Request for Qualifications
and Solicitation to Enter Into A
Franchise Agreement for Manufacturing
Related Cannabis
Waste Management Services

December 16, 2019

Responses Due: Friday, January 10, 2020 by 2PM
ATTN: City Clerk
RFQ 722-19 Manufacturing Related Cannabis Waste
Management Services
44933 Fern Avenue
Lancaster, California 93534
Request for Qualifications

Manufacturing Related Cannabis Waste Management Services

Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Introduction &amp; Summary</td>
</tr>
<tr>
<td>Section 2</td>
<td>Scope of Work</td>
</tr>
<tr>
<td>Section 3</td>
<td>Qualifications/Proposal Contents</td>
</tr>
<tr>
<td>Section 4</td>
<td>Qualifications/Proposal Submittal Procedure</td>
</tr>
<tr>
<td>Section 5</td>
<td>Consultant Selection Process</td>
</tr>
<tr>
<td>Section 6</td>
<td>Selection Process Key Dates</td>
</tr>
</tbody>
</table>
Request for Qualifications  
Manufacturing Related Cannabis Waste Management Services  

SECTION 1 INTRODUCTION & PROJECT SUMMARY  
The City of Lancaster (“City”) is a charter city incorporated in 1977. The City is governed by a five-member City Council whose members are elected at large, and operates under a Council/City Manager form of government. The City serves as the northern boundary of Los Angeles County, with Kern County to the north, and is the largest city in the Antelope Valley.  

SUMMARY  
In February 2017, the City Council adopted Ordinance No. 1019 (subsequently amended by Ordinance No. 1053), which authorized the operation of indoor cannabis cultivation and manufacturing facilities in the City and established operational requirements to ensure that public health, safety, and welfare is protected. To date, the Planning Commission has approved conditional use permits for thirteen (13) facilities. Although no facility has yet commenced operations, City staff has spent the past two years preparing for operations to come online. There are currently no limitations on the number of cultivation and manufacturing licenses that can be issued. Dispensaries and retail storefronts are prohibited in the City. State certified/licensed testing labs are permissible.  

The City’s solid municipal waste franchisee (Waste Management) will be responsible for the collection and disposal of cultivation-related cannabis waste. Once the City contracts for the collection and disposal of manufacturing-related cannabis waste, City staff will be fully prepared to take on the City’s enforcement duties when a facility commences operations, which is anticipated in Q1 of 2020.  

SECTION 2 ANTICIPATED SCOPE OF WORK  
The City desires to enter into a Franchise Agreement for the collection and disposal of manufacturing-related cannabis waste. For purposes of this RFQ, “manufacturing-related cannabis waste” means cannabis waste product created in the cannabis manufacturing process, including any raw input, conversion process, processed output cannabis waste and packaging. The City is expecting a minimum 7% franchise fee and an agreement with an annual fee negotiation term. Public health and safety are at the forefront of the selection process. The City has determined that qualified candidates will hold the requisite registration from the California Department of Toxic Substances Control and Environmental Protection Agency, and has experience in collecting, rendering, and processing all forms of waste generated in cannabis manufacturing operations using methods and procedures that are in full compliance with all applicable state laws and regulations.  

The selected company will be required to maintain separate streams of post-extraction cannabis plant material, manufactured cannabis products, and packaging. Hazardous material must be transported to a hazardous waste treatment, storage, and disposal facility. Recyclable product and packaging items shall be directed to recycling facilities. It is preferred that materials that are
not suitable for recycling will be transported to a facility and undergo a process which converts the materials into a renewable energy/fuel source. Operations shall include generating waste manifests and other documentation that meet the State’s Track-and-Trace requirements, to allow for comprehensive tracking of all cannabis, including the plant material that does not go through the “sale” phase of “seed to sale.”

SECTION 3 QUALIFICATIONS/PROPOSAL CONTENTS
Please prepare and organize your proposal based on the requirements provided below.

1. **Cover letter:** Provide a cover letter and introduction, including the name and address of the organization or individual submitting the proposal, together with the name, address, telephone numbers, and e-mail address of the contact person who shall be authorized to make representations for the organization, and an expression of the organization’s ability and desire to meet the requirements of this Request. The letter must be signed by an individual authorized to bind the firm contractually.

2. **Table of Contents:** This section shall include a detailed table of contents and an outline of the submittal, identified by sequential page number and by section reference number and section title as described herein.

3. **Executive Summary:** An executive summary should briefly describe the organization and any subcontractors. Briefly describe experience in the collection and disposal of manufacturing-related cannabis waste, including years of experience of organization and management team.

4. **Experience:** Describe the organization’s resources, experience, and capabilities as they relate to the questions below. Please number each response and answer with as much detailed information as necessary to demonstrate qualifications.

   1. Please outline your current experience with handling, processing, and disposing of manufactured cannabis waste for cities and counties.
   2. Please list all cities and counties in which your company are or has been collecting and disposing of manufactured cannabis waste.
   3. Please list the cannabis facilities your company has worked with and length of service for each facility, and provide facility name, primary contact name and title, address, email, and phone number.
   4. Do you currently have a Franchise Agreement to haul manufactured cannabis waste for any city or county in California?
      a. If yes, provide the following for each Agreement:
         i. Name of city or county
         ii. Date Franchise Agreement was executed
iii. Contact for city/county – name, title, email, and current phone number
iv. Provide a copy of the executed Franchise Agreement

5. Have you ever had a Franchise Agreement terminated from a city or county?
   a. If yes, state the reasons why the agreement was terminated

6. Please submit your Standard Operating Procedures and Employee Training Process for handling, processing, and disposing of manufactured cannabis waste.

7. Please outline any reported transportation incidents and/or accidents. If listed, please provide the method used to address the specific incident/accident and mitigate its detrimental effects.

8. How will your business ensure compliance and adherence to regulations for the California Department of Public Health, specifically with the Manufactured Cannabis Safety Branch?

9. How will your business ensure compliance with the California Department of Toxic Substances Control? Please attach valid permit and hauler certificates.

10. How will your business ensure compliance with the California Department of Transportation? Please attach valid license and certificates.

11. Specifically, how will your operations handle and process the following manufactured cannabis waste:
   • Post-extraction cannabis plant matter
   • Capsules or Tablets
   • Concentrate Liquids
   • Concentrate Solids
   • Edible Liquids
   • Edible Solids
   • Extract Liquids
   • Extract Solids
   • Topical Liquids
   • Topical Solids
   • Vape Oils & Cartridges

5. Franchise Agreement: Provide drafted copy of Franchise Agreement that organization would require the City to enter into, if selected. (Be advised, specific terms and conditions are subject to negotiation.)

6. Work Schedule: Include a proposed draft schedule of working hours and office services.
7. **Cost Proposal** - Provide a cost proposal for each of the services the organization intends to perform described in the RFQ. This pricing is expected to be effective for the original term of the contract, which is expected to be five years (subject to early termination). (Typically referred to as a “Rate Sheet”). Include an affirmative statement that the organization accepts the 7% franchise fee for year one. If organization is willing to contract for more than 7%, please include that percentage in the Cost Proposal.

**SECTION 4 QUALIFICATIONS/PROPOSAL SUBMITAL PROCEDURE**
Proposer shall submit four (4) hard copies and one electronic copy via USB or CD (in pdf format) of the proposal in accordance with the following requirements:
- Proposal shall be transmitted with a cover letter as described in Section 3
- Envelope shall be labeled “RFQ #722-20 for Manufacturing Related Cannabis Waste Management Services”
- The Proposal shall be received prior to 2:00 PM on January 10, 2020.

The proposal shall be addressed exactly as follows:

ATTN: City Clerk  
RFQ 722-19 Manufacturing Related Cannabis Waste Management Services  
City of Lancaster  
44933 Fern Avenue  
Lancaster, California 93534

**SECTION 5 CONSULTANT SELECTION PROCESS**
The City intends to select the most qualified candidate. Proposals will be evaluated and scored (maximum of 100 points) using the following criteria:

- Adherence to Regulatory Frameworks (35 points)
- Public Safety Considerations (35 points)
- Verified Experience in Industry (20 points)
- Cost to Manufacturers (10 points)

Scale will be determined as follows:
- Does not meet minimum qualifications – 0 points
- Meets minimum qualifications – 50%
- Exceeds minimum qualifications – 75%
- Far exceeds minimum qualifications – 100%

**SECTION 6 SELECTION PROCESS KEY DATES**
The following are key dates in the process:
• RFQ document posted on City website: December 16, 2019
• Deadline for questions/clarification requests: December 26, 2019 prior to 2 PM
• Responses to questions posted by: December 27, 2019 prior to 5 PM
• Proposals due: January 10, 2020 by 2 PM
• Negotiations with selected organization: January 2020
• Franchise Agreement Approval by Council: January 2020

It is the responsibility of the Proposer to clarify any requirements of this RFQ that are not understood. All questions and requests for clarification to this RFQ must be emailed and received by the City prior to 2:00 PM on December 26, 2019. Inquiries received by the City after the date and time specified may or may not be responded to, within the discretion of the City.

Questions pertaining to the Request for Qualifications should be titled “RFQ 722-19 Questions” and sent via email only to:

Christine Malta: cmalta@cityoflancasterca.org