



## Washington State Liquor and Cannabis Board

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**To:** David Postman, Board Chair  
Ollie Garrett, Board Member  
Russ Hauge, Board Member

**From:** Kathy Hoffman, Policy and Rules Manager

**Date:** November 10, 2021

**Copy:** Rick Garza, Agency Director  
Toni Hood, Deputy Director  
Justin Nordhorn, Policy and External Affairs Director  
Becky Smith, Licensing and Regulation Director  
Chandra Brady, Director of Enforcement and Education

**Subject:** Request for approval to rescind Board Interim Policy (BIP) 11-2019 regarding laboratory certification and accreditation requirements (WAC 314-55-0995).

On February 20, 2019, the Board approved an interim policy that provided certified cannabis testing labs with the ability to pay all vendor fees for validation and ongoing monitoring directly to the WSLCB or its vendor.

BIP 11-2019 was issued because WAC 314-55-0995(3)(c) provides that the Washington State Liquor and Cannabis Board (WSLCB) may contract with a vendor to conduct the validation and ongoing monitoring, and the certified lab must pay all vendor fees for validation and ongoing monitoring directly to the WSLCB's vendor.

By way of background, on December 24, 2013, Columbia Basin College and the WSLCB entered into an interagency agreement for performance of third party validation of certified labs. However, that work had been performed by the RJ Lee Group as a subcontractor to Columbia Basin College since that time. During year-end contract negotiations, Columbia Basin College opted to no longer operate as the intermediary between the RJ Lee Group and the WSLCB. As a result, the interagency agreement between Columbia Basin College and the WSLCB terminated on December 31, 2018.

At the same time, the WSLCB had been pursuing a sole source contract with the RJ Lee Group. The RJ Lee Group was willing to continue laboratory certification review and validation, but was unable to accept payments directly from the certified third-party testing labs based on internal and organizational policies, in addition to receiving federal funding that precluded payment from marijuana-related activity.

WSLCB staff explored available options, and found that a sole source contract with the RJ Lee Group offered operational continuity with the least amount of business disruption. The ability for WSLCB to bill certified third-party testing labs was vetted and affirmed

through the WSLCB Finance Director. Billing could be accommodated through the WSLCB finance department.

The BIP allowed the WSLCB to complete its contract with the RJ Lee Group to perform required laboratory certification review to assure operational and business continuity, and was designed to be rescinded upon adoption of permanent rules. However, rulemaking has not yet occurred. The agency has reviewed the existing BIP, and determined that converting it to a policy statement is appropriate as a placeholder until rulemaking occurs.

If the Board approves rescission of BIP 11-2019, the agency will file Policy Statement PS 21-06 regarding payment of vendor fees by certified marijuana testing labs to supersede and replace previous agency guidance concerning this topic.

The Board approves/disapproves the rescission of BIP 11-2019.

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
David Postman, Chair      \_\_\_\_\_  
Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Ollie Garrett, Board Member      \_\_\_\_\_  
Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Russ Hauge, Board Member      \_\_\_\_\_  
Date