



ADDENDUM No. 1

December 20, 2023

City of Covina Request for Proposal No. 2023-02

Cannabis Retail Business or Cannabis Microbusiness

Notice is hereby given that certain sections contained in the above referenced Request for Proposals are being amended, clarified, and/or deleted and are identified as Addendum No. 1 and attached hereto.

Changes/Additions are underlined. Deletions are ~~crossed out~~.

THEREFORE: All proposers are required to note this Addendum No. 1, sign and submit this page with their sealed proposal. **Failure to provide such acknowledgement shall render the bid as non-responsive and subject to rejection.**

Signature

Date

Name, Title

Company Name

****This form must be included with your bid proposal packet.**

CITY OF COVINA

REQUEST FOR PROPOSALS (RFP)

FOR

CANNABIS RETAIL BUSINESS

OR

CANNABIS MICROBUSINESS

RFP ~~2023-0X~~2023-02

{CITY LOGO HERE}



PROPOSAL DEADLINE: ~~Wednesday, December 20, 2023~~ Monday January 22, 2024 – 2:00 PM.

CITY OF COVINA
CITY CLERK OFFICE
125 E. COLLEGE STREET
COVINA, CA 91723
ATTN: Evaluation Committee



CITY OF COVINA
CITY MANAGERS OFFICE
REQUEST FOR PROPOSAL FOR THE ESTABLISHMENT OF A
CANNABIS RETAIL BUSINESS OR CANNABIS MICROBUSINESS

INTRODUCTION

The City of Covina is requesting proposals from qualified individuals or companies to operate a cannabis business or a cannabis microbusiness within City limits. This RFP is being issued pursuant to the provisions of the **Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA")**. The City may ultimately issue no more than three (3) Cannabis Business Permits (one per every 15,000 residents, with every fraction thereof rounded down), but may issue less at its sole discretion, per Covina Municipal Code Section 5.80.080 (codepublishing.com/CA/Covina/). The individuals or companies selected in connection with this RFP will then be moved forward into the formal Cannabis Business Permit and Conditional Use Permit ("CUP") phases of the process. The selection of individuals or companies to move forward into the formal Cannabis Business Permit and CUP phases of the process does not guarantee that those selected will be granted a Cannabis Business Permit or the required CUP.

Pursuant to Resolution CC 2023-~~XX~~-96 "Process Standards Applicable to Commercial Cannabis Permit Applicants and Their Representatives", **City Councilmembers will not respond to any correspondence, inquiries, messages or contacts ("Communications"), whether in person, by phone or by electronic means, regarding anything related to commercial cannabis permits and related zoning and land use issues from interested parties (including permit applicants or their representatives). Said Communications will be forwarded to appropriate City staff for response. As such, please direct all inquiries to cannabisprogram@covinaca.gov.**

Those selected to move forward will be issued a Notice to Proceed (NTP) letter and will be responsible for securing a CUP and related entitlements (including the payment of related fees) through the standard City entitlement process as outlined in Chapter 17.84 (Cannabis Prohibitions and Regulations) of the City Municipal Code (codepublishing.com/CA/Covina/). The Applicant must file for a CUP Preapplication with the **City's Community Development Department – Planning Division** within 60 days from the date of the NTP. In addition, a successful applicant will be required to enter into a Development Agreement with the City (See Attachment 1). The Development Agreement must be fully executed and recorded prior to the issuance of a Cannabis Business Permit and commencement of any commercial cannabis business operation in the City.

In addition, the selected entities will be responsible for processing all required building permits, state licensing, and all other applicable requirements prior to start of business operations. Prior to the commencement of any cannabis retail business, or cannabis microbusiness operation within the City as the result of this RFP, the physical site conditions, improvements, and all related representations included in the application are subject to verification by the City Manager and/or his designee and the Police Chief and/or his designee. Upon this final inspection and approval, the Cannabis Business Permit will be issued

and be valid for twelve (12) months from the date of issuance per Covina Municipal Code Section 5.80.120 (codepublishing.com/CA/Covina/).

The City reserves the right to reject all proposals with or without cause per Section 5.80.090. The successful candidates chosen through the RFP process are not guaranteed the required Cannabis Business Permit, the required CUP, or any other required license or permit(s) from the City, the State of California, or any other governing entity. Participation in this RFP process is at the sole risk of the participants.

BACKGROUND

In November 2016, California voters approved Proposition 64 by a 57% majority, which allows the adult use of cannabis and established regulations related to cultivation, manufacturing, testing and retail sales. As a part of these regulations, cities maintain the ability to regulate local businesses, enforce zoning rules, impose taxes and penalize unpermitted uses. State law further requires businesses in this industry to obtain a local permit prior to obtaining a State license.

In summer 2020, the Covina City Council requested an update on statewide regulations related to cannabis. This request was prompted by ongoing changes in the regulatory environment **including the State's** adoption of the MAUCRSA, coupled with the observation that a growing number of local agencies have decided to implement local programs. Following its discussion, the Council requested the creation of a Cannabis Ad-Hoc Committee ("**Committee**") **comprised of two Councilmembers and staff from the City Manager's Office, City Attorney's Office, Police Department and Community Development Department** to study the issue further.

Over the last two years, the **City has engaged in an extensive analysis of the State's voter**-approved legalization of cannabis products. This analysis has included a comprehensive review of laws, the study of other communities that have adopted local cannabis programs, an evaluation of potential public safety/public health impacts associated with cannabis and a robust community outreach component to engage the public on the topic.

In April 2022, the City Council reviewed a report prepared by the Committee that detailed the issues the Committee studied and offered recommendations for further consideration. Following discussion, the Council requested that a draft ordinance be prepared for further consideration. The Council also requested that staff conduct additional research with communities that have established local cannabis programs to evaluate public health and safety impacts resulting from their operations.

Pursuant to these efforts, on January 24, 2023 the Planning Commission recommended adoption to the City Council of the proposed amendments to Title 5 and Title 17 of the Municipal Code. Subsequent to that on February 21, 2023, the City Council adopted Ordinance 23-01 amending Title 5 (Business License and Regulations) and Title 17 (Zoning) of the Covina Municipal Code to allow the establishment and operation of cannabis retailers (delivery only and/or storefront sales) in the C-3 commercial zone (central business), C-3A commercial zone (regional or community shopping center), C-4 commercial zone (highway) and C-5 commercial zone (specified highway) and cannabis microbusinesses in the Light Manufacturing Zone in the City.

SCOPE OF SERVICES

This is a Request for Proposal to operate a cannabis retail business or cannabis microbusiness within the City of Covina pursuant to the City Municipal Code and the MAUCRSA. This RFP is intended to screen

potential cannabis business operators within the City to achieve the highest quality cannabis business operations and associated developments that will strengthen and sustain the safety, character, desirability and stability of the community. Participation in the RFP process is a requirement to obtain a Cannabis Business Permit and CUP from the City of Covina. It is however, only the first step in the process and comes with no guarantees. The successful candidates chosen through the RFP process are not guaranteed the required Cannabis Business Permit, the required CUP, the required building permits, or any other required license or permit(s) from the State of California or any other governing entity. Participation in this RFP process is at the sole risk of the participants.

INQUIRIES and ADDENDA

For inquiries regarding this RFP, please contact the City's **representative** via electronic mail at cannabisprogram@covinaca.gov. Proposers must e-mail inquiries no later than 2:00 p.m. on Monday, ~~October 23~~November 6, 2023. Inquiries received after the specified date and time will not be answered.

The City will issue any revisions to this RFP as addenda and will distribute addenda to all potential proposers by posting **addenda on the City's website** www.covinaca.gov/cannabisprogram. Proposers are responsible for acknowledging receipt of all addenda in its Proposal. Therefore, each proposer should reference the **City's website to verify that he or she has received all addenda issued, if any. The City's issuance of a** written and posted addendum is the only official method whereby the City will interpret, clarify, or provide additional information concerning this RFP. No oral revisions to any provision in this RFP shall be binding.

SELECTION SCHEDULE

Phases I/II – Open to All Applicants

(All deadlines may be subject to change. Any changes will be announced via the City's website at Covinaca.gov/cannabisprogram)

RFP Release	Monday, September 25, 2023
Pre-Proposal Meeting*	Thursday, October 5, 2023 11:00 a.m. Covina City Council Chambers, 125 E. College Avenue Covina CA 91723
Deadline for Questions	Monday, November 6, 2023 by 2:00 p.m. Must be submitted in writing and either emailed to cannabisprogram@covinaca.gov or hand delivered to the City Clerk's Office prior to deadline.
Response to Questions/ 2023 Issue Addenda, if necessary	on or about Wednesday, November 22 <u>December 20</u> , 2023
Deadline to Request Zoning Verification	Thursday, November 30, 2023 by 2:00 p.m. Must be received by City Clerk's Office Covina City Hall, 125 E. College St. Covina CA 91723
Deadline for Proposals <u>2024</u> by 2:00 p.m.	Wednesday, December 20, 2023 <u>Monday January 22,</u> 2024

deadline. Any Cannabis Zoning Verification Forms submitted after November 30, 2023 at 2 p.m. shall not be processed.

Background Check

All business owners must complete a Live Scan background check and submit on/or prior to ~~the application deadline~~ January 31, 2024 as further described in Section 2. **An "Owner" means any of the following:** a person with an aggregate ownership interest of 20 percent or more in the cannabis business, unless the interest is solely a security, lien or encumbrance; or an individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to:

1. A member of the board of directors of a nonprofit.
2. A general partner of a cannabis business that is organized as a partnership.
3. A nonmember manager or manager of a cannabis business that is organized as a limited liability company.
4. The trustee(s) and all persons who have control of the trust and/or the cannabis business that is held in trust.
5. An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent.
6. An individual with the authority to execute contracts on behalf of the cannabis business.
7. When an entity is an owner in a cannabis business, all entities and individuals with a financial interest in the entity shall be disclosed to the city and may be considered owners of the cannabis business. For example, this includes all entities in a multi-layer business structure, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons who have control of a trust and managing members or nonmember managers of the entity. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain.

Letter of Intent and Acknowledgements

Applicants must submit a Letter of Intent and Acknowledgements, in the form attached to this RFP (Attachment 3) and further described below in Section 1. **This letter acknowledges an applicant's** understanding that this RFP is not binding, may not result in the award of a Cannabis Business Permit in the City of Covina and that the City, in its sole discretion may cancel the RFP process at any time. Further, **the letter acknowledges several provisions related to the City's local commercial cannabis zoning code,** operating agreements and land use entitlements, among others.

Payment of Fees

Applicant must pay fees listed in the City fee schedule for Phases I/II of the Local Commercial Cannabis Permit RFP Program. Please note that background check fees may vary by applicant, depending on the number of proposed business owners in the business entity.

Proposal Submittal and Review

Applicant proposals will be reviewed for completeness and responsiveness to the RFP document. Proposals will be first screened qualitatively, on a pass/fail basis under the following categories:

- Payment of Application Fees
- Completion of Zoning Verification and Evidence of Property Site Control
- Completion of Background Checks for Each Listed Owner. Please note, the live scan background check information is not required to be in the proposal, but one must be submitted for all listed owners by January 31, 2024.
- Applicant provided three (3) hard copies and one electronic copy on a flash drive of proposal.
- Proposal does not exceed 150 pages, ~~including financial documents, spreadsheets, etc.~~ (not including live scan/background check information, labor peace agreement, leases, property control documents, and Attachment 4 - State of California Cannabis Business License Acknowledgement Form).
- Proposal is written in size 12 font, except for headers which may be in 16 point font.
- Completion of Letter of Intent and Acknowledgements by Each Listed Owner

Following the qualitative review to ensure responsiveness, proposals that passed will be evaluated on a technical basis according to the following criteria:

- Qualifications – 500 points (Section 3 below)
 - Experience – 250 points
 - Industry Knowledge – 100 points
 - Ownership Team – 50 points
 - Claims/Litigation History – 100 points
- Business Plan - 400 points (Section 4 below)
 - Operations Protocols – 100 points
 - Product Offering/Controls – 40 points
 - Market Assessment – 70 points
 - Financial Plan/Funding – 70 points
 - Records Software – 30 points
 - Track/Trace – 10 points
 - State Testing Regulations – 20 points
 - Employee Training – 20 points
 - Customer Education – 20 points
 - Implementation Timeline – 20 points
- Community Benefits – 200 points (Section 5 below)
- Facility Design/Neighborhood Compatibility - 400 points (Section 6 below)
 - Exterior Design – 100 points
 - Design Fit with Neighborhood – 100 points
 - Integration of Security Measures in Design – 100 points
 - Air Quality/Odor Control – 100 points
- Security Plan – 500 points (Section 7 below)
 - Experience -250 points
 - Safety Education – 25 points
 - Theft Reduction Measures – 20 points
 - Cash Management Plan – 50 points
 - Product Access Control – 20 points

- o Delivery Security Plan – 50 points
- o Security Plan – 35 points
- o Video Surveillance Plan – 25 points
- o ~~Armored Vehicle Use~~ Transportation – 15 points
- o Youth Consumption Plan – 10 points

Proposals will be evaluated by the City's third-party consultant/evaluator and a committee of City representatives according to the evaluation criteria listed above. Following this review, scores will be tabulated for each applicant. Proposals scoring 80% (1,600 points) or greater will be eligible to proceed to Phases III and IV of the RFP process. The City will send notification letters to applicants that are eligible to proceed to Phases III/IV and applicants that are not eligible to proceed. Applicant scores may not be appealed.

Phase III

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.

Following payment, eligible applicants will be assigned a date/time to conduct a presentation/interview. A notice of this interview will be provided at least twenty-one (21) calendar days prior to the interview.

The interview will be facilitated by the City's representative and consist of a presentation, ~~followed by the applicant,~~ followed by **questions from the City's review committee.** ~~The review committee interview shall consist of~~ be conducted by the City's third-party consultant/evaluator and City staff members appointed by the City Manager.

Following the interview, the City's third-party consultant/evaluator and City review committee will evaluate applicants using the evaluation criteria listed below:

- o Responsiveness – 50 points
- o Explanation of Qualifications – 50 points
- o Explanation of Operations – 25 points
- o Explanation of Security Plan – 25 points
- o Explanation of Community Benefits – 25 points
- o Explanation of Neighborhood Fit and Design – 25 points

Applicants will receive scores based on the categories set forth above. Proposals scoring ninety 90% (180 points) and above will be placed on a ranking list and advance to Phase IV. If no proposal scores ninety 90%, then the top three scorers will advance to Phase IV.

Phase IV

The City's review committee will present the ranking list to the City Council for consideration to issue a **Notice to Proceed ("NTP") to award** permits. Applicants will be provided the opportunity to address the City Council, should ~~it~~ they **desire to do so.** **Following the City Council's consideration of the ranking list, applicant** testimony and public comments, the City Council, in its sole discretion, may choose to issue a NTP to any applicant receiving 90% (180 points) and above in Phase III (or any of the top three applicants if no applicants scored 180 points or above), or none of the applicants.

Following issuance of an NTP, the applicant will have sixty (60) days to file its preapplication for a CUP, with the payment of all related fees. No extension periods will be provided. Should the applicant not meet this requirement, the applicant shall forfeit its ability to submit a preapplication for a CUP or a CUP application and the City may issue a NTP to another eligible applicant.

Appeals

Appeals are limited and shall be governed by the provisions set forth in Covina Municipal Code Section 5.80.180.

Compliance with Public Records Act

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. Any provision of the application that the business entity would like to be treated as confidential should be marked as confidential. Marking of a particular section as confidential will not automatically preclude the release of that portion of the application to the public as the City must comply with the Public Records Act.

PROPOSAL FORMAT

Proposals shall be concise, well-**organized and demonstrate the applicant's qualifications and experience** operating a cannabis business or similar retail operation or microbusiness. The proposal shall contain, at a minimum, all of the required materials identified below. Any additional supplemental materials that an applicant believes will further show their qualifications and abilities to operate their cannabis business successfully are highly encouraged and can be included as an Appendix in the proposal. Proposal narratives shall be written in 12-point font and not exceed 150 pages ~~(including financial documents, spreadsheets and other attachments and appendices)~~. Headers may be no larger than 16-point font. The 150-page limit does not include live scan/background checks, labor peace agreement ~~and~~ leases.

~~Any provision of the application that the business entity would like to be treated as confidential should be marked as confidential. Marking of a particular section as confidential will not automatically preclude the release of that portion of the application to the public as the City must comply with the Public Records Act.~~ property control documents, financial documents, and Attachment 4 - State of California Cannabis Business License Acknowledgment Form. 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.

Section 1. Signed Letter of Intent & Acknowledgements

A signed copy of the City prepared Letter of Intent and Acknowledgements (Attachment 3) is required. If a proposed business operation includes more than one individual, each potential owner must submit a signed copy of the City prepared Letter of Intent and Acknowledgements as part of the submittal package (electronic signatures are acceptable, signatures can all be on one page). Failure to ~~do so~~ submit Attachment 3 signed by all owners will automatically disqualify the application from consideration. This shall provide proof of the applicant(s) interest and acknowledgements of what will be required to operate a cannabis retail business or microbusiness in the City of Covina.

Section 2. Completed City of Covina Police Department Background Check(s)

All required owners/individuals for the Cannabis Business Permit and CUP are required to complete a State of California Request for Live Scan Service via a location of their choosing in compliance with Covina Municipal Code Section 5.80.060. Each listed owner must be complete a Live Scan background check by January 31, 2024. Failure to do so will automatically disqualify the application from consideration.

Section 3. Qualifications of Owner(s)

3.1 Business Entity, Experience, Local Agency References

This section requires that the applicant describe the type of proposed business entity, including the disclosure of any parent/holding companies and/or affiliated companies. ~~Describe licenses~~ Provide proof of registration filed with the California Secretary of State or other documents that confirm established business entity (provide at end of Section 3.1, and these will not count towards 150-page limit).

Previous, legal, cannabis retail experience is highly desirable. Provide a listing of a) Existing legal cannabis business locations in California and number of years in operation; b) Existing legal cannabis locations outside of California and number of years in operation; and c) Existing permits currently held without active business establishments, including circumstances related to not opening (recently awarded, in entitlement/plan check phase or other circumstances). Additionally, a maximum of three (3) public agency references where existing businesses currently operate.

3.2 Industry Knowledge

This section consists **of a narrative describing the applicant's familiarity with the cannabis industry, its familiarity with the State of California cannabis licensing framework and its experience establishing cannabis establishments with other local agencies.** Discuss any familiarity with local government entitlement processes, planning/building plan check and permitting, to efficiently open a cannabis establishment. Include any industry-related affiliations and/or involvement that the applicant/entity has to benefit the cannabis industry.

3.3 Ownership Team

This section consists of a narrative outlining the listed owner(s) qualifications to own and operate a cannabis business. This shall include, but is not limited to, education, experience, skills, training, professional licenses, special certifications and any other information that may more fully show the competencies of the owners of the business. Resumes/Curriculum Vitae shall not exceed two (2) pages per owner and include **a minimum of two (2) professional references per listed owner. Describe listed owners' involvement in the Covina community, including activities and affiliations and length of time involved.**

3.4 Claims/Litigation History

Provide a listing of all open/closed filings, claims, bankruptcies, ~~judgements,~~ judgments and liens associated with the business entity, its parent companies and/or affiliates since 2015. Identify any code enforcement actions against the business entity or any lawsuits/claims that a business entity has filed against a local agency or that a local agency has filed against the business entity.

Section 4. Business Plan

This section requires **the preparation of a detailed "Operations and Management Plan" (O&M) for the proposed business.** This document will guide all aspects of the business. The business will be required to operate in full conformance with O&M throughout the operational existence of the business. The City and applicant hereby acknowledge and understand that the O&M will be revised throughout the process and life of the business, but, it is highly encouraged that the applicant put as much forethought, care, and consideration into the O&M so that the City can properly evaluate the business operation.

The O&M must contain sections detailing how the business will function and address all aspects of running the business in regards to the categories listed below. It may also contain any additional information the owners feel is critical to the safe and successful operation of their business, and any items that may make theirs a more superior business format compared to others.

At a minimum, the O&M must contain the following information for ~~both a~~cannabis retail operation and a cannabis microbusiness operation, in accordance with Title 5 and Title 17 requirements, whether expressly listed below, or not.

4.1 Operations Protocols

- O&M introduction;
- Operations Management: On-Site management/manager on duty; After hours management; 24/7 emergency contact;
- Operating Structure: Number of Employees; Organizational Chart, Employee Titles with Brief Description of Job Duties
- Business Operations: Hours of Operation; Opening and closing procedures; Customer check-in protocols; Process/location for receiving vendor deliveries during operating hours; Identify point of **sale ("POS") system and locations of POS systems in business; Anticipated customer volumes and adequate staffing to serve customers; Contingency plans for peak customer volumes and/or logistical activities (building maintenance, deliveries, etc.)**
- Forms of Payment: List forms of payment (cash, electronic, credit, etc.) accepted for purchase of products. ~~Describe cash handling procedures. Provide approximate percentage of transactions that will be made using other forms of payment than cash~~
- Delivery: Delivery service procedures and vehicles used in deliveries; screening protocols for delivery drivers and risk management guidelines for delivery services; Loading and unloading of delivery trucks
- Separation of floor areas by type (i.e. customer screening area, sales area, storage room, office, grow room, etc.); Methods of separation; Regulations for the customer check-in area/lounge, sales area, storage areas, grow areas, parking lot area; ATM machine locations and regulations;
- On-Site money security measures
- Emergency procedures
- Site Management; Site maintenance including parking lot, landscaping, lighting, fences/gates, trash collection and disposal, graffiti removal; Air quality and noise attenuation measures; Hazardous materials & spill events management; Storm water pollution controls.
- ~~Employee compensation/benefit costs, including labor agreements and contract employee costs.~~ Provide evidence of tentative agreement with labor groups, if applicable. Describe efforts to advertise jobs to Covina residents

4.2 Product Offering/Controls

- Inventory control and tracking system – including POS, procurement, track and trace software and integration of video surveillance systems in monitoring cannabis and non-cannabis products; Audits and/or best practices employed to effectively monitor inventories
- Stock room operations; Outdoor storage; Forklift operations
- Method of record keeping and storage for cannabis and non-cannabis items
- On-Site Security measures during business hours; After hours security measures; Security Patrol services; Video surveillance (internal & external); Outdoor displays; Signage

4.3 Market Assessment

- **Assessment of proposed business' viability in the local and regional marketplace**
- Description of operating efficiencies and/or strategies that will help business succeed

4.4 Financial Plan/Funding

- 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.
- Pro forma for five (5) years of operation, including realistic revenue projections (supported by market analysis); capital liabilities/repayment terms, operating costs, projected cash flows and NPV/IRR for planning horizon.
- Proof of secured capital (bank account(s), letters of credit or other liquid assets belonging to owners) that will be adequately finance property site control, tenant improvements, operational activities, licensing/permitting and entitlement.
- Budgets for tenant improvements, capital equipment, labor, maintenance, utilities, insurance, financing costs, property costs and licenses/permits.
- Outline employee/~~benefit costs~~ compensation/benefit costs and contract employee costs.

4.5 Records Software

- Software systems that will be utilized to monitor inventories and types of products
- **Software system's ability to manage financial data/statements and human resources functions**
- Process for preparing financial statements and auditing process to ensure compliance with accepted practices

4.6 Track/Trace

- Familiarity with State track/trace system and movement of products through supply chain
- Production and distribution sources utilized in supply chain
- Software systems that will be used to manage track/trace system

4.7 State Testing Regulations

- Processes used to comply with State product testing procedures
- Packaging/labeling and quality control processes

4.8 Employee Training

- Training curriculum, frequencies and certifications that may be attained by employees

4.9 Customer Education

- Practices used to inform customer of product quality data and compliance with regulations
- Public health outreach strategies to inform customers of health risks and health-related resources pertaining to product use

4.10 Implementation Timeline

- **Discuss business' ability to secure approvals from State/City, if awarded a local permit.**
- Provide timeline to complete following processes: design/site review, conditional use permit preapplication, conditional use permit, business licensing, construction and business opening (typical City review time of complete applications is thirty (30) days for design/site review, sixty (60) days for conditional use permit preapplication, ninety (90) days for conditional use permit, thirty (30) days for plan check and seven (7) days for business license). These time thresholds are estimates of the City staff review time and will be based on the completeness of application materials, plans, business description, security plan, etc. submitted by the applicant. These time estimates do not reflect the time for applicants to prepare, submit, and revise the application documents.

4.11 Additional O&M requirements for cannabis microbusiness operations - Manufacturing:

All information required for a cannabis retail operation, if applicable; List of manufacturing processes proposed; Breakdown of business square footage (i.e. office, storage, manufacture, etc.); Method of record keeping and storage of all onsite business operations; List of materials required for manufacture process; Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Air quality and noise attenuation measures; Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the manufacturing proposed.

4.12 Additional O&M requirements for cannabis microbusiness operations - Cultivation:

All information required for a cannabis retail operation, if applicable; List of cultivation processes proposed; Breakdown of business square footage (i.e. office, storage, grow room/area, etc.); Method of record keeping and storage of all onsite business operations; List of materials required for grow process; Air quality and noise attenuation measures; Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the manufacturing proposed.

4.13 Additional O&M requirements for cannabis microbusiness operations - Distribution:

All information required for a cannabis retail operation, if applicable; List of distribution processes and methods proposed; Breakdown of business square footage (i.e. office, storage, loading dock, shipping, receiving, etc.); Method of record keeping and storage of all onsite business operations; List of products proposed for business; Special handling or shipping permits required; Air quality and noise attenuation

measures; Additional special handling permits required; Hazardous chemicals information; Safety information pertaining to storage, handling, spill and safety; All site safety, security & surveillance protocols (interior and exterior); Shipping and receiving information; Loading and unloading plan; all other pertinent information regarding the distribution proposed.

Section 5. Community Benefit

This section requires that the applicant and its owner(s) describe existing and/or proposed involvement in the Covina community. Provide information related to:

- History of involvement and activities, prior to January 1, 2023, participating in local groups, non-profit organizations or other efforts to improve the local economy or community well-being in Covina
- Describe proposed community involvement in local non-profit organizations, sponsored activities/events and/or other civic engagement that will be undertaken if awarded a local cannabis permit. Provide specific details of hours/activities to be completed by owners or employees
- Describe resources that may be distributed to local non-profit organizations and/or community programs
- Describe community and corporate citizenry programs that will provide value to the Covina community.

Section 6. Facility and Neighborhood Compatibility

This section requires that applicant describe its business establishment design, aesthetic appeal, integration with existing businesses/neighborhoods and its ability to enhance safety/security through design.

- Exterior Design
 - Provide conceptual designs, site plans, rendering or other proposed site amenities
 - Provide and describe sign package, branding other design elements for proposed business
 - Compliance with Covina Municipal Code 17.84.090, Subsection G – signage standards. ~~No~~Additionally, no depiction of cannabis or products or other advertising signage
 - Briefly describe design approach used in conceptual planning
- Design Neighborhood Fit
 - **Describe business' ability to manage operations and mitigate impacts to neighboring businesses and or immediate neighbors**
 - Describe community relations approach and representatives that will interact with the neighborhood, including addressing complaints that may arise
 - Provide an assessment of parking and how adequate parking will be provided for customers and employees (Parking Study prepared by a registered traffic engineer may be required at the CUP stage).
 - Include proactive measures that may be used to prevent parking overflow and/or parking in unauthorized locations.
 - Describe how business will manage pedestrian traffic, including intake and operational practices to limit line queues and crowds.
- Integration of Security Measures in Design
 - Describe security elements included in design that will enhance safety and security for the business and nearby neighborhood areas.

- Compliance with Covina Municipal Code 17.84.070 ~~–Lighting/after hours security, panic buttons, alarm~~including, but not limited to,- locked restrooms, prohibit resale and drive thru sales, limited access areas
- Compliance with Covina Municipal Code 17.84.080 ~~–including, but not limited to,~~ no bars on window exteriors; required backup generator or alternative, exterior landscaping/vegetation shall not allow for hiding in bushesbe planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises and be well-maintained; Lighting panic buttons, alarm: install mosquito noise devices to deter vandalism/loitering
- Air Quality/Odor Control
 - Identify potential sources of odor and describe odor control devices and/or operating techniques that will be used to limit odors of cannabis beyond the business space.
 - Describe waste management plan, including disposal locations and process used to dispose of expired/rejected/unused products.
- Commercial Cannabis Permit Program Zoning Verification Form
 - Include City-approved zoning verification form and evidence of site control.

Section 7. Security Plan (Mark as Confidential, will not be made public pursuant to Government Code 7293.600 et seq.

This section requires that applicant describe its safety and security approach at the proposed location. Provide diagrams and/or specific details related to security measures and how they relate to the overall business operation.

7.1 Experience

- Security History at other Locations
 - Describe security history at other licensed cannabis establishments.
- Emergency Situations
 - Describe experience with potential emergency situations (criminal, fire, medical, hazardous materials) that could arise during the course of business.
 - List proposed contractors and describe the roles for any of the following:
 - Fire Prevention/Suppression
 - Fire Alarm and Monitoring
 - Professional Security Service
- Facility Security
 - Describe vetting/background process used to hire security staff
 - If using a private security company, provide proof of a Covina Private Patrol Operator Permit (PPO) – note that this is different from State PPO Permits. Should the private security not hold a Covina Private PPO, applicant may provide a statement that acknowledges that the private security company to be used will have the requisite Covina Private PPO prior to your eligibility to proceed into Phase IV of the process. Written evidence of the PPO must be provided to the City Clerk’s office prior to Phase IV, or the Applicant will be disqualified from continuing in the recruitment process.
 - Compliance with Covina Municipal Code 17.84.070 ~~–and 080 –~~ Lighting, panic buttons, ~~alarm~~alarms, locked restrooms, ~~prohibit resale and~~prohibition of reselling products.

prohibition of drive-through sales, lists of gases or chemicals that will be used in conjunction with business operation.

- 7.2 Safety Education
 - o Describe employee training programs and processes related to security. Include any curriculum and/or training frequencies
- 7.3 Theft Reduction Measures
 - o Describe loss prevention measures and other practices to deter theft
- 7.4 Cash Management Plan
 - o Describe cash handling procedures, strategies to limit cash on hand at business and detailed plans for the safe handling/transfer of cash
 - o Describe off-hours cash security plans or procedures
- 7.5 Product Access Control
 - o Describe method for securing product access to minimize theft and/or limit unauthorized access to products
- 7.6 Delivery Security Plan
 - o Describe procedures to ensure employee, product and general public security during transportation and delivery
 - o Describe any monitoring programs used for delivery vehicles
 - o Describe vehicle safety practices and other monitoring tools to ensure proper licensing, registration and insurance of delivery vehicles.
 - o Provide any drug/alcohol screening tools used for delivery personnel
- 7.7 ~~Security-Guard~~ Plan
 - o Describe security plan, including number of security personnel, shifts and related activities while on duty
 - o Describe training requirements and/or certifications required for security personnel
- 7.8 Video Surveillance Plan
 - o Describe compliance with Covina Municipal Code Section 17.84.080 requirements including having video surveillance 24 hours/day, HD quality, cover all interior spaces, maintain videos for 90 days, battery backup, dedicated security liaison
- 7.9 ~~Armored-Vehicle Use~~ Transportation
 - o Describe use the type(s) of armored transit vehicles used for transporting products and/or money, if any
 - o Describe operating plans for the safe transfer of products/money between business and transport vehicles
 - o Describe training requirements and/or certifications required for transit personnel
- 7.10 Youth Consumption Plan

- o Describe practices that will ensure the prohibition of youths at the business or will limit to product access to youths
- o Describe health promotion efforts to educate the public of youth consumption prohibitions

Section 8. State License or Copy of Pending Application

This section requires that each applicant complete Attachment 4 - "State of California Cannabis Business License Acknowledgement Form" and submit with its proposal. The completed form must be signed by each owner listed in the applicant's proposal (electronic signatures are acceptable, and all signatures can be on one page). 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.

PROPOSER INTERESTED IN MORE THAN ONE BUSINESS OPERATION

No individual or corporation will be allowed to make or file, or have a vested interest in more than one cannabis business license within the City.

ACCEPTANCE OR REJECTION OF PROPOSAL

The City reserves the right to accept, reject, or accept a portion of any and all proposals. The City also reserves the right to waive any informality or irregularity in any proposal or in the RFP as deemed to be in its best interest. Additionally, the City may, for any reason, decide not to award a Cannabis Business Permit or a CUP as a result of this RFP, or may cancel the RFP process at any time, without cause or notice. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by the submission of a proposal.

LEGAL RESPONSIBILITIES

All proposals must be submitted, filed, made, and executed in accordance with this RFP. Any individual or company submitting a proposal will by such action thereby agree to each and all of the terms, conditions, provisions, and requirements set forth, contemplated, and referred to in the RFP, and to full compliance therewith.

DISCREPANCIES and MISUNDERSTANDINGS

Respondents to this RFP must satisfy themselves by personal examination of any and all applicable City Ordinances, Codes and Regulations, and any applicable State or Federal laws, Codes, and Regulations as they may believe necessary and applicable to the operation of a cannabis retail business or cannabis microbusiness. No Respondent will at any time after submission of a proposal make any claim or assertion that there was any misunderstanding or lack of information regarding the nature of the RFP process or the cannabis business regulations with the City of Covina. Any errors, omissions, or discrepancies called to the attention of the City will be clarified by the City in writing to all proposers prior to the submission of the proposals.

ATTACHMENTS:

Attachment 1 – Draft Development Agreement

Attachment 2 – Zoning Verification

Attachment 3 – Letter of Intent & Acknowledgements (Amended now on web-page)

Attachment 4 - State of California Cannabis Business License Acknowledgement Form (now on web-page)

Attachment 5 – Scoring Methodology

Attachment 1 – Draft Development Agreement

To be posted as soon as practicable.

Attachment 2 – Zoning Verification



Commercial Cannabis Permit Program
Zoning Verification

submit a Commercial Cannabis Zoning Verification Form to the City's Community Development Department confirming that the proposed business location for the application is located in an acceptable zoning location and outside of the established sensitive use buffers. Applicant must provide proof of property site control (signed purchase agreement, lease agreement, letter of intent to lease, or proof of ownership).

Submit to the City Clerk's Office by November 30, 2023 at 2 p.m.

Name of Applicant

County of Los Angeles Assessor's Parcel Number

Property Address

Proof of Property Site Control Included
(Signed Purchase Agreement, Lease Agreement, Letter of Intent to Lease, Proof of Ownership)

Email Address

Phone Number

Applicant Signature

Date

Attachment 3 – Letter of Intent & Acknowledgements

City of Covina
125 E. College Street
Covina, CA 91723

RE: Letter of Intent – Request for Proposals: Adult Use Cannabis Retail or Adult Use Cannabis Microbusiness Operator

I, the undersigned, attest that I am a duly authorized representative of the proposed cannabis business identified below, and hereby acknowledge that all items listed 1-14 inclusive below, at minimum, will be applicable to the proposed cannabis business, should it be selected to move forward in the RFP process and in the future, operate within the City of Covina. I acknowledge that I undertake this process with the knowledge that I do so at my sole risk and that there are no guarantees for any particular outcome and that the City of Covina can halt this process at any time, with or without for cause or notice.

Name of Business: _____

Address of Proposed Business: _____

Assessor Parcel

Number(s): _____

Business Address of Owner: _____

Owner Phone Number: _____

Applicant E-Mail: _____

I understand that I will be expected to receive all City notices at the Business Address and also consent to receiving notices and communications from the City at the phone number and email address listed above, at the City's discretion.

I am interested in starting a cannabis _____ business operation within the City of Covina. Further, I attest that I own, or have secured an agreement for the proposed business location listed above, or am in the process of securing the site, for a minimum of two (2) years, and that said location is eligible for cannabis business operations per City regulations (the location meets Zoning designation requirements found in Title 17).

If selected to move forward and submit for a CUP I will apply for this permit within 60 days of the receipt of the letter of authorization from the City of Covina. I understand that failure to apply for the CUP within that time period may automatically forfeit my opportunity to apply, at the discretion of the City Manager. I further understand that failing to meet any of the requirements of the RFP or applicable City regulations shall lead to automatic revocation of my opportunity to obtain a cannabis business license.

Acknowledgements*:

1. All owners and/or employees are subject to a criminal background check, subject to the rules and regulations established by Covina Municipal Code Section 5.80.060 (codepublishing.com/CA/Covina/).
2. I understand that a Development Agreement with the City is required prior to issuance of a cannabis business permit per Covina Municipal Code Section 5.80.110. (codepublishing.com/CA/Covina/). Such agreement will include payment to the City of Covina of a community benefit fee of five (5) percent of gross receipts for products sold at the proposed cannabis business location.
3. Prior to the commencement of any cannabis retail, or cannabis microbusiness operations within the City as the result of this RFP, the physical site conditions, improvements, and all related representations and requirements are subject to review and concurrence by the City Manager and/or his designee and the Police Chief and/or his designee.
4. Each cannabis business permit issued pursuant to this RFP shall expire twelve (12) months from the date of issuance. A cannabis business permit may be renewed as provided for in Covina Municipal Code Section 5.80.150.
5. If a cannabis business permit is awarded, the application for renewal of a cannabis business permit shall be submitted at least sixty (60) calendar days prior to the expiration date of the current permit per Covina Municipal Code Section 5.80.150.
6. I understand that the issuance of a cannabis permit does not constitute a land use entitlement and does not waive other requirements that are required to open a commercial cannabis business establishment in the City of Covina. Such land use entitlements must be applied for separately, including payment of related fees (including but not limited to land use approvals, site plan review approvals, plan check and permits, City business license and State license).
7. A Cannabis Business Permit is non-transferable per Covina Municipal Code Section 5.80.190.
8. If an application is denied due to a disqualifying factor such as failing a background check or not complying with any local or state regulatory requirement in which legal or administrative action has been taken, a new application may not be filed by the applicant for one (1) year from the date of the denial. This section shall not apply to an applicant not being awarded a permit resulting from a limited number of permits being issued by the City.
9. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City until the State of California or its respective department or division reinstates or reissues the State license.
10. If an operating cannabis business in the City of Covina has its State License suspended, the business must close its commercial operations immediately and is required to notify the City Manager in writing of the suspension within 48 hours of receipt.
11. For applicants with 10 or more employees, the applicant shall attest that the applicant will enter into a Labor & Peace Agreement and will abide by the terms of the agreement, and the applicant shall provide a copy thereof to the City per Covina Municipal Code Section 5.80.100 G.
12. Any and all provisions of the City of Covina Municipal Code not specifically identified above, and all other applicable State of California laws, rules, and regulations must be strictly adhered to during the operational life of the business or the cannabis business license and permit are subject to revocation.
13. All cannabis businesses will be subject to two (2) on-site inspections each calendar year to insure compliance with Conditions of Approval and stipulations of the Operations & Management Plan.

14. The City reserves the right to reject all proposals with or without cause and participation in this RFP process is at the sole risk of the participants.

Signed & Acknowledged: _____ Date: _____

Print Name: _____ Date: _____

*All proposed owners must complete and sign their own Letter of Intent and Acknowledgement. Each owner shall complete Page 1 of the form. Names of owners and signatures may be combined on one page to avoid duplication of documents.

Attachment 4 – State of California Cannabis Business License Acknowledgement Form

State of California Cannabis Business License Acknowledgement Form

City of Covina
125 E. College Street
Covina, CA 91723

RE: Requirement to Obtain a State of California Cannabis Business License for Cannabis Retail or Cannabis Microbusiness Operator in Covina

I, the undersigned, attest that I am an owner of the proposed cannabis business identified below, and hereby acknowledge that prior to beginning cannabis retail or cannabis micro-business operations in the City of Covina, the business will be required to show the City proof that it has obtained a State of California Cannabis Business License for the type of business it will be operating in Covina. I acknowledge that I undertake this process with the knowledge that I do so at my sole risk, and that if the cannabis business is successful in obtaining a permit to operate a cannabis business in Covina, but is unable to obtain a State license, the cannabis business will not be able to operate in Covina.

Name of Business: _____

Address of Proposed Business: _____

Assessor Parcel Number(s): _____

Business Address of Owner: _____

Owner Phone Number: _____

Percentage of Ownership Interest: _____

Owner's E-Mail: _____

Signed & Acknowledged: _____ Date: _____

Print Name: _____ Date: _____

*All proposed owners must complete and sign their own State of California Cannabis Business License Acknowledgement Form.

Attachment 5 – Scoring Methodology
 Section 3 - Qualifications – 500 points

■ 3.1 Business Entity, Experience, Local References – 250 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>10</u>	<u>Applicant describes Business Entity, relationships with parent/holding companies and/or affiliated companies. Applicant provides relevant business formation details, proof of registration with CA Secretary of State</u>	<u>Up to 10 points</u>
<u>15</u>	<u>Applicant demonstrates experience with opening legally permitted locations in communities similar to the City of Covina.</u>	<u>Up to 40 points</u>
<u>25</u>	<u>Applicant demonstrates experience in cannabis industry with evidence of legally permitted operations. Rate on sliding scale depending on number of legal, cannabis retail or microbusiness establishments that have been opened.</u>	<ul style="list-style-type: none"> • <u>No permitted facilities – 0 points</u> • <u>1-5 Stores – 15 points</u> • <u>6 + Stores – 25 points</u>
<u>100</u>	<u>Applicant demonstrates experience in cannabis industry with evidence of legally permitted operations in California. Rate on sliding scale depending on number of legal, cannabis retail or microbusiness establishments in California that have been opened.</u>	<ul style="list-style-type: none"> • <u>None open – 0 points</u> • <u>1-5 Stores – 60 points</u> • <u>6 + Stores – 100 points</u>
<u>25</u>	<u>Duration Open in California</u>	<ul style="list-style-type: none"> • <u>None open – 0 points</u> • <u>Less than 1 Year – 10 points</u> • <u>1-3 Years – 15 points</u> • <u>4+ Years – 25 points</u>
<u>50</u>	<u>References – Applicant provides 3 local government references where legally permitted cannabis retail/microbusiness establishments are in operation.</u>	<u>Up to 50 points, depending on references</u>

■ 3.2 Industry Knowledge – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>35</u>	<u>Applicant describes familiarity with CA Licensing framework and provides relevant experience in opening cannabis retail/microbusiness locations in local agencies.</u>	<u>Up to 35 points</u>
<u>35</u>	<u>Applicant demonstrates familiarity with local government entitlement process and planning/building plan check process to successfully open a cannabis retail/microbusiness establishment.</u>	<u>Up to 35 points</u>
<u>30</u>	<u>Applicant describes its experience in industry-related professional organizations, participation in government</u>	<u>Up to 30 points</u>

	<u>regulatory agencies and/or specific contributions that have benefitted the cannabis industry.</u>	
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■ 3.3 Ownership Team – 50 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>25</u>	<u>Applicant provides resumes, biographies or Curriculum Vitae for all owners with an equity share of 20% or more (not-to-exceed 2 pages per owner) that outlines the listed owner(s) qualifications to own and operate a cannabis business.</u>	<u>Up to 25 points</u>
<u>25</u>	<u>Verification of information listed in resumes.</u>	<u>Up to 25 points</u>

■ 3.4 Claims/Litigation History – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>25</u>	<u>Applicant provides list of open/closed filings, including dates and disposition (including any code enforcement actions filed against applicant or any litigation filed against the applicant by a local agency or that applicant filed against a local agency)</u>	<u>0 points if previous filings exist; 25 points if no record of previous filings.</u>
<u>25</u>	<u>Bankruptcies - Applicant and/or parent companies or affiliates</u>	<u>0 points if bankruptcies exist; 25 points if no records of previous bankruptcies.</u>
<u>25</u>	<u>Judgments – Applicant and/or parent companies or affiliates</u>	<u>0 points if previous judgments exist; 25 points if no records of previous judgments.</u>
<u>25</u>	<u>Liens – Applicant and/or parent companies or affiliates</u>	<u>0 points if previous liens filed; 25 points if no records of previous liens.</u>

Section 4 - Business Plan – 400 points

■ 4.1 Operations Protocols – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>15</u>	<u>Applicant describes business operating protocols for all business aspects, including number of employees, organization chart, employee titles and a brief description of responsibilities; 24/7 Emergency contact & Emergency procedures.</u>	<u>Up to 20 points</u>
<u>30</u>	<u>Applicant describes day-to-day operational requirements deemed necessary to manage a retail cannabis business, including, but not limited to: ATM machine locations & regulations; On-Site Money safety measures; Separation of floor areas by type (customer screening area, sales area, storage room, office, etc.); customer check-in protocols, processes/locations for receiving vendor deliveries during operating hours, identification by name of point of sale ("POS") system and locations of POS systems within facility.</u>	<u>Up to 30 points</u>

	<u>Plan demonstrates projected customer volumes and appropriate staffing needs to serve customers.</u>	
<u>15</u>	<u>Applicant describes hours of operation, including opening/closing procedures. This includes contingency plans for peak customer volumes and consideration of logistical activities (i.e. deliveries, all aspects of building & site maintenance, etc.) in daily operations: List forms of payment accepted (cash, electronic, credit, etc.): Air quality and noise attenuation measures: graffiti removal: haz mat and storm water if applicable.</u>	<u>Up to 30 points</u>
<u>10</u>	<u>Applicant describes delivery service procedures and vehicles used in deliveries, including screening of delivery drivers and monitoring driver performance (i.e. CA DMV Pull Program).</u>	<u>Up to 10 points</u>
<u>30</u>	<u>Applicant includes evidence of a tentative agreement or existing agreement with labor groups and further describes efforts to advertise employment opportunities to local residents.</u>	<u>Up to 10 points</u>

■ 4.2 Product Offering/Controls – 40 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<ul style="list-style-type: none"> Applicant describes inventory control procedures including procurement, point of sale, track and trace software and the integration of video surveillance systems in monitoring product controls. Plan includes any audits and/or best practices employed by business entity to effectively monitor inventories: Stock room operations: Outdoor storage: Forklift operations. 	<u>Up to 20 points</u>
<u>20</u>	<ul style="list-style-type: none"> Applicant describes method of record keeping and storage for cannabis and non-cannabis items: On-Site Security measures during business hours: After hours security measures: Security Patrol services: Video surveillance (internal & external): Outdoor displays: Signage 	<u>Up to 20 points</u>

■ 4.3 Market Assessment – 70 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>70</u>	Applicant provides an assessment of the proposed entity's viability in the local/regional marketplace. Plan describes <u>any competitive advantages or operating strategies/efficiencies that may be unique to the proposed business entity and its establishment in the marketplace.</u>	<u>Up to 70 points</u>

■ 4.4 Financial Plan/Funding – 70 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>

<u>15</u>	<u>Provides 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; Applicant provides a pro forma for at least five (5) years of operation that includes: realistic revenue projections for planning horizon (supported with appropriate backup documentation such as market analysis, labor market analysis, existing market experience, firm operating efficiencies, etc.); capital liabilities/repayment terms, operating costs, projected cash flow and NPV/IRR for planning horizon and planned capital replacement needs</u>	<u>Up to 15 points</u>
<u>15</u>	<u>Applicant includes proof of secured capital in bank account(s), letters of credit or other liquid assets that belong to owner(s) that will adequately finance property acquisition/leasehold, tenant improvements, operational activities, licensing/permitting and entitlement processes.</u>	<u>Up to 15 points</u>
<u>15</u>	<u>Applicant provides budgets for tenant improvements, operational activities, facility maintenance, equipment, utility costs, insurances, financing costs, property acquisition/lease, security services, State licenses/permits and City licenses/permits.</u>	<u>Up to 15 points</u>
<u>25</u>	<u>Applicant outlines employee compensation/benefit costs, and contract employee costs (i.e. accountants, legal, consultants, etc.)</u>	<u>Up to 25 points</u>

■ 4.5 Records Software – 30 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>5</u>	<u>Applicant describes specific software package that will be utilized to monitor inventories, including product quantities and types of products.</u>	<u>Up to 5 points</u>
<u>15</u>	<u>Applicant describes software’s ability to manage business’ financial data, financial statements and human resources functions.</u>	<u>Up to 15 points</u>
<u>10</u>	<u>Applicant describes process for preparing financial statements, including auditing process that will be used to ensure compliance with generally accepted practices.</u>	<u>Up to 10 points</u>

■ 4.6 Track/Trace – 10 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>5</u>	<u>Applicant describes systems/software packages that are utilized to manage track and trace functions and describes familiarity and experience with State-required track and trace systems that monitor the movement of products through the supply chain.</u>	<u>Up to 5 points</u>
<u>5</u>	<u>Applicant describes production and distribution sources that will be utilized in the supply chain.</u>	<u>Up to 5 points</u>

■ 4.7 State Testing Regulations – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant describes processes used to comply with State-required product testing procedures, packaging and labeling, quality control processes and practices utilized to inform customers of such compliance.</u>	<u>Up to 20 points</u>

■ 4.8 Employee Training – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant describes employee training curriculum, frequencies and certifications that may be attained by employees.</u>	<u>Up to 20 points</u>

■ 4.9 Customer Education – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>10</u>	<u>Applicant describes practices utilized by business to inform customer of product quality data and compliance with State regulations.</u>	<u>Up to 10 points</u>
<u>10</u>	<u>Applicant describes public health outreach strategies that will be employed to inform customers of health risks and health-related resources pertaining to product use.</u>	<u>Up to 10 points</u>

■ 4.10 Implementation Timeline – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant discusses business entity’s ability to secure necessary approvals from State and City, if awarded a local permit. Includes timeline to complete the following processes: design/site review, full conditional use permit process, plan check, business licensing, construction and business opening.</u>	<u>Up to 20 points</u>

Section 5 - Community Benefits – 200 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>25</u>	<u>Applicant describes owner(s) track record, prior to January 1, 2023, of community involvement in Covina or in other local cities/groups, non-profit organizations or other efforts to improve the local economy or community in Covina.</u>	<u>25 points if previous track record of community involvement exists; If no previous involvement, 0 points.</u>
<u>175</u>	<u>Applicant describes proposed community involvement in local non-profit organizations, sponsored activities/events and/or other civic engagement that will be undertaken if awarded a local cannabis permit. Plan includes specific details of hours/activities that will be completed by owners</u>	<u>Up to 175 points</u>

	<u>or employees, describes resources that will be distributed to local non-profit organizations/community programs and discusses other community/corporate citizenry programs that will provide community value.</u>	
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Section 6 - Facility Design/Neighborhood Compatibility – 400 points

■ 6.1 Exterior Design – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>40</u>	<u>Applicant includes conceptual designs, site plans, renderings or other proposed site amenities to integrate with existing neighborhood and businesses.</u>	<u>Up to 40 points</u>
<u>20</u>	<u>Applicant describes proposed sign package, branding and other design elements for proposed business.</u>	<u>Up to 20 points</u>
<u>40</u>	<u>Compliance with Covina Municipal Code 17.84.090, Subsection G – signage standards: No depiction of cannabis or products or other advertising signage; Briefly describes design approach used in conceptual planning.</u>	<u>Up to 40 points</u>

■ 6.2 Design Fit with Neighborhood – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>25</u>	<u>Applicant describes the business’ ability to appropriately manage operations and mitigate impacts on the surrounding neighborhood.</u>	<u>Up to 25 points</u>
<u>25</u>	<u>Applicant describes process and designated liaison for managing community relations, mitigating complaints from citizens, customers and other businesses in the area.</u>	<u>Up to 25 points</u>
<u>25</u>	<u>Applicant includes a parking assessment and provides adequate parking space for customers.</u>	<u>Up to 25 points</u>
<u>15</u>	<u>Applicant includes proactive measures that the business will employ to prevent parking in adjacent areas.</u>	<u>Up to 15 points</u>
<u>10</u>	<u>Applicant describes how business will manage pedestrian traffic, including customer intake process and operational practices that limit customer line queues or exterior crowds.</u>	<u>Up to 10 points</u>

■ 6.3 Integration of Security Measures in Design – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>100</u>	<u>Applicant describes proposed security design elements that will enhance safety for the business and surrounding areas, including proactive measures to deter loitering near facility, exterior landscaping shall not deter criminal activity and prevent/address illegal consumption near premises, be well maintained and the use of “mosquito” noise devices are included. Describe compliance with CMC Sections 17.84.070 and 17.84.080. Business shall have the capability to remain secure during a power outage and shall ensure that all</u>	<u>Up to 100 points</u>

	<u>access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.</u>	
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■ 6.4 Air Quality/Odor Control – 100 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>70</u>	<u>Applicant identifies any potential sources of odor and includes odor control devices and operating techniques that will be utilized to limit odors of cannabis beyond the business space. Plan also includes proactive measures to detect exterior odors at the proposed business location.</u>	<u>Up to 70 points</u>
<u>30</u>	<u>Applicant describes the business’ waste management plan, including disposal locations and the disposal process used for expired/rejected/unused products.</u>	<u>Up to 30 points</u>

Section 7 - Security Plan – 500 points

■ 7.1 Experience – 250 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>100</u>	<u>Applicant describes the applicant’s security history at existing cannabis business locations including whether there have been any thefts or robberies at the businesses that the applicant operates. Plan further describes the security plan that will be implemented at the proposed business location, including diagrams of security measures and how they relate to the overall business operation.</u>	<u>Up to 100 points</u>
<u>100</u>	<u>Applicant describes the applicant’s experience with potential emergency situations (crime, fire, medical and hazardous) that could arise during the course of business. List proposed contractors and describe the roles for any of the following: Professional Security Service, Fire Alarm and Monitoring; Fire prevention/suppression.</u>	<u>Up to 100 points</u>
<u>50</u>	<p>Applicant identifies the following security, and health and safety elements:</p> <ul style="list-style-type: none"> ● <u>Describes vetting/background process used to hire security staff and if using a private security company, provide proof of a Covina Private Patrol Operator Permit (PPO)</u> ● <u>Identifies fire alarm and monitoring systems:</u> ● <u>Name(s) of professional security consultants:</u> ● <u>Qualification requirements of safety personnel (contract or employees)</u> ● <u>Lists of gases or chemicals that will be used in conjunction with business operation:</u> ● <u>Describes accident/incident reporting procedures:</u> ● <u>Describes proposed evacuation procedures.</u> 	<u>Up to 50 points</u>

■ 7.2 Safety Education – 25 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>25</u>	<u>Applicant describes employee training processes pertaining to business security, including curriculum and frequencies.</u>	<u>Up to 25 points</u>

- 7.3 Theft Reduction Measures – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant describes loss prevention measures and other practices to deter theft.</u>	<u>Up to 20 points</u>

- 7.4 Cash Management Plan – 50 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>30</u>	<u>Applicant describes cash handling procedures, including strategies to limit cash on hand at facility and detailed plans for the safe handling/transfer of cash.</u>	<u>Up to 30 points</u>
<u>20</u>	<u>Applicant demonstrates the ability to secure cash and products during non-operating hours: Describe off-hours cash security plans or procedures.</u>	<u>Up to 20 points</u>

- 7.5 Product Access Control – 20 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant describes method for securing product access to minimize theft and/or limit unauthorized access to products.</u>	<u>Up to 20 points</u>

- 7.6 Delivery Security Plan – 50 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>20</u>	<u>Applicant describes procedures utilized to ensure general public, employee and product security during transportation and delivery.</u>	<u>Up to 20 points</u>
<u>20</u>	<u>Applicant describes types of vehicles to be used, vehicle safety practices; monitoring of delivery vehicles/personnel, including efforts to ensure proper licensing, registration and insurance in compliance with State law. Provide any drug/alcohol screening tools used for delivery personnel.</u>	<u>Up to 20 points</u>
<u>10</u>	<u>Applicant includes GPS tracking of delivery personnel.</u>	<u>Up to 10 points</u>

- 7.7 Security Guard Plan – 35 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
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<u>10</u>	<u>Applicant describes employees and/or security firm that will be utilized to monitor business activities.</u>	<u>Up to 10 points</u>
<u>15</u>	<u>Applicant describes security plans, including number of security personnel, shifts, and related activities while on duty.</u>	<u>Up to 15 points</u>
<u>10</u>	<u>Applicant provides training requirements and/or certifications that may be required for security personnel.</u>	<u>Up to 10 points</u>

■ 7.8 Video Surveillance Plan – 25 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>15</u>	<u>Applicant complies with specified video surveillance requirements set forth in Covina Municipal Code section 17.84.080 including having video surveillance 24 hours/day, HD quality, cover all interior spaces, maintain videos for 90 days, battery backup, dedicated security liaison.</u>	<u>Up to 15 points</u>
<u>10</u>	<u>Applicant describes system accessibility for local law enforcement personnel.</u>	<u>Up to 10 points</u>

■ 7.9 Vehicle Transportation – 15 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>5</u>	<u>Applicant describes the type(s) of vehicles used for transporting of products and/or money.</u>	<u>Up to 5 points</u>
<u>5</u>	<u>Applicant describes operating plans for the safe transfer of products and/or money from business to vehicle.</u>	<u>Up to 5 points</u>
<u>5</u>	<u>Applicant provides training requirements and/or certifications that may be required for transit personnel.</u>	<u>Up to 5 points</u>

■ 7.10 Youth Consumption ~~Plan~~ Prevention – 10 points

<u>Points Available</u>	<u>Category</u>	<u>Scoring</u>
<u>5</u>	<u>Applicant describes how the business will ensure that youths do not gain access to facility and the business' products.</u>	<u>Up to 5 points</u>
<u>5</u>	<u>Applicant describes health promotion efforts that will be utilized to educate the public of youth consumption prohibitions and the harms of underage consumption.</u>	<u>Up to 5 points</u>

