects any other remedies available against Contractor under the Contract or by law.

If the breach remains after Contractor has been provided the opportunity to cure, the WSLCB may do any one or more of the following:

1. Exercise any remedy provided by law;
2. Terminate this Contract and any related Contracts or portions thereof;
3. Procure replacements and impose damages as set forth elsewhere in this Contract;
4. Impose actual or liquidated damages;
5. Suspend or bar Contractor from receiving future Solicitations or other opportunities;
6. Require Contractor to reimburse the state for any loss or additional expense incurred as a result of default or failure to satisfactorily perform the terms of the Contract.

OSHA AND WISHA REQUIREMENTS

Contractor agrees to comply with conditions of the Federal Occupational Safety and Health Administration (OSHA) and, if manufactured or stored in the State of Washington, the Washington Industrial Safety and Health Act (WISHA) and the standards and regulations issued there under, and certifies that all items furnished and purchased will conform to and comply with said laws, standards and regulations. Contractor further agrees to indemnify and hold harmless WSLCB from all damages

assessed against WSLCB as a result of Contractor's failure to comply with those laws, standards and regulations, and for the failure of the items furnished under the Contract to so comply.

OVERPAYMENTS TO CONTRACTOR

Contractor shall refund to WSLCB the full amount of any erroneous payment or overpayment under this Contract within thirty (30) days' written notice. If Contractor fails to make timely refund, WSLCB may charge Contractor one percent (1%) per month on the amount due, until paid in full.

OWNERSHIP/RIGHTS IN DATA

The WSLCB and Contractor agree that all data and work products (collectively called "Work Product") produced pursuant to this Contract shall be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. §101 *et seq.*, and shall be owned by the WSLCB. Contractor is hereby commissioned to create the Work Product. Work Product includes, but is not limited to, discoveries, formulae, ideas, improvements, inventions, methods, models, processes, techniques, findings, conclusions, recommendations, reports, designs, plans, diagrams, drawings, Software, databases, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions, to the extent provided by law. Ownership includes the right to copyright, patent, register and the ability to transfer these rights and all information used to formulate such Work Product.

If for any reason the Work Product would not be considered a work made for hire under applicable law, Contractor assigns and transfers to the WSLCB the entire right, title and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.

Contractor shall execute all documents and perform such other proper acts as the WSLCB may deem necessary to secure for WSLCB the rights pursuant to this section.

Contractor shall not use or in any manner disseminate any Work Product to any third party, or represent in any way Contractor ownership in any Work Product, without the prior written permission of the WSLCB. Contractor shall take all reasonable steps necessary to ensure that its agents, employees, or Subcontractors shall not copy or disclose, transmit or perform any Work Product or any portion thereof, in any form, to any third party.

Material that is delivered under this Contract, but that does not originate therefrom ("Preexisting Material"), shall be transferred to the WSLCB with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, display, and dispose of such Preexisting Material, and to authorize others to do so except that such license shall be limited to the extent to which Contractor has a right to grant such a license. Contractor shall exert all reasonable effort to advise the WSLCB at the time of delivery of Preexisting Material furnished under this Contract, of all known or potential infringements of publicity, privacy or of intellectual property contained therein and of any portion of such document which was not produced in the performance of this Contract. Contractor agrees to obtain, at its own expense, express written consent of the copyright holder for the inclusion of Preexisting Material. the WSLCB shall receive prompt written notice of each notice or claim of copyright infringement or infringement of other intellectual property right worldwide received by Contractor with respect to any Preexisting Material delivered under this Contract. The WSLCB shall have the right to modify or remove any restrictive markings placed upon the Preexisting Material by Contractor.

PERSONAL LIABILITY

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the WSLCB when executing their official duties in good faith, be in any way personally liable or responsible for any agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this agreement.

PRICE INCREASES

Contractor requests for adjustments in pricing will be considered at sole discretion of the WSLCB only after expiration of the firm and fixed price period, and then on a pass through basis only that does not produce a higher profit margin for Contractor than that established by the original contract pricing.

Contractors may not make extensions contingent on price adjustments.

Price Increases will not be considered without supporting documentation sufficient to justify the requested increase. Documentation must be based on published indices and/or the result of increases at the manufacturer's level, incurred after contract commencement date. The grant of any price adjustment will be at the sole discretion of the WSLCB and, if granted, shall not produce a higher profit margin for the Contractor than that established by the original contract pricing. Any adjustments in pricing shall be set forth in a written amendment to the contract. Price adjustments granted by the WSLCB shall remain unchanged for at least 365 calendar days thereafter, and no request for adjustments in price will be considered during that time period.

PRICE PROTECTION

Contractor warrants that prices of materials, supplies, services, and/or equipment set forth herein do not exceed those charged by the Contractor to any other customer purchasing the same under similar conditions and in like or similar quantities.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. Contractor shall ensure its directors, officers, employees, Subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. Contractor and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the WSLCB or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the WSLCB for any damages related to the Contractor's unauthorized use of personal information.

PROBLEM RESOLUTION AND DISPUTES

Problems arising out of the performance of this Contract shall be resolved in a timely manner at the lowest possible level with authority to resolve such problem. If a problem persists and cannot be resolved, it may be escalated within each organization.

In the event a bona fide dispute concerning a question of fact arises between the WSLCB and Contractor and it cannot be resolved between the parties through the normal escalation processes, either party may initiate the dispute resolution procedure provided herein.

The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within three (3) Business Days. The

initiating party shall have three (3) Business Days to review the response. If after this review a resolution cannot be reached, both parties shall have three (3) Business Days to negotiate in good faith to resolve the dispute.

If the dispute cannot be resolved after three (3) Business Days, a Dispute Resolution Panel may be requested in writing by either party who shall also identify the first panel member. Within three (3) Business Days of receipt of the request, the other party will designate a panel member. Those two panel members will appoint a third individual to the Dispute Resolution Panel within the next three (3) Business Days.

The Dispute Resolution Panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.

Each party shall bear the cost for its panel member and share equally the cost of the third panel member.

Both parties agree to be bound by the determination of the Dispute Resolution Panel.

Both parties agree to exercise good faith in dispute resolution and to settle disputes prior to using a Dispute Resolution Panel whenever possible.

The WSLCB and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract that are not affected by the dispute.

If the subject of the dispute is the amount due and payable by WSLCB for materials, supplies, services and/or equipment being provided by Contractor, Contractor shall continue providing materials, supplies, services and/or equipment pending resolution of the dispute provided the WSLCB pays Contractor the amount WSLCB, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount Contractor, in good faith, believes is due and payable.

PUBLICITY

The Contractor agrees to submit to the WSLCB all advertising and publicity matters relating to this contract wherein the WSLCB'S name is mentioned or language used from which the connection of the WSLCB'S name may, in the WSLCB'S judgment, be inferred or implied. The Contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the WSLCB.

RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the WSLCB, personnel duly authorized by the WSLCB, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE

The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RETENTION OF RECORDS

The Contractor shall maintain all books, records, documents, data and other evidence relating to this Contract and the provision of materials, supplies, services and/or equipment described herein, including, but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the Contract, shall be subject at all reasonable times to inspection, review, or audit by the WSLCB, personnel duly authorized by the WSLCB, the Washington State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until final resolution of all litigation, claims, or audit findings involving the records.

RIGHT OF INSPECTION

The Contractor shall provide right of access to its facilities to the WSLCB, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on WSLCB premises, Contractor, its agents, employees, or Subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

STATEWIDE VENDOR PAYMENT REGISTRATION

Contractors are required to be registered in the Statewide Vendor Payment system, prior to submitting a request for payment under this Contract.

The Washington State Office of Financial Management (OFM) maintains a central Contractor registration file for Washington State agencies to process Contractor payments.

To obtain registration materials go to <http://www.ofm.wa.gov/isd/vendors.asp> the form has two parts; Part 1 is the information required to meet the above registration condition. Part 2 allows the state to pay invoices electronically with direct deposit and is the state's most efficient method of payment. Contractor are encouraged to sign up for this form of payment.

SUBCONTRACTING

Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the WSLCB. In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to the Department for any breach in the performance of the Contractor's duties. This

clause does not include contracts of employment between the Contractor and personnel assigned to work under this contract.

Additionally, the Contractor is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. Contractor and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the WSLCB or as provided by law.

SUPERVISION AND COORDINATION

Contractor shall:

1. Competently and efficiently, supervise and coordinate the implementation and completion of all Contract requirements specified herein;
2. Identify the Contractor's Representative, who will be the principal point of contact for the WSLCB Contract Administrator concerning Contractor's performance under this Contract.
3. Immediately notify the Contract Administrator in writing of any change of the designated Contractor's Representative assigned to this Contract; and
4. Violation of any provision of this paragraph may be considered a material breach establishing grounds for Contract termination.
5. Be bound by all written communications given to or received from the Contractor's Representative.

SURVIVORSHIP

All transactions executed for Products and Services provided pursuant to the authority of this Contract shall be bound by all of the terms, conditions, Prices and Price discounts set forth herein, notwithstanding the expiration of the initial term of this Contract or any extension thereof. Further, the terms, conditions and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive. In addition, the terms of the sections titled **Overpayments to Contractor; Ownership/Rights in Data; Contractor's Commitments, Warranties and Representations; Confidentiality/Safeguarding Information; Incorporation of Documents; Order of Precedence; Publicity; Retention of Records; Problem Resolution and Disputes; and Limitation of Liability** shall survive the termination of this Contract.

TAXES, FEES AND LICENSES

Taxes:

Where required by statute or regulation, the Contractor shall pay for and maintain in current status all taxes that are necessary for Contract performance. Unless otherwise indicated, the WSLCB agrees to pay State of Washington taxes on all applicable materials, supplies, services and/or equipment purchased. No charge by the Contractor shall be made for federal excise taxes and if requested the WSLCB agrees to furnish Contractor with an exemption certificate where appropriate.

Collection of Retail Sales and Use Taxes:

In general, Contractors engaged in retail sales activities within the State of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state Contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the State of Washington is significantly associated with Contractor's ability to

establish or maintain a market for its products in Washington State. Examples of such activity include where the Contractor either directly or by an agent or other representative:

1. Maintains an in-state office, distribution house, sales house, warehouse, service enterprise, or any other in-state place of business;
2. Maintains an in-state inventory or stock of goods for sale;
3. Regularly solicits orders from Purchasers located within the State of Washington via sales representatives entering the State of Washington;
4. Sends other staff into the State of Washington (e.g. product safety engineers, etc.) to interact with Purchasers in an attempt to establish or maintain market(s); or
5. Other factors identified in WAC 458-20.

Department of Revenue Registration for Out-of-State Contractors:

Out-of-state Contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to WAC 458-20-193, and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state Contractors are not required to collect and remit "use tax," the WSLCB will be responsible for paying this tax, if applicable, directly to the Department of Revenue.

Fees/Licenses:

After award of Contract, and prior to commencing performance under the Contract, the Contractor shall pay for and maintain in a current status any licenses, fees, assessments, permit charges, etc., which are necessary for Contract performance. It is the Contractor's sole responsibility to maintain licenses and to monitor and determine any changes or the enactment of any subsequent regulations for said fees, assessments, or charges and to immediately comply with said changes or regulations during the entire term of this Contract.

Customs/Brokerage Fees:

Contractor shall take all necessary actions, including, but not limited to, paying all customs, duties, brokerage, and/or import fees, to ensure that materials, supplies, and/or equipment purchased under the Contract are expedited through customs. Failure to do so may subject Contractor to liquidated damages as identified herein and/or to other remedies available by law or Contract. The WSLCB will not incur additional costs related to Contractor's payment of such fees.

Taxes on Invoice:

Contractor shall calculate and enter the appropriate Washington State and local sales tax on all invoices. Tax is to be computed on new items after deduction of any trade-in in accordance with WAC 458-20-247.

TERMINATION BY MUTUAL AGREEMENT

The WSLCB and the Contractor may terminate this Contract in whole or in part, at any time, by mutual agreement.

TERMINATION FOR CAUSE

In the event the WSLCB determines the Contractor has failed to comply with any and/or all of the conditions of this contract in a timely manner, the WSLCB has the right to suspend or terminate this contract. Before suspending or terminating the contract, the WSLCB may notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within thirty (30) Calendar Days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The WSLCB reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the WSLCB to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of the WSLCB provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

TERMINATION FOR CONFLICT OF INTEREST

The WSLCB may terminate this Contract by written notice to Contractor if it is determined, after due notice and examination, that any party to this Contract has violated Chapter 42.52 RCW, Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts. In the event this Contract is so terminated, the WSLCB shall be entitled to pursue the same remedies against Contractor as it could pursue in the event that the Contractor breaches this Contract.

TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the WSLCB may, by ten (10) calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the WSLCB shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION FOR NON-ALLOCATION OF FUNDS

If funds are not allocated to the WSLCB to continue this Contract in any future period, the WSLCB may terminate this Contract by seven (7) calendar day's written notice to Contractor or work with Contractor to arrive at a mutually acceptable resolution of the situation. The WSLCB will not be obligated to pay any further charges for materials, supplies, services and/or equipment including the net remainder of agreed to consecutive periodic payments remaining unpaid beyond the end of the then-current period. The WSLCB agrees to notify Contractor in writing of such non-allocation at the earliest possible time.

No penalty shall accrue to the WSLCB in the event this section shall be exercised. This section shall not be construed to permit the WSLCB to terminate this Contract in order to acquire similar materials, supplies, services and/or equipment from a third party.

TERMINATION FOR WITHDRAWAL OF AUTHORITY

In the event that the WSLCB's authority to perform any of its duties is withdrawn, reduced, or limited in any way after the commencement of this Contract and prior to normal completion, the WSLCB may terminate this Contract, in whole or in part, by seven (7) calendar day's written notice to Contractor.

TERMINATION PROCEDURES

Upon termination of this contract, the WSLCB, in addition to any other rights provided in this contract, may require the Contractor to deliver to the WSLCB any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The WSLCB shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the WSLCB, and the amount agreed upon by the Contractor and the WSLCB for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the WSLCB, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Agent shall determine the extent of the liability of the WSLCB. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The WSLCB may withhold from any amounts due the Contractor such sum as the Agent determines to be necessary to protect the WSLCB against potential loss or liability.

The rights and remedies of the WSLCB provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for goods, materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the WSLCB, in the manner, at the times, and to the extent directed by the Agent, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the WSLCB has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Agent to the extent Agent may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the WSLCB and deliver in the manner, at the times, and to the extent directed by the Agent any property which, if the contract had been completed, would have been required to be furnished to the WSLCB;
6. Complete performance of such part of the work as shall not have been terminated by the Agent; and
7. Take such action as may be necessary, or as the Agent may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which the WSLCB has or may acquire an interest.

TITLE TO PRODUCT

Upon Acceptance, Contractor shall convey to the WSLCB good title to the Product free and clear of all liens, pledges, mortgages, encumbrances, or other security interests.

TREATMENT OF ASSETS

- A. Title to all property furnished by the WSLCB shall remain in the WSLCB. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as

a direct item of cost under this contract, shall pass to and vest in the WSLCB upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the WSLCB upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the WSLCB in whole or in part, whichever first occurs.

- B. Any property of the WSLCB furnished to the Contractor shall, unless otherwise provided herein or approved by the WSLCB, be used only for the performance of this contract.
- C. The Contractor shall be responsible for any loss or damage to property of the WSLCB which results from the negligence of the Contractor which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- D. If any WSLCB property is lost, destroyed or damaged, the Contractor shall immediately notify the WSLCB and shall take all reasonable steps to protect the property from further damage.
- E. The Contractor shall surrender to the WSLCB all property of the WSLCB prior to settlement upon completion, termination or cancellation of this contract
- F. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

WAIVER

Failure or delay of the WSLCB to insist upon the strict performance of any term or condition of the Contract or to exercise any right or remedy provided in the Contract or by law; or the WSLCB's acceptance of or payment for materials, supplies, services and/or equipment, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the WSLCB to insist upon the strict performance of the entire agreement by the Contractor. In the event of any claim for breach of Contract against the Contractor, no provision of this Contract shall be construed, expressly or by implication, as a waiver by the WSLCB of any existing or future right and/or remedy available by law.

WARRANTIES

Contractor warrants that all materials, supplies, services and/or equipment provided under this Contract shall be fit for the purpose(s) for which intended, for merchantability, and shall conform to the requirements and specifications herein. Acceptance of any materials, supplies, service and/or equipment, and inspection incidental thereto, by the WSLCB shall not alter or affect the obligations of the Contractor or the rights of the WSLCB.

WITHDRAWAL OF FUNDING

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the WSLCB may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the WSLCB'S discretion under those new funding limitations and conditions.

Exhibit B
WSLCB'S Request for Proposals No. K430

Exhibit C
Contractor's Proposal

SUBCONTRACTOR INFORMATION

Check the applicable box:

Yes No Your firm intends on utilizing subcontractors to fulfill the service requirements outlined in RFP K430, Initiative 502 Consulting Services.

Contractor will be required to perform all work under this contract using his/her own employees carried on payroll or by using approved subcontractors. Where subcontractors are used in the performance of the contract, proposers will indicate as required with their response to seek approval. Contractor will be held responsible for all work performed or not performed by the subcontractor(s). Subcontractors will be required to bill through the Contractor.

If revisions are required in the subcontract assignment, new parties are to be proposed in advance of assignment, in writing to the WSLCB and the Contract Administrator.

All subcontractors are to submit a letter on company letterhead indicating the contract has been read, the standard terms and conditions reviewed and agreeing to all requirements presented. The subcontractors shall be required to meet all requirements established for Contractor staff.

If applicable, Proposer shall identify below all subcontractors who will perform services in fulfillment of contract requirements, including their name, the nature of services to be performed, address, telephone, facsimile, email, federal tax identification number (TIN), Washington State Uniform Business Identifier (UBI), and expected work to be performed of each subcontract:

Subcontractor	Vertical Xchange
Name:	<u>GREG GEISLER</u>
Services:	<u></u>
Address:	<u>14551 County Road 11 #145 Burnsville, MN 55337</u>
Telephone:	<u>952-736-9360</u>
Email:	<u>GREG@VERTICALXCHANGE.COM</u>
Fed ID:	<u>PersonallInfo Plant Floor Xchange -DBA: AGXchange LLC</u>
UBI:	<u></u>
Work to be Performed:	<u>Event Management- Product and Industry Knowledge</u>
OMWBE certified: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Subcontractor	Cannaline Jars and Bags
Name:	<u>Andy Rickert</u>
Services:	<u>Cannabis Packaging</u>
Address:	<u>2939 New Rover Rd West Friendship, MD 21794</u>
Telephone:	<u>301-768-4718</u>
Email:	<u>andy.rickert@cannaline.com</u>
Fed ID:	<u>To be provided</u>
UBI:	<u></u>
Work to be Performed:	<u>Packaging Product and Industry Knowledge Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing</u>
OMWBE certified: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

SUBCONTRACTOR INFORMATION

Subcontractor	Bhang Chocolates
Name:	Scott Van Rixel
Services:	Edibles - Infusion Kitchen
Address:	6815 Biscayne Blvd. Miami, FL 33138
Telephone	575-613-21909
Email:	scott@bhangchocolate.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Subcontractor	Keef Cola
Name:	Eric Knotson
Services:	Elixirs / Drinks and Cannabis Kitchen
Address:	
Telephone	303-386-3784
Email:	Knutsoneric@msn.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Subcontractor	Baker Candies
Name:	Chris Galgoczy
Services:	Edibles - Cannabis kitchen
Address:	16131 Holmes Ave Cleveland, OH 44110
Telephone	313-268-1358
Email:	bakercandies@att.net
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SUBCONTRACTOR INFORMATION

Subcontractor **MJFreeWay**
Name: Julie Hood
Services: Information Technology - POS data management Software
Address: _____
Telephone: 720-398-6456
Email: jhood@mjfreeway.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product Regulation
Product Usage & Consumption Validation
Product Quality Standards & Testing
Product and Industry Knowledge
OMWBE certified: ___ Yes No

Subcontractor **Mayes Telles Law Firm**
Name: David Telles
Services: Legal
Address: 909 West McDowell Road Phoenix, AZ 85007
Telephone: 602-714-7900
Email: David@MayesTelles.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge - legal
OMWBE certified: ___ Yes No

Subcontractor **DAUM Commercial Real Estate**
Name: Jay Krew
Services: Commercial Real Estate
Address: 1702 E Highland Ave Phoenix, AZ 85016
Telephone: 602-575-2315
Email: Jay.krew@daumcommercial.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge- Real Estate
OMWBE certified: ___ Yes No

SUBCONTRACTOR INFORMATION

Subcontractor	Iron Laboratories
Name:	Howard Lutz
Services:	Full Service Cannabis Testing
Address:	MICHIGAN
Telephone:	248-613-3085
Email:	Howard.Lutz@IronLabsLLC.co
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Subcontractor	Aaron Barney
Name:	Aaron Barney
Services:	Community Relations - Washington State
Address:	
Telephone:	206-856-8781
Email:	Aaronmv75@gmail.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Subcontractor	DeCio Pasta
Name:	Scott Morrson
Services:	Commercial Kitchen
Address:	2235 W. First St. Tempe, AZ 85281
Telephone:	480-456-1080
Email:	Scott@deciopasta.com
Fed ID:	To be provided
UBI:	
Work to be Performed:	Product Regulation Product Usage & Consumption Validation Product Quality Standards & Testing Product and Industry Knowledge
OMWBE certified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SUBCONTRACTOR INFORMATION

Subcontractor **NutraMetrix**
Name: Suzette Smith
Services: Custom Health Solutions - Nutrients
Address: Arizona
Telephone 480-239-8561
Email: Suzettesmith480@gmail.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: ___ Yes ___ x ___ No

Subcontractor **Erupt Nutrients**
Name: Stu Green
Services: Nutrients- cultivation
Address: Po Box 31964 Tucson , AZ
Telephone 520-401-0272
Email: Stu@eruptnutrients.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: ___ Yes ___ No

Subcontractor **Happy Harvester Hydroponics**
Name: Mike Klingler
Services: Hydroponics Store
Address: MICHIGAN AND ARIZONA
Telephone 480-857-8878
Email: contact@HappyHarvestersAZ.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge
OMWBE certified: ___ Yes ___ x ___ No

Subcontractor **WeedMaps**
Name: Scott Hoerling
Services: Internet and web management - advertisement
Address: California
Telephone 948-870-1460
Email: Scott@dimensionsoftware.com
Fed ID: To be provided
UBI: _____
Work to be Performed: Product and Industry Knowledge- Advertisement
OMWBE certified: ___ Yes ___ x ___ No



**Washington State
Liquor Control Board**

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Harold Wipf,

This letter is to inform you that your firm's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Cannalogix failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Letter of Submittal, Non-Cost Proposal and Cost Proposal. Cannalogix submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:46 AM
To: 'h.wipf@cannalogixbiotex.org'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Cannalogix_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file



RESEARCH & DEVELOPMENT OFFICE

**INNOVATION
RESPONSIBILITY
ECO-SUSTAINABILITY
CANNALOGIX.ORG**

To: State of Washington
Liquor Control Board
Reference: K430

Greetings Ladies and Gentlemen,

I would like to take a moment and introduce to you Cannalogix.ORG. We are a not for profit group of individuals that consist of a variety of knowledgeable backgrounds and professions related to and not related to cannabis. As many members of our group are either Board Members or Coordinators with-in existing Medical Cannabis Non-Profits and have active and daily supervision of cannabis related activities and care.

Our Board of Directors and Board Advisors have extensive knowledge of the Cannabis Industry in many ways, a few of the members on the Advisory Committees have spent years in the "Black Market" before converting to Medical Marijuana Growers, Caregivers and Patient Advocates and have assisted many patients in obtaining medicine at costs equal to a fraction of what the patient was paying on the Black Market and continue to use their expertise for the better good of the patients and the programs they serve.

Our Agricultural and Horticultural Teams know the proven methods used and implemented in the careful and sanitary production, testing and distribution of cannabis to various patients suffering from a myriade of diseases and ailments and pur mission is to always strive for the highest quality cannabis to improve the patients quality of life and end of life pain management. We exclusively provide our patients various strains matched to symptoms, pains and ailments with varied potency levels from 5% to the upwards of 30% and have the system perfected with a labeling system that includes everything from the All Natural Certification based on lab results with coinciding means of obtaining the lab results with the lot code and an explanation of the results for those that don't know what they are looking at when it comes to lab results.

Our Laboratory Analysis Teams take the whole testing process to the next level, superceeding the testing standards marketed to growers by companies such as Cannatest and their affiliates that look solely for the various Cannabanoids and THC/THCa properties. We wanted to know everything that was in the plant from nutrients to insecticides to determine if the medicine was acceptable for our patients and the necessity forced us to take it a step further. With the absence of access to quality scientific standards we have been forced to create and develop our own set of standards to quantify the standards for our future tests from. By growing the test batch with the harmful chemicals we are trying to avoid seperate from the batch to be distributed that was grown with all natural means and testing each plant individually we have been able to identify the harmful elements that may pose a risk to our patients and been able to determine the level of risk and determine the most appropriate means and order of destruction of inadequate medicine before it is ever harvested and or capable of infecting the rest of the crop.

Our Research and Development Teams have been working for almost a decade with the extraction and concentration process to provide our patients with the highest quality edibles, oil extractions used for everything from cooking to topical treatments and even lotions that have proven effective relief for the nerve pains associated with Multiple Sclerosis and oils that even prove to be effective treatments for skin cancer. We are in the process of hiring a chemist and a compound pharmacist to assist us in obtaining FDA approval for our medicines and treatments but due to their current guidelines they require 100% removal of the Delta-9 THC portion of the formulas just to consider it and unfortunately we have a ways to go to meet those standards.

Our Legal Committee has been known to align with many attorneys from various states to assist us in the understanding and implementation of Medical Marijuana Programs and Program Ammendments and have worked hard to keep the patients as the primary objective and have intentionally kept our group distant from the organizations that have advocated for the full on legalization and or intentional program deviation. Until now we have never been able to offer our expertise or services to anyone outside of the programs in which we have a direct interest in since we are not in the business of promoting illegal activities.



RESEARCH & DEVELOPMENT OFFICE

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ECO-SUSTAINABILITY
CANNALOGIX.ORG

Through the years we have had the pleasure of providing many patients with a sustainable supply of the medicines and the care they have needed. On that, we have been tasked with developing a fully scalable formula to making accurate predictions of need based on the patients associated with our various programs at the time we plant our crops and usually have enough medicine on hand to meet demand with helping other patients with excess when we have to purge our excess to stay with-in guidelines at the time of the next harvest.

In the State of Washington's case, we would analyze the data provided by the county by county voter results that voted in favor of I-502 and compare that to the known voter turnout and determine the factors that we would use in the speculative forecasts and insert a large enough buffer that would cover us in the case of a shortage or even a failure to deliver produce by one of the suppliers in the event of a critical crop failure which can happen even days before the harvest. With our expertise we have the ability to implement secure storage standards that will preserve and maintain the product shelf life just for these events.

Through the years we have all individually and as a group custom tailored various types of businesses and non-profits that focus on Medical Cannabis and the communities and businesses that support the cause and continued treatment of the patients in which we all serve. The group as a whole is a brain-trust or think-tank of sorts consisting of like minded individuals that collaborate on the most economical, safest and most effective ways to produce, process and legally distribute the herbal medicines that mother nature has given us.

With our credentials and experience summarized in a two page document, in short we feel as though we have a great deal of expertise and a plethora of proven solutions to offer to the State of Washington and we don't need to secure a multi-year contract or a major retainer to provide our services. Below you will find our pricing proposition and we will stand to that at any time the State of Washington calls on our services.

Pricing -	
Analyst Consultant -	\$125.00/hr*
Legal Consultant -	\$150.00/hr*
Growing Consultant -	\$125.00/hr*
Research Assistant -	\$80.00/hr*
Administrative Assistant -	\$60.00/hr*

Our members are located all over the Pacific Northwest and most everyone runs a business so we must not cost our companies money or economic loss so the above prices are firm and will be billed for every hour associated with the Consultation including a portion up to 5 hours for all of the travel time associated with the various locations of the contract administration.

We will provide detailed logs of every minute used and will bill in ¼ hour increments after the 4th minute of any quarter hour overage billed after the first hour is billed on each day we administer the contract scope.

Cannalogix.ORG will sign any contract the State specifies and Carry any Insurance Policy currently offered and obtainable by any carrier licensed under the current insurance standards and practice to meet the States requirements.

Cannalogix.ORG thanks you for the opportunity to bid on this Proposal.

Sincerely,
/s/ Harold Wipf
EVP, Board Director

Stocker, Marlie

From: h.wipf@cannalogixbiotex.org
Posted At: Friday, February 15, 2013 1:59 PM
Conversation: I-502

Subject: I-502

Please See Attached...

Regards,
H.Wipf, EVP
Board Director
Cannalogix.org



RESEARCH & DEVELOPMENT OFFICE

INNOVATION
RESPONSIBILITY
ECO-SUSTAINABILITY
CANNALOGIX.ORG

To: State of Washington
Liquor Control Board
Reference: K430

Greetings Ladies and Gentlemen,

I would like to take a moment and introduce to you Cannalogix.ORG. We are a not for profit group of individuals that consist of a variety of knowledgeable backgrounds and professions related to and not related to cannabis. As many members of our group are either Board Members or Coordinators with-in existing Medical Cannabis Non-Profits and have active and daily supervision of cannabis related activities and care.

Our Board of Directors and Board Advisors have extensive knowledge of the Cannabis Industry in many ways, a few of the members on the Advisory Committees have spent years in the "Black Market" before converting to Medical Marijuana Growers, Caregivers and Patient Advocates and have assisted many patients in obtaining medicine at costs equal to a fraction of what the patient was paying on the Black Market and continue to use their expertise for the better good of the patients and the programs they serve.

Our Agricultural and Horticultural Teams know the proven methods used and implemented in the careful and sanitary production, testing and distribution of cannabis to various patients suffering from a myriade of diseases and ailments and pur mission is to always strive for the highest quality cannabis to improve the patients quality of life and end of life pain management. We exclusively provide our patients various strains matched to symptoms, pains and ailments with varied potency levels from 5% to the upwards of 30% and have the system perfected with a labeling system that includes everything from the All Natural Certification based on lab results with coinciding means of obtaining the lab results with the lot code and an explanation of the results for those that don't know what they are looking at when it comes to lab results.

Our Laboratory Analysis Teams take the whole testing process to the next level, superceeding the testing standards marketed to growers by companies such as Cannatest and their affiliates that look solely for the various Cannabanoids and THC/THCa properties. We wanted to know everything that was in the plant from nutrients to insecticides to determine if the medicine was acceptable for our patients and the necessity forced us to take it a step further. With the absence of access to quality scientific standards we have been forced to create and develop our own set of standards to quantify the standards for our future tests from. By growing the test batch with the harmful chemicals we are trying to avoid seperate from the batch to be distributed that was grown with all natural means and testing each plant individually we have been able to identify the harmful elements that may pose a risk to our patients and been able to determine the level of risk and determine the most appropriate means and order of destruction of inadequate medicine before it is ever harvested and or capable of infecting the rest of the crop.

Our Research and Development Teams have been working for almost a decade with the extraction and concentration process to provide our patients with the highest quality edibles, oil extractions used for everything from cooking to topical treatments and even lotions that have proven effective relief for the nerve pains associated with Multiple Sclerosis and oils that even prove to be effective treatments for skin cancer. We are in the process of hiring a chemist and a compound pharmacist to assist us in obtaining FDA approval for our medicines and treatments but due to their current guidelines they require 100% removal of the Delta-9 THC portion of the formulas just to consider it and unfortunately we have a ways to go to meet those standards.

Our Legal Committee has been known to align with many attorneys from various states to assist us in the understanding and implementation of Medical Marijuana Programs and Program Ammendments and have worked hard to keep the patients as the primary objective and have intentionally kept our group distant from the organizations that have advocated for the full on legalization and or intentional program deviation. Until now we have never been able to offer our expertise or services to anyone outside of the programs in which we have a direct interest in since we are not in the business of promoting illegal activities.



RESEARCH & DEVELOPMENT OFFICE

**INNOVATION
RESPONSIBILITY
ECO-SUSTAINABILITY
CANNALOGIX.ORG**

Through the years we have had the pleasure of providing many patients with a sustainable supply of the medicines and the care they have needed. On that, we have been tasked with developing a fully scalable formula to making accurate predictions of need based on the patients associated with our various programs at the time we plant our crops and usually have enough medicine on hand to meet demand with helping other patients with excess when we have to purge our excess to stay with-in guidelines at the time of the next harvest.

In the State of Washington's case, we would analyze the data provided by the county by county voter results that voted in favor of I-502 and compare that to the known voter turnout and determine the factors that we would use in the speculative forecasts and insert a large enough buffer that would cover us in the case of a shortage or even a failure to deliver produce by one of the suppliers in the event of a critical crop failure which can happen even days before the harvest. With our expertise we have the ability to implement secure storage standards that will preserve and maintain the product shelf life just for these events.

Through the years we have all individually and as a group custom tailored various types of businesses and non-profits that focus on Medical Cannabis and the communities and businesses that support the cause and continued treatment of the patients in which we all serve. The group as a whole is a brain-trust or think-tank of sorts consisting of like minded individuals that collaborate on the most economical, safest and most effective ways to produce, process and legally distribute the herbal medicines that mother nature has given us.

With our credentials and experience summarized in a two page document, in short we feel as though we have a great deal of expertise and a plethora of proven solutions to offer to the State of Washington and we don't need to secure a multi-year contract or a major retainer to provide our services. Below you will find our pricing proposition and we will stand to that at any time the State of Washington calls on our services.

Pricing -	
Analyst Consultant -	\$125.00/hr*
Legal Consultant -	\$150.00/hr*
Growing Consultant -	\$125.00/hr*
Research Assistant -	\$80.00/hr*
Administrative Assistant -	\$60.00/hr*

Our members are located all over the Pacific Northwest and most everyone runs a business so we must not cost our companies money or economic loss so the above prices are firm and will be billed for every hour associated with the Consultation including a portion up to 5 hours for all of the travel time associated with the various locations of the contract administration.

We will provide detailed logs of every minute used and will bill in 1/4 hour increments after the 4th minute of any quarter hour overage billed after the first hour is billed on each day we administer the contract scope.

Cannalogix.ORG will sign any contract the State specifies and Carry any Insurance Policy currently offered and obtainable by any carrier licensed under the current insurance standards and practice to meet the States requirements.

Cannalogix.ORG thanks you for the opportunity to bid on this Proposal.

Sincerely,
/s/ Harold Wipf
EVP, Board Director

Stocker, Marlie

From: Farley, John S
Sent: Sunday, March 03, 2013 9:08 AM
To: Cunningham, Katie M
Subject: FW:

Katie
Please save this email in the K430 file.

John Farley
Contracts and Support Services
360.664.4526
jsf@liq.wa.gov

From: Carl Alvin Erickson [<mailto:cameraconsultants@yahoo.com>]
Sent: Monday, February 25, 2013 9:00 PM
To: Farley, John S
Subject:

[WSLCB RFP K430 - Rejection Notification 1](#)

[Show Details](#)

From

- [K430](#)

To

- cameraconsultants@yahoo.com

- 1 Attachment
- 317.8KB
- Scanning 0 attachments...
- [Save to Computer](#)

- .pdf

K430_Carl Alvin Erickson_Rejection Letter.pdf

Good Morning,((((((((Well let me say it is only so so in a much as had expected that you had some power to fully exploit all oppertunities in as much as you infer that you are seeking advise. It would almost appear that you already know & mostly want someone else to claim credit. Asking how to dispose even seemed strange as it seems legally preordained with very little option if any due to existing laws. I figured it was illegal for me to enter the site with all vendor questions that I am not yet it implys all citizens can apply. later carl

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response. Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,
John Farley

Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Carl Alvin Erickson,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

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It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Vendor failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Letter of Submittal, Non-Cost Proposal and Cost Proposal. Vendor submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jst@liq.wa.gov.

Sincerely,

A handwritten signature in cursive script that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file



**Washington State
Liquor Control Board**

February 25, 2013

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Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:47 AM
To: 'cameraconsultants@yahoo.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Carl Alvin Erickson_Rejection Letter.pdf

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Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

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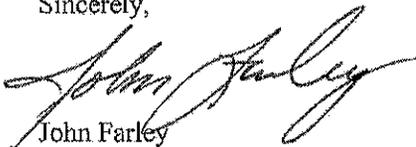
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Sincerely,


John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: Carl Alvin Erickson <cameraconsultants@yahoo.com>
Posted At: Friday, February 15, 2013 1:57 PM
Conversation: To Procurement Cordinator WSLCB
Subject: To Procurement Cordinator WSLCB

Sorry it jumbled up. It was fine as I sent yet I noticed when the page auto saved to draft it often did that however it has been nearly 2 decades since I have used word to secure the writeing & need to relearn if it even works the same presently. Lost my spell check feature long ago, very disapointing; how to get it back; I suspose pay. cameraconsultants@yahoo.com Later Carl

Stocker, Marlie

From: Carl Alvin Erickson <cameraconsultants@yahoo.com>
Posted At: Friday, February 15, 2013 1:34 PM
Conversation: To Procurment Coordinator WSLCB RFP
Subject: To Procurment Coordinator WSLCB RFP

((Offer)) This is a proposal by a private WA state citizen to the WSLCB procurment coordinator for employment as a marijuana consultant, non user for 1/3 of a century. -----((Tasks)) It seems that you are just about fully decided that it would be most wise to employ more than (1 person passing along 2nd & 3rd hand data).-----((Labor)) Of course we the govt. included all have a cash shortfall relative to a decade ago when using my 5th passport I would have been embarrassed to ask anything if blessed to help lessen 1 of the most inequitable situations on the planet harming me in many ways the least of which is my current low economic state, yet I can still afford to offer my labor free.-----((Interstate/International)) Partially for cash flow I haven't even renewed for 6th passport waiting for biometric or holographic 3-D ((I guess they are holding out for implant chips like in the animals)) since I haven't had a need to travel out side the country since oct./nov. 2007. The TSA personel system needs to be replaced by Israel type methods with state of the art computer scanning & passports at least as difficult to replicate or alter as our latest series FEDERAL RESERVE NOTES. Obviously we are not really trying to interdict >10% or block illegal workers, even permanent illegals giving passport like driving licences. While I couldn't use my marijuana authorization because I only held a real passport like as if a drivers licence proves what state you currently live in. (completely stupid). Non authorization states can come up here become residents by join few clubs et-cetra lease apt. lodge with family or invest in house & visit back to non authorized state 11 months of the year for better weather & just not drive there. Legally they would no more have a right to buy authorized marijuana here using WA licence than the Mexican illegals because they would really be non authorized state resident. If you say their real trust is their signature verifying their residency in WA then why can't a signature of a WA resident of 60+ years be trusted accompanied by a valid passport since the only real significance of the ID is to establish identity. are we so desperate for tourist cash flow that we trust according to ability to pass the driving test or willingness to buy vagrant card. Or is it that the 666 chip is in progress to be implanted by the cops, not the national government. I mention this particularly in relation to item 4 knowing that we are sort of in competition with Colorado for best administration & don't want to look foolish from the federal viewpoint. So we need to listen carefully to their concerns as they will be cloaked. We are signatory to 2 international treaties relating to this & carry out operations in various countries with dissenting opinions; example the 2 drones sold to the police dept were no doubt an attempt to appease afganistan citizens. apparently the local military bases feel the same way about our police force as we do & don't want to interface.-

-----((Goal)) My proposal is to focus long range at the same time for full national legalization by 2019 for 1 variety that could bypass both international treaties by qualifying as a super-food known by its clear high signature. -----

-----((Situation)) A lid of secrecy sort of surrounds the Thia tree for various reasons in this country particularly. Hidden agendas seem to be why our national security directs research spin releases to keep black ops funding at current levels. So credible research is most likely to be allowed in other nations. Base line marijuana is being used to improve our national defense, in detriment to our constitution, our health & many other areas of our life, even so much that our govt. is concerned, yet like the chem trail cloud testing in washington/oregon it could be employed nationally or even world wide if the planet heats up too much while we evaluate for side effect reactions to know the best substances et-cetra. Likewise washington/oregon are low population risks to test non(discrimitory)selective legalization. So the govt. wants to find the best balance to best protect the United States. *** -----

((Judgements)) *** -----

-----((Psychological)) ***

-----((Driveing)) *** -----

-----((Proof)) *** So realizeing research facilitys here do not dare
release a clear unambiguous finding & if we could discern a really honest research facility in a relitively safe
area that you could justifi covering trip costs; well I'm ready at the drop of a hat. I was offered a research
facility visit permission while visiting Negril Jamaica 3 weeks in 2004 yet declined because had not yet realized
what proof & unknown data a research facility could provide us. -----

-----((Addiction)) *** -----

-----((Stinged)) *** -----

-----((FDA)) *** -----

-----((Marinol)) *** -----

((Theori)) My theori to research is that the Thia tree selects out some harmfull substances in the same way that
heavy nuclear atoms climb only a couple feet up in trees. I propose that the Thia tree selects out only the best
high substances that far up & maybe it isn't so much what it is, as what it isn't that allows our natural senses to
function at such a higher level with these select substances. This is a superfood & like others has its own
specialization, in this case feeding the sensory systems. The two international treaties that we are obligated
signers there of control a debilitateing THC plant family. It is ignorant of the Thia tree & does not apply to it. ---

-----((Research)) Once establishing quite easily what substances are always different in
the pure Thai Stick vrs the lower plant THC family we check to see how long each lasts in the blood in what
quanitys. Too long or too short could be a problem with the bad substances. Also the ones with lowest cost to
test or fastest to test if any choices left. Then check to see if we can test possession samples the same way as a
matter of reasonable assumption. -----

-----((Thia)) Then it seems we
would be well on our way to legalize driveing with Thia state grown vrs any other with 5 ng limit. I'm fairly
sure real Thia users are willing to pay what it costs to grow & harvest this more difficult Thia tree & if natural
sunlight is shown to be a signifacant quality factor, it should of course be an option, even though the time factor
would most likely destroy electricty saveings. Quality organic nutrition should probably be standard. Sincerely
Carl Alvin Erickson **SS#** [REDACTED] 206-363-7821*206-234-6915 mail 19628 Bagley Ln N apt T-202 Shoreline
98133-1219



**Washington State
Liquor Control Board**

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Ms. Lisa Li,

This letter is to inform you that Charter Licensing Group's response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

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Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

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Sincerely,

A handwritten signature in cursive script that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:48 AM
To: 'lisali@charterlicensing.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Charter Licensing Group_Rejection Letter.pdf

Good Morning,

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Thank you,

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Washington State
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John Farley
Procurement Coordinator

cc: K430 Contract file

1.1 ABILITY, CAPACITY AND SKILLS

How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed
Since 2009, our industry partner has consulted on custom design, construction of build-outs and remodels, delivery of complete POD systems, services crews for hire to monitoring grow cycles, cultivation and harvesting..

Our partners have given classes on cannabis horticulture such as “How to Set Up a Grow Operation” that have included equipment options, nutrient system design, growing environments that include temperature and humidity, ventilation, dehumidification, watering), equipment options, planting media, organic fertilizers, pesticides, pruning, physical security, harvesting and curing.

Our partner consults with American Viticultural Areas, or AVAs, which are geographical wine grape growing regions in the United States, to leverage grow, harvest, cure and process methods to yield various levels of THC explore the opportunity to coordinate our activities. Their boundaries are defined by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and were established at the request of wineries or other petitioners. Washington State currently has 13 AVAs.

How Cannabis is infused into food and beverages

Our partner has experience and knowledge of the intricate process of taking a non-Cannabis substance and infusing it with some type of Cannabis by-product to create a new delivery system. Hash for example has both hot water and cold water extracting processes. Oils are processed by using a butane distilling process. The purest form of extract is Keif that is produced before a harvestable plants is cultivated.

Our partner can offer introduction and advanced education classes on the process of infusion for alternative medical delivery systems, and on the pros and cons of different consumption methods. Cannabis extracts include wax, hash, sheef, shatter, teachers, glycerin, butter, vegetable oil, granola oil, keif paste, syrup based drinks, seltzers, and alcohol infused products.

How Marijuana should be packaged, labeled, transported, and sold at retail level

Our team has knowledge and experience utilizing the typical packaging methods of medical cannabis: 1) pharmaceutical grade plastics “poly ethalene”, 2) “poly eurethane medical grade bottles, and 3) scientific goldstein glass that seals with both spring board or rubber seals.

Our team has the “dispensary experience” to draw upon. Members of our team have set-up and managed numerous dispensaries meeting the current medical Cannabis guidelines. There are typically four roles in a dispensary transaction: 1) the **Manager** who deals with vendors and outside medicinal products, 2) the **Bud tender** who describes current inventory that best meets the needs of the patients, 3) an **Assistant** who is HIPAA compliant, validates patient identification and compliance, and ensures product testing and labeling, and 4) **Security** personnel.

Development of the Internet has challenged alternatives to the traditional 3-tier distribution system. Our team has first- hand knowledge of the current delivery system that is available to those individual

who are not able to visit a dispensary in person and could describe the current vehicle delivery system that is available via the internet. To follow I-502 tied-house restrictions and prevent online retailers from selling both to Wholesale Retailers and to Customers, we will recommend methods of governance and regulation to limit sales only to incur in state-licensed retail stores. To ignore the medical cannabis market dynamics is to recommend recreational cannabis market regulation that will merely delay scrutiny of the intersection of state health, safety and welfare and economies of the Internet. We offer an experience-based understanding of cannabis distribution under current Internet economies.

How wholesale and retail Product should be recalled and accounted for

It is essential that all retail product be uniquely labeled with bar codes throughout each stage of the supply chain to identify the weight, grower, processor, strands, THC potency, and other ingredients at minimum. Our team members have first-hand experience on the challenges of managing inventory. Members have implemented software programs at the Dispensary level that aid in the control of inventory. Theft is an issue that has to be dealt with by Producer and Dispensary Management both at the staffing and retail level. Current medical marijuana distribution is now corrected through Dispensary Asset Management System (DAMS) that captures full transparency in tracking inventory from production through its ultimate disposition. To create a functioning commercial cannabis market and taxation for recreational use, we will regulation to establish full transparency in tracking inventory from seed to production to processing to sale.

To ensure the safety and quality of product before it is made available at the retail level, we propose strict certification and testing of seeds, production and processing at each stage before the product reaches the customer. Our goal is to destroy cannabis as soon as it falls out of compliance instead of recalling and destroying product after it is available to the customer.

How Marijuana should be destroyed if overproduced, contaminated, or recalled

Our team members can speak to the process of destroying contaminated product as soon as possible to avoid cross-contamination of fungus, pests and inferior product. The goal is to minimize the expense of producing or packaging contaminated product. Currently each grower has their own means of disposal, however, in order to reduce the risk of the spread of fungus or pest most product is disposed of at transfer stations along with household garbage.

To help maximize inventory and product control while minimizing inventory and tax revenue shrinkage, we would propose a centralizing a certified independently operated marijuana destruction facility.

1.2 EXPERIENCE

Travis Nyman graduated from the University of Washington in 2004 with a concentration in corporate development and business acquisitions. Travis has a diverse working knowledge of the Medical Cannabis industry. His expertise includes establishing and operating MMJ Dispensaries and Recommendation Clinics. He has designed Cannabis grow environments for MMJ Collective Gardens. He has first-hand knowledge of all aspects of cultivation, harvesting, THC product manufacturing and vending. His research and understanding of the current laws and regulations and operating environments for Medical Cannabis will help the State of Washington traverse a very complicated and sensitive subject matter. His knowledge will be instrumental in helping the State develop their action plan for implementation of

the new legislation for Recreational Cannabis.

Team Structure and Internal Controls

Lisa Li, JD is designated as our proposed authorized representative (single point of contact) for our proposed contracted relationship with the Washington State Liquor Control Board (WSLCB). Lisa will be supported primarily by Lawrence Braden as the Project Management Professional (PMP) responsible for coordinating all internal Charter Licensing Group and sub-contracted activities with external subject-matter expert (SME) vendors. Our primary SME for Category 1 – Product and Industry Knowledge is Travis Nyman, CEO Evolution Design Concepts who brings extensive knowledge from creating, building, and owning many business enterprises throughout the Medical Marijuana Industry.

Our work will be controlled through use of a Microsoft Project plan that will be submitted for review and approval by the designated WSLCB project manager with defined milestones, deliverables, and deadlines. The scope of our work will be clearly defined within our mutually agreed upon Statement of Work (“SOW”) to be completed within 10 days of contract award. Our primary objective is to complete our mutually agreed upon deliverables and milestones on time and on budget. Any findings or recommendations that are deemed out of scope of our SOW will be accumulated and subject to further proposal such as when we move from Design phase to Implementation phase.

Staff Qualifications and Capabilities.

Travis Nyman, CEO Evolution Design Concepts, graduated from the University of Washington in 2004 with a concentration in corporate development and business acquisitions. Travis has a diverse working knowledge of the Medical Cannabis industry. His expertise includes establishing and operating MMJ Dispensaries and Recommendation Clinics. He has designed Cannabis grow environments for MMJ Collective Gardens. He has first-hand knowledge of all aspects of cultivation, harvesting, THC product manufacturing and vending. His research and understanding of the current laws and regulations and operating environments for Medical Cannabis will help the State of Washington traverse a very complicated and sensitive subject matter. His knowledge will be instrumental in helping the State develop their action plan for implementation of the new legislation for Recreational Use.

Lawrence Braden (Project Management Professional) earned his Bachelor’s degree in Accounting at University of Southern California before earning his Masters in Business Administration at the Anderson School of Management at University of California – Los Angeles. Lawrence earned his Certified Public Accountant (CPA) license working with the Big-4 at Deloitte & Touche where he completed considerable inventory control and financial compliance work throughout many diverse industries prior to joining Time Warner Internal Audit where he also performed a wide variety of process, compliance, and forensic audits throughout the United States, Asia, Canada, and South Africa. Lawrence joined the Dispute Analysis & Investigation team of Financial Advisory Services division for PricewaterhouseCoopers LLP after earning his MBA and subsequently recruited by Universal Music Group eLabs online music strategy group to help develop and implement product regulation and finance standards for the new emerging online music direct to consumer industry. Lawrence was recruited by Vulcan (Paul Allen’s Investment Company) to be its Controller and Director of Finance.

Category 2 – Product Quality Standards and Testing

Ability, Capacity, and Skills

In February 12, 2012, Los Angeles Times described the current state of testing marijuana as “Testing pot in a legal vacuum” created by the lack of Federal or state regulation of marijuana as a pharmaceutical or food. To develop product testing and prospective quality standards, we partnered with the Director of Research and Development of a nationally recognized testing authority in certification of marijuana and a leading provider of ultra-fast vapor analyzers. Our partner provides infrastructure and expertise necessary to assist in the design of procedures to test product quality and then to assist with implementation of state approved standards for testing marijuana.

We shall source or create options for qualified and reliable testing resources to assist LCB to establish consistent quality standards and testing procedures. We may propose testing protocols to minimize errors in test results. To hold technicians at or above the State defined level of knowledge and skill, we may propose training and recurring state certification.

Our activities may include, but are not limited to, the following research activities: establishment and implementation of standardized quality controls, calibration procedures, a single set of standardized testing and sample retention procedures, technician training and certification, compliance review tests to reduce fraudulent activities within the system, design and establishment of a testing certification program, labeling, standardized crop inspection, advisement and documentation of production methods and inputs to improve product quality and to reduce contaminants, test result information duplication, segmentation and distribution to specified parties, and a knowledge of the individual and collective requirements of end-users as it relates to chemical constituents tested, quality control and labeling standards. **Mission Statement:** Our objective is to deliver accurate and expeditious results to our customers and consumer. We will accomplish this by focusing on our three core imperatives: customer service, research, and education. We are passionately committed to lead the industry by applying 21st century state-of-the-art analytical tools and technologies while employing equally matched personnel. All these combined will allow consistent long term benefits to every segmented stakeholder in this nascent recreational marijuana system.

Experience

Various factors come into play when thinking about quality. These factors include standardization and, most importantly, reliable and accurate testing methods. Our partner ~~Testing Authority (NTA)~~ is the only certification and pre-screening laboratory in existence to use ultra-fast gas chromatography (UFGC) in order to undertake the current needs and requirements of all stakeholders for quality control and dosage information as it relates to medical marijuana testing. At present, UFGC is used by various government agencies such as the Department of Homeland Security (DHS), the Drug Enforcement Agency (DEA), and other local and state law enforcement agencies nationwide. Academic labs also use this powerful new tool in fields such as agriculture, ecology, and environmental biology. Private sector companies like Philip Morris also use UFGC.

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Our national testing authority partner participates in educating collectives and patients about the benefits of lab testing for safety and potency. Innovative and scientific testing processes can provide a detailed analysis of contaminants, pathogens and potency prior to ingesting marijuana. Collectives-We may recommend the State that take the necessary steps required to offer safe, tested medical cannabis/marijuana to its citizens utilizing procedures that will reduce costs, eliminate waste and duplication, reduce public participation on black markets, conform to the needs of all stakeholders and make the State the leader in will be at the cutting edge marijuana testing, dosage/potency information and secure data management.

Experience

We selected our testing partner based on its ability to provide testing equipment and infrastructure methodology. —Our testing partner’s patented technology and scientific testing methods, including iMobile Test[®], can conduct chemical analysis in almost real time. This advanced technology can test for the most frequently requested cannabinoids THC, CBD and CBN as well as the lesser requested CBG, CBC, and THCV cannabinoids, allowing for the inclusion of additionally requested and/or required cannabinoid testing into the prospective testing procedures as in deemed necessary by the LCB. Through consulting of collectives and patients, and gathering of test data, it is evident that UFGC is currently a competitive and a possible solution for effective testing with technological capabilities to easily synergize new testing requirements, leading to improved patient protection and reduced regulatory oversight. Our national testing authority is able to test for not only pesticide contamination and total THC, CBD, and CBN potency but also is a California-based analytical laboratory with over three dozen clients in the greater Los Angeles area, Inland Empire, and Palm Springs. They have compiled a database with over 500 peer-reviewed journal articles ranging in topics from cannabis genetics to dosage limits for patients. Their extensive research into cannabis testing and analysis has earned them membership in prestigious organizations such as the International Cannabinoid Research Society (ICRS) and the American Academy of Cannabinoid Medicine (AACM). In the past year, they have tested over 1,100 samples for pesticide contamination, total THC, CBD, and CBN potency and have trained every client to analyze their inventory for mold.

In addition to cannabinoids listed above, our national testing authority is also able to test for CBG, CBC, and THCA. Past experience of our national testing authority has shown that the majority of current medical marijuana market stakeholders are mainly interested in total THC, CBD and CBN test information. In fact, the United Nations Office on Drugs and Crime and the National Institute on Drug Abuse both recommend GC to measure total THC (the combined amount of THC and THCA) since that best represents the pharmacological activity of the material.

Recently, however, THCA has shown promise in clinical studies as a cannabinoid treatment for Type 2 diabetes resulting in renewed debate over testing for total THC (hot analysis) vs. maximum THC (cold analysis). It is our belief that, in addition to using marijuana as a recreational intoxicant, there will develop a segment of Washington’s recreational marijuana using population will utilize the various available retail marijuana products either partially, or in whole, as a medical remedy. As information continues to disseminate in the public realm about the potential medicinal benefits of THCA, it is expected that the public’s requirements and preferences of the cannabinoids tested will evolve to

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2 | CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

eventually include all of cannabinoids that show medicinal benefits. Due to this, we would recommend that the state undertake, beginning with the public opinion outreach campaign, a comprehensive study of the end user and other stakeholder preferences and requirements as it relates to cannabinoid testing and dissemination of test results.

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Our national testing authority's partner's patented technology and scientific testing methods, which include the iMobile-Test[®], can conduct chemical analysis in almost real time. This advanced technology can test for the most frequently requested cannabinoids THC, CBD and CBN as well as the lesser requested CBG, CBC, and THCV cannabinoids, allowing for the inclusion of additionally requested and/or requested cannabinoid testing into the prospective testing procedures as in deemed necessary by the LCB. Through the consulting of collectives and patients, and gathering of data from their tests, it is evident that UFGC is currently a competitive and viable solution for effective testing with the technological capabilities to easily synergize new testing requirements leading to improved patient protection and increased regulatory oversight.

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Pesticide Analysis With its iMobile Test[®], NTA-our partner can provide concentration data of contaminants at parts per million (ppm). While other testing facilities require over 1.5 grams of sample, NTA-our partner's designed the iMobile Test[®] to only use 0.5 g of sample. Furthermore, their de-novo pesticide testing method eliminates the necessity to treat any samples with any chemicals, thus eliminating various steps that contribute to variability in results and additional oversight, regulation and cost to the State.

National Testing Authority Our partner also offers a the-SafeMeds[™] certification program. The program is extended to both growers and collectives and implements basic concepts in plant biology, chemistry, and environmental health. The-SafeMeds[™] certification program is designed to encourage:

1. Safe and accurate use of EPA regulated pesticides.
- 1.2. Education among vendors regarding the harmful effects of selling product that has been overexposed to EPA regulated pesticides.
- 1.3. Problem solving methods and techniques in order to prevent, rather than react to, pest infestations.

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Cannabinoid Analysis Using Incorporating UFGC into the iMobile Test[®] system, NTA-our partner can also implement the iMobile-Test[®] to accurately determine cannabinoid content in each sample. Because an accurate THC potency number comes from comparing the numbers on a weight-to-weight (w/w) basis, NTA-our partner has adopted the method used by the Drug Enforcement Agency (DEA) to calculate a true and accurate THC potency analysis. During development of the iMobile Test system, our partner conducted over 1,100 tests that yielded results comparable to those published by the DEAs Potency Monitoring Project headed by Dr. Mahmoud A. ElSohly at the University of Mississippi.

Our testing partner uses advanced technology to test not only for pesticide contamination and total THC, CBD, and CBN potency, but is also able to test for CBG, CBC, and THCA. The most frequently requested cannabinoids to be tested are THC, CBD and CBN. Past experience of our testing partner has

shown that majority of current medical marijuana market stakeholders are mainly interested in total THC, CBD and CBN test information. United Nations Office on Drugs and Crime and the National Institute on Drug Abuse both recommend GC to measure total THC (the combined amount of THC and THCA) since that best represents the pharmacological activity of the material.

Recently, however, THCA has shown promise in clinical studies as a cannabinoid treatment for Type 2 diabetes resulting in renewed debate over testing for total THC (hot analysis) vs. maximum THC (cold analysis). It is our belief that, in addition to using marijuana as a recreational intoxicant, there may develop a segment of Washington's recreational marijuana using population that will utilize various available retail marijuana products either partially, or in whole, as a medical remedy.

As information continues to disseminate in the public realm about potential medicinal benefits of THCA, it is expected that the public's requirements and preferences of cannabinoids tested will evolve to eventually include all cannabinoids that show actual, possible or even probable medicinal benefits. Due to this, we may recommend that the State undertake, beginning with a public opinion outreach campaign, a comprehensive study of the consumer and other stakeholder preferences and requirements as it relates to cannabinoid testing and dissemination of test results. We may propose that the State work with a specialized, local, knowledgeable and well-respected PR campaign organization, or possibly a specialty group within a larger organization, in order to gauge the various stakeholder cannabinoid and contaminate, testing, certification and labeling, preferences and requirements.

While we anticipate LCB may initially implement cannabinoid testing standards that currently match up with current stakeholder expectations, we are prepared for possible inclusion of additionally requested and/or required cannabinoid testing into prospective testing procedures as is deemed necessary by LCB.

Data Integrity Designing data integrity into the implementation process will provide consistent and reliable data aggregation to ensure informational and product transparency necessary to build consumer confidence. Testing facilities, whether location-based and mobile, should connect through a secure encrypted online application that logs each test result prior to issuing product label codes. This internal control will assist in monitoring supply chain from production through testing. The security and integrity of online information should be evaluated by a reliable 3rd party resource to ensure privacy, security and encryption may increase sales and tax revenue while reducing labor and oversight costs.

Certified labels are rapidly becoming the standard for purchasing medical marijuana that typically includes testing and pesticide information. A printed test result Certificate of Analysis (COA) is sometimes rendered to each customer. The COA shows THC, CBD, and CBN potency levels (as a percent by weight) for each tested sample. A separate COA is also issued with information regarding pesticide content.

Staff Qualifications and Capabilities

Our partner's laboratory Research and Development Director is Jose A. Zavaleta, is the R&D director for NTA laboratories. He earned a M.S. degree in Analytical Chemistry from California State University, Los

Angeles. He has published numerous analytical chemistry papers in peer-reviewed journals. Mr. Zavaleta has 7 years industry experience working for pharmaceutical and biotech companies including 4 years teaching as an adjunct chemistry professor for North Orange County Community College District.

Approach and Methodology

We may specify a secure database and a secured fixed storage facility for long term retention of test results and backup samples, allowing for retesting of lots or segmented lots of marijuana at any stage in the marijuana system after the initial baseline test has been completed, to ensure compliance with current future laws and standards. ~~of specific lots that processors and retailers could pull from this database to create certified product labels.~~ The baseline testing that we may propose for this marijuana system consists of utilizing the State's prospective marijuana testing procedures to initially test every lot of marijuana at an optimally defined period during the drying stage of production (i.e. 2nd week of drying). Possible recommendations on optimal baseline testing are subject to change once LCB initiates public question and answer sessions, we can adjust optimal testing times. Once baseline testing on each lot is completed, labels may be printed at each subsequent stage of the system utilizing a single secure platform to congregate all testing information, including total lot weight, in order to determine the number of labels permitted per lot based on the total weight of segmented packaging for wholesale and/or retail sale.

In order to effectively implement processes described we found that the State's above, we may propose adaptation of a simple, reliable, secure and accurate testing and transaction system/platform that is currently in use within Washington State to regulate the pull tab industry. Due to common elements of pull tab transaction reporting and tracking, control and data management procedures as they may relate, respectively, to prospective regulation of recreational marijuana prospective transaction reporting and tracking, control and data management requirements. If it is deemed by the State to be a viable option, we may propose that our testing partner work with our proven inventory management system design partner in order to realize an effective, cost efficient integration of applicable pull tab procedures and infrastructure into the design/modification and implementation of a new recreational marijuana system's secure transaction, control and data management system/platform. We may suggest a collaborative effort to result in a single, tested (within the pull tab market), transaction, control and data management platform ~~existing Pull-Tab Testing system using an apparently secure encrypted~~ capable of interfacing with all licensed vendors, testing technicians, LCB/WALCB, and designated department of health (DOH) peace officers. ~~may be a useful and cost efficient starting point for an integrated testing and transaction system.~~

~~We shall source or create options for qualified and reliable testing resources to assist WAL to establish. We will propose methods to structure, test and regulate testing procedures results. Proper~~

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~~training and recurring state certification would promote technicians maintain a level of knowledge and skill. We anticipate that implementation of strict quality control and dosage-testing standards in conjunction with our comprehensive list of additional recommendations will result in significant savings to the state while ensuring the highest standards of public safety and product quality. Additionally, due to advancements in mobile testing, the implementation of a single standardized testing method, elimination of fixed testing locations and a resulting ability to simplify and standardize technician training, significant reductions in the cost of implementation and administration will also be realized.~~

~~Knowledge of the infrastructure required to test Marijuana to ensure product quality, content, ingredients and consumer safety considerations~~

~~Currently we understand that no states require testing of Marijuana for medical purposes. Given the lack of and newly emerging regulations in recreational marijuana use, its essential for WSLCB to establish consistency in its standards and testing processes with qualified and reliable testing resources as follows:~~

~~Testing is so important that we need to guarantee results. Technicians need to be knowledgeable enough to report back to the collective/dispensary. We need to have carbon copy forms for prescriptive requirements~~

~~Testing has to be regulated, tracked, and structured to help avoid compromising testing methods. Need to have controlled samples inventoried that we can test back to.~~

~~Instruments need to be calibrated. Need to record dispensary to customer plus standards to evaluate calibration of equipment. Even though regulation of medical marijuana is outside the scope of I-502, we anticipate possible inquiries in the future from stakeholders at all levels about the applicability of the testing and standards of the prospective recreational marijuana system on the unregulated medical marijuana system.~~

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Please answer the questions listed below, attaching additional pages as necessary:

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1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
2. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
3. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
4. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

Category 3 – Product Usage and Consumption Validation

Ability, Capacity, Skills.

We partner with a nationally-known market research firm, ~~Execumetric~~ (and its parent company, ~~Viametric~~) to provide all statistical modeling, segmentation and database cleansing, matching, profiling and overall data integration services required under K430 Initiative 502 Consulting Services to include, but not limited to, establishing reliable and valid statistics regarding product usage and consumption levels and patterns across all geographic entities within the State of Washington.

Our partner is a leading database company that is highly regarded for quality of its data, its high standards of data cleansing and its use of proprietary matching algorithms as well as its IT team's technical capabilities including creation and development of interactional marketing databases with user-friendly PC or tablet interfaces built on the MS Windows platform. ~~Execumetric~~ Dr. Al Nigle, Head of Research and Chief Scientist, ~~Dr. A. Nigle~~, has over 25 years of experience in consumer segmentation and psychographic modeling of segments. Following completion of his Ph.D. studies in Cognitive Science at the University of Cincinnati, ~~he, Dr. Nigle~~, received post-doctoral training in neurophysiology, neuropsychological assessment and applied psychophysiology. He has taught graduate level courses in Applied Statistical Analysis, Cognitive Assessment and Research Design at various universities including University of Cincinnati Medical School, Department of Psychiatry, Medical College of Wisconsin-

Marquette University, University of Wisconsin Family Residency Program at Waukesha Memorial Hospital and Graduate School of Public Health at San Diego State University.

To apply its high level of statistical and research capabilities and for purposes of fulfilling all requirements of I-502 implementation, a team of clinical psychologists and social workers licensed by the State of Washington regulatory boards with demonstrated training and experience in substance abuse (particularly, cannabis) will be assembled to provide clinical insight, ensure and oversight to insure that any survey tools and methodologies developed by Execumetrix our partner conform to current scientific findings in the field of cannabis recreational use (especially the key psychographic profiles and personality factors that are associated with no use/no consumption, low use/low consumption and high use/high consumption) as well as substance abuse behavioral patterns involving cannabis and the role of addictive personality disorders in the consumption of this and other drugs. In particular, there is a very rich scientific body of information that has been collected by both U.S. and U.K based social psychological researchers on the Amsterdam consumer experience, problems and issues related to the development of marijuana cafes and other legal outlets for cannabis consumption in the Netherlands. The Execumetrix Our partner's team will take advantage of this existing body of scientific literature to help guide its creation and development of statistical methodology and design the scope of studies in such a manner as to more accurately measure the usage and consumption patterns.

Execumetrix Our partner has performed similar statistical services required to identify and analyze the market need, market size and competition with a variety of industries including the financial, pharmaceutical, automotive, entertainment and consumer electronics, insurance, communications and software and hardware technologies. It has demonstrated expertise in market segmentation derived from survey data obtained via telephone, online web-based or in situ consumer interviews. To apply sophisticated methodologies primarily based on the k-means clustering methodology and validated by post-hoc discriminant analyses, our partner following these four steps: (1) employ Cluster Analysis to analyze Custom Segmentation; (2) apply a group of multivariate statistical methods, Cluster Analysis, with the primary purpose of identifying similar entities based on a pre-determined set of specific characteristics; (3) mathematically classify survey variables, Cluster Analysis, so that each objvariable is very similar to others within its cluster and very different from others outside of its specific and mathematically-independent cluster. Then the Chief Scientist directs his statistical team to determine questions used to cluster the entire set of survey responses, a trial and error method is used and the best cluster solution is determined based on the number of clusters, the number of respondents in each cluster and the tests of significance (using discriminant analysis) to validate the clustering outcomes.

There are three stages to our partner's Execumetrix's custom approach to cluster analysis which will be used in this case to segment the State of Washington's consumer usage and consumption of cannabis: partitioning, interpretation and profiling. Our product usage and consumption validation partner generally uses a non-hierarchical clustering approach referred to as K-means cluster analysis. After validating the clustering solution, its team assigns a name or label to each cluster/segment that typifies an essential element of that segment, in this case, the psychographics that appear to dominate with members of a particular mathematical cluster or segment. The final stage, profiling, is perhaps the most important because it is in this stage that all of the other data gathered in the survey is combined with

- Statistical Meta-Analysis
-
- Econometric Analysis and Forecasts
-
- Price Elasticity and Price Sensitivity studies
-
- Database Profiling and Modeling
-
- Consumer Usage and Product Consumption Modeling
-
- Projective Forecasts – product supply and demand gap analyses
-
- Market Size Statistics and Modeling
-
- Psychometric assessment and psychographic modeling and profiling

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Statement of the Problem subsumed under Category 3

We understand many of the ~~challenges in~~ challenges in determining with any precision the present use and ~~consumption~~ and consumption of marijuana in the State of Washington. In fact, the Fiscal Impact document produced by OFM regarding I-502 clearly states that, because of marijuana's long term status as a Federally-regulated, controlled substance with a long history of both State and Federal criminal prosecution of users and ~~distributors~~ distributors; it's extremely difficult to estimate with any reasonable degree of error current usage and consumption patterns by different geographic locations in the ~~State~~ state.

As described in the Fiscal Impact document of 8/10/2012, an estimate of marijuana users was created using the U.S. Department of Health and Human Service, Substance Abuse and Mental Health Services Administration's National Survey on Drug Use and Health, 2008–2009 focused on the data collected and projected for the State of Washington. The survey estimates the percentage of marijuana users to be 17.18 percent for persons 18 to 25 years of age and 5.57 percent for those 26 years of age or older. Assuming Washington's population of marijuana users is increasing at the same rate as the national use contained in the survey, the number of users in calendar year 2013 is estimated to be 18.4 percent for persons 18 to 25 years of age and 6.1 percent for those 26 years of age or older. Applying those percentages to the ~~state's~~ State's forecasted 2013 population, estimates assume 363,000 Washington marijuana users in calendar year 2013. Estimates also assume a 3 percent increase in sales beginning in 2015 to account for population growth and inflation.

Frequency of consumption is estimated using the pattern contained in the United Nations Office on Drug and Crime, 2006 Bulletin on Narcotics, Review of the World Cannabis Situation, page 48. The frequency of consumption by users ranged from a low of 18 percent consuming once a year to 3 percent consuming daily. Applying this consumption pattern to an estimated 363,000 Washington marijuana users, and assuming 2 grams of marijuana per use, the number of grams consumed annually by residents of the state is projected to be 85,100,000 grams.

Using these projections (which are yet to be statistically validated), total revenue accruing to the State of Washington through the implementation of I-502, is estimated to be as high as \$1,943,936,000 over the first five fiscal years following full implementation.

Comment [n1]: Fact Check This

The applicability of the forecast model that the WSLCB already uses for the usage and consumption of liquor to the usage and consumption of marijuana has not yet been established. The calculation of an alcohol usage involves a three-stage process: 1) estimation of an exposure distribution of alcohol, 2) establishment of the relative risk function, and 3) the solving of the equation for the PAF [15]. Since the distribution of alcohol consumption on an international level has not been agreed upon, the common approach is to estimate the PAF using categorical measurements rather than modeling it in a more mathematically appropriate continuous manner [16,17].

The mathematical expression is as follows: **Formula 1** $PAF = \sum_{k=1}^i P_i (RR_i - 1) + 1$ where i is the exposure category with baseline exposure or no exposure, $i = 0$, RR_i is the relative risk at exposure level i compared to no consumption, and P_i is the prevalence of the j th category of exposure.

However, it is anticipated that one desired outcome of the research and statistical modeling program outlined in this proposal, could be the creation of a similarly-derived formula for marijuana consumption based on the objective data analysis.

12. Approach and Methodology

Because of the inherent difficulties in establishing reliable and valid estimates of current and future use and consumption of cannabis in the State of Washington, an obvious solution is to develop a comprehensive survey program which can be created in such a manner (objectively-derived questions yielding ratio and interval data equivalents, stratified sampling methodology across key demographic variables, such as gender, age, geographic location of residence) that advanced modeling statistics can be reasonably applied to create statewide projections.

Our partner ExecumetriX has demonstrated expertise in applying the RIM weighting methodology* to reduce error of prediction and increase the degree of concordance between smaller sample data and reliable estimates and projections to the total population, e.g., State of Washington. Below are some examples of the formulae involved in using RIM weighting to make statistically accurate projections of a portion of a population (a reasonably-sized survey sample of Washington residents-) to the total population (all residents within the targeted demography- in this case, all Washington marijuana users).

Rim Weighting Formulae

Root Mean Square

The formula is given for a rim weighting matrix consisting of two variables (dimensions), but the same principle applies when there are more dimensions.

Notation	Represents
$m_{i.}$	The target number in category i in the first dimension.
$n_{i.}$	The sum of the observed numbers in category i in the first dimension.
$m_{.j}$	The target number in category j in the second dimension.
$n_{.j}$	The sum of the observed numbers in category j in the second dimension.
I	The number of categories in the first dimension.
J	The number of categories in the second dimension.

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The formula for the weight adjustment is

$$mdd_{ij} = md_{ij} (m_{.j} / md_{.j})$$

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Where

md_{ij}	Represents the weight adjustment calculated in the previous iteration for the cell at the intersection of category i in the first dimension and category j in the second dimension. In the first iteration, it is substituted with $n_{ij} (m_{i.} / n_{i.})$
$md_{.j}$	Represents the sum of the weight adjustments calculated in the previous iteration for category j in the second dimension. In the first iteration, the expression $(m_{.j} / md_{.j})$ is substituted with 1.

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The calculation for the root mean square is:

$$rms = \sum_{i=1}^I (m_i - md_i)^2 + \sum_{j=1}^J (m_j - mdd_j)^2$$

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Where

md_i	Represents the sum of the weight adjustments calculated in the previous iteration for category i in the first dimension.
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mdd_j	Represents the sum of the weight adjustments calculated in the current iteration for category j in the second dimension.
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At the end of each iteration, the Weight component compares the root mean square with the product of the weighted total and the given limit. (The limit defaults to 0.005, but it can be set to another proportion.) The iterations continue until all of the weights are within the limit or the maximum number of iterations has been reached.

Rim Weighting Efficiency

The rim weighting efficiency figure gives an indication of how well balanced the sample is.

Let

P_j	Be the preweight for case j
R_j	Be the rim weight for case j

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Then the rim weighting efficiency is

$$\frac{100.0 \left(\sum_j P_j R_j \right)^2}{\sum_j P_j \sum_j P_j R_j^2}$$

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If the data for many respondents needs to be weighted heavily up or down, the efficiency percentage will be low. The greater the percentage the more well balanced the sample.

*For further information on rim weighting see the Rim Weighting Theoretical Basis Paper entitled "ON A LEAST SQUARES ADJUSTMENT OF A SAMPLED FREQUENCY TABLE WHEN THE EXPECTED MARGINAL TOTALS ARE KNOWN", by W. Edwards Deming and Frederick F. Stephan, in Volume 11, 1940 of the Annals of Mathematical Statistics.

Another advanced statistical method that could assist the effort to arrive at statistically reliable and valid projections of current and future marijuana usage and consumption is the application of Neural Net algorithms, especially the error correction method. Neural net algorithms, based on regression methods, have been successfully applied world-wide to solve difficult and complex problems of supply and demand, perhaps, the most noteworthy applications have occurred in China and developing nations of the African continent where Neural Net methods were applied successfully to predict population water usage and consumption and insure adequate water demand over specific time periods. Although the relationship between marijuana use and consumption in Washington and water usage and consumption in China may be difficult to grasp, the point is that in both cases large amounts of critical data were unknown and both situations are essentially problems of accurate estimates of product supply and demand.

The role of our partner Execumetrix in this project may also be expanded beyond the design and execution of consumer surveys to the role of data aggregator and meta-analytics. The Fiscal Impact document referred to earlier also contained tables of State expenditures to conduct a number of consumer surveys which are planned for the next 5 years and for which funds have been allocated. Because a number of these surveys may touch on the issue of usage and consumption, in full or at least in part, it will be necessary for the different survey results to be analyzed and integrated to avoid duplication of effort and misinterpretations due to varying survey methodology and sampling procedures as well as the nature of the questions asked. Execumetrix and its parent company, Viametric, our partners have the experience and the skills to work with large quantities of data, aggregate the data, profile the data and eventually provide analyses that integrate the disparately-collected findings to develop a complete picture of the current and future usage and consumption of marijuana, especially as user profiles, usage and consumption patterns change over time.

Activities-Possible Product Regulation Costs:

- ☐ Surveys of targeted groups (age, location, gender) to arrive at a statistically valid projection of State-wide usage and ~~current~~ consumption
- ☐ Surveys of licensed marijuana outlets (confidential, of course) including in situ or intercept interviews to model future supply/demand and price elasticity factors
- ☐ Combine these two sets of data to make 5 year ~~year~~, 10 year projections of usage, consumption and supply demand metrics
- ☐ Meta analysis of other survey data authorized by the state to study this problem and combine that data with our data for purposes of developing a comprehensive econometric analysis of costs and revenue for the State
- ☐ Hiring a small team of licensed mental health professionals (part-time, 1099 non employees, e.g., 1 licensed psychologist and 2 social workers or licensed substance abuse counselors, all with substance abuse training and experience) to assist in developing survey questions, conduct in depth interviews and provide input to formal reports

☑ Telephone and web survey provider costs plus modest compensation to respondents to maximize number of surveys completed

We project the following services will be needed for a successful report to the State:

1. Gather data regarding growing conditions implemented growers that include:
 - a. Size and outline of "location" such as garage, clean room, basement
 - b. Harvest time and how many "grows" per year
 - c. Use of pesticides, analyzed by type, amount, time, form and frequency of application of pesticide at each stage of plant growth and whether pesticide is applied directly or indirectly to the plant using which dilution method
 - d. Type of training employees receive before touching the plant
 - e. Packaging method for delivery to dispensaries including delivery method and packaging of excess inventory
2. Gather and analyze standards set forth by authorities like Dr. ElSohly regarding cultivation of medical marijuana and compare with practices employed by growers
3. Conduct research regarding standards set forth by the Environmental Protection Agency (EPA) on appropriate use of controlled pesticides and compare to data obtained from growers.
4. After analyzing all of the above data, develop and conduct field test of our recommended growing conditions
5. Conduct survey of medical doctors and gather their recommendations regarding beneficial cannabinoids for patients who suffer from illnesses ranging from insomnia to cancer and AIDS. We will use this data to redesign, if necessary, our methods of analyzing cannabinoids in order to capture their potency.
6. Offer compensation to growers and doctors who participate in our data survey and data gathering

Category 4 – Product Regulation

Ability, Capacity, and Skills

Experience with State, local or Federal government processes and procedures

Our team is deeply experienced in implementing government processes and procedures into businesses at Federal, state, and local level. Lawrence re-commenced management consulting work in implementing the first year of complex federal Sarbanes-Oxley regulations into locally-based Fisher Communications, Mikron Vinyl, and T-Mobile where he was senior project manager for more than 35 independent consultants. Lawrence continued management consulting for World-Class Finance division of BearingPoint where he implemented CoreFinance worldwide financial reporting standards for Microsoft. Since 2009, Lawrence created one of the largest market leading business brokerage firms in the State of Washington where he often works with liquor licensee clients engaged with WSLCB. Our team already has access to comprehensive design and implementation requirements of fully integrated end-to-end hardware and software systems that may fully control, monitor, and report on each stage of marijuana production and fulfillment from seeds through each stage of production and distribution, as well as fulfillment to the end-consumer.

a. Experience in crafting system regulations

I-502 requires implementation of a tightly regulated and licensed system by December 1, 2013. To assist in design, test and deployment of a fully integrated software and control systems from Producer to Processor to Retailer, we would start parallel tracks of legal and technical development. Objective evaluation of Producer, Processor and Retailer qualifications to perform is not enough. We would bring legal expertise experienced in day-to-day issues of producing, processing and selling marijuana in the unregulated market to give insight as we balance of avoiding illegal purposes, such as unlawful discrimination or identity theft or violation of privacy, and potential risks to safety and security of individuals, institutions and communities.

Timely implementation of an end-to-end fully integrated hardware and software control systems supported by well designed internal control is essential to monitoring and controlling this new highly fragmented and geographically dispersed cottage industry.

An all inclusive cheat proof system is essential. The full system must prevent hacking, encryption, tracking, but also provide transparency, product and inventory tracking, compliant with department of revenue. The transfer of responsibility from the WA state agricultural to WSLCB is moving from entitlement planning and is primarily for taxing and control purposes. Such a transparent system should include but not limited to:

- Business owners and department of revenue shall receive transaction management reports
- Each transaction step must be defined,
- Department of Revenue accessibility.

- Preventing employee theft by tracking all inventories from weigh-in to weigh-out using the same scale and methodologies.
- Physical surveillance, including access by local policing and taxing authorities.
- Facility guidelines integrating production with retail.
- Inventory control systems that verify that all incoming inventory is fully accounted for either through fulfillment or authorized disposal processes.
- Off-site IT Management – integrated 24/7 IT tech service.

Members on our team developed Dispensary Asset Management (DAM) to provide a transparent, tracking system of product in medical marijuana dispensaries. Components of DAM include:

- Client Workstation
- Standardized Monitors and hardware – increase timely and effectiveness in training.
- Thermal printer and cash drawer
- Credit Card Reader
- Bar-code scanner on item/gram basis.
- Label writer – internal control mechanism to match product with fulfillment from production to vendor to packaging to retail out the door.
- All dispensaries are classified and categorized
- Inventory control reconciliations to match incoming with outgoing product is performed weekly.
- Same hardware is installed on production and retail.
- All POS systems and transactions must be batched daily.
- In-store ATMs.
- Software can integrate up to a thousand vendors
- Privacy and HIPAA compliant customer
- Scale is an NTAP (“AND” certified trade scale) that is calibrated daily.
- Equipment financing plans.
- Merchant service process integration
- Integrated loyalty and gift card programs
- Production and retail systems have standardized elements.
- Platform Production system and management reports includes locations, trimmers, product strains, phases, equipment, labor hours, processing categories for 8 weeks harvest cycle such as:
 - Phase I – Construction – Equipment , Labor, and Calibration
 - Phase II – Cultivation Processing by sub-category:
 - Hanging plants
 - Bagging strains
 - Stringing lines up to 25 branches per line.
 - Phase III – Labor and crew:
 - trim-cure wet - 7-10 days in perfectly controlled environment.
 - cure dry groomed

- Phase IV – Transplant – Can take 1-2 days.
 - Plants/Strains
 - New Soil
 - Nutrients
- Phase V – Marketing & Production Adjustments – used to certify vendor agreements
 - Certifying co-ops – certifying retail outlet expectations weekly. Confirmed order counts to ensure just in-time delivery that reduces inventory control and physical security.
 - Equipment adjustments
 - Seasonal adjustments
- Phase VI – Product Breakdown
 - Product elements include Kief, Premium Flowers (Cannabis Buds), nimbbs & jibs, plant materials, trim leaf scraps for extracts-oils-butter, roots & stems including liquor and gelatin extracts for Cannabis-infused alcohol.

We propose to create a DAM to implement I-502 and integrate compliance product regulation with state and local zoning regulations. Although 1.7 million people in Washington State voted for I-502. Seattle mayor Mike McGinn stated recently “our fledgling cannabis industry has some serious zoning problems – the number of places a retail shop could open are few and far between (due mostly to the state’s rules, not the city’s). According to a map produced in January by the Seattle’s department of planning and development, the largest swath of land available for retail pot shops in in industrial lands including Boeing Field.

As written, I-502 bans marijuana retail storefronts within 1,000 feet of certain properties, including parks, schools, arcades, libraries, community centers, and public transit centers. Cities also must propose their own restrictions on where Marijuana outlets can open (such as banning them on blocks zones strictly for single-family houses). When you overlay state and city restrictions, there is almost no place in Seattle as an example to set up a retail cannabis store. The law states that financial transactions must occur inside licensed retail outlets, but compliant locations may also likely be in security sensitive areas. As a result, our team expertise in business compliance with real estate zoning laws is essential for designing a methodology for the State of Washington to build a safe, transparent, secure, and zoning location compliant industry.

Most loyalty cards use simple bar-code technology. A new generation of acrylic loyalty cards with QR codes can better inform consumer habits, inventory control, integrate database, and save 30% of labor costs for the state due to real-time (won’t break, are designed to last a year to track buying and usage habits. In one month, one location could save \$30,000 of labor costs. This information provides real-time information

The best way to monitor regulation of usage, especially across multiple locations is to have loyalty cards that track and aggregate customer purchase. WSLCB may wish to consider restricting purchases to an ounce per day

Experience

Our team is deeply experienced at operating legally in the medical marijuana industry within the State of Washington. Our proposer authorized represented has a law degree and passed the California state bar exam. Additionally, our team has implemented first-year Sarbanes-Oxley complex federal government regulations within more than 3 local publicly traded companies, implemented complex state insurance regulations in health and life insurance companies, and have worked on approval of numerous liquor license applications with the WSLCB that involved the sale of local businesses and their compliance with state and local regulations.

Staff Qualifications and Capabilities.

Lisa Li, JD (Authorized Representative) earned her Bachelor's degree at Brown University before earning her MBA and JD at University of California – Davis. At Intel, Lisa managed software procurement and licensing Intel code to game developers to prepare the market for the next generation processors. From Intel, Lisa took a San Francisco print start-up to an \$8M business employing 50 employees providing event, in-store and trade show creative and marketing services to Nike and Hewlett Packard. After selling her business, Lisa returned to Mercer Island to raise children where she grew up. In Seattle, Lisa brokers the sale of small businesses as management team of Charter Business Brokers, KW, Inc.

Lawrence Braden (Project Management Professional) earned his Bachelor's degree in Accounting at University of Southern California before earning his Masters in Business Administration at the Anderson School of Management at University of California – Los Angeles. Lawrence earned his Certified Public Accountant (CPA) license working with the Big-4 at Deloitte & Touche where he completed considerable inventory control and financial compliance work throughout many diverse industries prior to joining Time Warner Internal Audit where he also performed a wide variety of process, compliance, and forensic audits throughout the United States, Asia, Canada, and South Africa. Lawrence joined the Dispute Analysis & Investigation team of Financial Advisory Services division for PricewaterhouseCoopers LLP after earning his MBA and subsequently recruited by Universal Music Group eLabs online music strategy group to help develop and implement product regulation and finance standards for the new emerging online music direct to consumer industry. Lawrence was recruited by Vulcan (Paul Allen's Investment Company) to be its Controller and Director of Finance. In 2004, Lawrence re-commenced management consulting work in implementing the first year of complex federal Sarbanes-Oxley regulations into locally-based Fisher Communications, Mikron Vinyl, and T-Mobile where he was senior project manager for more than 35 independent consultants. Lawrence continued management consulting for World-Class Finance division of BearingPoint where he implemented CoreFinance worldwide financial reporting standards for Microsoft. Since 2009, Lawrence created one of the largest market leading business brokerage firms in the State of Washington where he often works with liquor licensee clients engaged with WSLCB.

Approach and Methodology

Our approach and methodology in assisting WSLCB with developing rules and regulation systems are as follows:

We have given lengthy consideration to processes we would follow to complete this effort. From requirements in RFP-K430, we developed a preliminary work plan. With discussion and input from WALCB either prior to or following award, as per procurement practices, we will refine this primary work plan. For example, we may propose exploring the efficacy and benefits of recognizing and defining a 4th tier of commerce event at the origin of production that starts when clones are taken from “a mother plant.” Proactive regulation of a commercial marijuana market to avoid costs incurred when marijuana is criminalized while balancing the opportunity to increase tax revenues with the risk of supporting black markets.

To establish market control/stability; influence product quality and present a regulatory framework designed to provide (1) velocity in launching Initiative 502’s framework and (2) maximize market and state revenue generation while evidencing a focus on compliance/regulatory responsibility and quality. The State in furtherance of the above objective – has requested proposals for consulting services in 4 distinct categories for which relevant experience, education, market knowledge and overall value are summarized in this Executive Summary section and further detailed below within the proposal based on the State’s communicated requirements.

This discussion is organized around the major activities and deliverables the WSLCB has defined in the Scope of Work.

Prior to initiating work on these activities and deliverables, and during the first week of the engagement, we will work with the WSLCB to finalize and refine scope, confirm source documents and data that will need to be reviewed, schedule individuals and groups who will need to be interviewed, confirm appropriateness of data collection instruments and forecasting templates, confirm level of detail of planned products and format of delivery, and establish shared expectations between the WSLCB and our team so that we are in the best position at start to meet your expectations and the WSLCB’s needs. Also, we will set up the process of project management, including tracking of progress and status reporting, and WSLCB oversight.

COST PROPOSAL

Due to our collective need to be timely and responsive to rapidly changing requirements in this newly emerging industry, we have focused our cost proposal on a not-to-exceed hourly rate so that we may easily either accelerate or decelerate our activities as necessary. The following is a summary of our cost approval considering the following assumptions:

- **The not-to-exceed hourly rate represents a “blended”-average rate amongst various professionals earning anywhere from minimum wage to up to \$400 per hour for attorneys and/or specific subject matter expert work.**
- **Our travel policy assumes our RFP will pay for time of our internal or sub-contractor consultants on the outbound trip, but our consultants are responsible for time to return.**
- **Our proposal excludes any necessary travel costs from our CA based sub-contractors for Category 2 and Category 3.**

Function	Charter Licensing Group			Sub-Contractors		
	Projected Cost	FTE's	NTE Hourly Rate	Projected Cost	FTE's	NTE Hourly Rate
Category 1 – Product & Industry Knowledge						
Phase 1 – Design	\$ 219,000	2				
Phase 2 – Consult	\$ 80,000	1				
Sub-Total – Category 1	\$ 299,000					
Category 2 – Product Quality Standards & Testing						
Phase 1 – Design	\$ 273,750	3				
Phase 2 – Consult	\$ 100,000	2				
Sub-Total – Category 2	\$ 373,750					
Category 3 – Product Usage & Consumption Validation						
Phase 1 – Design	\$ 219,000	2				
Phase 2 – Consult	\$ 80,000	1				
Sub-Total – Category 3	\$ 299,000					
Category 4 – Product Regulation						
Phase 1 – Design	\$ 383,250	4				
Phase 2 – Consult	\$ 140,000	2				
Sub-Total – Category 4	\$ 523,250					
Total	\$1,495,000	17	\$149.00	\$ -	0	\$149.00

Lisa Li – Charter Licensing Group LLC

Lisa Li has 18 years of managing teams. Lisa began her career managing purchasing and licensing teams at Intel for customer groups located in California, Oregon, Washington, Israel and Malaysia. From Intel, Lisa took ownership of a San Francisco printing boutique, Digital Pond, Inc. Lisa landed and grew multi-million, multi-year marketing contracts with Nike and HP to design, produce and manage graphics for in-store campaigns and event initiatives. Lisa built and managed a network of subcontractors, vendors and 49 employees. After selling Digital Pond, Lisa joined Charter Business Brokers based in Seattle. Lisa then started Charter Licensing Group LLC to provide businesses with a structure to protect and to manage growth of new services. Lisa graduated from Brown University with a major in East Asian history, an MBA and JD from the University of

Vendor Management

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Marketing Programs to Track Consumer Behavior

Professional Affiliations

Admitted to the California Bar, 1995
Co-President of Brown Club of Washington

Markets Served
Manufacturing, IT, Marketing Programs to Stakeholders from suppliers to ,

Neil E. Broten – Charter Licensing Group

Neil brings more than 15 years of audit, accounting, valuation, business process, photography, website design and management, successful patent design and application process, marijuana process and system design, and product design experience. He also possesses more than 7 years experience in medical cannabis consulting, including, but not limited to, nutrients, organics, process and system design, manufacturing, method deficiencies, and biological contaminants. As an auditor/accountant, Neil's responsibilities included, but are not limited to, Sarbanes-Oxley implementation & compliance, small business audits, reviews and compilations, and consulting. Neil is also a nationally and internationally published photographer with 5 years experience documenting virtually all aspects of marijuana origin, manufacturing, processing, and usage. Adding to the mix of Neil's diverse talents, he single-handedly designed, built, owns and manages two websites. Additionally, he designed and patented an automatically activated life-safety device of his own invention and is in the process of bringing the product to the worldwide market. Neil graduated with Magna Cum Laude honors, earning a Bachelor of Science degree in Accounting with a minor in Business Administration from The University of Maryland University College in 2005.

Professional Experience

Finance and Accounting:

Served as an auditor/accountant responsible for Sarbanes-Oxley implementation & compliance, small business audits, reviews and compilations of financial statements for clients involved in the not-for-profit, service, manufacturing, and construction industries, and valuation for a regional (D.C./Baltimore) firm.

Medical Cannabis System and Process Consulting and Design:

Consulted on the production and processing methods of medical marijuana in Maryland and Washington states, including intrastate cutting/strain (origin) procurement and cutting/mother plant site management, nutrient delivery system design, process deficiencies (including, but not limited to, lighting, nutrients, soil composition, filtration and processing and curing), lighting, air systems and temperature management, manufacturing processes and procedures, biological contaminants, medical cannabis delivery, site and transportation security and procedures, and THC/food product infusion.

Product Invention, Design, Manufacture and Patent Process Experience:

Invented, designed, patented, and manufactured for testing, an automatically activated life-safety device for use in extreme mountain sports. The life-safety device is currently in the testing and final design phase with plans for US manufacture and worldwide sales.

Website Design and Management:

Built, owns and operates two websites, one national, the other international in scope and is responsible for design and site structure (information architecture).

Photography:

Nationally and internationally published photographer with 5 years extensive experience both outside of, and within the field of medical marijuana including, but not limited to, documenting origin processes, strains, crosses with rare sub-species, growth anomalies, biological contaminants manufacturing (soil, hydroponics, aeroponics, sea of green method, etc.) and processing (flowers, hash, oil, keif, food products) techniques, operational systems, organic soil processes, manufacture (including origin) and processing infrastructure, current use trends and useable product.

Community Affiliations:

Former Chair of the Finance Committee on the Board of Directors of a Maryland based sexual trauma, treatment, advocacy and recovery center (2005 – 2008)
Mentored for The National Foundation for Teaching Entrepreneurship program in Baltimore, Maryland (2006-2008)

Patents:

Broten, Neil. 2011. Wearable, self-deploying fall arrest device. U.S. Patent US 2010/0224443 A1, filed March 6, 2009, and issued November 15, 2011.

Markets Served

Manufacturing, Insurance, Investment Firms, Federal Sarbanes-Oxley Regulations, Internal Audits & Controls

Lawrence Braden, Project Management Professional, CPA, MBA—Charter Licensing

Skills Summary

Lawrence brings more than 22 years of diverse consulting, project management, and compliance experience. He previously worked on highly diverse finance, audit, and compliance projects for several Big-4 consulting firms, international audits, complex state insurance regulatory assignments, various tax compliance projects, litigation consulting, statistical audit testing, and numerous inventory control and valuation projects. Lawrence educational and training foundation includes a Bachelor of Science in Accounting from the University of Southern California, Masters in Business Administration from the Anderson School of Management at University of California at Los Angeles, designated real estate broker status in Washington and California, Certified Public Accountant (CPA) and Project Management Professional (PMP) Certification.

Professional Experience

Sample Project Management Experience:

- Served as Senior Engagement Director as the clients' interim US company-wide Sarbanes-Oxley project manager (PMO) supervising more than 35 external professionals and ~\$3 million budget responsible for implementing Year 1 Sarbanes-Oxley compliance for US division of a multi-billion dollar public company client, including implementation of its Financial Controls Management solution.
- Served as Senior Project Manager for implementing CoreFinance integrated, powerful and reliable international management reporting tools.

Strategic Market Research:

- Earned MBA at the top-ranked Anderson School of Management at UCLA with emphasis in Strategic Marketing & Research.
- Created & Developed a first of kind web-based industry-wide strategic informational resource for entertainment industry.
- Applied consumer-focused research tools & focus groups to projects that assess consumer behavior, industry finance & growth forecasts.

Business & Licensing Experience:

- Managed the sale and/or acquisition of numerous restaurant & bars throughout Washington state in compliance with WSLCB procedures.
- Led the creation of a division to sell businesses throughout State of Washington for a national real estate company to expand nationwide.

Audit & Compliance Testing:

- Earned B.S. Accounting from USC and Certified Public Accountant
- Performed numerous inventory control audits & valuations in a wide variety of industries, including complex manufacturing processes.
- Performed extensive statistical audits as Certified Public Accountant (CPA) to validate certified financial statements for regulatory needs.
- Nominated to committee for performing a comprehensive Strategic Performance Review on international audit for a \$16B public company.

Sample Federal Project Management, Implementation, Compliance & Regulatory Experience:

- Developed federally compliant industry standard guides to advise system documentation, design testing standards, and remediation plans.
- Designed & performed various compliance audits such as OSHA, FCC, Affirmative Action, GST tax, payroll tax, and union compliance.
- Designed & tested federally mandated Sarbanes-Oxley regulations into more than 3 publicly-traded companies in first year implementation.

Real Estate & Zoning

- Managing Broker involved in numerous business & commercial real estate transactions throughout Washington state, including assisting a major city in King County in acquiring a multi-million dollar lot for a tax incentivized re-development project.

Markets Served
Manufacturing, Insurance, Investment Firms, Federal Sarbanes-Oxley Regulations, Internal Audits & Controls

A. J. Nigl, Ph.D.

Market Research & Statistical Consultant
Applied Behavioral Analyst and Cognitive Scientist
Office phone: 760-579-3259 dr.nigl@gmail.com

Key Achievements

- Identified \$45M in additional annual licensing revenue for Microsoft by creating a modeling algorithm that could be used to match current Windows and Exchange SMB customers to potential SMB customers in the Western Region.
- Created a new process of conducting custom research for Universal Music Group which resulted in a total cost savings of over 50% on an annualized basis.
- Conducted price elasticity and price sensitivity studies for Universal that established the range of consumer tolerance for purchasing individual songs from on-line music sites.
- Conducted the first comprehensive national consumer segmentation study on High Definition TV and Home Entertainment which established the initial targets for direct marketing campaigns for companies like Sony and Panasonic (results were summarized in front page article of the Wall Street Journal).
- Formed a consortium of research leaders from all the business units of Vivendi-Universal to share information and conduct integrated cross-business unit research to increase efficiency and reduce budgetary expenditures on expensive syndicated studies.
- Designed and executed a series of 36 research studies (2007 – 2010) that assisted Microsoft in determining the innovative technology companies that should receive marketing assistance and team support to drive increased licensing revenues for Windows, Exchange, SQL and SharePoint.

Professional Experience - Current

2011-present

Getthis.tv, Los Angeles, CA

Head of Consumer Research

- Design, launch and manage all aspects of complex consumer market research studies involving telephone surveys and/or web-based surveys.
- Design consumer focus groups to test consumer preferences, likelihood of purchase, GUI factors and likes/dislikes for the GT smart device app and shopping platform

- Create forecast models and provide market penetration estimates for the GT entertainment-based shopping platform.
- Use advanced statistical methods, such as Conjoint Analysis, Segmentation Analysis, Cost Benefits Analysis and Econometrics to provide objectively-derived statistical support for targeted marketing campaigns, penetration projections and financial models.

2010-2011

Execumetrix.com Austin, TX, San Diego, CA

Chief Scientist and Head of Research

- Design, launch and manage all aspects of complex B-2-B and B-2-C market research studies involving telephone surveys and/or web-based surveys.
- Create forecast models and provide market penetration estimates for new products.
- Use advanced statistical methods, such as Conjoint Analysis, Segmentation Analysis, Cost Benefits Analysis and Econometrics to provide objectively-derived statistical support for targeted marketing campaigns, penetration projections and financial models.

2003-2010

Revonet, Inc. New Canaan, CT.; Sioux Falls, S.D.; New York, NY.

Chief Scientist and Head of Research for this technology sales and marketing company.

- Design business-to-business surveys, supervise the collection of data, analyze survey results, develop business forecast models, design targeted sales campaigns and prepare executive reports for presentation to senior management.
- Clients include Microsoft, HP-Compaq and Verizon
- Design research studies to help support Microsoft's U.S. and Global Partner Channel initiatives in areas such as Virtualization and Cloud-computing, Workforce Collaboration, Business Intelligence and Managed Hosting.
- Conduct comprehensive analyses and profiles of consumer and business customer databases including segmentation and modeling to providing targeting support for lead generation, telemarketing and other direct marketing campaigns

2002 – 2009

Universal Music Group New York, Los Angeles.

Senior Market Research Consultant for the Market Research Dept. of the world's largest music company, a unit of Vivendi-Universal.

- Consult with executives in the overall design, analysis and reporting of all market research conducted by UMG's research unit including surveys delivered to UMG's on-line consumer panel, perform quantitative assessment to support focus groups, design and supervise the execution and reporting of national consumer surveys regarding preferences, purchase behavior, and new digital formats, design national telephone surveys on pricing models, consumer purchase preferences, conjoint analysis clinics to test various pricing models and mall intercept survey on CD labeling/design/ promotions.. Perform any advanced statistical analyses required –

cluster analysis, regression-based predictive modeling, CHAID, price-demand curve estimations, price elasticity measurement and new business model forecasts.

- Prepare reports of obtained research results to senior executives of UMG (including President, COO and CFO and senior executives of Vivendi-Universal)

1999-2002

Universal Music Group- eLabs, New York, Los Angeles.

Senior Director and Head of Market Research for this key division of the world's largest music company, a unit of Vivendi-Universal.

- Supervised design, execution and conducted final analyses of consumer and specialized research on advanced technology projects including the development of an on-line market research panel, focus groups, one-to-one GUI testing for new technologies digital music formats, national telephone surveys on consumer attitudes and preferences, conjoint analysis clinics and college campus and mall intercept surveys. Interfaced with operations and data collection, statistically analyzed results and wrote the final reports for presentation to upper management
- Developed market forecasts for new technologies that led to the creation of digital and web-based forms of music distribution and consulted with the RIAA executive committee and RIAA research committee on the revamping of music consumer segmentation models

1995-1999

Polk Verity, a division of The Polk Co., Orange, CA/Southfield, MI.

Director of Advanced Statistics and Research Design for this supplier of marketing databases and custom market research services.

- Designed, managed and analyzed custom and syndicated market research projects. Performed advanced statistical analyses. On projects conducted by Polk Verity including cluster and discriminate analyses, multivariate analyses, multiple regression, CHAID, predictive modeling and market analyses. Consulted with other divisions on methodology.
- Clients included Princess Cruises, Sony, Yamaha, Ford Motor Co., Toyota, Disney, Pioneer Electronics, Kenwood, Bissell, DirecTV, Sam's Clubs (WalMart), Bombardier Aircraft, Zenith Electronics, Microsoft, Panasonic, Polygram, MCA Records, Sierra-On-Line, Electronic Arts.

Education

B.S. University of Wisconsin
M.A. University of Cincinnati
Ph.D. University of Cincinnati

Faculty Appointments

- University of Cincinnati Medical School
- University of Cincinnati Graduate School of Arts & Sciences

- Medical College of Wisconsin – Marquette University
- San Diego State University –Graduate School of Public Health
- University of Wisconsin-Milwaukee
- UCLA Medical School – Neurosciences Dept.

Publications

- 5 books (incl. 4 textbooks); 7 textbook chapters/sections
- Over 100 scientific papers, research monographs and abstracts

Professional Associations

- American Association for the Advancement of Science
- New York Academy of Sciences

Professional Skills and Demonstrated Expertise

- Predictive Modeling and Business Forecasts (consumer adoption and potential revenue estimates)
- Consumer Market Segmentation Studies
- Conjoint Analysis studies
- Statistical Meta-Analysis
- Econometric Analysis and Forecasts
- Price Elasticity and Price Sensitivity studies
- Database Profiling and Modeling
- Consumer Usage and Product Consumption Modeling and Projective Forecasts
- Market Size Statistics and Modeling

Letter of Submittal

Email submittal to lcbbids@liq.wa.gov

Subject: RFP-K430, Charter Licensing Group, LLC

Mr. John Farley
Procurement Coordinator
Washington State Liquor Control Board
Olympia, WA

Dear Washington State Liquor Control Board:

Enclosed please find Charter Licensing Group's Offer in response to Request for Proposal RFP-K430 issued by the Washington State Liquor Control Board (WSLCB). Our proposal is intended primarily to respond to all four categories, although we would greatly appreciate being considered for each individual category if we are not awarded the entire project. We concentrated our efforts in providing you with a comprehensive proposal that will help you evaluate our offer effectively and efficiently.

Charter Licensing Group (CLG) is an Office of Minority and Women's Business Enterprise applicant that is uniquely positioned to assist the WSLCB and the State of Washington in this important endeavor. The breadth and depth of our team is comprised of product and industry knowledge leaders within the State of Washington (Local Industry Knowledge), business expertise including implementation of federal and state regulations into businesses, certified project management professional (PMP Expertise), legal expertise, transferable liquor licensing experience with WSLCB, financial expertise, public relations, real estate and zoning expertise, and more.

We are pleased to have the opportunity to bid on this important solicitation and look forward to the opportunity to serve the WSLCB and State of Washington. If you require additional information please feel free to contact Lisa Li at 206-604-6544 or at (206) 604-6544.

Very truly yours,

Lisa Li, Managing Director of Charter Licensing Group, a Washington State LLC

Stocker, Marlie

From: lisali@charterlicensing.com
Posted At: Friday, February 15, 2013 1:57 PM
Conversation: RFP - K430, Charter Licensing Group LLC
Subject: RFP - K430, Charter Licensing Group LLC

Attached are the following:

1. Proposer's Authorized Offer
2. Proposer Information
3. Subcontractor Information
4. Letter of Submittal
5. Non-Cost Proposal (see page 6)
6. Cost Proposal (see page 8)

Lisa Li – Charter Licensing Group LLC

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Marketing Programs to Track Consumer Behavior

Professional Affiliations

Admitted to the California Bar, 1995
Co-President of Brown Club of Washington

Markets Served
Manufacturing, IT, Marketing Programs to Stakeholders from suppliers to ,

Neil E. Broten – Charter Licensing Group

Neil brings more than 15 years of audit, accounting, valuation, business process, photography, website design and management, successful patent design and application process, marijuana process and system design, and product design experience. He also possesses more than 7 years experience in medical cannabis consulting, including, but not limited to, nutrients, organics, process and system design, manufacturing, method deficiencies, and biological contaminants. As an auditor/accountant, Neil's responsibilities included, but are not limited to, Sarbanes-Oxley implementation & compliance, small business audits, reviews and compilations, and consulting. Neil is also a nationally and internationally published photographer with 5 years experience documenting virtually all aspects of marijuana origin, manufacturing, processing, and usage. Adding to the mix of Neil's diverse talents, he single-handedly designed, built, owns and manages two websites. Additionally, he designed and patented an automatically activated life-safety device of his own invention and is in the process of bringing the product to the worldwide market. Neil graduated with Magna Cum Laude honors, earning a Bachelor of Science degree in Accounting with a minor in Business Administration from The University of Maryland University College in 2005.

Professional Experience

Finance and Accounting:

Served as an auditor/accountant responsible for Sarbanes-Oxley implementation & compliance, small business audits, reviews and compilations of financial statements for clients involved in the not-for-profit, service, manufacturing, and construction industries, and valuation for a regional (D.C./Baltimore) firm.

Medical Cannabis System and Process Consulting and Design:

Consulted on the production and processing methods of medical marijuana in Maryland and Washington states, including intrastate cutting/strain (origin) procurement and cutting/mother plant site management, nutrient delivery system design, process deficiencies (including, but not limited to, lighting, nutrients, soil composition, filtration and processing and curing), lighting, air systems and temperature management, manufacturing processes and procedures, biological contaminants, medical cannabis delivery, site and transportation security and procedures, and THC/food product infusion.

Product Invention, Design, Manufacture and Patent Process Experience:

Invented, designed, patented, and manufactured for testing, an automatically activated life-safety device for use in extreme mountain sports. The life-safety device is currently in the testing and final design phase with plans for US manufacture and worldwide sales.

Website Design and Management:

Built, owns and operates two websites, one national, the other international in scope and is responsible for design and site structure (information architecture).

Photography:

Nationally and internationally published photographer with 5 years extensive experience both outside of, and within the field of medical marijuana including, but not limited to, documenting origin processes, strains, crosses with rare sub-species, growth anomalies, biological contaminants manufacturing (soil, hydroponics, aeroponics, sea of green method, etc.) and processing (flowers, hash, oil, keif, food products) techniques, operational systems, organic soil processes, manufacture (including origin) and processing infrastructure, current use trends and useable product.

Community Affiliations:

Former Chair of the Finance Committee on the Board of Directors of a Maryland based sexual trauma, treatment, advocacy and recovery center (2005 – 2008)
Mentored for The National Foundation for Teaching Entrepreneurship program in Baltimore, Maryland (2006-2008)

Patents:

Broten, Neil. 2011. Wearable, self-deploying fall arrest device. U.S. Patent US 2010/0224443 A1, filed March 6, 2009, and issued November 15, 2011.

Markets Served

Manufacturing, Insurance, Investment Firms, Federal Sarbanes-Oxley Regulations, Internal Audits & Controls

Lawrence Braden, Project Management Professional, CPA, MBA—Charter Licensing

Skills Summary

Lawrence brings more than 22 years of diverse consulting, project management, and compliance experience. He previously worked on highly diverse finance, audit, and compliance projects for several Big-4 consulting firms, international audits, complex state insurance regulatory assignments, various tax compliance projects, litigation consulting, statistical audit testing, and numerous inventory control and valuation projects. Lawrence educational and training foundation includes a Bachelor of Science in Accounting from the University of Southern California, Masters in Business Administration from the Anderson School of Management at University of California at Los Angeles, designated real estate broker status in Washington and California, Certified Public Accountant (CPA) and Project Management Professional (PMP) Certification.

Professional Experience

Sample Project Management Experience:

- Served as Senior Engagement Director as the clients' interim US company-wide Sarbanes-Oxley project manager (PMO) supervising more than 35 external professionals and ~\$3 million budget responsible for implementing Year 1 Sarbanes-Oxley compliance for US division of a multi-billion dollar public company client, including implementation of its Financial Controls Management solution.
- Served as Senior Project Manager for implementing CoreFinance integrated, powerful and reliable international management reporting tools.

Strategic Market Research:

- Earned MBA at the top-ranked Anderson School of Management at UCLA with emphasis in Strategic Marketing & Research.
- Created & Developed a first of kind web-based industry-wide strategic informational resource for entertainment industry.
- Applied consumer-focused research tools & focus groups to projects that assess consumer behavior, industry finance & growth forecasts.

Business & Licensing Experience:

- Managed the sale and/or acquisition of numerous restaurant & bars throughout Washington state in compliance with WSLCB procedures.
- Led the creation of a division to sell businesses throughout State of Washington for a national real estate company to expand nationwide.

Audit & Compliance Testing:

- Earned B.S. Accounting from USC and Certified Public Accountant
- Performed numerous inventory control audits & valuations in a wide variety of industries, including complex manufacturing processes.
- Performed extensive statistical audits as Certified Public Accountant (CPA) to validate certified financial statements for regulatory needs.
- Nominated to committee for performing a comprehensive Strategic Performance Review on international audit for a \$16B public company.

Sample Federal Project Management, Implementation, Compliance & Regulatory Experience:

- Developed federally compliant industry standard guides to advise system documentation, design testing standards, and remediation plans.
- Designed & performed various compliance audits such as OSHA, FCC, Affirmative Action, GST tax, payroll tax, and union compliance.
- Designed & tested federally mandated Sarbanes-Oxley regulations into more than 3 publicly-traded companies in first year implementation.

Real Estate & Zoning

- Managing Broker involved in numerous business & commercial real estate transactions throughout Washington state, including assisting a major city in King County in acquiring a multi-million dollar lot for a tax incentivized re-development project.

Markets Served

Manufacturing, Insurance, Investment Firms, Federal Sarbanes-Oxley Regulations, Internal Audits & Controls

A. J. Nigl, Ph.D.

Market Research & Statistical Consultant
Applied Behavioral Analyst and Cognitive Scientist
Office phone: 760-579-3259 dr.nigl@gmail.com

Key Achievements

- Identified \$45M in additional annual licensing revenue for Microsoft by creating a modeling algorithm that could be used to match current Windows and Exchange SMB customers to potential SMB customers in the Western Region.
- Created a new process of conducting custom research for Universal Music Group which resulted in a total cost savings of over 50% on an annualized basis.
- Conducted price elasticity and price sensitivity studies for Universal that established the range of consumer tolerance for purchasing individual songs from on-line music sites.
- Conducted the first comprehensive national consumer segmentation study on High Definition TV and Home Entertainment which established the initial targets for direct marketing campaigns for companies like Sony and Panasonic (results were summarized in front page article of the Wall Street Journal).
- Formed a consortium of research leaders from all the business units of Vivendi-Universal to share information and conduct integrated cross-business unit research to increase efficiency and reduce budgetary expenditures on expensive syndicated studies.
- Designed and executed a series of 36 research studies (2007 – 2010) that assisted Microsoft in determining the innovative technology companies that should receive marketing assistance and team support to drive increased licensing revenues for Windows, Exchange, SQL and SharePoint.

Professional Experience - Current

2011-present

Getthis.tv, Los Angeles, CA

Head of Consumer Research

- Design, launch and manage all aspects of complex consumer market research studies involving telephone surveys and/or web-based surveys.
- Design consumer focus groups to test consumer preferences, likelihood of purchase, GUI factors and likes/dislikes for the GT smart device app and shopping platform

- Create forecast models and provide market penetration estimates for the GT entertainment-based shopping platform.
- Use advanced statistical methods, such as Conjoint Analysis, Segmentation Analysis, Cost Benefits Analysis and Econometrics to provide objectively-derived statistical support for targeted marketing campaigns, penetration projections and financial models.

2010-2011

Execumetrix.com Austin, TX, San Diego, CA

Chief Scientist and Head of Research

- Design, launch and manage all aspects of complex B-2-B and B-2-C market research studies involving telephone surveys and/or web-based surveys.
- Create forecast models and provide market penetration estimates for new products.
- Use advanced statistical methods, such as Conjoint Analysis, Segmentation Analysis, Cost Benefits Analysis and Econometrics to provide objectively-derived statistical support for targeted marketing campaigns, penetration projections and financial models.

2003-2010

Revonet, Inc. New Canaan, CT; Sioux Falls, S.D.; New York, NY.

Chief Scientist and Head of Research for this technology sales and marketing company.

- Design business-to-business surveys, supervise the collection of data, analyze survey results, develop business forecast models, design targeted sales campaigns and prepare executive reports for presentation to senior management.
- Clients include Microsoft, HP-Compaq and Verizon
- Design research studies to help support Microsoft's U.S. and Global Partner Channel initiatives in areas such as Virtualization and Cloud-computing, Workforce Collaboration, Business Intelligence and Managed Hosting.
- Conduct comprehensive analyses and profiles of consumer and business customer databases including segmentation and modeling to providing targeting support for lead generation, telemarketing and other direct marketing campaigns

2002 - 2009

Universal Music Group New York, Los Angeles.

Senior Market Research Consultant for the Market Research Dept. of the world's largest music company, a unit of Vivendi-Universal.

- Consult with executives in the overall design, analysis and reporting of all market research conducted by UMG's research unit including surveys delivered to UMG's on-line consumer panel, perform quantitative assessment to support focus groups, design and supervise the execution and reporting of national consumer surveys regarding preferences, purchase behavior, and new digital formats, design national telephone surveys on pricing models, consumer purchase preferences, conjoint analysis clinics to test various pricing models and mall intercept survey on CD labeling/design/ promotions.. Perform any advanced statistical analyses required -

cluster analysis, regression-based predictive modeling, CHAID, price-demand curve estimations, price elasticity measurement and new business model forecasts.

- Prepare reports of obtained research results to senior executives of UMG (including President, COO and CFO and senior executives of Vivendi-Universal)

1999-2002

Universal Music Group- eLabs, New York, Los Angeles.

Senior Director and Head of Market Research for this key division of the world's largest music company, a unit of Vivendi-Universal.

- Supervised design, execution and conducted final analyses of consumer and specialized research on advanced technology projects including the development of an on-line market research panel, focus groups, one-to-one GUI testing for new technologies digital music formats, national telephone surveys on consumer attitudes and preferences, conjoint analysis clinics and college campus and mall intercept surveys. Interfaced with operations and data collection, statistically analyzed results and wrote the final reports for presentation to upper management
- Developed market forecasts for new technologies that led to the creation of digital and web-based forms of music distribution and consulted with the RIAA executive committee and RIAA research committee on the revamping of music consumer segmentation models

1995-1999

Polk Verity, a division of The Polk Co., Orange, CA/Southfield, MI.

Director of Advanced Statistics and Research Design for this supplier of marketing databases and custom market research services.

- Designed, managed and analyzed custom and syndicated market research projects. Performed advanced statistical analyses. On projects conducted by Polk Verity including cluster and discriminate analyses, multivariate analyses, multiple regression, CHAID, predictive modeling and market analyses. Consulted with other divisions on methodology.
- Clients included Princess Cruises, Sony, Yamaha, Ford Motor Co., Toyota, Disney, Pioneer Electronics, Kenwood, Bissell, DirecTV, Sam's Clubs (WalMart), Bombardier Aircraft, Zenith Electronics, Microsoft, Panasonic, Polygram, MCA Records, Sierra-On-Line, Electronic Arts.

Education

B.S. University of Wisconsin
M.A. University of Cincinnati
Ph.D. University of Cincinnati

Faculty Appointments

- University of Cincinnati Medical School
- University of Cincinnati Graduate School of Arts & Sciences

- Medical College of Wisconsin – Marquette University
- San Diego State University –Graduate School of Public Health
- University of Wisconsin-Milwaukee
- UCLA Medical School – Neurosciences Dept.

Publications

- 5 books (incl. 4 textbooks); 7 textbook chapters/sections
- Over 100 scientific papers, research monographs and abstracts

Professional Associations

- American Association for the Advancement of Science
- New York Academy of Sciences

Professional Skills and Demonstrated Expertise

- Predictive Modeling and Business Forecasts (consumer adoption and potential revenue estimates)
- Consumer Market Segmentation Studies
- Conjoint Analysis studies
- Statistical Meta-Analysis
- Econometric Analysis and Forecasts
- Price Elasticity and Price Sensitivity studies
- Database Profiling and Modeling
- Consumer Usage and Product Consumption Modeling and Projective Forecasts
- Market Size Statistics and Modeling

Category 4 – Product Regulation

Ability, Capacity, and Skills

Experience with State, local or Federal government processes and procedures

Our team is deeply experienced in implementing government processes and procedures into businesses at Federal, state, and local level. Lawrence re-commenced management consulting work in implementing the first year of complex federal Sarbanes-Oxley regulations into locally-based Fisher Communications, Mikron Vinyl, and T-Mobile where he was senior project manager for more than 35 independent consultants. Lawrence continued management consulting for World-Class Finance division of BearingPoint where he implemented CoreFinance worldwide financial reporting standards for Microsoft. Since 2009, Lawrence created one of the largest market leading business brokerage firms in the State of Washington where he often works with liquor licensee clients engaged with WSLCB. Our team already has access to comprehensive design and implementation requirements of fully integrated end-to-end hardware and software systems that may fully control, monitor, and report on each stage of marijuana production and fulfillment from seeds through each stage of production and distribution, as well as fulfillment to the end-consumer.

a. Experience in crafting system regulations

I-502 requires implementation of a tightly regulated and licensed system by December 1, 2013. To assist in design, test and deployment of a fully integrated software and control systems from Producer to Processor to Retailer, we would start parallel tracks of legal and technical development. Objective evaluation of Producer, Processor and Retailer qualifications to perform is not enough. We would bring legal expertise experienced in day-to-day issues of producing, processing and selling marijuana in the unregulated market to give insight as we balance of avoiding illegal purposes, such as unlawful discrimination or identity theft or violation of privacy, and potential risks to safety and security of individuals, institutions and communities.

Timely implementation of an end-to-end fully integrated hardware and software control systems supported by well designed internal control is essential to monitoring and controlling this new highly fragmented and geographically dispersed cottage industry.

An all inclusive cheat proof system is essential. The full system must prevent hacking, encryption, tracking, but also provide transparency, product and inventory tracking, compliant with department of revenue. The transfer of responsibility from the WA state agricultural to WSLCB is moving from entitlement planning and is primarily for taxing and control purposes. Such a transparent system should include but not limited to:

- Business owners and department of revenue shall receive transaction management reports
- Each transaction step must be defined,
- Department of Revenue accessibility.

- Preventing employee theft by tracking all inventories from weigh-in to weigh-out using the same scale and methodologies.
- Physical surveillance, including access by local policing and taxing authorities.
- Facility guidelines integrating production with retail.
- Inventory control systems that verify that all incoming inventory is fully accounted for either through fulfillment or authorized disposal processes.
- Off-site IT Management – integrated 24/7 IT tech service.

Members on our team developed Dispensary Asset Management (DAM) to provide a transparent, tracking system of product in medical marijuana dispensaries. Components of DAM include:

- Client Workstation
- Standardized Monitors and hardware – increase timely and effectiveness in training.
- Thermal printer and cash drawer
- Credit Card Reader
- Bar-code scanner on item/gram basis.
- Label writer – internal control mechanism to match product with fulfillment from production to vendor to packaging to retail out the door.
- All dispensaries are classified and categorized
- Inventory control reconciliations to match incoming with outgoing product is performed weekly.
- Same hardware is installed on production and retail.
- All POS systems and transactions must be batched daily.
- In-store ATMs.
- Software can integrate up to a thousand vendors
- Privacy and HIPAA compliant customer
- Scale is an NTAP (“AND” certified trade scale) that is calibrated daily.
- Equipment financing plans.
- Merchant service process integration
- Integrated loyalty and gift card programs
- Production and retail systems have standardized elements.
- Platform Production system and management reports includes locations, trimmers, product strains, phases, equipment, labor hours, processing categories for 8 weeks harvest cycle such as:
 - Phase I – Construction – Equipment , Labor, and Calibration
 - Phase II – Cultivation Processing by sub-category:
 - Hanging plants
 - Bagging strains
 - Stringing lines up to 25 branches per line.
 - Phase III – Labor and crew:
 - trim-cure wet - 7-10 days in perfectly controlled environment.
 - cure dry groomed

- Phase IV – Transplant – Can take 1-2 days.
 - Plants/Strains
 - New Soil
 - Nutrients
- Phase V – Marketing & Production Adjustments – used to certify vendor agreements
 - Certifying co-ops – certifying retail outlet expectations weekly. Confirmed order counts to ensure just in-time delivery that reduces inventory control and physical security.
 - Equipment adjustments
 - Seasonal adjustments
- Phase VI – Product Breakdown
 - Product elements include Kief, Premium Flowers (Cannabis Buds), nimbbs & jibs, plant materials, trim leaf scraps for extracts-oils-butter, roots & stems including liquor and gelatin extracts for Cannabis-infused alcohol.

We propose to create a DAM to implement I-502 and integrate compliance product regulation with state and local zoning regulations. Although 1.7 million people in Washington State voted for I-502. Seattle mayor Mike McGinn stated recently “our fledgling cannabis industry has some serious zoning problems – the number of places a retail shop could open are few and far between (due mostly to the state’s rules, not the city’s). According to a map produced in January by the Seattle’s department of planning and development, the largest swath of land available for retail pot shops in in industrial lands including Boeing Field.

As written, I-502 bans marijuana retail storefronts within 1,000 feet of certain properties, including parks, schools, arcades, libraries, community centers, and public transit centers. Cities also must propose their own restrictions on where Marijuana outlets can open (such as banning them on blocks zones strictly for single-family houses). When you overlay state and city restrictions, there is almost no place in Seattle as an example to set up a retail cannabis store. The law states that financial transactions must occur inside licensed retail outlets, but compliant locations may also likely be in security sensitive areas. As a result, our team expertise in business compliance with real estate zoning laws is essential for designing a methodology for the State of Washington to build a safe, transparent, secure, and zoning location compliant industry.

Most loyalty cards use simple bar-code technology. A new generation of acrylic loyalty cards with QR codes can better inform consumer habits, inventory control, integrate database, and save 30% of labor costs for the state due to real-time (won’t break, are designed to last a year to track buying and usage habits. In one month, one location could save \$30,000 of labor costs. This information provides real-time information

The best way to monitor regulation of usage, especially across multiple locations is to have loyalty cards that track and aggregate customer purchase. WSLCB may wish to consider restricting purchases to an ounce per day

Experience

Our team is deeply experienced at operating legally in the medical marijuana industry within the State of Washington. Our proposer authorized represented has a law degree and passed the California state bar exam. Additionally, our team has implemented first-year Sarbanes-Oxley complex federal government regulations within more than 3 local publicly traded companies, implemented complex state insurance regulations in health and life insurance companies, and have worked on approval of numerous liquor license applications with the WSLCB that involved the sale of local businesses and their compliance with state and local regulations.

Staff Qualifications and Capabilities.

Lisa Li, JD (Authorized Representative) earned her Bachelor's degree at Brown University before earning her MBA and JD at University of California – Davis. At Intel, Lisa managed software procurement and licensing Intel code to game developers to prepare the market for the next generation processors. From Intel, Lisa took a San Francisco print start-up to an \$8M business employing 50 employees providing event, in-store and trade show creative and marketing services to Nike and Hewlett Packard. After selling her business, Lisa returned to Mercer Island to raise children where she grew up. In Seattle, Lisa brokers the sale of small businesses as management team of Charter Business Brokers, KW, Inc.

Lawrence Braden (Project Management Professional) earned his Bachelor's degree in Accounting at University of Southern California before earning his Masters in Business Administration at the Anderson School of Management at University of California – Los Angeles. Lawrence earned his Certified Public Accountant (CPA) license working with the Big-4 at Deloitte & Touche where he completed considerable inventory control and financial compliance work throughout many diverse industries prior to joining Time Warner Internal Audit where he also performed a wide variety of process, compliance, and forensic audits throughout the United States, Asia, Canada, and South Africa. Lawrence joined the Dispute Analysis & Investigation team of Financial Advisory Services division for PricewaterhouseCoopers LLP after earning his MBA and subsequently recruited by Universal Music Group eLabs online music strategy group to help develop and implement product regulation and finance standards for the new emerging online music direct to consumer industry. Lawrence was recruited by Vulcan (Paul Allen's Investment Company) to be its Controller and Director of Finance. In 2004, Lawrence re-commenced management consulting work in implementing the first year of complex federal Sarbanes-Oxley regulations into locally-based Fisher Communications, Mikron Vinyl, and T-Mobile where he was senior project manager for more than 35 independent consultants. Lawrence continued management consulting for World-Class Finance division of BearingPoint where he implemented CoreFinance worldwide financial reporting standards for Microsoft. Since 2009, Lawrence created one of the largest market leading business brokerage firms in the State of Washington where he often works with liquor licensee clients engaged with WSLCB.

Approach and Methodology

Our approach and methodology in assisting WSLCB with developing rules and regulation systems are as follows:

We have given lengthy consideration to processes we would follow to complete this effort. From requirements in RFP-K430, we developed a preliminary work plan. With discussion and input from WALCB either prior to or following award, as per procurement practices, we will refine this primary work plan. For example, we may propose exploring the efficacy and benefits of recognizing and defining a 4th tier of commerce event at the origin of production that starts when clones are taken from “a mother plant.” Proactive regulation of a commercial marijuana market to avoid costs incurred when marijuana is criminalized while balancing the opportunity to increase tax revenues with the risk of supporting black markets.

To establish market control/stability; influence product quality and present a regulatory framework designed to provide (1) velocity in launching Initiative 502’s framework and (2) maximize market and state revenue generation while evidencing a focus on compliance/regulatory responsibility and quality. The State in furtherance of the above objective – has requested proposals for consulting services in 4 distinct categories for which relevant experience, education, market knowledge and overall value are summarized in this Executive Summary section and further detailed below within the proposal based on the State’s communicated requirements.

This discussion is organized around the major activities and deliverables the WSLCB has defined in the Scope of Work.

Prior to initiating work on these activities and deliverables, and during the first week of the engagement, we will work with the WSLCB to finalize and refine scope, confirm source documents and data that will need to be reviewed, schedule individuals and groups who will need to be interviewed, confirm appropriateness of data collection instruments and forecasting templates, confirm level of detail of planned products and format of delivery, and establish shared expectations between the WSLCB and our team so that we are in the best position at start to meet your expectations and the WSLCB’s needs. Also, we will set up the process of project management, including tracking of progress and status reporting, and WSLCB oversight.

COST PROPOSAL

Due to our collective need to be timely and responsive to rapidly changing requirements in this newly emerging industry, we have focused our cost proposal on a not-to-exceed hourly rate so that we may easily either accelerate or decelerate our activities as necessary. The following is a summary of our cost approval considering the following assumptions:

- **The not-to-exceed hourly rate represents a “blended”-average rate amongst various professionals earning anywhere from minimum wage to up to \$400 per hour for attorneys and/or specific subject matter expert work.**
- **Our travel policy assumes our RFP will pay for time of our internal or sub-contractor consultants on the outbound trip, but our consultants are responsible for time to return.**
- **Our proposal excludes any necessary travel costs from our CA based sub-contractors for Category 2 and Category 3.**

Function	Charter Licensing Group			Sub-Contractors		
	Projected Cost	FTE's	NTE Hourly Rate	Projected Cost	FTE's	NTE Hourly Rate
Category 1 – Product & Industry Knowledge						
Phase 1 – Design	\$ 219,000	2				
Phase 2 – Consult	\$ 80,000	1				
Sub-Total – Category 1	\$ 299,000					
Category 2 – Product Quality Standards & Testing						
Phase 1 – Design	\$ 273,750	3				
Phase 2 – Consult	\$ 100,000	2				
Sub-Total – Category 2	\$ 373,750					
Category 3 – Product Usage & Consumption Validation						
Phase 1 – Design	\$ 219,000	2				
Phase 2 – Consult	\$ 80,000	1				
Sub-Total – Category 3	\$ 299,000					
Category 4 – Product Regulation						
Phase 1 – Design	\$ 383,250	4				
Phase 2 – Consult	\$ 140,000	2				
Sub-Total – Category 4	\$ 523,250					
Total	\$1,495,000	17	\$149.00	\$ -	0	\$149.00

Letter of Submittal

Email submittal to lcbbids@liq.wa.gov

Subject: RFP-K430, Charter Licensing Group, LLC

Mr. John Farley
Procurement Coordinator
Washington State Liquor Control Board
Olympia, WA

Dear Washington State Liquor Control Board:

Enclosed please find Charter Licensing Group's Offer in response to Request for Proposal RFP-K430 issued by the Washington State Liquor Control Board (WSLCB). Our proposal is intended primarily to respond to all four categories, although we would greatly appreciate being considered for each individual category if we are not awarded the entire project. We concentrated our efforts in providing you with a comprehensive proposal that will help you evaluate our offer effectively and efficiently.

Charter Licensing Group (CLG) is an Office of Minority and Women's Business Enterprise applicant that is uniquely positioned to assist the WSLCB and the State of Washington in this important endeavor. The breadth and depth of our team is comprised of product and industry knowledge leaders within the State of Washington (Local Industry Knowledge), business expertise including implementation of federal and state regulations into businesses, certified project management professional (PMP Expertise), legal expertise, transferable liquor licensing experience with WSLCB, financial expertise, public relations, real estate and zoning expertise, and more.

We are pleased to have the opportunity to bid on this important solicitation and look forward to the opportunity to serve the WSCLB and State of Washington. If you require additional information please feel free to contact Lisa Li at 206-604-6544 or at (206) 604-6544.

Very truly yours,

Lisa Li, Managing Director of Charter Licensing Group, a Washington State LLC

1.1 ABILITY, CAPACITY AND SKILLS

How Marijuana and/or Agricultural products are grown, cultivated, harvested, cured, and processed

Since 2009, our industry partner has consulted on custom design, construction of build-outs and remodels, delivery of complete POD systems, services crews for hire to monitoring grow cycles, cultivation and harvesting..

Our partners have given classes on cannabis horticulture such as “How to Set Up a Grow Operation” that have included equipment options, nutrient system design, growing environments that include temperature and humidity, ventilation, dehumidification, watering), equipment options, planting media, organic fertilizers, pesticides, pruning, physical security, harvesting and curing.

Our partner consults with American Viticultural Areas, or AVAs, which are geographical wine grape growing regions in the United States, to leverage grow, harvest, cure and process methods to yield various levels of THC explore the opportunity to coordinate our activities. Their boundaries are defined by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and were established at the request of wineries or other petitioners. Washington State currently has 13 AVAs.

How Cannabis is infused into food and beverages

Our partner has experience and knowledge of the intricate process of taking a non-Cannabis substance and infusing it with some type of Cannabis by-product to create a new delivery system. Hash for example has both hot water and cold water extracting processes. Oils are processed by using a butane distilling process. The purest form of extract is Keif that is produced before a harvestable plants is cultivated.

Our partner can offer introduction and advanced education classes on the process of infusion for alternative medical delivery systems, and on the pros and cons of different consumption methods. Cannabis extracts include wax, hash, sheef, shatter, teachers, glycerin, butter, vegetable oil, granola oil, keif paste, syrup based drinks, seltzers, and alcohol infused products.

How Marijuana should be packaged, labeled, transported, and sold at retail level

Our team has knowledge and experience utilizing the typical packaging methods of medical cannabis: 1) pharmaceutical grade plastics “poly ethalene”, 2) “poly eurethane medical grade bottles, and 3) scientific goldstein glass that seals with both spring board or rubber seals.

Our team has the” dispensary experience” to draw upon. Members of our team have set-up and managed numerous dispensaries meeting the current medical Cannabis guidelines. There are typically four roles in a dispensary transaction: 1) the **Manager** who deals with vendors and outside medicinal products, 2) the **Bud tender** who describes current inventory that best meets the needs of the patients, 3) an **Assistant** who is HIPAA compliant, validates patient identification and compliance, and ensures product testing and labeling, and 4) **Security** personnel.

Development of the Internet has challenged alternatives to the traditional 3-tier distribution system. Our team has first- hand knowledge of the current delivery system that is available to those individual

who are not able to visit a dispensary in person and could describe the current vehicle delivery system that is available via the internet. To follow I-502 tied-house restrictions and prevent online retailers from selling both to Wholesale Retailers and to Customers, we will recommend methods of governance and regulation to limit sales only to incur in state-licensed retail stores. To ignore the medical cannabis market dynamics is to recommend recreational cannabis market regulation that will merely delay scrutiny of the intersection of state health, safety and welfare and economies of the Internet. We offer an experience-based understanding of cannabis distribution under current Internet economies.

How wholesale and retail Product should be recalled and accounted for

It is essential that all retail product be uniquely labeled with bar codes throughout each stage of the supply chain to identify the weight, grower, processor, strands, THC potency, and other ingredients at minimum. Our team members have first-hand experience on the challenges of managing inventory. Members have implemented software programs at the Dispensary level that aid in the control of inventory. Theft is an issue that has to be dealt with by Producer and Dispensary Management both at the staffing and retail level. Current medical marijuana distribution is now corrected through Dispensary Asset Management System (DAMS) that captures full transparency in tracking inventory from production through its ultimate disposition. To create a functioning commercial cannabis market and taxation for recreational use, we will regulation to establish full transparency in tracking inventory from seed to production to processing to sale.

To ensure the safety and quality of product before it is made available at the retail level, we propose strict certification and testing of seeds, production and processing at each stage before the product reaches the customer. Our goal is to destroy cannabis as soon as it falls out of compliance instead of recalling and destroying product after it is available to the customer.

How Marijuana should be destroyed if overproduced, contaminated, or recalled

Our team members can speak to the process of destroying contaminated product as soon as possible to avoid cross-contamination of fungus, pests and inferior product. The goal is to minimize the expense of producing or packaging contaminated product. Currently each grower has their own means of disposal, however, in order to reduce the risk of the spread of fungus or pest most product is disposed of at transfer stations along with household garbage.

To help maximize inventory and product control while minimizing inventory and tax revenue shrinkage, we would propose a centralizing a certified independently operated marijuana destruction facility.

1.2 EXPERIENCE

Travis Nyman graduated from the University of Washington in 2004 with a concentration in corporate development and business acquisitions. Travis has a diverse working knowledge of the Medical Cannabis industry. His expertise includes establishing and operating MMJ Dispensaries and Recommendation Clinics. He has designed Cannabis grow environments for MMJ Collective Gardens. He has first-hand knowledge of all aspects of cultivation, harvesting, THC product manufacturing and vending. His research and understanding of the current laws and regulations and operating environments for Medical Cannabis will help the State of Washington traverse a very complicated and sensitive subject matter. His knowledge will be instrumental in helping the State develop their action plan for implementation of

the new legislation for Recreational Cannabis.

Team Structure and Internal Controls

Lisa Li, JD is designated as our proposed authorized representative (single point of contact) for our proposed contracted relationship with the Washington State Liquor Control Board (WSLCB). Lisa will be supported primarily by Lawrence Braden as the Project Management Professional (PMP) responsible for coordinating all internal Charter Licensing Group and sub-contracted activities with external subject-matter expert (SME) vendors. Our primary SME for Category 1 – Product and Industry Knowledge is Travis Nyman, CEO Evolution Design Concepts who brings extensive knowledge from creating, building, and owning many business enterprises throughout the Medical Marijuana Industry.

Our work will be controlled through use of a Microsoft Project plan that will be submitted for review and approval by the designated WSLCB project manager with defined milestones, deliverables, and deadlines. The scope of our work will be clearly defined within our mutually agreed upon Statement of Work (“SOW”) to be completed within 10 days of contract award. Our primary objective is to complete our mutually agreed upon deliverables and milestones on time and on budget. Any findings or recommendations that are deemed out of scope of our SOW will be accumulated and subject to further proposal such as when we move from Design phase to Implementation phase.

Staff Qualifications and Capabilities.

Travis Nyman, CEO Evolution Design Concepts, graduated from the University of Washington in 2004 with a concentration in corporate development and business acquisitions. Travis has a diverse working knowledge of the Medical Cannabis industry. His expertise includes establishing and operating MMJ Dispensaries and Recommendation Clinics. He has designed Cannabis grow environments for MMJ Collective Gardens. He has first-hand knowledge of all aspects of cultivation, harvesting, THC product manufacturing and vending. His research and understanding of the current laws and regulations and operating environments for Medical Cannabis will help the State of Washington traverse a very complicated and sensitive subject matter. His knowledge will be instrumental in helping the State develop their action plan for implementation of the new legislation for Recreational Use.

Lawrence Braden (Project Management Professional) earned his Bachelor’s degree in Accounting at University of Southern California before earning his Masters in Business Administration at the Anderson School of Management at University of California – Los Angeles. Lawrence earned his Certified Public Accountant (CPA) license working with the Big-4 at Deloitte & Touche where he completed considerable inventory control and financial compliance work throughout many diverse industries prior to joining Time Warner Internal Audit where he also performed a wide variety of process, compliance, and forensic audits throughout the United States, Asia, Canada, and South Africa. Lawrence joined the Dispute Analysis & Investigation team of Financial Advisory Services division for PricewaterhouseCoopers LLP after earning his MBA and subsequently recruited by Universal Music Group eLabs online music strategy group to help develop and implement product regulation and finance standards for the new emerging online music direct to consumer industry. Lawrence was recruited by Vulcan (Paul Allen’s Investment Company) to be its Controller and Director of Finance.

Category 2 – Product Quality Standards and Testing

Ability, Capacity, and Skills

In February 12, 2012, Los Angeles Times described the current state of testing marijuana as “Testing pot in a legal vacuum” created by the lack of Federal or state regulation of marijuana as a pharmaceutical or food. To develop product testing and prospective quality standards, we partnered with the Director of Research and Development of a nationally recognized testing authority in certification of marijuana and a leading provider of ultra-fast vapor analyzers. Our partner provides infrastructure and expertise necessary to assist in the design of procedures to test product quality and then to assist with implementation of State approved standards for testing marijuana.

We shall source or create options for qualified and reliable testing resources to assist LCB to establish consistent quality standards and testing procedures. We may propose testing protocols to minimize errors in test results. To hold technicians at or above the State defined level of knowledge and skill, we may propose training and recurring state certification.

Our activities may include, but are not limited to, the following research activities: establishment and implementation of standardized quality controls, calibration procedures, a single set of standardized testing and sample retention procedures, technician training and certification, compliance review tests to reduce fraudulent activities within the system, design and establishment of a testing certification program, labeling, standardized crop inspection, advisement and documentation of production methods and inputs to improve product quality and to reduce contaminants, test result information duplication, segmentation and distribution to specified parties, and a knowledge of the individual and collective requirements of end-users as it relates to chemical constituents tested, quality control and labeling standards.

Experience

Various factors come into play when thinking about quality. These factors include standardization and, most importantly, reliable and accurate testing methods. Our partner is the only certification and pre-screening laboratory in existence to use ultra-fast gas chromatography (UFGC) in order to undertake the current needs and requirements of all stakeholders for quality control and dosage information as it relates to medical marijuana testing. At present, UFGC is used by various government agencies such as the Department of Homeland Security (DHS), the Drug Enforcement Agency (DEA) and other local and state law enforcement agencies nationwide. Academic labs also use this powerful new tool in fields such as agriculture, ecology, and environmental biology. Private sector companies like Philip Morris also use UFGC.

Our national testing partner participates in educating collectives and patients about the benefits of lab testing for safety and potency. Innovative and scientific testing processes can provide a detailed analysis of contaminants, pathogens and potency prior to ingesting marijuana. We may recommend the State take necessary steps required to offer safe, tested marijuana to its citizens utilizing procedures that will reduce costs, eliminate waste and duplication, reduce public participation on black markets, conform to

the needs of all stakeholders and make the State the leader in marijuana testing, dosage/potency information and secure data management.

Experience

We selected our testing partner based on its ability to provide testing equipment and infrastructure methodology. Our testing partner's patented technology and scientific testing methods, including iMobile Test[®], can conduct chemical analysis in almost real time. Through consulting of collectives and patients, and gathering of test data, it is evident that UFGC is currently a competitive and a possible solution for effective testing with technological capabilities to easily synergize new testing requirements, leading to improved patient protection and reduced regulatory oversight.

Pesticide Analysis With its iMobile Test[®], our partner can provide concentration data of contaminants at parts per million (ppm). While other testing facilities require over 1.5 grams of sample, our partner's iMobile Test[®] only uses 0.5 g of sample. Furthermore, their de-novo pesticide testing method eliminates the necessity to treat any samples with any chemicals, thus eliminating various steps that contribute to variability in results and additional oversight, regulation and cost to the State.

Our partner also offers a SafeMeds[™] certification program. The program is extended to both growers and collectives and implements basic concepts in plant biology, chemistry, and environmental health. SafeMeds[™] certification program is designed to encourage:

1. Safe and accurate use of EPA regulated pesticides.
2. Education among vendors regarding the harmful effects of selling product that has been **overexposed** to EPA regulated pesticides.
3. Problem solving methods and techniques in order to prevent, rather than react to, pest infestations.

Cannabinoid Analysis Incorporating UFGC into the iMobile Test[®] system, our partner can accurately determine cannabinoid content in each sample. Because an accurate THC potency number comes from comparing the numbers on a weight-to-weight (w/w) basis, our partner has adopted the method used by the Drug Enforcement Agency (DEA) to calculate a true and accurate THC potency analysis. During development of the iMobile Test system, our partner conducted over 1,100 tests that yielded results comparable to those published by the DEAs Potency Monitoring Project headed by Dr. Mahmoud A. ElSohly at the University of Mississippi.

Our testing partner uses advanced technology to test not only for pesticide contamination and total THC, CBD, and CBN potency, but is also able to test for CBG, CBC, and THCA. The most frequently requested cannabinoids to be tested are THC, CBD and CBN. Past experience of our testing partner has shown that majority of current medical marijuana market stakeholders are mainly interested in total THC, CBD and CBN test information. United Nations Office on Drugs and Crime and the National Institute on Drug Abuse both recommend GC to measure total THC (the combined amount of THC and THCA) since that best represents the pharmacological activity of the material.

2 | CATEGORY 2 – PRODUCT QUALITY STANDARDS AND TESTING

Recently, however, THCA has shown promise in clinical studies as a cannabinoid treatment for Type 2 diabetes resulting in renewed debate over testing for total THC (hot analysis) vs. maximum THC (cold analysis). It is our belief that, in addition to using marijuana as a recreational intoxicant, there may develop a segment of Washington's recreational marijuana using population that will utilize various available retail marijuana products either partially, or in whole, as a medical remedy.

As information continues to disseminate in the public realm about potential medicinal benefits of THCA, it is expected that the public's requirements and preferences of cannabinoids tested will evolve to eventually include all cannabinoids that show actual, possible or even probable medicinal benefits. Due to this, we may recommend that the State undertake, beginning with a public opinion outreach campaign, a comprehensive study of the consumer and other stakeholder preferences and requirements as it relates to cannabinoid testing and dissemination of test results. We may propose that the State work with a specialized, local, knowledgeable and well-respected PR campaign organization, or possibly a specialty group within a larger organization, in order to gauge the various stakeholder cannabinoid and contaminate, testing, certification and labeling, preferences and requirements.

While we anticipate LCB may initially implement cannabinoid testing standards that currently match up with current stakeholder expectations, we are prepared for possible inclusion of additionally requested and/or required cannabinoid testing into prospective testing procedures as is deemed necessary by LCB.

Data Integrity Designing data integrity into the implementation process will provide consistent and reliable data aggregation to ensure informational and product transparency necessary to build consumer confidence. Testing facilities, whether location-based and mobile, should connect through a secure encrypted online application that logs each test result prior to issuing product label codes. This internal control will assist in monitoring supply chain from production through testing. The security and integrity of online information should be evaluated by a reliable 3rd party resource to ensure privacy, security and encryption may increase sales and tax revenue while reducing labor and oversight costs.

Certified labels are rapidly becoming the standard for purchasing medical marijuana that typically includes testing and pesticide information. A printed test result Certificate of Analysis (COA) is sometimes rendered to each customer. The COA shows THC, CBD, and CBN potency levels (as a percent by weight) for each tested sample. A separate COA is also issued with information regarding pesticide content.

Staff Qualifications and Capabilities

Our partner's laboratory Research and Development Director is Jose A. Zavaleta. He earned a M.S. degree in Analytical Chemistry from California State University, Los Angeles. He has published numerous analytical chemistry papers in peer-reviewed journals. Mr. Zavaleta has 7 years industry experience working for pharmaceutical and biotech companies including 4 years teaching as an adjunct chemistry professor for North Orange County Community College District.

Approach and Methodology

We may specify a secure database and a secure fixed storage facility for long term retention of test results and backup samples, allowing for re-testing of lots or segmented lots of marijuana at any stage in the marijuana system after the initial baseline test has been completed, to ensure compliance with future laws and standards. The baseline testing that we may propose for this marijuana system consists of utilizing the State's prospective marijuana testing procedures to initially test every lot of marijuana at an optimally defined period during the drying stage of production (i.e. 2nd week of drying). Possible recommendations on optimal baseline testing are subject to change once LCB initiates public question and answer sessions, we can adjust optimal testing times. Once baseline testing on each lot is completed, labels may be printed at each subsequent stage of the system utilizing a single secure platform to congregate all testing information, including total lot weight, in order to determine the number of labels permitted per lot based on the total weight of segmented packaging for wholesale and/or retail sale.

In order to effectively implement processes described above, we may propose adaptation of a simple, reliable, secure and accurate testing and transaction system/platform that is currently in use within Washington State to regulate the pull tab industry. Due to common elements of pull tab transaction reporting and tracking, control and data management procedures as they may relate, respectively, to prospective regulation of recreational marijuana prospective transaction reporting and tracking, control and data management requirements. If it is deemed by the State to be a viable option, we may propose that our testing partner work with our proven inventory management system design partner in order to realize an effective, cost efficient integration of applicable pull tab procedures and infrastructure into the design/modification and implementation of a new recreational marijuana system's secure transaction, control and data management system/platform. We may suggest a collaborative effort to result in a single, tested (within the pull tab market), transaction, control and data management platform capable of interfacing with all licensed vendors, testing technicians, LCB, and designated department of health (DOH) peace officers.

We anticipate that implementation of strict quality control and dosage-testing standards in conjunction with our comprehensive list of additional recommendations will result in significant savings to the state while ensuring the highest standards of public safety and product quality. Additionally, due to advancements in mobile testing, the implementation of a single standardized testing method, elimination of fixed testing locations and a resulting ability to simplify and standardize technician training, significant reductions in the cost of implementation and administration will also be realized.

Even though regulation of medical marijuana is outside the scope of I-502, we anticipate possible inquiries in the future from stakeholders at all levels about the applicability of the testing and standards of the prospective recreational marijuana system on the unregulated medical marijuana system.

Please answer the questions listed below, attaching additional pages as necessary:

1. **Ability, Capacity and Skills.** In two (2) pages or less, please describe your firm's ability, capacity, and skills and/or expertise to estimate Product Usage and Consumption levels by geographic areas in Washington State.
2. **Experience.** In two (2) pages or less, please describe your firm's experience in statistical research, specifically related to determining demographic and/or psychographic segmentation, preferably related to the use of Cannabis.
3. **Staff Qualifications and Capabilities.** Please identify staff by name and title, including subcontractors, who would be assigned to the potential contract, indicating their normal responsibilities in your firm. Provide qualifications information on the named staff, including the individuals' particular skills related to this project, education, experience, significant accomplishments and any other pertinent information.
4. **Approach and Methodology.** In two (2) pages or less, please provide a complete description of your firm's proposed approach and methodology to be used for Product Usage and Consumption validation as requested in this RFP, to estimate demographic and psychographic segmentation, specifically related to the use of Cannabis.

Category 3 – Product Usage and Consumption Validation

Ability, Capacity, Skills.

We partner with a nationally-known market research firm to provide all statistical modeling, segmentation and database cleansing, matching, profiling and overall data integration services required under K430 Initiative 502 Consulting Services to include, but not limited to, establishing reliable and valid statistics regarding product usage and consumption levels and patterns across all geographic entities within the State of Washington.

Our partner is a leading database company that is highly regarded for quality of its data, its high standards of data cleansing and its use of proprietary matching algorithms as well as its IT team's technical capabilities including creation and development of interactional marketing databases with user-friendly PC or tablet interfaces built on the MS Windows platform. Dr. Al Nigle, Head of Research and Chief Scientist has over 25 years of experience in consumer segmentation and psychographic modeling of segments. Following completion of his Ph.D. studies in Cognitive Science at the University of Cincinnati, he received post-doctoral training in neurophysiology, neuropsychological assessment and applied psychophysiology. He has taught graduate level courses in Applied Statistical Analysis, Cognitive Assessment and Research Design at various universities including University of Cincinnati Medical School - Department of Psychiatry, Medical College of Wisconsin-Marquette University, University of Wisconsin

Family Residency Program at Waukesha Memorial Hospital and Graduate School of Public Health at San Diego State University.

To apply its high level of statistical and research capabilities to I-502 implementation, a team of clinical psychologists and social workers licensed by the State of Washington regulatory boards with demonstrated training and experience in substance abuse (particularly, cannabis) will be assembled to provide clinical ensure and oversight to insure that any survey tools and methodologies developed by our partner conform to current scientific findings in the field of cannabis recreational use (especially the key psychographic profiles and personality factors that are associated with no use/no consumption, low use/low consumption and high use/high consumption) as well as substance abuse behavioral patterns involving cannabis and the role of addictive personality disorders in the consumption of this and other drugs. In particular, there is a very rich scientific body of information that has been collected by both U.S. and U.K based social psychological researchers on the Amsterdam consumer experience, problems and issues related to the development of marijuana cafes and other legal outlets for cannabis consumption in the Netherlands. Our partner's team will take advantage of this existing body of scientific literature to help guide its creation and development of statistical methodology and design the scope of studies in such a manner as to more accurately measure the usage and consumption patterns.

Our partner has performed similar statistical services required to identify and analyze the market need, market size and competition with a variety of industries including the financial, pharmaceutical, automotive, entertainment and consumer electronics, insurance, communications and software and hardware technologies. It has demonstrated expertise in market segmentation derived from survey data obtained via telephone, online web-based or in situ consumer interviews. To apply sophisticated methodologies primarily based on the k-means clustering methodology and validated by post-hoc discriminant analyses, our partner following these four steps: (1) employ Cluster Analysis to analyze Custom Segmentation; (2) apply a group of multivariate statistical methods, Cluster Analysis, with the primary purpose of identifying similar entities based on a pre-determined set of specific characteristics; (3) mathematically classify survey variables, Cluster Analysis, so that each objvariable is very similar to others within its cluster and very different from others outside of its specific and mathematically-independent cluster. Then the Chief Scientist directs his statistical team to determine questions used to cluster the entire set of survey responses - a trial and error method is used and the best cluster solution is determined based on the number of clusters, the number of respondents in each cluster and the tests of significance (using discriminant analysis) to validate the clustering outcomes.

There are three stages to our partner's custom approach to cluster analysis which will be used in this case to segment the State of Washington's consumer usage and consumption of cannabis: partitioning, interpretation and profiling. Our product usage and consumption validation partner generally uses a non-hierarchical clustering approach referred to as K-means cluster analysis. After validating the clustering solution, its team assigns a name or label to each cluster/segment that typifies an essential element of that segment, in this case, the psychographics that appear to dominate with members of a particular mathematical cluster or segment. The final stage, profiling, is perhaps the most important because it is in this stage that all of the other data gathered in the survey is combined with the data used to perform the segmentation in order to create an in-depth profile of the individuals within each

segment. Using K-means clustering techniques the data in the previous slide is forced into three clusters or segments based on Euclidian distances around a central point or centroid. [The graph below illustrates a 3 cluster solution where each cluster contains $n=\{x, y, z\}$ subjects and represents much larger groups within a population, for example, the population of the State.

In the past, using a combination of national telephone and web-based surveys to targeted populations, our partner assisted clients in determining the prospective market size, market segments and projected business volumes (including take up rates and econometric s with volume benchmarks) for various consumable goods and services including those within highly regulated environments such as Alcoholic beverages, public housing, SEC regulated financial investments and private placements, senior living construction, public hospital financing, high yield taxable and non-taxable bond products.

- a) Health benefit packages for employer-sponsored and funded insurance plans
- b). Generic prescriptive drugs and OTC non-prescriptive drugs and supplements
- c). Specialty Alcohol Beverage products (particularly vodka and wine)

Our partner's Chief Scientist and research staff have the following set of statistical, modeling and population identification and market sizing skills that could be applied , as required, to fulfill the State of Washington's need to better understand the overall usage and consumption of cannabis currently and future projections among its citizenry and defined by geographic locations (County, City).

- Predictive Modeling and Business Forecasts (consumer adoption and potential revenue estimates)
- Consumer Market Segmentation Studies
- Conjoint Analysis studies
- Statistical Meta-Analysis
- Econometric Analysis and Forecast
- Price Elasticity and Price Sensitivity studies
- Database Profiling and Modeling
- Consumer Usage and Product Consumption Modeling
- Projective Forecasts – product supply and demand gap analyses
- Market Size Statistics and Modeling
- Psychometric assessment and psychographic modeling and profiling

Statement of the Problem subsumed under Category 3

We understand many of the challenges in determining with any precision the present use and consumption of marijuana in the State of Washington. In fact, the Fiscal Impact document produced by OFM regarding I-502 clearly states that, because of marijuana's long term status as a Federally-regulated, controlled substance with a long history of both State and Federal criminal prosecution of users and distributors; it's extremely difficult to estimate with any reasonable degree of error current usage and consumption patterns by different geographic locations in the state.

As described in the Fiscal Impact document of 8/10/2012, an estimate of marijuana users was created using the U.S. Department of Health and Human Service, Substance Abuse and Mental Health Services Administration's National Survey on Drug Use and Health, 2008–2009 focused on the data collected and projected for the State of Washington. The survey estimates the percentage of marijuana users to be 17.18 percent for persons 18 to 25 years of age and 5.57 percent for those 26 years of age or older. Assuming Washington's population of marijuana users is increasing at the same rate as the national use contained in the survey, the number of users in calendar year 2013 is estimated to be 18.4 percent for persons 18 to 25 years of age and 6.1 percent for those 26 years of age or older. Applying those percentages to the State's forecasted 2013 population, estimates assume 363,000 Washington marijuana users in calendar year 2013. Estimates also assume a 3 percent increase in sales beginning in 2015 to account for population growth and inflation.

Frequency of consumption is estimated using the pattern contained in the United Nations Office on Drug and Crime, 2006 Bulletin on Narcotics, Review of the World Cannabis Situation, page 48. The frequency of consumption by users ranged from a low of 18 percent consuming once a year to 3 percent consuming daily. Applying this consumption pattern to an estimated 363,000 Washington marijuana users, and assuming 2 grams of marijuana per use, the number of grams consumed annually by residents of the state is projected to be 85,100,000 grams.

Using these projections (which are yet to be statistically validated), total revenue accruing to the State of Washington through the implementation of I-502, is estimated to be as high as \$1,943,936,000 over the first five fiscal years following full implementation.

The applicability of the forecast model that the WSLCB already uses for the usage and consumption of liquor to the usage and consumption of marijuana has not yet been established. The calculation of an alcohol usage involves a three-stage process: 1) estimation of an exposure distribution of alcohol, 2) establishment of the relative risk function, and 3) the solving of the equation for the PAF [15]. Since the distribution of alcohol consumption on an international level has not been agreed upon, the common approach is to estimate the PAF using categorical measurements rather than modeling it in a more mathematically appropriate continuous manner [16,17].

The mathematical expression is as follows: **Formula 1** $PAF = \sum_{k=1}^i P_i (RR_i - 1) \sum_{k=1}^i P_i (RR_i - 1) + 1$ where i is the exposure category with baseline exposure or no exposure, $i = 0$, RR_i is the relative risk at exposure level i compared to no consumption, and P_i is the prevalence of the j th category of exposure.

However, it is anticipated that one desired outcome of the research and statistical modeling program outlined in this proposal, could be the creation of a similarly-derived formula for marijuana consumption based on the objective data analysis.

12. Approach and Methodology

Because of the inherent difficulties in establishing reliable and valid estimates of current and future use and consumption of cannabis in the State of Washington, an obvious solution is to develop a comprehensive survey program which can be created in such a manner (objectively-derived questions yielding ratio and interval data equivalents, stratified sampling methodology across key demographic variables, such as gender, age, geographic location of residence) that advanced modeling statistics can be reasonably applied to create statewide projections.

Our partner has demonstrated expertise is applying the RIM weighting methodology* to reduce error of prediction and increase the degree of concordance between smaller sample data and reliable estimates and projections to the total population, e.g., State of Washington. Below are some examples of the formulae involved in using RIM weighting to make statistically accurate projections of a portion of a population (a reasonably-sized survey sample of Washington residents) to the total population (all residents within the targeted demography- in this case, all Washington marijuana users).

Rim Weighting Formulae

Root Mean Square

The formula is given for a rim weighting matrix consisting of two variables (dimensions), but the same principle applies when there are more dimensions.

Notation	Represents
m_i	The target number in category i in the first dimension.
n_i	The sum of the observed numbers in category i in the first dimension.
m_j	The target number in category j in the second dimension.
n_j	The sum of the observed numbers in category j in the second dimension.
I	The number of categories in the first dimension.
J	The number of categories in the second dimension.

The formula for the weight adjustment is

$$mdd_{ij} = md_{ij} (m_j / md_j)$$

Where

md_{ij}	Represents the weight adjustment calculated in the previous iteration for the cell at the intersection of category i in the first dimension and category j in the second dimension. In the first iteration, it is substituted with $n_{ij}(m_i/n_i)$
$md_{.j}$	Represents the sum of the weight adjustments calculated in the previous iteration for category j in the second dimension. In the first iteration, the expression $(m_j/md_{.j})$ is substituted with 1.

The calculation for the root mean square is:

$$rms = \sum_{i=1}^I (m_i - md_{i.})^2 + \sum_{j=1}^J (m_j - mdd_{.j})^2$$

Where

$md_{i.}$	Represents the sum of the weight adjustments calculated in the previous iteration for category i in the first dimension.
$mdd_{.j}$	Represents the sum of the weight adjustments calculated in the current iteration for category j in the second dimension.

At the end of each iteration, the Weight component compares the root mean square with the product of the weighted total and the given limit. (The limit defaults to 0.005, but it can be set to another proportion.) The iterations continue until all of the weights are within the limit or the maximum number of iterations has been reached.

Rim Weighting Efficiency

The rim weighting efficiency figure gives an indication of how well balanced the sample is.

Let

P_j	Be the preweight for case j
R_j	Be the rim weight for case j

Then the rim weighting efficiency is

$$\frac{100.0 \left(\sum_j P_j R_j \right)^2}{\sum_j P_j \sum_j P_j R_j^2}$$

If the data for many respondents needs to be weighted heavily up or down, the efficiency percentage will be low. The greater the percentage the more well balanced the sample.

*For further information on rim weighting see the Rim Weighting Theoretical Basis Paper entitled "ON A LEAST SQUARES ADJUSTMENT OF A SAMPLED FREQUENCY TABLE WHEN THE EXPECTED MARGINAL TOTALS ARE KNOWN", by W. Edwards Deming and Frederick F. Stephan, in Volume 11, 1940 of the Annals of Mathematical Statistics.

Another advanced statistical method that could assist the effort to arrive at statistically reliable and valid projections of current and future marijuana usage and consumption is the application of Neural Net algorithms, especially the error correction method. Neural net algorithms, based on regression methods, have been successfully applied world-wide to solve difficult and complex problems of supply and demand, perhaps, the most noteworthy applications have occurred in China and developing nations of the African continent where Neural Net methods were applied successfully to predict population water usage and consumption and insure adequate water demand over specific time periods. Although the relationship between marijuana use and consumption in Washington and water usage and consumption in China may be difficult to grasp, the point is that in both cases large amounts of critical data were unknown and both situations are essentially problems of accurate estimates of product supply and demand.

The role of our partner in this project may also be expanded beyond the design and execution of consumer surveys to the role of data aggregator and meta-analytics. The Fiscal Impact document referred to earlier also contained tables of State expenditures to conduct a number of consumer surveys which are planned for the next 5 years and for which funds have been allocated. Because a number of these surveys may touch on the issue of usage and consumption, in full or at least in part, it will be necessary for the different survey results to be analyzed and integrated to avoid duplication of effort and misinterpretations due to varying survey methodology and sampling procedures as well as the nature of the questions asked. Our partners have the experience and the skills to work with large quantities of data, aggregate the data, profile the data and eventually provide analyses that integrate the disparately-collected findings to develop a complete picture of the current and future usage and consumption of marijuana, especially as user profiles, usage and consumption patterns change over time.

Possible Product Regulation Costs:

- ☑ Surveys of targeted groups (age, location, gender) to arrive at a statistically valid projection of State-wide usage and current consumption
- ☑ Surveys of licensed marijuana outlets (confidential, of course) including in situ or intercept interviews to model future supply/demand and price elasticity factors
- ☑ Combine these two sets of data to make 5 year, 10 year projections of usage, consumption and supply demand metrics
- ☑ Meta analysis of other survey data authorized by the state to study this problem and combine that data with our data for purposes of developing a comprehensive econometric analysis of costs and revenue for the State
- ☑ Hiring a small team of licensed mental health professionals - (part-time, 1099 non employees ,e.g., 1 licensed psychologist and 2 social workers or licensed substance abuse counselors, all with substance abuse training and experience) to assist in developing survey questions, conduct in depth interviews and provide input to formal reports
- ☑ Telephone and web survey provider costs plus modest compensation to respondents to maximize number of surveys completed

We project the following services will be needed for a successful report to the State:

1. Gather data regarding growing conditions implemented growers that include:
 - a. Size and outline of "location" such as garage, clean room, basement
 - b. Harvest time and how many "grows" per year
 - c. Use of pesticides, analyzed by type, amount, time, form and frequency of application of pesticide at each stage of plant growth and whether pesticide is applied directly or indirectly to the plant using which dilution method
 - d. Type of training employees receive before touching the plant
 - e. Packaging method for delivery to dispensaries including delivery method and packaging of excess inventory
2. Gather and analyze standards set forth by authorities like Dr. ElSohly regarding cultivation of medical marijuana and compare with practices employed by growers
3. Conduct research regarding standards set forth by the Environmental Protection Agency (EPA) on appropriate use of controlled pesticides and compare to data obtained from growers.
4. After analyzing all of the above data, develop and conduct field test of our recommended growing conditions
5. Conduct survey of medical doctors and gather their recommendations regarding beneficial cannabinoids for patients who suffer from illnesses raging from insomnia to cancer and AIDS.

We will use this data to redesign, if necessary, our methods of analyzing cannabinoids in order to capture their potency.

6. Offer compensation to growers and doctors who participate in our data survey and data gathering



Washington State
Liquor Control Board

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Chris Davis,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Chris Davis failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Non-Cost Proposal and Cost Proposal. Chris Davis submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jsf@liq.wa.gov.

Sincerely,

John Farley
Procurement Coordinator

cc: K430 Contract file



Washington State
Liquor Control Board

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Sincerely,

A handwritten signature in black ink that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: K430
Sent: Monday, February 25, 2013 11:49 AM
To: 'scooterbones@hotmail.com'
Subject: WSLCB RFP K430 - Rejection Notification
Attachments: K430_Chris Davis_Rejection Letter.pdf

Good Morning,

Thank you for submitting a response to Washington State Liquor Control Board (WSLCB) Request for Proposals (RFP) K430 – Initiative 502 Consulting Services. In accordance with the attached letter, the WSLCB must reject your response.

Thank you for your interest in doing business with the Washington State Liquor Control Board. Please feel free to contact me if you have any questions or need additional information.

Thank you,

John Farley
Procurement Coordinator
K430@liq.wa.gov



Washington State
Liquor Control Board

February 25, 2013

**Subject: Rejection of Response to Washington State Liquor Control Board (WSLCB)
Request for Proposals (RFP) K430, Initiative 502 Consulting Services**

Dear Mr. Chris Davis,

This letter is to inform you that your response to Request for Proposals (RFP) K430 has been rejected because it failed to conform to RFP requirements.

Section 3.2, Preparation of Proposals, states in part:

"...Incomplete or vague responses may be considered non-responsive and may be rejected. Failure to complete and submit the required items listed in this section may disqualify the Proposer from further participation in this RFP..."

It is the sole responsibility of the Proposer to understand the RFP requirements and ensure their Proposal is complete. Chris Davis failed to complete and submit the following required items in response to RFP K430: Proposer's Authorized Offer, Proposer Information, Subcontractor Information, Non-Cost Proposal and Cost Proposal. Chris Davis submitted an incomplete and vague response and is thus deemed non-responsive and rejected from further participation in this RFP.

Thank you for your interest in doing business with the Washington State Liquor Control Board. This measure is being taken to assist you in preparing future responses. If you have any questions, please feel free to contact me by phone at (360) 664-4526 or email at jfsf@liq.wa.gov.

Sincerely,

A handwritten signature in black ink that reads "John Farley".

John Farley
Procurement Coordinator

cc: K430 Contract file

Stocker, Marlie

From: scooter bones <scooterbones@hotmail.com>
Posted At: Friday, February 15, 2013 2:30 AM
Conversation: application letter for WSLCB
Subject: application letter for WSLCB

I have attached an application letter for a position or consultation position with the WSLCB for the legalized recreational marijuana system enacted by the voters with Initiative 502. If you have any questions or would like to schedule an interview please contact me by email at scooterbones@hotmail.com.

Thank you for your time,
Chris Davis

2/9/2013

To the Procurement Coordinator of the WSLCB,

Hello my name is Chris Davis and I am applying for a position in the WSLCB in regard to the legalized recreational marijuana system. I have extensive knowledge of the cultivation, harvesting, processing, proper curing, extracting, and edible preparation of Cannabis with over 12 years of experience. I have grown cannabis in soil and organically in soil. I have cultivated cannabis in soilless applications that include Hydroponics, Aeroponics, Fogponics, and deep water culture and multiple applications of these advanced horticultural techniques. I have experience with identifying possible contaminants, pests and diseases that affect cannabis and thus potential users with negative effects. I have experience with the propagation of cannabis from seed, clone, or air rooting techniques. I have been asked to consult growers on problems that they are experiencing regarding indoor and outdoor cultivation. I have knowledge and experience with the horticultural equipment and products currently on the market that are used for cannabis cultivation. I interned with an international fertilizer and soil producer in this market to provide a product analysis and report on one of their product lines. I have been involved in the beta testing of their products currently and over the last 3 years because of my expertise in the field. I have knowledge and experience with some of the organic regulations and safe gardening practice with horticultural products geared toward cannabis cultivation. I have experience with the use of fungicides and pesticides with cannabis and their safe use. I have built and designed over 90 secure indoor grow rooms and several outdoor cannabis farms. I have experience with proper safety and security protocols required for a grow site. I have knowledge and experience with breeding cannabis for selected qualities or traits as well as potential problems that could occur between cannabis and hemp production. I have been a licensed grower for the Oregon Medical Marijuana program for over 4 years. I have made several prototypes for horticultural use as well as experimented with breeding and grafting of cannabis plants.

I have over 12 years of experience with the harvesting, processing and inspection of cannabis plants as well as being asked to consult and help with the harvesting and processing of cannabis harvests. I have experience with various harvesting and processing techniques as well as proper flushing techniques prior to harvest that are required to remove excess fertilizer that usually accumulates within cannabis. I have experience with the labor intensive job of processing cannabis by hand as well as using mechanical processors. I have experience processing products such as flowers, material to be used in extracts or food as well as waste

products that are unusable. I have personally trained people how to properly and safely harvest and process cannabis. Requiring training and certification to process cannabis would help insure a safer product.

I have knowledge and experience with the drying and curing process specifically involved with cannabis. This is a delicate process that requires considerable experience to produce a safe usable product for smoking or eating that retains its cannabinoids and terpenes. I understand drying techniques with dust free environments to ensure contaminate free product. I have knowledge of the drying environments needed and proper humidity to properly dry cannabis to ensure there are no mold or contamination problems. I have experience with drying and curing to ensure that the product will burn properly. I have experience with curing techniques that ensure the formation of polyterpenes for maximum aroma and potency.

I have knowledge and experience with processing cannabis into several forms of tinctures as well as infusing them into various fats or oils to be consumed in in food. I was employed as a cook or chef for over 9 years and have experience and knowledge of safe food handling techniques. I have made alcohol tinctures than can be used sublingually, added to warm or hot food, or infused with oil and fat. I have made glycerin tinctures that are normally used for making cannabis candy and confections. I have infused cannabis into butter, dairy products, olive oil, coconut oil, and various cooking oils and fats. I have also added different concentrates or raw cannabis to food products. Food products containing cannabis should be tested and labeled. If a food product contains alcohol, fat or glycerin I can infuse it with cannabis.

My recommendations to the WSLCB for the program would be. Cannabis should be packaged in an airtight container to preserve the product. Cannabis should be transported safely and securely to the retail store. Retail stores should follow the model of dispensaries in California that are following state and local regulations. Products that are taken to retails stores should be accounted for either by individual food item or by the weight of the smokeable product. Retail stores should have surveillance systems and security personnel on staff during all hours of operation that will check the age of any customer before being allowed into the store. The retail stores should have a thorough inventory of their products on a regular basis. All sales should be recorded and accounted for. Cannabis products should have stringent testing that includes visual inspection and gas chromatography before retail sales are possible. This would make sure the product is free from pesticides, excess fertilizer, fungicides, molds, pests, and other contaminates. Gas chromatography testing would also provide the potency

and a list of cannabinoids and terpenes that are in the cannabis sample. Labels for edible cannabis or smokeable cannabis should include the results from this test. This would ensure purity and provide the potency of the product. Proper inspection and testing would greatly reduce the possibility of contaminated products reaching the market or a recall of products. If cannabis is found to have contaminants it needs to be sealed then properly destroyed by incineration or in a manner that produces the least pollution and harm. If a product needs to be destroyed due to contamination, the provider of the product will need to be notified of the details of the test. If cannabis is over produced and free of contamination it can be distributed to low income or in need patients involved in the medical marijuana program, if this is not an option then it could also be destroyed. Cannabis can be securely and safely cultivated and sold under the correct framework.

I am a hard worker and a fast learner. I take pride in my work and enjoy sharing my knowledge with others while being a team player. I am currently pursuing a degree in Horticulture and Botany in Oregon. If you have any questions or would like to contact me for an interview please email me at scooterbones@hotmail.com

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