

**Cannabis RFP Questions/Responses**  
**11/22/23**

Question: For the license for Cannabis retail business and Microbusiness in Covina, is it both for adult use or only medical?

**RESPONSE: The cannabis business permit can be for both adult use and/or medicinal cannabis.**

Question: *“Cash Handling Procedures” are asked for in both the 4.1 Operations Protocols and in 7.4 Cash Management Plan. May we say “Defer to Section 7.4 Cash Management Plan within 4.1 Operations Protocols in order to minimize duplicative information?”*

**RESPONSE: These sections discuss similar topics but ask for different information. We acknowledge there may be some overlap between the two sections, but the Scoring Criteria requires a response to each section. Provide the information in each section that you feel best responds to what the RFP is asking for.**

Question: *“Section 8. State License or Copy of Pending Application” requires a copy of the Applicant’s State of California Cannabis License, but the applicant won’t have one until after it is selected and goes through the permitting process. Should we still include this section within our proposal and state something along the lines of, “If selected by the City of Covina, the applicant will obtain a State of California Cannabis License prior to operations.”?*

**RESPONSE: A “State of California Cannabis Business License Acknowledgement Form” will be added to the cannabis website (<https://covinaca.gov/cannabisprogram>) and must be filled out for each owner of the cannabis business. In Section 8, include a statement that the State of California Business License Acknowledgment Form has been included for each owner and submit the forms at the end of Section 8.**

Question: *“Air quality and noise attenuation measures” was asked for in “4.1 Operations Protocols”, other than the mention of noise, what different information does the city want than what is asked for in Section 6. Facility and Neighborhood Compatibility’s last bullet “Air Quality/Odor Control”?*

**RESPONSE: In Section 4.1, we are looking for a detailed description of the features to be utilized on-site and the day to day operational procedures that will result in the least impactful air quality/noise issues (i.e. dual paned windows, special filters, daily cleaning, etc.). In Section 6, we are looking for a description of anticipated odors and devices to mitigate those odors and how such mitigation devices will make the business integrate into the community and minimize odors of cannabis on the business’s neighbors. We understand that there may be some overlap in these responses.**

Question: *The first bullet under “4.4 Financial Plan / Funding” seems like it would be more appropriately placed under “Section 4 Business Plan” as otherwise it seems like it is asking for repeated information that is already provided previously. With the limited page count are we to provide a summary of the previously provided information, or should the first bullet be ignored for this “4.4 Financial Plan / Funding” section?*

**RESPONSE: Section 4 “Business Plan” requires the preparation of an Operations and Management Plan (O&M). Each subsection identified in Section 4, including Subsection 4.4 details what should be included within the O&M.**

Question: *If we are not applying as a microbusiness, we do not need to provide information for those functions, correct?*

**RESPONSE: Correct, only provide information that pertains to your proposed business.**

Question: *May headers within the proposal be larger than 12 pt font?*

**RESPONSE: Yes, headers may be no larger than 16 point font.**

Question: *May the payment of the fees be by normal check or should it be a cashier’s check? Should it be made out to “City of Covina”?*

**RESPONSE: A cashier’s check is not required. Normal checks are acceptable. The City accepts cash, credit cards, or checks. Checks are to be made out to “City of Covina”.**

Question: *Do signatures/notaries need to be wet-signed or will e-signatures suffice?*

**RESPONSE: Electronic signatures are acceptable.**

Question: *Are the Phase Application fees to be paid all at once, or upon proceeding to each phase? For instance, do we issue a check for only \$7,518.75 (Phase I/II Application Fee) or for each of the subsequent Phase fees as well?*

**RESPONSE: Only Phase I/II fees are due at the time of proposal submittal.**

Question: *See page 8, “Applicants that score 80% (1,600 points) or greater in Phase III/IV must pay fees listed in the City fee schedule for Phases III/IV of the Local Commercial Cannabis Permit RFP Program, should they wish to continue in the process.” When are they due?*

**RESPONSE: Phase III/IV fees are only applicable if an applicant is moved onto Phase III/IV, and they choose to move forward. The city notification letter informing the applicant they have secured a spot in Phase III/IV will include a “must pay fee by DATE”. The fee is paid to the City and an interview date and time will be assigned after proof of payment.**

Question: *Page 15 of the Cannabis RFP indicates that an applicant, “If using a private security company, provide proof of a Covina Private Patrol Operator Permit (PPO)”. The implication of this requirement is that an applicant may only propose to use a private security company already registered in the City of Covina, rather than propose to use a security company with experience in the cannabis industry not yet registered in the City of Covina that will register with the City before the applicant actually commences operations. Doesn’t this requirement unfairly disadvantage private security company that are not already registered in Covina, that would be otherwise qualified for registration?*

**RESPONSE:** For “Section 7.1 Experience, Facility Security”, you must either provide proof of the Covina Private Patrol Operator Permit (PPO) or include a statement that acknowledges that the private security company you will hire will have the requisite PPO prior to your eligibility to proceed into Phase IV of the process.

Question: *Regarding the Proposal Format starting on Page 9 of the Cannabis RFP, the following application criteria from Section 4.1, “Describe cash handling procedures” is redundant with the application criteria from Section 7.4, “Cash Management Plan”. Should an applicant provide duplicative responses for both criteria?*

**RESPONSE:** Section 4.1, bullet number 5 of the RFP, will be amended to remove the sentence “Describe Cash Handling procedures.” The new Section 4.1, bullet point 5 will read: “Forms of Payment: List forms of payment (cash, electronic, credit, etc.) accepted for purchase of products. Provide approximate percentage of transactions that will be made using other forms of payment than cash.” In addition to this response, this change announcement will be contained in Addendum 1.

Question: *Regarding the Proposal Format starting on Page 9 of the Cannabis RFP, the application criteria from Section 4.2, “On-Site Security measures during business hours” is redundant with the multiple application criteria from Section 7. Should an applicant provide duplicative responses for all of the overlapping criteria?*

**RESPONSE:** These sections discuss similar topics but ask for different information. We acknowledge there may be some overlap between the two sections. Put the information in each section that you feel best responds to what the RFP is asking for. The Scoring Criteria requires a response to each section.

Question *Regarding the Proposal Format starting on Page 9 of the Cannabis RFP, the application criteria from Section 4.1, “Employee compensation/benefit costs” is redundant with the application criteria from Section 4.4, “Outline employee/benefit costs”. Should an applicant provide duplicative responses for both criteria?*

- **RESPONSE:** The RFP, Section 4.1, final bullet (number 11), will be amended to remove the first sentence: “Employee compensation/benefit costs, including labor agreements and contract employee costs.” The final new version of Section 4.1 will read: “Provide evidence of tentative agreement with labor groups, if applicable. Describe efforts to hire Covina residents”.

In addition, the RFP, Section 4.4, final bullet (number 5), will be amended to read: “Describe employee compensation/benefit costs, and contract employee costs”

In addition to this response, both of these changes will be contained in Addendum 1.

Question: *Page 9 of the Cannabis RFP indicates that, “The 150-page limit does not include live scan/background checks, labor peace agreement and leases”; however, “labor peace agreement” is not mentioned anywhere else in the Cannabis RFP . . . that being the case, what Section of the proposal does an applicant submit a labor peace agreement?*

**RESPONSE:** Covina Municipal Code section 5.80.100(G) states that “For applicants with 10 or more employees, the applicant shall attest that the applicant will enter into a labor peace agreement, as defined in Business and Professions Code Section 26001(aa), and will abide by the terms of the agreement, and the applicant shall provide a copy thereof to the city. For applicants that have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that within 30 days of issuance of a cannabis permit from the city, the applicant will enter into and abide by the labor peace agreement.” The notarized statement and/or labor peace agreement should be added to the end of the application and will not count towards the 150-page limit.

*Question: The City received a question regarding why potentially lengthy documents such as financial documents, bank statements and other legal documents are not excluded from the 150-page limit for proposal narratives when that might unfairly benefit certain applicants over others.*

**RESPONSE:** The RFP will be amended to provide that financial documents are not included in the 150 page limit. Specifically, the last two sentences of the first paragraph under the “Proposal Format” section on page 9 of the RFP, will be amended to read as follows: “Proposal narratives shall be written in 12-point font and shall not exceed 150 pages. The 150-page limit does not include live scan/background checks, labor peace agreement, leases and financial documents). Also on page 7 of the RFP, under the “Proposal Submittal and Review” section, bullet point 5, will be amended to read as follows: “Proposal does not exceed 150 pages (not including live scan/background check information, labor peace agreement, leases and financial documents).

**In addition to this response, these two change announcements will be contained in Addendum 1.**

*Question: Section 8 of the Proposal Format on Page 16 of the Cannabis RFP “requires a copy of the applicants State of California Cannabis License, or proof that the applicant is actively in the process of obtaining a State License”; however, is California, which is a local control State for cannabis regulation, where applicants are required to provide their local approval / license before receiving a State license. How / why is an applicant required to provide their State of California Cannabis License or proof of application before the applicant has any form of local approval?*

**RESPONSE:** The City acknowledges this issue and will add the “State of California Cannabis Business License Acknowledgement Form” to the Cannabis Program Web-page. Each proposal is required to include the completed and signed form, signed by each owner listed in the proposal (see Municipal Code Section 5.80.050 for the definition of “owner”). This signed form will not count towards the 150-page limit for the proposal.

*Question: In the “Armored Vehicle Use” portion of the attached Scoring Methodology, applicants are asked to “describe[] use of armored vehicle for transporting of products and/or money”; however, cannabis retailers typically just arrange transportation of cannabis products from distributors, with the distributors controlling the actual vehicles, and because State cannabis regulations do not require distributors to use actual armored vehicles, but rather just vehicles with other security enhancements (cages, alarms, lo jack, etc.), the use of armored vehicles for transportation of cannabis product is basically non-existent in the California cannabis industry. Therefore, should this scoring criteria be more properly articulated as, “describe the security features of vehicles used for transporting of products and/or money”?*

**RESPONSE: The RFP and Scoring Methodology will be revised to change the reference from “armored vehicle use” to “vehicle transportation”. The purpose of this category is to describe the types of vehicles used in the transportation of goods and cash associated with the business and how safe are they.**

Question: *In the attached Scoring Methodology there are multiple scoring criteria associated with operating a delivery service . . . how are those criteria scored if an applicant does not propose to operate a delivery service?*

**RESPONSE: If no delivery service is proposed, no points will be awarded. The maximum points available related to delivery is 60 points, which is less than 5% of the required 1,600 points (80% of total available) applicants need to move on to Phase III/IV. Delivery is viewed as a service that provides an additional benefit to the community.**

Question: *When there is a conflict between the attached Scoring Methodology and the Cannabis RFP, which document should legally control?*

**RESPONSE: If a conflict pertaining to scoring arises, the Scoring Methodology shall control. A copy of the Scoring Methodology will be added to the Cannabis Program web-page in advance of the application deadline.**

Question: *In the “Claims/Litigation History” portion of the attached Scoring Methodology, there is a separate scoring section for just plain “judgments”; however, Page 10 of the Cannabis RFP refers only to “bankruptcies judgments”.*

**RESPONSE: In the RFP, the first sentence in Section 3.4, Claims/Litigation History, will be amended to add the punctuation mark “,” between the words “bankruptcies” and “judgements”. The amended text will read: “Provide a listing of all open/closed filings, claims, bankruptcies, judgments, and liens associated with the business entity, its parent companies and/or affiliates since 2015.”**

**In addition to this response, this change announcement will be contained in Addendum 1.**

Question: *In the “Ownership Team” portion of the attached Scoring Methodology, what is meant by “Verification of information listed in resumes”? Does it mean that the City will seek to verify information listed in resumes or that the applicant should provide verification of information listed in resumes?*

**RESPONSE: Also answered previously; Applicants should provide correct information and the City will verify.**

Question: *The Scoring Methodology attached to this email was attached to the Staff Report as Attachment D when the Covina City Council approved the Cannabis RFP; however, the Scoring Methodology is not on the City’s Cannabis Program webpage (<https://covina.gov/cannabisprogram>) nor the City’s Cannabis RFP webpage (<https://covina.gov/cannabisprogram/page/rfp-request-proposal-establishment-cannabis-retail-business>). That being the case, is the attached Scoring*

*Methodology actually legally incorporated into the Cannabis RFP? . . . per Section 17.84.100.B of the Covina Municipal Code, "Regulations shall be published on the City's website."*

**RESPONSE: The Scoring Methodology will be added to the Cannabis Program web-page (<https://covinaca.gov/cannabisprogram>) and will be attached to the RFP.**

*Question: Does the detailed point breakdown on Page 7 of the Cannabis RFP and attached detailed Scoring Methodology apply to Phase III?*

**RESPONSE: The Scoring Methodology applies to Phase II. The scoring breakdown for Phase III is included on page 8 of the RFP.**

*Question: Are an applicant's Phase II applications scores in presented for City Council consideration in Phase IV? . . . or just an applicant's Phase III scores?*

**RESPONSE: All applicants that score 90% or more in Phase III will be advanced to the City Council for consideration (if no proposal scores ninety percent (90%), then the top three scores will advance to Phase IV for Council consideration). At that time, the Council will receive the scores from Phase III. The scores from Phase II for each applicant that advanced to Phase IV will also be provided to the Council for informational purposes.**

*Question: What size sheets of paper is the applicant required to submit its Cannabis RFP proposal on? . . . may an applicant provide its conceptual designs, site plans, renderings, or other proposed site amenities on larger sheets of paper such as 24" x 36"?*

**RESPONSE: For the Proposal phase of the process, paper size is limited to 11" x 17", and those sheets must be "book folded". The larger prints referenced (24x36) are more appropriate for the CUP and Building Permit steps in the process (after an applicant receives a "Notice to Proceed" from the City Council). Full size renderings can be utilized in the Phase III Interview and Phase IV Council presentation portion of the process, if an applicant chooses to do so.**

*Question: What are the Cannabis RFP's rules on the use of images and graphs in an applicant's written proposal to the Cannabis RFP? . . . "spreadsheets" are specifically mentioned on Page 7 of the Cannabis RFP, so the use of graphs is clearly permitted . . . that being the case, many graphs use less than size 12 font . . . certain spreadsheets common in cannabis application responses, do not fit on an 8.5" x 11" sheet of paper in size 12 font . . . the same applies to conceptual designs, site plans, renderings, or other proposed site amenities, which inevitably have notes and notations smaller than size 12 font.*

**RESPONSE: Images and graphs are acceptable. The main text of the proposal write-up shall be in size 12-point font and the text included in graphs/images can be smaller due to reduction issues.**

*Question: Font size varies from font type to font type . . . is Calibri in size 12 a permissible font type and size for an applicant's written proposal to the Cannabis RFP?*

**RESPONSE: Yes, Calibri 12 is acceptable.**

Questions: *Are electronic signatures / DocuSign permissible for executing all non-notarized application forms (per the Cannabis RFP, only the proof of property site control is required to be notarized), in particular an applicant's signed Letter of Intent and Acknowledgements?*

**RESPONSE: Electronic signatures are acceptable on the Letter of Intent and Acknowledgements and on the "State of California Cannabis Business License Acknowledgement Form".**

Question: *Can you please confirm that an applicant's signed Letter of Intent and Acknowledgements do not count towards the 150-page limit for proposal narratives? . . . per Page 7 of the Cannabis RFP, live scan/background checks do not count towards the 150-page limit for proposal narratives so it doesn't make sense for the Letter of Intent and Acknowledgements to count.*

**RESPONSE: The Letter of Intent and Acknowledgments do count towards the 150-page limit**

Question: *Page 6 of the Cannabis RFP indicates that applicants submit a "Completion of Zoning Verification and Evidence of Property Site Control"; however, "Completion of Zoning Verification and Evidence of Property Site Control" is not listed in the "PROPOSAL FORMAT" starting on Page 9. What Section of the proposal, does an applicant submit its "Completion of Zoning Verification and Evidence of Property Site Control"?*

**RESPONSE: The completed Zoning Verification Form and evidence of site control should be included at the end of Section 6, Facility and Neighborhood Compatibility, in the proposal package. The RFP, Section 6, Facility and Neighborhood Compatibility, will be amended to include line items for Zoning Verification Form and Evidence of Site Control. This change announcement will be contained in Addendum 1.**

Question: *Is there any fee associated with submitting a Cannabis Zoning Verification Form? . . . must a Cannabis Zoning Verification Form submitted hard copy to the City Clerk's Office, or may it be transmitted electronically over email?*

**RESPONSE: The Zoning Verification Form must be submitted to the City Clerk's office in person, no later than November 30, 2023 at 2:00 p.m. The fee for reviewing the Zoning Verification Form is included in the Phase I/II Fee that must be received before the proposal submittal deadline of December 20, 2023 at 2 p.m. The City accepts cash, credit card, or checks. The City's Finance Customer Service Division is open Monday – Thursday, 7 a.m. to 6 p.m. or may be reached at (626) 384-5510.**

Question: *The Cannabis RFP indicates that there's an "Attachment 1 – Draft Development Agreement". However, there is no Draft Development Agreement attached to the Cannabis RFP nor is there a Draft Development Agreement posted on the City's Cannabis Program or RFP REQUEST FOR PROPOSAL FOR THE ESTABLISHMENT OF A CANNABIS RETAIL BUSINESS webpages. Can you please provide a copy of "Attachment 1 – Draft Development Agreement"?*

**RESPONSE: A draft Development Agreement is in the process of being completed and will be posted to the Cannabis Program web page as soon as is practical.**

Question: *Page 4 of the Cannabis RFP indicates that, "Proposers must e-mail inquiries no later than 2:00 p.m. on Monday, October 23, 2023." However, later in the Page, the Cannabis RFP indicates that,*

*the deadline for questions is Monday, November 6, 2023 by 2:00 p.m. See also the “Covina Local Cannabis Program Request for Proposals Process” Presentation . . . [https://covinaca.gov/sites/default/files/fileattachments/cannabis\\_program/page/10996/cannabis\\_pre-proposal\\_mtg\\_10-5-23.pdf](https://covinaca.gov/sites/default/files/fileattachments/cannabis_program/page/10996/cannabis_pre-proposal_mtg_10-5-23.pdf). Can you please confirm that the deadline for Cannabis RFP questions is Monday, November 6, 2023 by 2:00 p.m.?*

**RESPONSE: Posted and confirmed previously. The deadline to ask questions was November 6, 2023 at 2:00 p.m.**

Question: May you please clarify if the check in process required to be an enclosed room or if it can be designed to have the reception desk at the entrance and retail be open to access without the public having to be let in through a second entrance door?

**RESPONSE: The City does not have a specific design standard for this condition.**

Question: I would like to inquire about opening a cannabis business and see this is the official email noted in the City Council agenda.

**RESPONSE: If you did not attend the mandatory Pre-Proposal meeting, and are not affiliated with an attendee, you are not eligible to proceed in this recruitment period.**

Question: In reference to the Section 5 prompt 'Describe resources that may be distributed to local non-profit organizations and/or community programs,' is it the city's expectation that the applicant create and implement a distribution process for these resources, or would the city prefer to take on the role of administering the disbursement of these resources?

**RESPONSE: This request for information is related to the proposed business and any programs the business will implement in an effort to positively impact the community, if any. The City will not be involved in the distribution of these resources.**

Question: How can an applicant achieve full points in Section 3.4, titled 'Claims/Litigation History'? Are points deducted based on the number of lawsuits or claims filed by the applicant? Alternatively, are full points given simply for providing a complete list of all lawsuits or claims?

**RESPONSE: The City will be posting the “Scoring Methodology” on the Cannabis Program webpage. Please see the “Scoring Methodology” document for how points are allocated in this category.**

Question: The website currently has the Letter of Intent and Acknowledgment that says “confidential draft” on it. When will a version that should be used for an application be released?

**RESPONSE: An updated version of the Letter of Intent and Acknowledgement will be posted to the Cannabis Program Web-page as soon as practical. Please check the Cannabis Program web-page frequently.**

Question: In what format do professional references and Public Agency references need to be submitted? Is it just contact information and the name of a person or in the format of a reference letter?



**RESPONSE: References can be provided in either format. The Scoring Methodology, Qualifications, Experience Section, allocates up to 50 points for references.**

Question: Application states that owners resumes not to exceed 2 pages. Do we have to include professional references on these 2 pages or can professional references be submitted separately?

**RESPONSE: References can be submitted separately, but the additional sheets will count towards the 150-page limit.**

Question: If an individual owns less than 20% of the applying entity, are they required to submit a background check?

**RESPONSE: For purposes of submitting an application for Phase I/II all owners as defined in Chapter 5.80.070 of the Municipal Code and managers of the business must obtain a criminal background check. Please see Covina Municipal Code (“CMC”) sections 5.80.060, 5.80.070, and 5.80.110 for the City’s background check requirements. Please also see CMC section 5.80.050 (Definitions) for definitions of terms used in section 5.80.060, 5.80.070 and 5.80.110 to help determine who must submit to a criminal background check.**

Question: Can certain information, in addition to a security plan, be marked as confidential and will not be made public, such as financial plans and records and other information an applicant might deem necessary not available to the public?

**RESPONSE: The City has an obligation to produce any non-exempt records pursuant to the Public Records Act. At this time, the City has determined that security plans and financial records are exempt from disclosure under the Public Records Act. These two categories of records should be marked confidential. An applicant may mark additional pages in the application as confidential, however, the City may be required to disclose those pages if an exemption under the Public Records Act does not exist.**

Question: The FAQ posted on October 31, 2023 stated that “State of California Cannabis Business License Acknowledgement Form” has been added to the Cannabis Program web-page. Is it currently not on <https://covanaca.gov/cannabisprogram> web-page. Could you please let us know when this form will become available?

**RESPONSE: The “State of California Cannabis Business License Acknowledgement Form” will be added to the Cannabis Program Web-page as soon as practical. Please check the Cannabis Program web-page frequently.**

Question: Are any business formation documents, such as articles of organization, statement of information, operating agreement etc are required to be provided?

**RESPONSE: Applicants should submit all relevant business formation documents that verify and show that the applicant complies with the “ownership” requirements of the RFP.**

Question: In the RFP released by the city, the city gives an estimated a review timeline for the review of a CUP pre-application at 60 days and a timeline of 90 days for a CUP application. My question is do these processes run concurrently, or must an applicant wait until their CUP pre-application is approved before they can submit their CUP application?

**RESPONSE: They are not concurrent processes. The CUP pre-application process must be complete before the formal CUP application can be submitted. The reason is that applicants will get a detailed list of issues/items that they need to work on, further elaborate on, or complete as part of their formal CUP application. They also need the CUP pre-application letter from the City that explains to them what they need to include in their application submittal. The pre-application process also includes input from all relevant City departments and divisions, as well as Los Angeles County Fire.**

Question: In what format do professional references and local references need to be submitted? Is it just contact information and the name of a person or in a format of a reference letter?

**RESPONSE: References can be provided in either format. The Scoring Methodology, Qualifications, Experience Section, allocates up to 50 points for references.**

Question: Within Section 6, it calls for "Compliance with Covina Municipal Code 17.84.090 – signage standards. No depiction of cannabis or products or other advertising signage.) CMC §17.84.090 has 3 provisions re signage, rest is other operational restrictions. Should the response only address the sign-specific provisions of CMC §17.84.090?

**RESPONSE: The response to Section 6 should address compliance with the signage provisions set forth in Subsection G of Section 17.84.090. Please note that Section 6 of the RFP asks for more information than just signage. The response should include all the information requested in Section 6, which includes information on the businesses proposed signage. In addition to this response, this change announcement will be contained in Addendum 1.**

Question: Within 4.1, the criteria calls for an applicant to "Provide approximate percentage of transactions that will be made using other forms of payment than cash." By "transactions," is the City asking for the approximate percentage of both customer sales and vendor payments that will be made in a form other than cash?

**RESPONSE: The intent of this estimate is to determine point of sale transactions for purchase of products.**

Question: Within Section 4.4, the criteria calls for "This section will provide the City with the general details of the proposed business model including type of business, hours of operation, all the types of products that will be proposed for sale, if deliveries are to be a part of the business plan and if so, how; and all other general aspects of the business and its operational goals." Can you clarify what information the City is seeking by "all other general aspects of the business and its operational goals?"

**RESPONSE: All other information not specifically identified in the RFP that the applicant feels is essential/unique for the successful operation of their business.**

Question: Page 10 of the Cannabis RFP requires an applicant to, “Provide a listing of all open/closed filings, claims, bankruptcies judgements and liens associated with the business entity, its parent companies and/or affiliates since 2015.” Can you please confirm that any applicant is to provide all liens filed on it, its parent companies, and/or its affiliates since 2015 regardless of the status of the lien at the time of the applicant’s submitting its proposal to the Cannabis RFP?

**RESPONSE: Yes, please provide the instances in question and status of each.**