

Attachment 1

Humboldt County Track and Trace Contract with SICPA Product Security LLP

**COUNTY OF HUMBOLDT
PROFESSIONAL SERVICES AGREEMENT**

This Agreement, dated as of _____, 2017, is by and between the COUNTY OF HUMBOLDT, hereinafter referred to as the "COUNTY", and SICPA Product Security, LLC, hereinafter referred to as the "CONTRACTOR".

WITNESSETH

WHEREAS, pursuant to Government Code Section 31000, COUNTY may retain independent contractors to perform special services to or for COUNTY or any department thereof; and,

WHEREAS, COUNTY desires to obtain CONTRACTOR for its Cannabis Inventory Tracking Software System ("ITSS"); and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this AGREEMENT and is willing to provide same to COUNTY.

NOW, THEREFORE it is agreed that COUNTY does hereby retain CONTRACTOR to provide the services described in Exhibit "A", and CONTRACTOR accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

- Exhibit A Definition of Services
- Exhibit B Payment Terms
- Exhibit C Insurance Requirements
- Exhibit D Transition Adjustment Allowance – Not applicable
- Exhibit E Mendocino Contract with SICPA Product Security, LLC, including SICPA response to RFP No. 34-16
- Exhibit F Service Level Agreement
- Exhibit G Humboldt County Nuclear Free Ordinance Compliance Section
- Exhibit H Mendocino County RFP 34-16

The term of this Agreement shall be from Sept. 5, 2017 through December 31, 2018.

The compensation payable to CONTRACTOR hereunder shall not to exceed Twenty-Three Thousand Dollars (\$23,000) for the term of this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

[CONTRACTOR'S NAME]:

By: _____

Date: _____

Name: _____

Title: _____

By: _____

Date: _____

Name: _____

Title: _____

COUNTY OF HUMBOLDT:

By: _____

Date: _____

[Name of Purchasing Agent]
Humboldt County Purchasing Agent

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: _____

Date: _____

Risk Management

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONTRACTOR is an Independent Contractor. CONTRACTOR is not the agent or employee of the COUNTY in any capacity whatsoever, and COUNTY shall not be liable for any acts or omissions by CONTRACTOR nor for any obligations or liabilities incurred by CONTRACTOR.

CONTRACTOR shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold County harmless from any and all liability which COUNTY may incur because of CONTRACTOR's failure to pay such amounts.

In carrying out the work contemplated herein, CONTRACTOR shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of COUNTY.

CONTRACTOR does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, including but not limited to prevailing wage laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of COUNTY is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the County agency concerned.

Notwithstanding the foregoing, if the COUNTY determines that pursuant to state and federal law CONTRACTOR is an employee for purposes of income tax withholding, COUNTY may upon two (2) week's written notice to CONTRACTOR, withhold from payments to CONTRACTOR hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever including damages to property and injuries to, or death of persons, reasonable attorney's fees, expert fees and court costs occurring or resulting, or alleged to be occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connections with the CONTRACTOR'S performance or its obligations under this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting, or alleged to be occurring or resulting, to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance of its obligations under this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR'S performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.
3. **INSURANCE AND BOND:** CONTRACTOR shall at all times during the term of the Agreement with the COUNTY maintain in force those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
4. **WORKERS' COMPENSATION:** CONTRACTOR shall provide Workers' Compensation insurance, as applicable, at CONTRACTOR's own cost and expense and further, neither the CONTRACTOR nor its carrier shall be entitled to recover from COUNTY any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, CONTRACTOR shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. CONTRACTOR shall indemnify and hold COUNTY harmless from any and all liability, fines, penalties and consequences from any of CONTRACTOR's failures to comply with such laws, ordinances, codes and regulations.
 - b. **Accidents:** If a death, serious personal injury or substantial property damage occurs in connection with CONTRACTOR's performance of this Agreement, CONTRACTOR shall immediately notify Humboldt County Risk Manager's Office by telephone. CONTRACTOR shall promptly submit to COUNTY a written report, in such form as may be required by COUNTY of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address

of the injured or deceased person(s); (2) name and address of CONTRACTOR's sub-contractor, if any; (3) name and address of CONTRACTOR's liability insurance carrier; and (4) a detailed description of the accident and whether any of COUNTY's equipment, tools, material, or staff were involved.

- c. CONTRACTOR further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the COUNTY the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: For services performed in accordance with this Agreement, payment shall be made to CONTRACTOR as provided in Exhibit "B" hereto as funding permits.
7. TAXES: Payment of all applicable federal, state, and local taxes shall be the sole responsibility of the CONTRACTOR.
8. OWNERSHIP OF DOCUMENTS: CONTRACTOR hereby agrees to provide to a private, not-for-profit, successor and if there is none then assigns the COUNTY and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the COUNTY, the CONTRACTOR, the CONTRACTOR's subcontractors or third parties at the request of the CONTRACTOR (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONTRACTOR shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. CONTRACTOR agrees to take such further steps as may be reasonably requested by COUNTY to implement the aforesaid assignment. If for any reason said assignment is not effective, CONTRACTOR hereby grants the COUNTY and any assignee of the COUNTY an express royalty – free license to retain and use said Documents and Materials. The COUNTY's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONTRACTOR's services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

CONTRACTOR shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by the CONTRACTOR and incorporated into the work as set forth in Exhibit "A", and shall defend, indemnify and hold the COUNTY harmless from any claims for infringement of patent or copyright arising out of such selection.

The COUNTY's rights under this Paragraph 8 shall not extend to any computer software used to create such Documents and Materials.

9. **CONFLICT OF INTEREST:** The CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement.
10. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. **Certified Mail:** When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Facsimile transmission: When sent by facsimile to the facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that, (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To COUNTY: COUNTY OF HUMBOLDT
Agricultural Commissioner
Attention: Jeff Dolf
5360 S. Broadway
Eureka, CA 95503

To CONTRACTOR: SICPA Product Security, LLC
8000 Research Way
Springfield, VA 22153-3131
ATTN: Alex Spelman

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

11. **USE OF COUNTY PROPERTY:** CONTRACTOR shall not use County property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
12. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** CONTRACTOR certifies that it will comply with all federal and state laws pertaining to equal employment opportunity and that it shall not engage in any unlawful discrimination.
 - a. CONTRACTOR shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Veteran's status, political affiliation, or any other non-merit factor.
 - b. CONTRACTOR shall, if requested to so do by the COUNTY, certify that it has not, in the performance of this Agreement, engaged in any unlawful discrimination.
 - c. If requested to do so by the COUNTY, CONTRACTOR shall provide the COUNTY with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.
 - e. The CONTRACTOR shall include the provisions set forth in this paragraph in each of its subcontracts.
13. **DRUG-FREE WORKPLACE:** CONTRACTOR and CONTRACTOR's employees shall comply with the COUNTY's policy of maintaining a drug-free workplace. Neither CONTRACTOR nor CONTRACTOR's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. If

CONTRACTOR or any employee of CONTRACTOR is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at a County facility or work site, the CONTRACTOR, within five days thereafter, shall notify the head of the County department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.

14. ENERGY CONSERVATION: CONTRACTOR agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Administrative Code).
15. COMPLIANCE WITH LICENSING REQUIREMENTS: CONTRACTOR shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the County Executive Office.
16. AUDITS; ACCESS TO RECORDS: The CONTRACTOR shall make available to the COUNTY, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the COUNTY, and shall furnish to the COUNTY, within sixty (60) days after examination, its authorized agents, officers or employees such other evidence or information as the COUNTY may require with regard to any such expenditure or disbursement charged by the CONTRACTOR.

The CONTRACTOR shall maintain full and adequate records in accordance with County requirements to show the actual costs incurred by the CONTRACTOR in the performance of this Agreement. If such books and records are not kept and maintained by CONTRACTOR within the County of Humboldt, California, CONTRACTOR shall, upon request of the COUNTY, make such books and records available to the COUNTY for inspection at a location within County or CONTRACTOR shall pay to the COUNTY the reasonable, and necessary costs incurred by the COUNTY in inspecting CONTRACTOR's books and records, including, but not limited to, travel, lodging and subsistence costs. CONTRACTOR shall provide such assistance as may be reasonably required in the course of such inspection. The COUNTY further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the COUNTY, and the CONTRACTOR shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after the COUNTY makes the final or last payment or within four (4) years after any pending issues between the COUNTY and CONTRACTOR with respect to this Agreement are closed, whichever is later.

17. DOCUMENTS AND MATERIALS: CONTRACTOR shall maintain and make available to COUNTY for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 8 of this Agreement.

CONTRACTOR's obligations under the preceding sentence shall continue for four (4) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by COUNTY), and CONTRACTOR shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following the COUNTY's last payment to CONTRACTOR under this Agreement.

18. **TIME OF ESSENCE:** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.
19. **TERMINATION:** The COUNTY has and reserves the right to suspend, terminate or abandon the execution of any work by the CONTRACTOR without cause at any time upon giving to the CONTRACTOR prior written notice. In the event that the COUNTY should abandon, terminate or suspend the CONTRACTOR's work, the CONTRACTOR shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to CONTRACTOR for the use of its Cannabis Inventory Tracing Software Systems to collect data and produce reports shall not exceed \$23,000 payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment or lack of funding.
20. **NON APPROPRIATION:** If COUNTY should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, COUNTY may unilaterally terminate this Agreement only upon thirty (30) days written notice to CONTRACTOR. Upon termination, COUNTY shall remit payment for all products and services delivered to COUNTY and all expenses incurred by CONTRACTOR prior to CONTRACTOR'S receipt of the termination notice.
21. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
22. **VENUE:** All lawsuits relating to this contract must be filed in Humboldt County Superior Court, Humboldt County, California.
23. **WAIVER:** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a

waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

24. **ADVERTISING OR PUBLICITY:** CONTRACTOR shall not use the name of County, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of COUNTY in each instance.
25. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between COUNTY and CONTRACTOR relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. This Agreement may not be modified except by a written document signed by both parties.
26. **HEADINGS:** Herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.
27. **MODIFICATION OF AGREEMENT:** This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
28. **ASSURANCE OF PERFORMANCE:** If at any time the COUNTY has good objective cause to believe CONTRACTOR may not be adequately performing its obligations under this Agreement or that CONTRACTOR may fail to complete the Services as required by this Agreement, COUNTY may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to COUNTY, to correct the observed deficiencies in CONTRACTOR's performance. CONTRACTOR shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of COUNTY's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.
29. **SUBCONTRACTING/ASSIGNMENT:** CONTRACTOR shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without the COUNTY's prior written approval.

- a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - b. CONTRACTOR shall use subcontractors identified in Exhibit "A" and shall not substitute subcontractors without COUNTY's prior written approval.
 - c. CONTRACTOR shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between CONTRACTOR and its subcontractors.
30. SURVIVAL: The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 8), and Conflict of Interest (Paragraph 9), shall survive termination or expiration for two (2) years.
31. SEVERABILITY: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.
32. PATENT AND COPYRIGHT INDEMNITY: CONTRACTOR represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("CONTRACTOR Products") provided to COUNTY under this Agreement infringe any patent, copyright or other proprietary right. CONTRACTOR shall defend, indemnify and hold harmless COUNTY of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any CONTRACTOR Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.
 - a. COUNTY will: (1) notify CONTRACTOR promptly of such claim, suit or assertion; (2) permit CONTRACTOR to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable CONTRACTOR to do so. CONTRACTOR shall not agree without COUNTY's prior written consent, to any settlement, which would require COUNTY to pay money or perform some affirmative act in order to continue using the CONTRACTOR Products.
 - b. If CONTRACTOR is obligated to defend COUNTY pursuant to this Section 32 and fails to do so after reasonable notice from COUNTY, COUNTY may defend itself and/or settle such proceeding, and CONTRACTOR shall pay to COUNTY any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with COUNTY's defense

and/or settlement of such proceeding.

- c. In the case of any such claim of infringement, CONTRACTOR shall either, at its option, (1) procure for COUNTY the right to continue using the CONTRACTOR Products; or (2) replace or modify the CONTRACTOR Products so that that they become non-infringing, but equivalent in functionality and performance.
- d. Notwithstanding this Section 32, COUNTY retains the right and ability to defend itself, at its own expense, against any claims that CONTRACTOR Products infringe any patent, copyright, or other intellectual property right.

33. OTHER AGENCIES:

Other tax supported agencies within the State of California who have not contracted for their own requirements may desire to participate in this contract. The CONTRACTOR is requested to service these agencies and will be given the opportunity to accept or reject the additional requirements. If the CONTRACTOR elects to supply other agencies, orders will be placed directly by the agency and payments made directly by the agency.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

DEFINITION OF SERVICES

CONTRACTOR shall provide the following services:

1. Maintenance and Operations:

SICPA will provide maintenance and operations services to enable and support County use of the SICPA Inventory Tracking Software System (ITSS) for the term of the Agreement in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

- Software management: the vendor shall regularly provide systems enhancements, systems maintenance, as well as, adaptive and preventive maintenance.
- Help Desk Support: the vendor shall maintain the systems help desk support. Help desk support is defined the Service Level Agreement (SLA) incorporated in to this agreement as Exhibit F.
- System performance and maintenance: the vendor shall monitor the system to make sure it is continually in operation and report problems to the Agricultural Commissioner as defined in Exhibit F.
- Business continuity and disaster recovery: The vendor shall ensure the system is protected against natural disasters, hardware and software failures, human error, and other contingencies that could interrupt services.

2. System Capabilities:

SICPA will provide the County with enablement and use of the SICPA ITSS for the term of the Agreement in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

- ITSS platform shall track cannabis through the entire plant/product lifecycle pursuant to MCRSA track and trace requirement's, from nursery to dispensary.
- The ITSS system will provide the County full visibility of every permitted entity's activities and balance of products and stamps including: the quantity of stamps ordered, used and on hand; production balance by product type and weight; disposed products and product transfer and products in transit.
- ITSS will produce chain of custody, shipping manifest and other required forms.
- ITSS will track transport of cannabis and manufactured cannabis products and means of transport.

- ITSS ability to integrate with hardware, such as scales, barcode scanners, and cash registers.
- ITSS ability to interface with common commercial inventory tracking software system.
- Track the form of cannabis product produced, unique lot identifier, quantity, manufacture date and expiration date.
- ITSS ability to create user security groups and access privileges for permittees and County users.
- ITSS ability to produce reports electronically in a specified format (CSV, PDF, etc.) including but not limited to growing, manufacture, laboratory testing, distribution, dispensing history, patient dispensing history, transport, medical cannabis product availability, cannabis product utilization, destruction, and production statistics.
- ITSS ability to retain history of modifications to records, provide system backup and archiving.
- ITSS ability to set up and maintain multiple locations for a given User Account.
- ITSS ability to turn over data from User Account to other regulatory and enforcement agencies upon the County's request.
- ITSS ability to fully integrate with one of the County's current software systems, including but not limited to Accela, or in-house systems.

3. Training:

SICPA will provide training for use of the SICPA ITSS in accordance with the requirements set forth in Mendocino County's RFP 34-16, including the areas described below.

- The vendor shall provide training outlined in the proposal to train County users to effectively monitor the System after implementation, as well as provide each permittee – system administration and user account training.

4. Project Implementation Plan:

SICPA shall implement the ITSS project in accordance with the Implementation Timeframe.

5. Technology and Configuration Specifications:

SICPA will meet the technology and configuration specification requirements set forth in Mendocino County's RFP 34-16.

6. Collection of Fees for Services from Permittees:

- a. ITSS Account payment pages and reports

- i. ITSS page to collect account fee of \$90 per site per month, paid quarterly.
 - ii. Warning messages to ITSS users and alerts generated to County Administrative Users if account fees are overdue.
 - iii. Account fees report that displays fees paid.
 - iv. Disabling of overdue sites will be manual.
- b. Heartland Payment Systems, Inc. integration for Electronic Payments
- c. Cash or Money Order/Checks
- d. County will administer these Cash or Money Order/Checks payments.

7. System enhancements:

Enhancements and changes to the ITSS platform shall be made by SICPA to ensure the ITSS continues to accommodate changing local, state, and federal regulations and other conditions as necessary. These modifications shall be mutually agreeable for vendor and COUNTY.

- a. Any System enhancements or changes requested by COUNTY will be mutually reviewed between COUNTY and SICPA staff. COUNTY requested changes that require development of functionality that does not currently exist in ITSS or cannot be supported through current ITSS configurations will be subject to the following change order process:
 - i. SICPA will log all COUNTY requested enhancements or changes
 - ii. SICPA will review scope of COUNTY requested enhancement of change with appropriate COUNTY staff
 - iii. SICPA will provide a Change Order request to COUNTY detailing the functional requirement, proposed solution, level of development effort and associated cost estimate for COUNTY requested enhancements or changes based on priority identified by COUNTY.
 - iv. COUNTY will review and approve all Change Order requests prior to SICPA commencement of associated work.
- b. SICPA will submit an invoice for any work completed under Change Order the work upon completion. Invoices are subject to payment terms as detailed in Section XX of the Agreement

8. Deliverables:

- a. Maintenance and operations services for a track and trace system
- b. Training
- c. Appropriate equipment to be used by county and law enforcement for purposes of validating track and trace information

9. Acceptance Criteria:

- a. The list below highlights some of the capabilities that the plant to sale solution must provide.
 - i. The ability to track cannabis, including weight and/or volume, at each stage of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction. This would include the amount of unused organic material produced by each plant at harvest.
 - ii. The ability to track the total amount of cannabis in possession of any County-permitted entity from either plant and products, including all plants that are derived from cuttings or cloning, until the cannabis, cannabis plants, or manufactured cannabis product is sold or destroyed;
 - iii. The ability to produce chain of custody, shipping manifests, and other forms that are typically required to track, monitor and enforce compliance during all stages of the process.
 - iv. The ability to track the transport of cannabis and manufactured cannabis products between cultivation/production centers and retail dispensing locations and the means of transport including the make, model, and vehicle identification number of the vehicle used for transport.
 - v. The ability for the system to integrate with hardware, such as scales, barcode scanners, and cash registers.
 - vi. The ability to interface with other common commercial inventory tracking software systems that permittees may be utilizing for their own internal purposes. SICPA shall provide a list of compatible software programs and hardware that may be typically utilized in conjunction with the proposed ITSS.
 - vii. The ability for the permittee and County to track the form of cannabis product produced, unique lot identifier (number or barcode), quantity, manufacture date, and expiration date.
 - viii. The ability for the system to create user security groups and for a security administrator to grant read-only access to some user security groups or to grant specific privileges to a user security group.
 - ix. The ability to produce reports electronically in a specified format (CSV, PDF, etc.) including but not limited to growing, manufacture, laboratory testing, distribution, dispensing history, patient dispensing history, transport, cannabis product availability, cannabis product utilization, destruction, and production statistics.
 - x. The ability to retain history of modifications to records, provide system backup and archiving.
 - xi. The ability to set up and maintain multiple locations for a given User Account.

- xii. The ability to turn over data from User Account to other regulatory and enforcement agencies upon the County's request.

Implementation Timeframe

ITSS implementation is subject to presentation and finalization of the project implementation and enablement plan and discussions between the SICPA Project Manager and the County. SICPA anticipates delivery of the ITSS for the use by the County during the term of the Agreement in two primary phases. Phase One is anticipated to go live in September 2017 with associated training to enable plant tagging and reporting. Phase Two will be scheduled for late fall 2017 to prepare cultivators and other licensees to utilize the solution for subsequent production activities from the plant harvests

EXHIBIT B

PAYMENT TERMS

COUNTY will pay a one-time time fee of twenty-three thousand dollars (\$23,000) for the integration and set up of the Medical Cannabis Inventory Tracking Software System program during the term of the Agreement. The price by unit billed to County permittees shall not exceed the cost below in Table 1.

Table1

Description	Unit of Measure	Price
Secure Unique identifier (stamp)	Each	\$.02
Industry Participant Account Fee	Per Month	\$90.00
Secure Unique Identifier Shipping and Handling	Per Order	\$25.00
Training free	Per Permittee (2 resources per permittee)	\$400.00

[END OF PAYMENT TERMS]

EXHIBIT C

1. General Insurance Requirements.

- a. Without limiting CONTRACTOR'S indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
- b. Comprehensive or 'Commercial' General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
- c. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).
- d. Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.
- e. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which CONTRACTOR may be exposed to liability. CONTRACTOR shall require that such coverage be incorporated into its professional services agreements with any other entities.

2. Special Insurance Requirements.

Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

- a. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - i. Includes contractual liability.
 - ii. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."
 - iii. Is the primary insurance with regard to COUNTY.
 - iv. Does not contain a pro-rata, excess only and/or escape clause.
 - v. Contains a cross liability, severability of interest or separation of insureds clause.
- b. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.
- c. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
- d. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.

- e. Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.
- f. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or COUNTY Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
- g. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

3. Insurance Notices.

Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
Attn: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CONTRACTOR: SICPA Product Security, LLC
Attention: Alex Spelman
8000 Research Way
Springfield, VA 22153

[END OF INSURANCE REQUIREMENTS]

EXHIBIT D

TRANSITION ADJUSTMENT ALLOWANCE
(Not applicable to Humboldt County)

EXHIBIT E

See SICPA's Proposal for Mendocino County's use of the Medical Cannabis Inventory Tracking Software System during the term of the Agreement.

**MEDICAL
CANNABIS
INVENTORY
TRACKING
SOFTWARE
SYSTEM**

COUNTY OF
MENDOCINO

RFP NO. 34-16

OCTOBER 7, 2016
2:00 PM

SICPA Product Security, LLC

SICPA

Enabling trust

RESPONSE TO
COUNTY OF MENDOCINO
RFP NO. 34-16

MEDICAL CANNABIS INVENTORY TRACKING
SOFTWARE SYSTEM

SUBMITTED BY:
SICPA PRODUCT SECURITY, LLC
OCTOBER 7, 2016

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**ATTACHMENT A
PROPOSAL SUMMARY AND STATEMENT OF RESPONSIBILITY (SIGNATURE PAGE)**

County of Mendocino
Executive Office/Central Services Division
Medical Cannabis Inventory Tracking Software System

RFP No. 34-16

RFP No.	34-16
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016

Proposals must be enclosed in a sealed envelope or package, clearly marked "Mendocino County RFP No.34-16, and delivered by 2:00 p.m. September 30, 2016 to: Mendocino County, Executive Office, Attn: Christopher Shaver, 501 Low Gap Road, Room 1010, Ukiah, CA 95482.

Questions regarding this RFP should be directed to:

- **Procedural inquires:** Christopher Shaver
Executive Office/Central Services Division
(707) 463-4441
shaverc@co.mendocino.ca.us
- **Technical inquires:** Sarah Dukett
Executive Office
(707) 463-4441
duketts@co.mendocino.ca.us

This Proposal Summary and Statement of Responsibility (Signature Page) must be included with your submittal in order to validate your proposal. Proposals submitted without this page will be deemed non-responsive.

Vendor Authorized Representative

Company Name: SICPA Product Security, LLC. Date: 9/22/2016
 Representative: James E. Bonhivert
 Title: President
 Phone: (703) 455-8050
 Address: 8000 Research Way, Springfield, VA. 22153-3131 Fax: 703-451-4508
 Federal Tax ID No.: 41-2046760 Email: jim.bonhivert@sicpa.com

RFP Contact Information (if different then above)

Contact Person: Stephen Sheiko
 Title: Proposal Manager
 Phone: (703) 440-7764 Fax: (703) 455-4518
 Address: 8000 Research Way, Springfield, VA. 22153-3131 Email: stephen.sheiko@sicpa.com
 Certifications:

1. Do you agree to comply with specifications, RFP instructions, draft contract requirements and other pertinent references contained in this RFP?
 YES NO

2. Do you agree that the proposal will stand firm and will not be withdrawn for a period of 90 days after the proposal is opened?
 YES NO

3. Do you certify that all statements in the proposal are true? This shall constitute a warranty, the falsity of which shall entitle the County to pursue any remedy authorized by law, and shall include the right, at the option of the County, of declaring any contract made as a result thereof to be void.
 YES NO

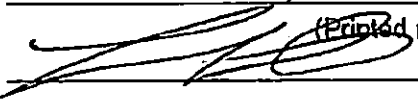
4. Do you agree to provide the County with any other information the County determines is necessary for accurate determination of your qualifications to provide services?
 YES NO

5. Do you agree that the proposal amount includes all costs incident to the proposed contract?
 YES NO

6. The County of Mendocino has adopted a Local Vendor Preference. Does your company meet the criteria for the five percent cost preference as a local vendor for the County of Mendocino, as described in Section IX(H)(2) AWARD AND CONTRACTING INFORMATION?
 YES NO

7. Do you agree to be an ePayable as described in Attachment H?
 YES NO

To the best of my knowledge and belief, the information provided in this initial determination of responsibilities is true and correct.

Authorized Representative:	_____ James E. Bonhivert _____ (Printed name)
Signature:	_____  _____
Date:	_____ September 22, 2016 _____

**ATTACHMENT B
PROPOSAL CHECK LIST/TABLE OF CONTENTS**

This proposal checklist identifies the various components that must be submitted with your proposal. This form is to be completed and included in the proposal and must be located directly behind Attachment A.

Follow this sequence in presenting your proposal with the checklist serving as your table of contents.

Proposal Check List/Table of Contents	Page No.
Signature Page, signed by authorized representative (RFP Attachment A)	1
Proposal Check List/Table of Contents (RFP Attachment B)	3
Executive Summary	4
Scope of Services (in relation to providing services described in Section XI, Scope of Work)	9
Company Background and Experience (including staff resumes)	39
Proposal Cost Plan and Narrative	46
Exceptions to the RFP (RFP Attachment C)	49
Letters of Reference (minimum of two (2)) (RFP Attachment D)	50
Certificate of Non-Collusion, signed by authorized representative (RFP Attachment E)	54
Insurance Coverage (Certificate of Insurance)	55
Appendix A - Sample Service Level Agreement	56
Acknowledgment of Addendum No. 1	58

1 EXECUTIVE SUMMARY

The County of Mendocino ("the County") intends to select a responsive and qualified contractor to provide technical services related to the acquisition, implementation, and support of a hosted Plant to Sale Inventory Tracking Software System (ITSS) for the County, for use by both County permittees and County personnel having oversight and enforcement responsibilities over the Medical Cannabis Cultivation and Facilities Programs. To that end, the County has indicated that prospective vendors' implementation plan and schedule, relevant experience, cost, overall proposal, and references represent the key evaluation factors in selecting a contractor to provide these services.

As a global leader in product authentication, identification, and secure traceability solutions and services, SICPA Product Security, LLC (SICPA) offers the County a partner with a well-established presence in California, a history of financial stability, demonstrated delivery of innovation and growth, a commitment to enabling government agencies to administer regulatory compliance requirements, and a proven tracking platform that securely regulates and controls more than 77 billion unique items annually.

1.1 EXPERIENCE AND QUALIFICATIONS

Founded in 1927, SICPA is a global leader in product authentication, identification and secure traceability solutions and services. Protecting banknotes globally since the 1940s, SICPA's core business is based on proven anti-counterfeiting and authentication technologies. SICPA offers customers industry leading tax stamp solutions with associated stamp fulfillment, tax processing, compliance and audit selection IT capabilities.

SICPA has unique and unparalleled experience in working with national, state, and local governments to secure products subject to regulatory control:

- SICPA anti-counterfeiting solutions secure more than 109 global currencies, including the U.S. Dollar.
- More than 100 national governments, 45 U.S. states, and more than 160 local U.S. jurisdictions utilize SICPA solutions.
- SICPA solutions assist governments across the globe in regulating, controlling, and collecting tax due on more than 77 billion unique items annually including beer, wine, spirits, cigarettes and other high-value consumer goods.
- SICPA provides the State of California with its current track and trace architecture through the SICPATRACE[®] solution used by the Board of Equalization since 2005. This solution assists the BOE in uniquely identifying over 800 million items annually and was cited by the California Auditor in March, 2016 as helping the state protect over \$90 million in annual revenues previously lost to illicit activity.

- Humboldt County has deployed SICPA's track and trace solution to support administration and enforcement of its medical cannabis ordinances consistent with California state requirements as designated by MCRSA.

The SICPA team being proposed for the County ITSS includes a partnership with Form 10 Group, an industry leader in training and enablement. Form 10 Group is SICPA's enterprise partner at the Board of Equalization and in Humboldt County and together we have successfully delivered and supported the State's track and trace infrastructure for over 10 years. As the prime contractor, SICPA will be fully responsible for all project performance and together with Form 10 Group offers the County a proven team in implementing and supporting Track and Trace solutions.

1.2 STABILITY AND GROWTH

In order to ensure the long-term viability and support of its selected ITSS, the County seeks a provider with a history of stability and growth. Over the course of nearly 90 years in business, SICPA has demonstrated these characteristics to a degree that virtually no competing vendor can match. From its founding in 1927 to its entry into the field of banknote security inks in the 1940s and onward through the introduction of its integrated product authentication and traceability solutions in the 2000s, SICPA has earned a reputation for stability based on a long-term vision, quality execution, and a commitment to customer success. Over the decades SICPA has grown to a position of leadership in each of its markets through its continuous investment in research and development as well as an ongoing commitment to customer service. SICPA's long-term relationships with many of its government clients—nearly 60 years of service to several of its U.S. state customers, as well as more than 10 years as the State of California's track and trace provider—demonstrate that SICPA possesses the resources and commitment to support the proposed ITSS over the term of the proposed contract and beyond.

1.3 COMMITMENT

With the nationwide movement toward legalization of medical cannabis, SICPA recognized the market's need for an independent, neutral, government-focused provider of secure authentication and traceability to support the regulatory frameworks required to effectively administer these programs. SICPA has been an active participant in dialogues with California state agencies, municipal governments, law enforcement agencies, and industry to learn the needs of the various stakeholders in this emerging field, and we have dedicated significant corporate resources to developing solutions that meet those needs.

The cannabis market in California is in the midst of a significant transition—from its initial establishment under Proposition 215 and SB 420, to the introduction of the Medical Marijuana Regulation and Safety Act (MMRSA), subsequently renamed and amended as the Medical Cannabis Regulation and Safety Act (MCRSA), to the pending adult recreational use cannabis legalization initiative (Proposition 64). With Federal law still uncertain in its long term treatment of cannabis, local governments, industry and solution providers will face pressure to change as

needs and requirements evolve. SICPA intimately understands and can anticipate—based on actual experience—the actions required for a smooth transition to this new program. Over time SICPA has demonstrated that it can operate efficiently and effectively by leveraging lessons learned from its current programs instead of theoretical assumptions. SICPA understands the key concerns and critical success factors for the County and its stakeholders in this project and provides the capability and experience needed to assist the County in a successful implementation:

- **Permittees** – Many Industry operations have traditionally operated under mechanisms that avoided detailed record keeping or use of technology that could create an audit trail of activity. Many of these permittees are not fully literate on the use of modern technology and will require significant enablement to effectively utilize the County ITSS. SICPA has successfully overseen similar transitions with more than 100 unique track and trace distributor deployments in the U.S. alone, and thousands of production lines worldwide. Currently SICPA is supporting the transition of numerous cultivators and other permittees in Humboldt County to a system similar to the proposed ITSS. Based on these experiences, SICPA has developed a thorough transition plan that will be adopted for the County's permittees to reduce the risks associated with adoption to the new environment.
- **Infrastructure** – Many permittees are based in remote locations with limited Wi-Fi or cellular coverage. Permittees will also be using a variety of third party solutions for managing their operations (e.g., grow management, inventory management, Point of Sale) that will need to communicate with the County ITSS. SICPA knows the importance of enabling interaction with the ITSS in a manner convenient for permittees and the critical requirement of integration with third parties and existing solutions such as the County's e-payments platform and permittee software and equipment. SICPA's proposed ITSS is designed and built on open industry protocols such as J2EE and XML so that the solution can be quickly integrated with legacy assets at the County and its permittees.
- **Information Management** – The majority of the product historically produced in Mendocino County has been outside of the regulatory structure established by the introduction in County ordinance 9.31 in 2008. The prevalence of black market activity will continue to present challenges in effectively administering and regulating the industry under the County's permanent ordinance currently under consideration (Chapter 10A.17). Preventing both injection of black market product into the regulated supply chain and the diversion of legitimate product into the black market will be critical factors in establishing a healthy, regulated, environmentally compliant and responsible industry. The proposed ITSS provides a complete data capture and reporting solution to support the County's tracking and management of critical data points related to medical cannabis cultivation, transportation, manufacturing, and distribution. SICPA has been supplying track and trace solutions to government entities since 2005 and as an established supplier understands the criticality in providing timely reporting and information to external stakeholders such as law enforcement.

As the County reviews the information in this response, SICPA believes that its passion for assisting its government clients with regulatory control solutions will become evident. That passion has grown out of the demonstrated effectiveness of SICPA's partnering efforts with other localities, states, and countries. SICPA is committed to working tirelessly with the County

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and its stakeholders towards the success of the proposed program and to position the County as a model for other California counties and municipalities—as well as the State of California and other states—to follow.

1.4 PRODUCTS AND SERVICES

As part of the “Emerald Triangle,” Mendocino County has a significant legacy cannabis cultivation industry. While this industry has been an invisible contributor to the County’s economy, it has also left visible effects including environmental, health and safety impacts. The County is currently considering a permanent ordinance (Chapter 10A.17) for the regulation of cannabis intended for medicinal use. This continues efforts that began with the original implementation of 9.31 in 2008 to provide a regulatory framework for medical cannabis and related activities in the County. With the current request for proposals, the County has further outlined the needs and requirements for a technical solution that can support the effective oversight of this significant local industry.

In regulating legal medical cannabis products, SICPA understands the County’s objectives including reducing illicit activity, enhancing the protection of public health, protecting environmentally sensitive areas such as watersheds and TPZs, and increasing visibility into medical cannabis product sourcing and movement. The State of California has identified requirements for administering and enforcing regulations for medical cannabis through the Medical Cannabis Regulation and Safety Act (MCRSA). This act has specifically identified the use of track and trace technology as the means for supporting appropriate regulatory and enforcement regimes. To meet MCRSA and County requirements for regulating medical cannabis, SICPA is pleased to offer the County with a unique solution for assisting with activities related to Medical Cannabis administration and enforcement programs.

The proposed SICPA Inventory Tracking Software Solution (ITSS) for Medical Cannabis will capture and reconcile activity at any point in the County medical cannabis supply chain. Starting from nursery through cultivation, initial production, and dispensary sale, the system will enable inventory and tracking all of all medical cannabis production and derived product movements within the permittee chain of custody. The proposed ITSS solution is based on similar medical cannabis track and trace program that SICPA implemented with Humboldt County (CA) that successfully rolled out in August of this year. Providing a solution hosted by SICPA, the proposed ITSS is consistent with County and MCRSA guidelines—supporting both plant identifier and batch/lot tracking concepts—and is designed to support potential future requirements for recreational cannabis should California adopt Prop 64 (AUMA). The SICPA ITSS is a modular and open platform that utilizes an open integration architecture to enable seamless interaction with legacy County solutions and any medical cannabis track and trace solution the State of California Department of Food and Agriculture (CDFA) may choose to deploy in the future for its own requirements.

The SICPA ITSS will provide the County with a robust control and enforcement framework for tracking and tracing medical cannabis while enabling patients to uniquely verify the testing, safety, and security of products produced and manufactured in Mendocino County. The solution

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includes secure, counterfeit-resistant stamps that provide unique identifiers for each plant and product within the medical cannabis supply chain. These secure stamps link to information captured in the ITSS database to enable both material- and information-based security and product authentication. The stamps will feature a design unique to the County to enable immediate visual identification of products sourced from County permittees. By utilizing a combination of material and information security, the SICPA ITSS will support the ability of County inspectors, auditors, and enforcement agents, local and state law enforcement, and medical cannabis permittees and patients to validate the authenticity of products confidently.

2 APPROACH TO SCOPE OF SERVICES

Per Section XII.B of the RFP, this section describes SICPA's proposed process/approach for providing the services described in Section XI, Scope of Work. SICPA has addressed each element of Section XI, including, but not limited to, descriptions for all system modules.

2.1 MAINTENANCE AND OPERATIONS

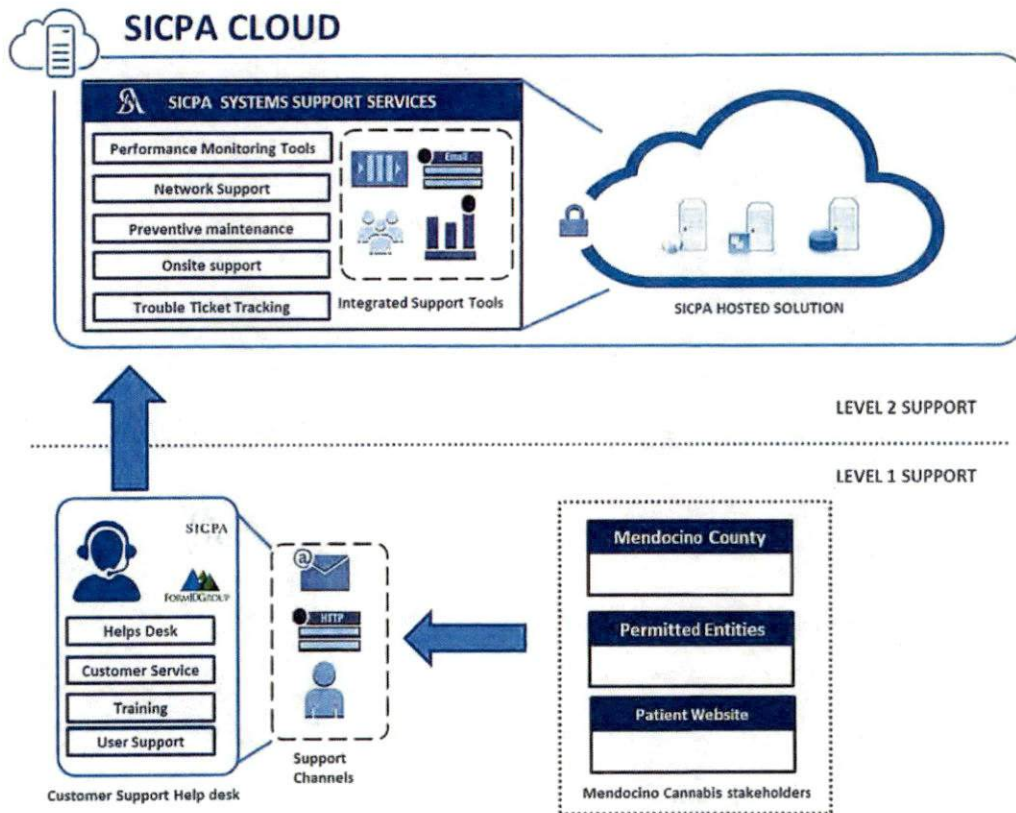
SICPA proposes to provide maintenance and operations services for the ITSS in accordance with the standards set forth in this proposal, including the areas described in detail below.

2.1.1 SOFTWARE MANAGEMENT

SICPA and its partner, Form 10 Group—a certified California Disabled Veteran Business Enterprise (DVBE)—bring unparalleled experience in help desk support, maintenance and operations. Together, SICPA and Form 10 Group have provided enterprise technical and application support in California for over 10 years—including all help desk support, software enhancements, systems maintenance, and adaptive and preventative maintenance for the SICPATRACE® track and trace solution utilized by the Board of Equalization since 2005. The SICPA team has the capability to scale to support the needs of Mendocino County as the regulated industry base expands. With significant uncertainty as to the number of cultivating operations that may seek to enter into a regulatory regime in the next few years—from 200 to 1500 or more—a vendor's ability not only to effectively support existing permittees, but also to add more permittees seamlessly, is critical.

2.1.1.1 Help Desk Support

For Mendocino County, the SICPA team is proposing a tiered support structure that combines field support, on-site support, and help desk support with remote monitoring and diagnostic tools to identify potential points of failure before they impact County or industry operations. SICPA has developed a comprehensive suite of customer support tools, processes, and procedures to continuously monitor the system health for software updates, enhancements, and preventive maintenance tasks beyond the first level support.



For all maintenance and operations, SICPA is responsible for meeting service level agreement (SLA) expectations set by the County. SICPA will leverage our Information Technology Service Management (ITSM) helpdesk system to provide typical helpdesk functions as well as automated helpdesk management and 24/7 monitoring systems. All help desk requests and system detail information is loaded into the ITSM system. Should any component of the overall solution— software, hardware, or network—reach a preset threshold in the monitoring system, the monitoring system is capable of automatically placing a call to the ITSM. The ITSM system then automatically creates a support ticket and assigns it to the appropriate support person.

The SICPA ITSM helpdesk is built on IT service standard Service Now® and captures and manages service tickets and assigns priority and resources. ITSM uses workflow to assure that issues are routed to the appropriate resources and alerts and escalations are generated automatically based on completion timeframes.



All service calls from the County or Industry are

actively monitored by dispatchers at SICPA's help desk using dashboards and drill-down screens. For inbound hotline calls, SICPA utilizes a tiered approach to handle technical issues. Tier 1 support calls are used to address simple questions for which call center personnel handle the initial level of troubleshooting. Tier 2 inquiries require escalation for troubleshooting by a technician with specialized skills to resolve the issue. Tier 3 calls may require dispatching a technician to address unresolved technical issues. The SICPA team has effectively utilized this process at the BOE, with California EBT retailers, and with the California DMV and has found this approach to be effective in resolving issues in a timely manner.

SICPA ITSS help desk functions are typically available 24 hours a day, 7 days a week using a combination of call center resources and on call resources. Call center resources typically provide primary support during normal business hours, from 6 AM to 6 PM Pacific Time, Monday through Friday. For assistance during other hours, calls are routed to on-call resources with access to ITSS help desk capabilities. To offer support during off hours and throughout extended business days, the SICPA team will support the ITSS program using help desk service centers in Tampa, Florida and Monterey, California to ensure continuous coverage and help desk redundancy.

As part of the ITSS contract, SICPA expects to discuss the specific support requirements for Mendocino County and capture these as part of a Service Level Agreement. We have provided a copy of a standard SLA in Appendix A.

2.1.1.2 System Enhancements

SICPA recognizes that the needs of the County will evolve over the contract term of the ITSS. California voters are considering Proposition 64, the Adult Use of Marijuana Act (AUMA) in November 2016; the Medical Cannabis Regulatory and Safety Act is subject to continued amendment; the County Permanent Ordinance may be subject to revision; and the Federal Government's long-term approach to medical and recreational cannabis remains uncertain. With a variety of potentially impactful changes affecting the regulatory environment, the ITSS must provide a flexible platform that meets the needs of today while also providing a foundation to meet future needs. SICPA has designed the proposed ITSS solution to meet this challenge by using an open, extensible architecture that can integrate with third-party applications and assets. Functional components are adapted using configuration instead of customization wherever possible, enabling the solution to respond to changes quickly and efficiently. SICPA develops these components using a continuous maintenance and upgrade path, with new system capabilities being released on a periodic, controlled basis to enable the County to ensure the platform meets future requirements.

Mutually agreeable enhancements could include changes to a higher grade of service or changes to the scope or functionality of components of the system or of the complete system, and are subject to the integrated change management process. Examples may include:

- New reporting requirements that will involve software development beyond what is included in the base product;
- New and additional interfacing with equipment or IT systems not in the scope of the current contract;
- New and additional features in the system not in the scope of the current contract; or
- Complete replacement of secure stamps, or type of marking, or major technology change.

SICPA will accommodate changes to forms, site attributes, and other legislative mandates. The process will consist of the following steps:

- The County notifies SICPA of new changes and updates to the regulatory regime, and provides the images or content as applicable.
- Upon receiving the change request, SICPA will acknowledge the request with the estimated time and cost required to implement the requested changes.
- SICPA will make the changes to the new form and wait for the County's approval before making the new/modified or information available in ITSS. If the changes include business logic or new calculations SICPA may ask for further follow up with the County prior to approval to assure there are no additional impacts on the information to be collected.

2.1.1.3 System Maintenance

During the duration of the contract, SICPA will update the hardware and software components when required to maintain the performance and security of the system within the scope and requirements defined in this contract at no additional cost. These updates include:

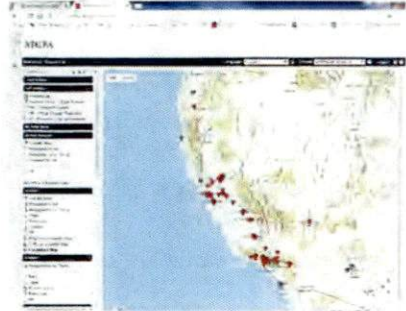
- Software version updates, bug fixes and patches;
- Life cycle management/maintenance of infrastructure (i.e. storage capacity, memory, networking, etc.)
- Upgrade of firmware of inspection readers;

SICPA will schedule updates based on assessment of the risk posed by the vulnerabilities identified. SICPA will communicate updates to Mendocino County.

2.1.1.4 Adaptive and Preventive Maintenance

To minimize any service disruptions to the County and its permitted entities due to hardware, software, or network failures, SICPA monitors all connected system components 24/7 utilizing sophisticated monitoring systems. These systems operate

mostly autonomously, with limited human supervision, to proactively collect performance data and generate actionable alerts and warnings to SICPA engineers via the Information Technology Service Management (ITSM) platform. This enables SICPA to react quickly, often before users report a problem. This consolidated monitoring system covers all infrastructure components including routers, switches, firewalls, servers, and network connections.



SICPA monitors all deployment sites for the program and performs proactive maintenance to reduce the risk of future service disruptions. If a problem occurs outside normal maintenance windows, an alert is sent to the application support staff where it is logged into the trouble ticket system for immediate resolution.

2.1.2 SYSTEM PERFORMANCE

Today's users expect excellent system performance, so SICPA tunes each component of the system to deliver fast performance. This includes the network, database, web pages, data retrieval services, and reports. Furthermore, the system is designed to handle the higher loads expected during the fall harvest season in this seasonal industry. SICPA based the solution on the number of permittees specified by the County in the RFP (30 or more County users and 1500 or more industry permittees, each with one or more authorized users). This will ensure smooth operation at all times for meeting and surpassing agreed service levels.

SICPA's performance measurement and optimization process begins during the system implementation process, before end-users interact with the solution in the production environment. SICPA performs system testing using large traffic loads to simulate client-specific test cases. The performance testing stresses the system with loads that will meet or exceed expected loads, ensuring that potential performance bottlenecks are identified and fixed. After optimization, SICPA re-tests the system with expected loads to ensure that the problem has been corrected.

Once in production, SICPA's Information Technology Service Management (ITSM) system monitors system performance. The ITSM system uses best-of-breed COTS component such as GroundWork, Check_MK, Nessus, Oracle/MySQL Admin tools, Nagios, Java monitoring components, and Splunk in order to enable SICPA to monitor IT infrastructure, platform and application levels for security, uptime and, and duration of events that are critical to end user satisfaction (e.g., transactions, queries, and batch processing).

ITSM management dashboards monitor the health of the system and infrastructure to identify potential failure points. Dashboard metrics also provide a quick indication of the health of outstanding service requests.

The results are presented in a dashboard format to facilitate quick assimilation of data. This dashboard allows SICPA engineers to focus on potential performance optimization. The dashboard can also be used to generate regular KPI reports on system performance measurements, which SICPA will provide to the County at agreed-upon intervals.



As part of the ITSS program, SICPA will provide the County a Service Level Agreement outlining network and system performance. An example of the SICPA SLA is included in Appendix A.

2.1.3 BUSINESS CONTINUITY AND DISASTER RECOVERY

SICPA has implemented backup and disaster recovery plans (DRP) for its entire portfolio of hosted platforms. SICPA solutions typically are considered 'mission critical' as they facilitate regulatory controls and revenue collection, and therefore demand high degrees of redundancy and failover. This includes large system-wide backup plans for Canada, Turkey, Brazil, California, Massachusetts, and other SICPA customers. SICPA will leverage this expertise for the ITSS to ensure to the highest degree the operations continuity for County officials and permitted entities.

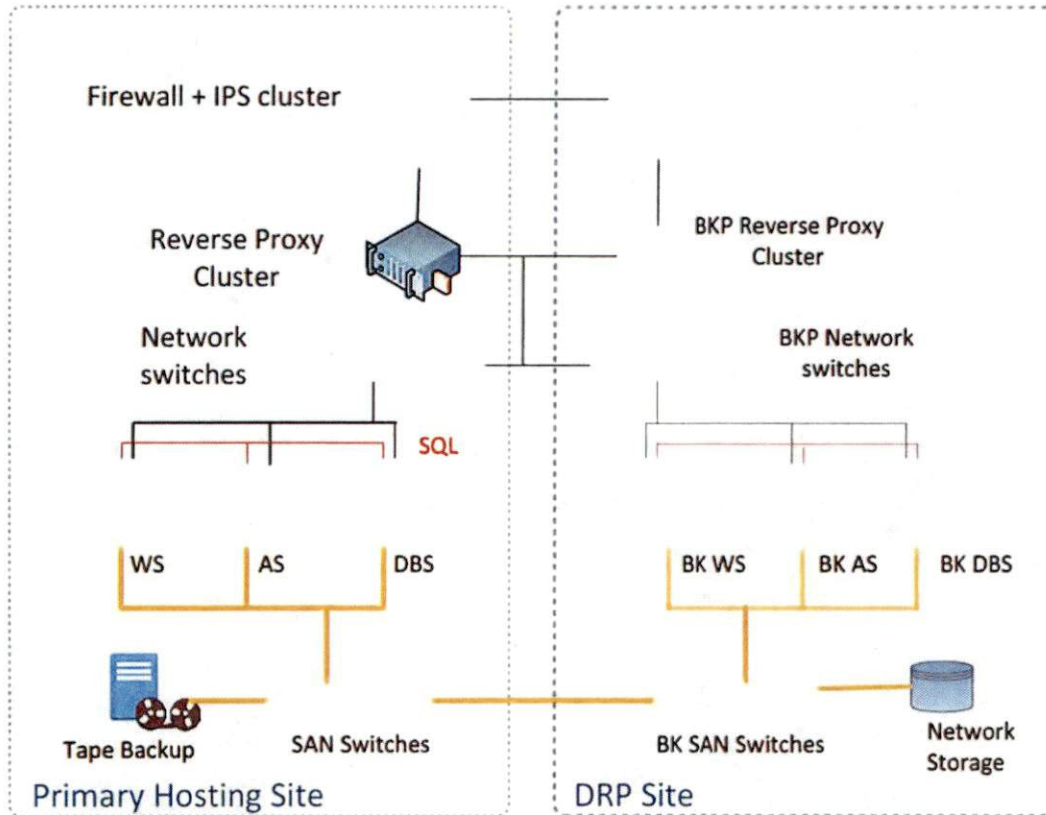
SICPA will back up system data using the same backup approach we use for other customer, which includes daily incremental backups plus weekly full backups. All backups are archived for a minimum of 30 days. Full system backups are put on tape and stored offsite in a secure facility.

In the event of a disaster, SICPA's objective is to activate the failover site within 24 hours. During any downtime event, SICPA will also implement the required manual operations that will be used until the system is fully operational.

The Mendocino County's ITSS technical architecture contains a disaster recovery (DR) site that mirrors the production environment at a different location for use if the primary location becomes unavailable for any reason.

In the unlikely case of a disaster, the DR site will be activated as the primary site. This means that all the network, hardware infrastructure, database and related applications become functional at the DR site, providing full operational capability.

The figure below illustrates how the proposed solution and network architecture for the SICPA ITSS Solution is typically configured:



SICPA will operate the ITSS using the disaster recovery plan (DRP) and business continuity plan (BCP) in place today for our existing customers.

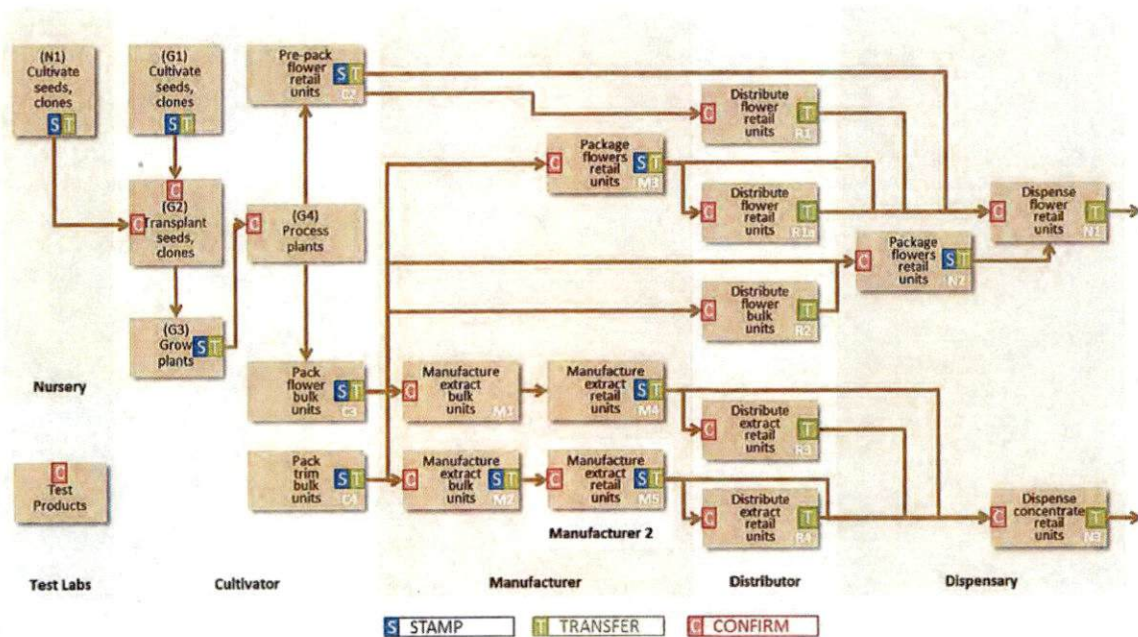
In addition to planning for large-scale disasters, SICPA recognizes that sometimes a service disruption can be caused by a failure in a small component. To reduce the risk of such a service disruption, SICPA uses best-of-breed hardware components that offer a high level of hardware redundancy (power supply units, fault-tolerant memory, RAID disk storage, multi-CPU architecture); uninterruptible power supplies (UPS); and RAID Storage Access Network (SAN) disk storage so failed disks can be replaced online without causing a service disruption.

2.2 REQUIRED SYSTEM CAPABILITIES

In the following section, SICPA has described how its proposed ITSS provides the required capabilities outlined in RFP Section XI.F.

2.2.1 TRACK CANNABIS AT EACH STAGE OF THE PROCESS

The SICPA ITSS platform tracks cannabis through the entire plant/product lifecycle pursuant to MCRSA track and trace requirements, from nursery to dispensary, as depicted in the following diagram:



The ITSS provides access to three core modules to the various permitted entities throughout the supply chain:

- 1) The stamped product activation ([S] in the diagram above) associates a unique identifier located on the stamps with the product data, site, user, manufacture date/time, and quantity and weight of a series of units from the same product.

The system allows the County to track any discrete item after it has been stamped with the secure stamp. The stamp provides a unique identifier linked to information in the ITSS associated with the product and custody enabling the County to fulfill its requirement of tracking cannabis in any of its form, for example but not limited to live plants, processed flower in bulk or prepackage retail form, trim, extracts in bulk or prepackage retail form, THC infused and edible products.

- 2) The product transfer ([T] in the diagram above) enables permitted entities to declare any movement of a unique product that was activated, using its unique identifier for that purpose. These transfers are typically sales to another entity. The system also supports the use of transfers to record special exception processes such as distribution of commercial samples or destruction.
- 3) The product delivery confirmation ([C] in the diagram above) enables permitted entities to acknowledge formally the receipt of a transfer of product using the associated unique identifier, thus maintaining a record of the chain of custody for that product.

The table below identifies how each type of permittee uses these three basic functions to track products in the supply chain:

Permitted entity type	Stamping and activation	Product transfers	Delivery confirmation
Nursery	Stamping of clone pots or stakes, and activation with their strain type	Sale of clones to cultivators or other stakeholders as allowed by County	N/A
Cultivators (any type)	<ul style="list-style-type: none"> • Stamping of clone pots or stakes, and activation with their strain type • Stamping of plants using zip-tie tags and activation with their strain type • Stamping of any byproducts of processing (flowers, trims, etc.) in their bulk or retail packaging form 	Transfer of clone to their cultivation area Transfer of plants to processing Sales of processed flower and by products to manufacturers, distributors, test lab or dispensary (Proposition 215) if allowed by County	Confirmation of delivery from any nursery Confirmation of internal transfers for clones and plants
Manufacturers (any type)	<ul style="list-style-type: none"> • Stamping of any byproducts of extraction (shatter, oil, etc.) in bulk or 	Sales of extracts to second level (ingestible or topical product) manufacturer	Confirmation of delivery from any upstream trading partners

Permitted entity type	Stamping and activation	Product transfers	Delivery confirmation
	retail packaging form • Stamping of any cannabis infused ingestible or topical products in retail form	Sales of products to distributor or dispensary Transfer of product to test labs	
Distributors / Transporters	No stamping	Transfer of product to test labs	Confirmation of delivery from any upstream trading partners
Dispensary	Optional stamping for product repackaged in Dispensary (Proposition 215 legacy support)	Sales of products to "generic patient" per County's response to RFP question. The goal is to capture Sales volume and inventory balance	Confirmation of delivery from any upstream trading partners
Test Labs	No stamping	No transfer or destruction declaration if in county	Confirmation if in county

All activations and movement of products recorded by a permittee are visible to the permittee and county officials at any time.

For more details on the process, please refer to Section 2.5, Technology and Configuration Specifications.

2.2.2 TRACK TOTAL AMOUNT OF CANNABIS IN POSSESSION OF PERMITTED ENTITIES

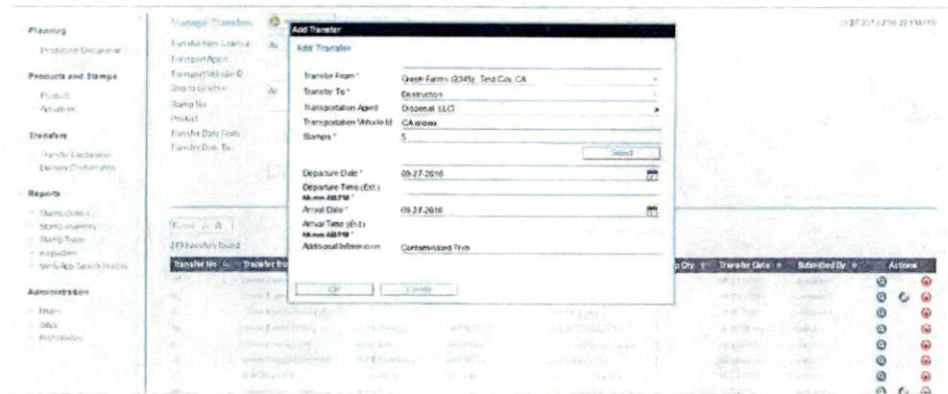
The ITSS system will provide the County full visibility of every permitted entity's activities and balance of products and stamps, including:

- The quantity of stamps ordered, used, and on hand;
- Product balance by product type and weight;
- Disposed products;
- Product transfers and products in transit;

The screenshot shows a software interface for tracking cannabis inventory. On the left is a navigation menu with sections: Planning, Products and Stamps, Transfers, Reports, and Inventory. The main area is titled 'Permitted Entity Selection Filter' and contains a search bar and a 'Select' button. Below this is a table titled 'Product List with Codes and Weight'. The table has the following columns: Tracking Location, Product Name, Net Weight, THC%, Batch ID, # of Stamps, Stamp No. Used, Stamp No. On Hand, Qty, Source Location, Expiration Date, and Actions. The table contains several rows of product data.

Products that need to be destroyed must be routed to a specific disposal location identified in the ITSS. Products intended for disposal are registered in the system and are recorded in a transfer indicating the disposal location. Upon receipt of the product, the disposal location records acknowledgement of receipt. The system supports capture of justification or documentation for the disposal event. Disposal events and their attributes (site, date/time stamp, type of product and quantity/weight, etc.) can be easily monitored by the County through ITSS reporting.

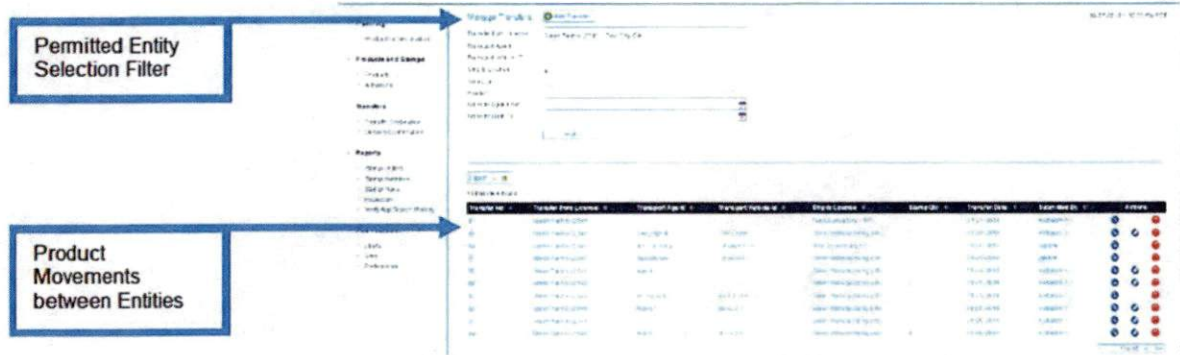
The following example illustrates a disposal transfer using five products selected for disposal in one operation:



In addition to providing support for complete supply chain reconciliation from plant to sale, the flexibility of the ITSS and stamps also support tracking of an incomplete supply chain if desired. With the scheduled implementation of the ITSS for early 2017, the 2016 outdoor harvest season will be complete; however, cultivators may still be holding flower products and trim products for planned release in 2017. The SICPA ITSS, through the use of parent/child relationships between stamps, can support tracking starting at any level of the supply chain (nursery plant, cultivated plant, harvest batch/lot, product unit). This flexibility will allow the ITSS to support County reconciliation of 2016 outdoor harvest products that have not already been distributed when the system is deployed, as well as any indoor cultivation that is in process.

2.2.3 PRODUCE CHAIN OF CUSTODY, SHIPPING MANIFESTS, AND OTHER REQUIRED FORMS

The SICPA ITSS transfer module enables permitted entities to record sales or other transfers of plant, bulk or packaged goods to registered trading partners. After a user records a transfer, the user can view or print a report about this transfer called the transfer manifest. The transfer manifest contains information about the sender, recipient, and transporter; as well as detailed information about each product and stamp in the transfer. The transfer manifest can be printed to accompany the transfer so that all interested parties—sender, recipient, transportation agent, and government officials—can see a simple and complete record of the transfer and all the information needed to confirm the authenticity of the products and the transfer. Senders and recipients can also use the transfer manifest to support confirmation of the shipment contents.

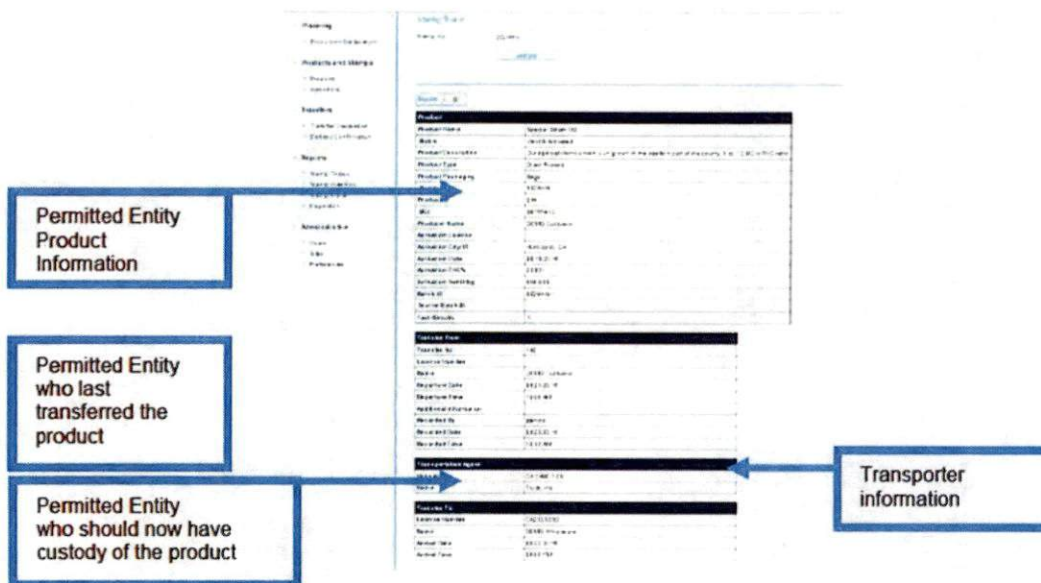


The following image displays a transfer manifest that the system generates and that can be exported to PDF and printed:



The SICPA ITSS stamp trace service is available solely to authorized county officials and enables them to trace the product and custody chain of custody information for any activated stamp.

This module can be accessed through mobile phone:

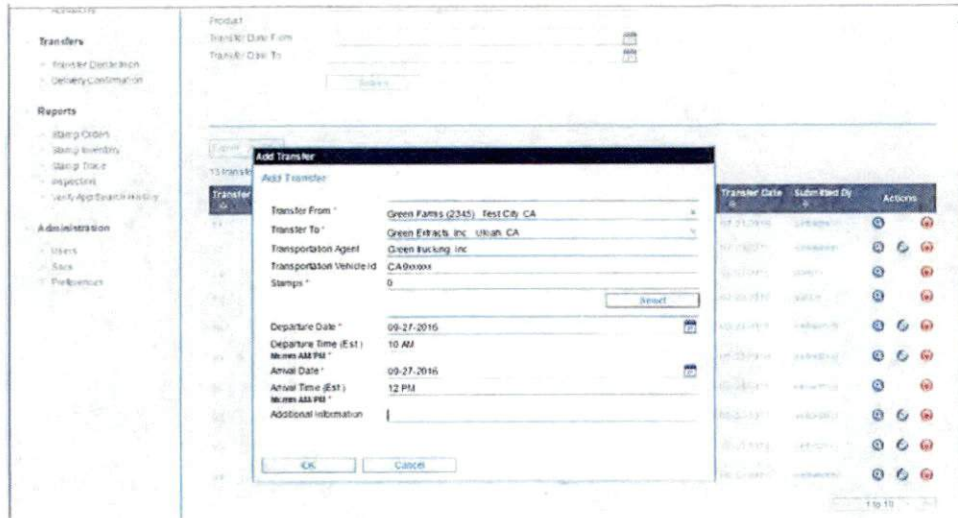


2.2.4 TRACK TRANSPORT OF CANNABIS AND MANUFACTURED CANNABIS PRODUCTS AND MEANS OF TRANSPORT

The SICPA ITSS Transfer declaration module enables the permittees to register sales of bulk or packaged goods to registered trading partners. The user interface enables the permittees to swiftly process transfers by:

- Selecting stamped products from a list by batch and/or by individual products;
- Selecting a recipient from their list of preregistered trading partners;
- Registering means of transport including the make, model, and vehicle identification number of the vehicle used for transport per MCRSA requirements

The ITSS registers the transaction with the permittee's ID, date/time, etc. to build a full product pedigree that can be traced by officials or permittees for verification.



2.2.5 INTEGRATE WITH HARDWARE

The SICPA ITSS platform supports data entry through peripheral devices such as scales and barcode scanners that comply with the following specifications:

- Devices that emulate keyboard input devices, such as scales that send product weight to the system
- 2D barcode scanners that support ISO/IEC 16022 - ECC200 2D datamatrix codes

While SICPA qualifies and tests the platform with a specific model of device in each category, we also plan to survey the permittee community at the beginning of the project to ensure that the supported devices meet permittee needs.

2.2.6 INTERFACE WITH COMMON COMMERCIAL INVENTORY TRACKING SOFTWARE SYSTEMS

The system is open and interoperable and can be interfaced via web services with common commercial inventory tracking software systems via web services or file exchange. Specific business functions such as stamp activation on products or product movement for sale at dispensary will have specific services that industry solutions developed by third parties can use to reduce data entry requirements.

2.2.7 TRACK THE FORM OF MEDICAL CANNABIS PRODUCT PRODUCED, UNIQUE LOT IDENTIFIER, QUANTITY, MANUFACTURE DATE, AND EXPIRATION DATE

The SICPA ITSS platform uses a unique identifier present in the **secure stamp** to track each discrete unit of cannabis product, including but not limited to unique lot identifier, quantity, manufacture date, and expiration date.

The following diagram depicts the features of a sample future County secure, encrypted, stamp:

Redacted

The stamp fulfills the following functions in the SICPA ITSS:

- 1) **Track and trace:** The stamp serves as the vehicle for tracking the medical cannabis in its various forms.
- 2) **Material authentication:** The stamps clearly identify Mendocino County products and feature tamper evidence, overt, semi-covert and covert material security to prevent re-use, replication and easily detect simulated stamps attempts by illicit players.
- 3) **Information-based security protecting product information and compliance pedigree:** The stamp's covert code carries information enabling county officials to confidently verify product information and obtain information about the permittee that used the stamp and the pedigree of the stamp throughout the supply chain. The stamp will also use an overt QR code that enables dispensaries and patients to validate product attributes, view testing certificates and further explore product and grower qualities such as farm information (e.g., clean green or certification of organic growing), strain information, appropriate use instructions, health and safety information, and cultivation care.
- 4) **Production output reconciliation:** Stamps enable accurate product counting and classification, providing a secondary source of information to the permittees and officials to monitor and improve operations, and to cross-check production declaration against expected production yields.

The proposed stamp provides a secure, counterfeit-resistant design and will feature multiple layers of capabilities (security features, data interrogation features) on a pressure-applied (self-adhesive) frangible substrate. Because cannabis plants and

derivative products have significant economic value, protection of the unique identifier associated with each plant or product against illicit duplication or misuse is critical for ensuring that the County can effectively administer and regulate permittee activity. To prevent counterfeiting, the proposed ITSS stamp utilizes banknote-grade security inks that are not commercially available and that are offered exclusively by SICPA for government applications. This provides industry-leading security for field validation and authenticity confirmation, enabling County officials to quickly confirm that observed unique identifiers are legitimate. Using a modular construction approach, the stamps are manufactured at SICPA's secure, NASPO Certified facility using a secure process that incorporates several impressions or layers. Each layer provides a different security feature that work in combination to allow inspectors to detect counterfeits and illegal reproductions of the stamps using proven methods and tools.

The product activation module allows permittees to associate a unique identifier located on the secure stamps with the product data, site, user, activation date/time, and quantity and weight of a series of units from the same product:

Products	Stamp Location	Associated Data in the Database
Clones	Pot or stalk	Site, User, Date/time, Strain
Plants	Plant zip-tie tags	Site, User, Date/time, Strain
Processed flower in bulk or prepack retail form	Bag	Site, User, Date/time, Product attributes such as weight, potency, product type, packaging, test results
Trim	Zip-tie tags or tote case	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Extracts in various bulk forms	Jars and other containers	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Extracts in various retail forms	Boxes	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results
Processed goods such as edible, topical	Boxes, Pouches	Site, User, Date/time, product attributes such as weight, potency, product type, packaging, test results

Other attributes such expiration date, product description, product and packaging type, etc. can also be associated at the same time. When the product is manufactured from a batch of source material, the unique identifiers associated with this source material can also be documented, providing a full pedigree to the point of origin.

2.2.8 CREATE USER SECURITY GROUPS AND ACCESS PRIVILEGES

SICPA's system uses role-based access controls (RBAC) to limit privileged functions only to authorized users. Each privileged user is assigned to a role that defines the privileged functions available to users who perform common privileged functions. Shown below is a typical set of roles with the associated privileged functions:

- **Government officials:** This role provided full access to reports and to management and approval privileges in the system. More granular roles can be defined if needed for different departments like health, tax, or law enforcement.
- **Permittees:** Users are restricted to view only their own site data, products, and transactions.

Redacted

2.2.9 PRODUCE REPORTS

Reports can be displayed in web page format, or exported to Excel or PDF if desired. ITSS Reports can be generated as static pre-defined formats that are run on a periodic, regular basis or ad-hoc inquiries where users may be looking specific information sets on demand. Examples of static and ad-hoc reports include:

- Production Declarations
- Activations: Reporting of all the tagging and labelling activities or products ranging from plants to retail level units
- Transfer declaration and Delivery confirmation: Reporting of all the product movements (sales and incoming material)
- Product Catalog: list of products with their attributes

In addition to the module specific reports, the ITSS platform provides additional reports such as:

- Stamp order, inventory and usage
- Product inventory
- Trace report - Restricted to government officials, enabling enforcement to understand the pedigree and last known location of a given product

The following images depict the report generation process within the software:

License	Strain Name	Planting ID	Planting Batch ID	Light Type	Light Subtype	Planting Date	Plant Qty	Yield Date	Yield Lbs	Actions
Green Farms (2345)	Blue Dream	123	1001-001	LED	Green SPS	10-01-2016	50	10-20-2016	1.2	[Icons]
Green Farms (2345)	Blue Dream	123	1001-001	LED	Green SPS	10-01-2016	45	10-20-2016	1.1	[Icons]
Green Farms (2345)	Blue Dream	123	1001-001	LED	Green SPS	10-01-2016	55	10-25-2016	1.3	[Icons]
Green Farms (2345)	Blue Dream	123	1001-001	LED	Green SPS	10-01-2016	48	10-22-2016	1.2	[Icons]
Green Farms (2345)	Blue Dream	123	1001-001	LED	Green SPS	10-01-2016	52	10-21-2016	1.2	[Icons]

Strain Name	Product Name	Net Wt (g)	THC %	Batch ID	Lot No	Sample Start	Sample Finish	Qty	Source License	Submitted By	Activation Date	Actions
Green Farms (2345)	Blue Dream	100.000	15.5	1001-001	1001	10/01/2016	10/01/2016	10000	1001-001	10/01/2016	10/01/2016	[Icons]
Green Farms (2345)	Blue Dream	100.000	15.5	1001-001	1001	10/01/2016	10/01/2016	10000	1001-001	10/01/2016	10/01/2016	[Icons]
Green Farms (2345)	Blue Dream	100.000	15.5	1001-001	1001	10/01/2016	10/01/2016	10000	1001-001	10/01/2016	10/01/2016	[Icons]
Green Farms (2345)	Blue Dream	100.000	15.5	1001-001	1001	10/01/2016	10/01/2016	10000	1001-001	10/01/2016	10/01/2016	[Icons]
Green Farms (2345)	Blue Dream	100.000	15.5	1001-001	1001	10/01/2016	10/01/2016	10000	1001-001	10/01/2016	10/01/2016	[Icons]

2.2.10 RETAIN HISTORY OF MODIFICATIONS TO RECORDS, BACKUP AND ARCHIVING

The system logs all record creations/modifications/deletions, creating an audit trail for each transaction that can be examined by County officials or SICPA. In the event a transaction needs to be reversed or adjusted, both the original and adjusted transactions are recorded and available for examination.

The complete system, including the database (and therefore all audit logs) are mirrored, backed up, and archived as part of the Business Continuity and Disaster Recovery approach described in Section 2.1.3.

2.2.11 SET UP AND MAINTAIN MULTIPLE LOCATIONS PER USER ACCOUNT

The SICPA ITSS platform enables a given user to access multiple licensed sites. The user can access the system with a single sign-on and select the license that will be relevant to the desired query, operation or report. The image below depicts the creation of a user account assigned to multiple locations in the system.

Redacted

2.2.12 TURN OVER DATA FROM USER ACCOUNTS TO REGULATORY AND ENFORCEMENT AGENCIES UPON COUNTY REQUEST

The SICPA ITSS platform provides full, 24/7 access to County officials. County officials with system access can retrieve information directly using standard reports to find information about users, permittees and trading partners, stamps, products, transfers, and delivery confirmations. If information is not available through a standard report, SICPA can retrieve the data directly from the database and provide it upon county request.

2.2.13 PROVIDE COMPREHENSIVE PAYMENT COLLECTIONS SOLUTION OR INTEGRATE WITH CURRENT COUNTY PAYMENT SOFTWARE

SICPA's system can integrate with existing or future County electronic payment gateway and clearinghouse capabilities; in addition, SICPA has an existing partnership with US Bank that can be made available to the County as an option. The U.S. Bank e-Payment solution provides a robust set of payment processing and clearing capabilities that has

been integrated with the SICPA stamp ordering and management solution as part of a deployment of those capabilities for the State of Washington.

2.3 TRAINING PLAN

The SICPA team understands the importance of training so that County and industry users can leverage the system to its fullest potential. SICPA recognizes that use of this system may be the first time some County and industry users are exposed to any regulatory compliance system. County officials will also be executing new administrative and oversight processes in addition to having to effectively use the new ITSS solution. Many industry permittees have for years avoided recordkeeping to reduce the risk of prosecution.

These challenges drive the need for a comprehensive training plan that ensures success. The SICPA approach to training recognizes these challenges and we incorporate a variety of assets and techniques to ensure that all users in government and industry can effectively operate the ITSS solution. Led by our partner, Form 10 Group, the SICPA ITSS training approach for Mendocino County is based upon our similar, recent experience with training for our project with Humboldt County. Leveraging the academic research of training scholars David Kolb and Malcolm Knowles, ITSS training is targeted toward adults who are learning to adapt to, and embrace new technologies, processes and equipment in the workplace. We combine the introduction of new concepts and system requirements in an academic learning environment and follow-on with hands on training and applications. Adult learning is especially effective when the students can enjoy success and gain confidence through participation and repetition.

The ITSS solution offers unique challenges, but ones that are not insurmountable. The SICPA team has a proven track record of training organizations and groups of individuals on new technologies and processes. SICPA and its partner, Form 10 Group, have successfully worked together for the California Board of Equalization for over 10 years to enable and support the State's current track and trace solution for regulatory control of cigarettes. Form 10 Group brings an unparalleled capacity in training and enablement as demonstrated by their ability to support small (<100 user) to large training requirements (Form 10 Group has trained and supported more than 3500 users under its support contract with the California Department of Motor Vehicles). The ability to not only deliver initial training but also deliver sustained training over the duration of the ITSS project, and do so in reaction to various requirements for scale as permits are issued will be the critical success factors in the effective adoption of the ITSS solution – both for the County and for Industry.

2.3.1 DELIVERY OF TRAINING

The SICPA approach includes the establishment of a dedicated team focused on training to make a smooth transition to a new environment. The objective is to identify, develop, and provide the right education and training to the right people at the right time in order for them to attain the skills to be successful and meet performance expectations.

The primary training delivery method is classroom-based learning supported by remotely available materials and self-help guides. For the ITSS project, SICPA is proposing to conduct all classroom training locally at the Agriculture Commissioner offices in Ukiah. Classroom courses are structured to provide a curriculum aligned to different resources functions and needs, so that all resources from County administrators to Industry product packers are provided appropriate training required to effectively interact with the solution.

2.3.2 TRAINING CONDUCT

Courses will provide a combination of instructor-led learning and hands-on learning exercises to introduce topics and ensure content retention. The County has identified approximately 25 users and 5 account administrators who require training. Depending on the number of permittees, courses will typically be offered 1 to 3 days a week to ensure permittees receive training close to their operational use of the ITSS solution. Class sizes will be limited to 15 participants to ensure an appropriate teacher-to-student ratio.

Given the nature of permitting, SICPA understands that training will be an ongoing process. Rather than enabling all permittees at once, the ITSS solution training will constantly be required for new permittees over the term of the contract. SICPA also understands that after initial training, some permittees may hire new employees who need to be trained. Furthermore, resources that have been already training may need remedial training. To facilitate these needs, in addition to continuous classroom training, SICPA will also offer an online repository of guides and training materials accessible to County and Industry staff to mitigate these impacts.

The figures below provide a brief overview of some of the classroom-based training proposed for the ITSS solution.

Course 1. ITSS Planning for Industry	
Audience:	Industry permittee owners, managers or operations staff with basic computer and Internet skills
Prerequisites:	None
Description:	This course provides industry business owners and managers the information they need to prepare to use ITSS within their organization. The workshop describes how the system is used by different types of permittee and what information permittees need to provide to use the system. Participants in the workshop learn by using the system to create a production declaration and product catalog entries; and then stamp and transfer products. Upon successful completion of the course, class participants will be able to describe the basic functions of the system and identify the information needed to operate the system.
Topics:	Track and Trace Concepts and Supply Chain Product Flows Production Declaration Product Catalog Stamp Activation Creating and Confirming Transfers
Materials provided:	Instructor-led with practical hands-on exercises
Format:	Instructor-Led
Duration:	4 hours

Course 2. ITSS Permittee Training Workshop	
Audience:	Industry Permittees
Prerequisites:	This class is intended for employees and contractors who work for industry entities that have successfully completed Course 1.
Description:	This module is focused on how to train operations staff how to use the system on a daily basis. This is intended for larger permittees who have staff dedicated to using the system, and whose duties are limited primarily to applying stamps, stamp activation, transfers, and confirming transfers. Participants in this class learn by using the system to stamp and transfer products and confirm deliveries. Upon successful completion of the course, class participants will be able to perform the basic stamping and transfer functions of the system.
Topics:	Track and Trace Concepts and Supply Chain Product Flows Applying Stamps and Stamp Activation Creating and Confirming Transfers Reports
Materials provided:	Course workbook
Format:	Instructor-led with practical hands-on exercises
Duration:	3 hours

Course 3. ITSS for Government Officials	
Audience:	Government officials only
Prerequisites:	None
Description:	<p>This module trains government officials on how permittees use the system and how government can use the system to perform regulatory compliance functions. The course begins with an overview of the basic track and trace concepts and product supply chain flows</p> <p>This class is designed for County officials involved with field compliance activities. The course is structured to enable compliance resources to look up and export required datasets prior to a field inspection, familiarize resources with the field tools included with ITSS for authenticating and validating ITSS plant identifiers and ITSS secure stamps.</p>
Modules:	<ul style="list-style-type: none"> Basic Track and Trace Concepts and Product Supply Chain Flows Production Declaration Product Catalog Applying Stamps and Stamp Activation Creating and Confirming Transfers Users and Sites Inspections
Materials provided:	Course workbook
Format:	Instructor-led with practical hands-on exercises
Duration:	4 hours

2.4 PROJECT IMPLEMENTATION PLAN

SICPA plans to implement the project using proven project management methodology we have used to successfully implement similar projects.

The project implementation plan begins with establishing effective communication between SICPA and project stakeholders. This begins with a kickoff meeting, followed by regular weekly and monthly meetings with stakeholders. Weekly meetings are used to quickly get answers to questions; raise questions and identify blocking issues; and to set expectations regarding upcoming project activities. Monthly meetings are used to communicate with more peripheral stakeholders who hold interest in the outcome of the project but are not involved in day-to-day project execution.

Next implementation tasks begin, starting with collection of reference data, primarily licensed sites and trading partners. Infrastructure will be provisioned for the test and production environments. The ITSS server application will be configured, and then scripts will be run to load system reference data. Integration testing will be performed to ensure that functional and performance requirements are met.

At the same time, stamp design will be finalized and stamp production will take place. Once testing is complete, the system will be promoted from the test environment to the production environment. Shakeout tests will be performed to ensure that the software and configuration data was promoted correctly.

Training materials will be updated to reflect approved requirements. Training and user acceptance testing will take place, followed by "go live", the date on which users begin using the system with live data.

Support turnover takes place to ensure that support staff have the necessary information needed to support the system after rollout.

Throughout this process, the project manager will update the project schedule to ensure that if schedule problems arise, they will be identified early and managed appropriately.

Requirements will be tracked in a requirements traceability matrix to ensure that user acceptance testing will test all approved requirements.

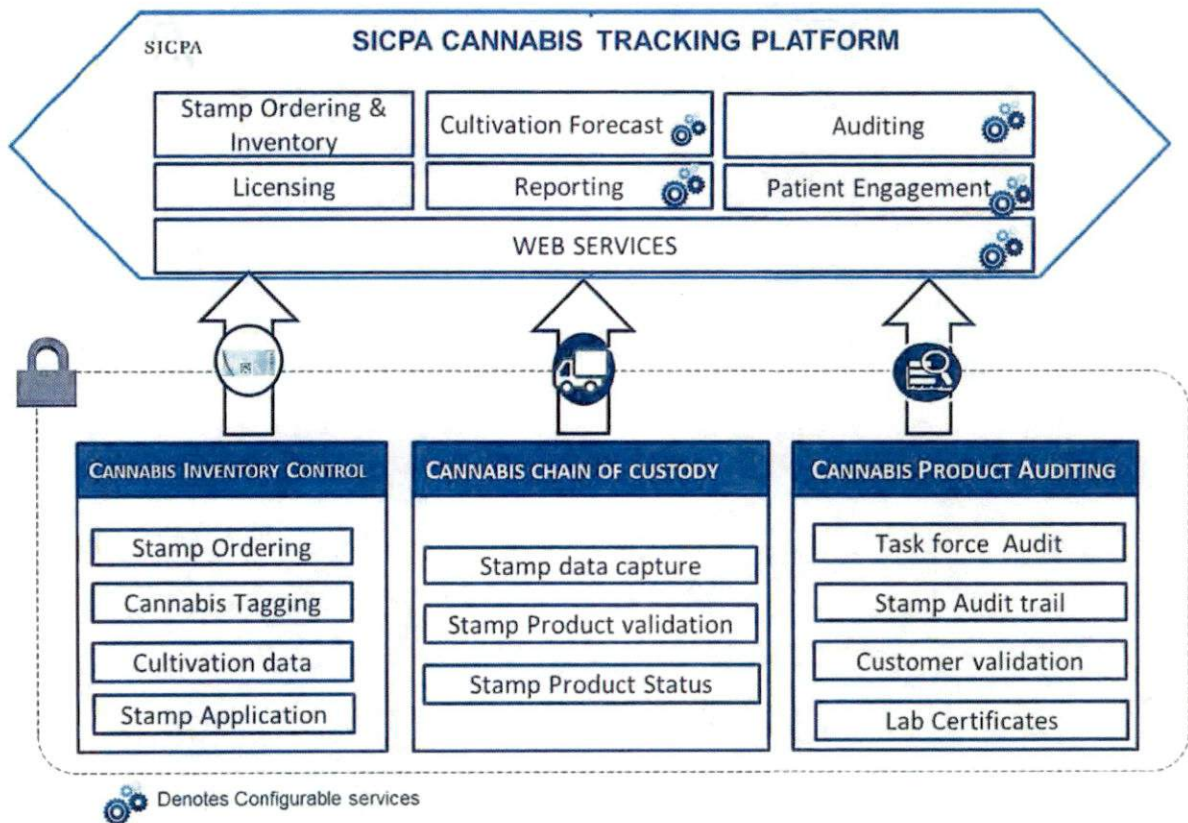
The project implementation plan described above is illustrated below in Section 2.4.1 Project Timeline.

2.4.1 PROJECT TIMELINE

Per RFP Section XII.I, SICPA has provided a preliminary project plan and timeline on the following page.

2.5 TECHNOLOGY AND CONFIGURATION SPECIFICATIONS

SICPA's proposed ITSS solution for medical cannabis control represents a State of California MCRSA-compliant track and trace system under the governance of the County. The following diagram depicts the functional architecture of the proposed system.



All servers are virtualized, which allows resources such as CPUs and memory to be added quickly and easily with minimum disruption. The software architecture is based on a relational database backend with Java-based code components and JBoss application server.

The platform is designed to provide end-to-end tracking of the cannabis product movement. The operational functional modules can be classified into three main categories:

1. Cannabis inventory control – This uses product stamping or plant tagging to uniquely identify and track cannabis. Plant tagging is used to track plants before harvest. After harvest, the permittee will indicate in the system the cultivation parameters, such as cannabis strain, plot or canopy size, yield, etc. The cannabis permittee will then aggregate the unit product transfer with a stamp that captures all the information in the system. The stamp is applied to the conveyance and is correlated to the cultivation batch.

2. Cannabis chain of custody tracking – This tracks products as they are moved from point to point as part of a transfer, enabling the system to capture product movement and chain of custody throughout the supply chain.
3. Cannabis product auditing - Cannabis product auditing enables task force members to scan and audit the cannabis product for compliance and origin authentication. This helps officials to determine whether the product transfer complies with the county's regulations. At dispensaries, the stamp can also be scanned to access laboratory quality results for safety and consumption.

Each of these modules is covered in more depth in our response to Section 2.1.

As shown above, the system tracks movement and transformation of goods throughout the supply chain from cultivation to dispensary.

The system implements interfaces using web services or file transfer to expose data and functions to authorized third-party solutions. These interfaces are configurable to fit the County's needs.

Most of the configuration is performed by SICPA during the product implementation for a specific project. SICPA will collect information from the County about licensed sites and their trading partners, and add that data to the system before the system is deployed. SICPA will continue to update this information as needed to add, update or deactivate sites as needed. Once users receive training, they will be granted access to the system, at which time they can enter their production declarations and product catalogs, and begin using the system. After deployment, users have access to this data, and can update them at their convenience.

3 COMPANY BACKGROUND AND EXPERIENCE

3.1 COMPANY OVERVIEW

3.1.1 SICPA

As a global leader in track and trace solutions SICPA is uniquely qualified to provide the services outlined in the County's RFP. Founded in 1927, SICPA is a global leader in product authentication, identification and secure traceability solutions and services. Protecting banknotes globally since the 1940s, SICPA's core business is based on proven anti-counterfeiting and authentication technologies. SICPA works with governments to secure excise tax and control product supply chains for more than 77 billion products annually, including beer, wine, spirits, cigarettes and other products with significant regulatory control requirements. SICPA is the leading excise tax stamp provider in the U.S. with customers that include 45 states. SICPA offers customers industry-leading tax stamp solutions with associated stamp fulfillment, tax processing, compliance and audit selection IT capabilities.

3.1.2 FORM 10 GROUP

Form 10 Group was founded in 2003 in San Jose, California. Since its inception Form 10 Group has focused on providing a wide range of services to federal, state and local government agencies. In the last several years, Form 10 Group has been involved in major system deployments for state agencies in California, Nevada, Oregon, Louisiana, Nebraska, and Georgia. Form 10 Group has also worked with many major corporations and non-governmental organizations. Form 10 Group has always focused on three key elements: Innovation, Intelligence and Integrity. Form10 has a culture to continuously challenge its staff to listen to its customers, analyze their problems, and offer customized solutions from a fresh perspective.

Form 10 Group has a network of trainers and customer support staff that will support the ITSS training and system support requirements. All of Form 10 Group's staff is evaluated by a criminal and financial background check prior to starting work—critical when working with confidential information and programs.

3.2 EXPERIENCE AND CAPABILITIES

SICPA has unique and unparalleled experience in working with national, state, and local governments on supply chain control systems for regulatory compliance, public health protection, volume reconciliation, and revenue and fee collection using secure track and trace technology:

- Ten countries currently utilize SICPA track and trace solutions to secure over 77 billion items annually. These systems have effectively assisted government agencies in

identifying and deterring black market activity across variety of products including tobacco, cigarettes, soda, water, beer, wine, and spirits

- In the United States, 45 states and more than 160 local jurisdictions utilize SICPA solutions for revenue collection and protection. SICPA provides the State of California with its current track and trace architecture through the SICPATRACE® solution used by the Board of Equalization since 2005. This solution assists the BOE in uniquely identifying over 800 million items annually and was cited by the California Auditor in March, 2016 as helping the state protect over \$90 million in annual revenues previously lost to illicit activity.
- Humboldt County has deployed SICPA's track and trace solution to support administration and enforcement of its medical cannabis ordinances consistent with California state requirements as designated by MCRSA.

Form 10 Group, SICPA's partner in this proposal for training and support, has a proven track record of training organizations and groups of individuals on new technologies and processes. Form 10 Group strives to understand its customer's needs and learning objectives. Various training styles and delivery methods are examined for each client in order to enhance the likelihood of success. Form 10 Group's training customers include numerous federal, state and local government customers; as well as corporate entities and non-profit groups.

As organizations implement changes in the workplace, employees can exhibit unease, anxiety and even resistance to this change. Having a well-designed training program to overcome user apprehension is critical to effective adoption of the new technology and vital to any meaningful return on investment for the organization. Form 10 Group has successfully provided training to thousands of individuals facing organizational change during the past 13 years.

3.2.1 CURRENT CLIENT LISTING

3.2.1.1 SICPA

SICPA's current track and trace clients in the United States include Humboldt County, California for its Medical Cannabis Provenance Control Solution, the State of California Board of Equalization for its Alternative Cigarette Tax Stamp program, and the Commonwealth of Massachusetts Department of Revenue for its Counterfeit-Resistant Cigarette Excise Stamp Program. Details on each of these clients have been provided in the Letters of Reference section of this proposal.

In addition to these domestic clients, worldwide SICPA currently operates secure track-and-trace solutions on behalf of the governments of Canada, Brazil, Turkey, Morocco, Albania, Georgia, Malaysia, Kenya, Ecuador, and the Delhi state territory of India.

3.2.1.2 FORM 10 GROUP

Form 10 Group currently provides services in partnership with SICPA similar to those proposed herein to the California State Board of Equalization and the Commonwealth of

Massachusetts Department of Revenue in conjunction with SICPA's track-and-trace contracts in those states. Form 10 Group also currently provides training services to the California Department of Motor Vehicles and Florida Tax Collectors and has recently performed training services under contracts with the Texas Department of Public Safety and California Department of Health and Human Services.

3.2.2 NUMBER OF YEARS IN BUSINESS

SICPA was founded in 1927 and has operated continuously for the last 89 years. Form 10 Group has been in business for 13 years since its founding in 2003.

3.2.3 NUMBER OF YEARS OFFERING SERVICES DESCRIBED IN THIS PROPOSAL

SICPA has offered secure track-and-trace systems and related services since 2004 with the inception of its first SICPATRACE® contract in Malaysia, and has offered these services in the United States since 2005 with the initial California State Board of Equalization contract.

Form 10 Group has offered training and support services continuously since its founding in 2003, for a total of 13 years.

3.3 KEY PERSONNEL

SICPA's implementation team for the proposed project brings years of experience in secure track and trace solutions, overseeing multiple implementations of the SICPATRACE® platform—including the Humboldt County program. Our team's key personnel include:

- **Alex Finkel, Project Executive:** Mr. Finkel has more than 16 years of experience working in the areas of software development and operations. He joined SICPA in 2003 as a Systems Integration Manager, and has rapidly moved through the organization to his current role as Chief Operating Officer. He architected several global Track and Trace programs currently in operation and was on the implementation team for the Brazilian Track & Trace program, a multi-product platform that currently tracks over 46 billion unique items per year. In addition, he led the teams responsible for the implementation of SICPA's Track & Trace contracts in California, Massachusetts, and Canada. He is a member of SICPA's North American Executive Management team.
- **John Connors, Program Manager:** Mr. Connors has more than 25 years of professional government and private sector experience in program and project management for a variety of technical applications. Specifically, his background includes the bidding, planning, and managing of custom IT projects—including application software development, COTS integration, infrastructure support, full life cycle development, and systems engineering. Mr. Connors joined SICPA in 2014 where he is currently responsible for the implementation of the Medical Cannabis Provenance Control Solution for Humboldt County, as well as all secure track and trace stamp contracts including California and Massachusetts.

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Per the RFP requirements, SICPA has provided resumes for these key personnel on the following pages.

3.3.1 ORGANIZATIONAL CHART

SICPA Product Security LLC has provided below its organizational chart depicting the positions of our named personnel within the organizational structure.

Redacted

ALEX FINKEL

PROGRAM EXECUTIVE

Mr. Finkel has more than 16 years of professional experience working in the areas of software development and operations. He joined SICPA in 2003 as a Systems Integration Manager. His academic credentials include a Bachelor of Science degree in Computer Systems Engineering from Boston University and MBA from New York University Leonard N. Stern School of Business. He has been recognized for his contributions to the organization overall through several roles held that included Project Management and Government Solutions Consulting. Mr. Finkel currently holds the role of Chief Operating Officer. He architected several global Track and Trace programs currently in operation and was on the implementation team for the Brazilian Track & Trace program, a multi-product platform, which currently tracks over 46 billion unique items per year. In addition, he led the teams responsible for the implementation of SICPA's Track & Trace contracts in California, Massachusetts and Canada. He is a member of SICPA's North American Executive Management team.

Highlighted Experience

- More than 16 years of hands-on, technical development experience
- Manages all aspects of operations for SICPA's Track & Trace solutions in CA, MA and Canada
- Member of SICPA North American executive management team

RELEVANT EXPERIENCE

- **Massachusetts – SICPATRACE®, Encrypted Tax Stamp Project, 05/2010 – Present**
COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **California – SICPATRACE®, Tobacco Tax Stamp Project, 07/2004 – Present**
COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **Canada – SICPATRACE®, Stamping Regime Program, 09/2010 – Present**
COO - Responsible for overseeing all operational aspects of the project, including: engineering, implementation, project management and customer service.
- **Brazil – SICPATRACE® Track and Trace System, 08/2007 – Present**
System Integration Manager - Led technical sales and product strategy of an integrated solution encompassing item level serialization of tobacco products targeting tax revenue increase and lower illicit trade for Brazil's Internal Revenue Service. Managed the activities of a 20 person technical team responsible for the implementation of the project's first production site.

EDUCATION

- **MBA, Finance**
New York University—Leonard N. Stern School of Business
- **BS, Computer Systems Engineering**
Boston University

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JOHN CONNORS, PMP

Highlighted Experience

- More than 25 years of technical development experience
- Manages all tax stamp contracts including CA & MA.

PROGRAM MANAGER

Mr. Connors has more than 25 years of professional government and private sector experience in program and project management for a variety of technical applications. Specifically, his background includes the bidding, planning, and managing all custom IT projects—including the application software development, COTS integration, infrastructure support, full life cycle development, and systems engineering. Mr. Connors joined SICPA in 2014 where he is currently responsible for all tax stamp contracts including California & Massachusetts.

RELEVANT EXPERIENCE

- **Humboldt County, California – SICPATRACE®, Medical Cannabis Track and Trace Project, 03/2016 – Present**
Project Manager – Oversees the ongoing operations of this project, including planning, development, and implementation.
- **California – SICPATRACE®, Tobacco Tax Stamp Project, 09/2014 – Present**
Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.
- **Massachusetts – SICPATRACE®, Encrypted Tax Stamp Project, 09/2014 – Present**
Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.
- **Canada – SICPATRACE®, Stamping Regime Program, 09/2014 – Present**
Project Manager – Oversees the ongoing operations of this project, including system maintenance activities and enhancements.

EDUCATION

- **Bachelor's Degree, Electrical Engineering / Computer Science**
 Stevens Institute Of Technology, Hoboken, NJ

CERTIFICATIONS

- **Project Management Professional (PMP)**

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SICPA

3.4 REFERENCES

Per the requirements of the RFP, SICPA has provided contact information for three client references, as well as letters of references from these points of contact. The information has been provided on the form included as Attachment D to the RFP.

4 PROPOSAL COST PLAN AND NARRATIVE

SICPA is pleased to submit our pricing proposal to the County for our proposed Inventory Tracking Software Solution (ITSS). SICPA has developed its pricing for the proposed ITSS program based on our experience implementing similar types of information technology projects and our comprehensive program cost methodology. SICPA's pricing includes the all required hardware, software, professional services, secure stamps, field validation tools, licenses and resources required to deliver the scope of work we have outlined in our proposal.

SICPA's proposed costs provide for all costs incident to the proposed contract and delivers the components requested by the County for this procurement including:

- All professional services required for the implementation of the ITSS solution to meet the County's requirements as outlined in the Request for Proposal.
- Hosting services including required infrastructure hardware and software to provide ITSS as an open platform that offer offering world-class availability, scalability, security and performance.
- Implementation of the technical architecture and ongoing technical support for the entire contract period
- Provision and delivery of secure stamps - inclusive of County specific design - to industry permittees for the entire contract period.
- Training and mentoring to enable County staff and other users authorized by the County (law enforcement, planning, and industry) to effectively utilize the solution and associated field validation tools.
- Ongoing customer service and support for industry and county staff including both in person and remote support.

After analyzing the RFP requirements and based on the detailed requirements that we have seen from similar types of projects, we believe the County should make several considerations when evaluating vendor pricing proposals.

- **Do the Vendor's costs align with desired County Outcomes?** The County has recognized the need to provide existing, legacy permittees a chance to absorb regulation prior to new permittees entering the market. Under the proposed County permanent ordinance, new operations (those not existing prior to Jan 1, 2016) may have to wait up to five years to seek a license while those already existing establish a market foothold. We have structured our price proposal to progressively align costs to legacy permittees which have traditionally been smaller, artisanal cultivators. Under our approach, smaller permittee costs are different from large, commercial scale operations. A progressive cost of ownership structure creates a more level playing field for ensuring access to the market while acknowledging the ability of different sized permittees to competitively absorb regulatory costs.

- **Does the vendor truly deliver the County's requirements?** The County has provided high-level requirements in the RFP documents but not a detailed requirements matrix. SICPA recognizes that there are many detailed items that must be considered in support to the documented requirements for actionable deliverables. Our experienced team fully understands the County's need to implement a solution quickly and the need to minimize the amount of system customization required. As part of our program, SICPA will conduct a robust and thorough up-front requirements validation and analysis with the County, to reduce the risk of potential misunderstanding later in the project that would expose the county to inconvenient re-design work.
- **Is the vendor experienced at identifying and managing the risks of a large and complex project?** The County has identified a significant number of potential permitted operations, estimated between 200 to 1500 or more, that a vendor will be required to train and support. These permittees may have varying degrees of competence using computers and technology solutions and will require timely and comprehensive training, enablement and support. The County also has identified regulatory account administrators and users, both in the field and in office, who will require training on system functions and cannot afford downtime when conducting critical compliance and administrative tasks. Covering a large geographic area with significant remote locations, the County will also face challenges for timely communication and online/offline support for system functions where cellphone and Wi-Fi coverage is inadequate. SICPA has accommodated the significant time and solution capabilities required for these types of activities that are critical to a successful achievement of this implementation.
- **What is the long term total cost of ownership (TCO) for the solution?** SICPA's policy is to provide clear, accurate, and complete up-front pricing for the project, and not subject the County to change orders, add-ons or other cost inflators. While SICPA recognizes that this may put our solution cost at an initial disadvantage, we believe that our proposed cost is based on a true understanding of the complexities of this initiative, not wishful thinking from an inexperienced offeror.

The professionals of the SICPA team (SICPA and Form 10 Group) bring deep domain expertise and experience in track and trace and technology enablement to work with the County for ensuring that requirements are appropriately understood, implemented and fully supported. Our pricing approach also is based on a strong belief that SICPA team staff must have a presence with the County during the project, and that SICPA must be a key stakeholder with the County that will ensure the success of this project. Our pricing includes significant on-site time to ensure effective communications with all the stakeholders on the project. SICPA has also structured its pricing so project payments from the County and industry are paid only upon the production delivery of the solution. With its proposed pricing approach, SICPA is investing with the County as trusted partner for ensuring the success of this project with costs only being borne by the County and industry upon successful production system deployment.

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SICPA

Based on the above, we believe the County will find our pricing provides a compelling value proposition, one unmatched by other solution providers in the market with one-size-fits-all offerings. The pricing table is provided below and is inclusive of all the costs, including per hour costs, chargeable to the County and costs borne for each permittee:

Redacted

**ATTACHMENT C
EXCEPTIONS TO RFP**

Company Name: SICPA Product Security, LLC.

Representative: _____


Title: _____

Address: 8000 Research Way, Springfield, VA. 22153-3131

Phone: _____ Email: _____

I have reviewed the RFP and General Contract Terms in their entirety and have the following exceptions: (Please identify and list your exceptions by indicating the section or paragraph and page no. as applicable. Be specific about your proposed exception(s) to content, language, or omissions. Add as many pages as required.)

None

Authorized Representative: James E. Bonhivert
(Printed name)
Signature: 
Date: September 22, 2016

**ATTACHMENT D
LETTERS OF REFERENCE**

Please list the references (minimum of two (2)) in the section provided below and attach corresponding letters to this form.

Agency	Contact Name/Address	Phone No.	Dates Services Provided (From/Through)
California State Board of Equalization	Richard Parrott 450 N Street Sacramento, CA 94279	Redacted	2005 – Present
County of Humboldt Department of Agriculture	Jeff M. Dolf 5630 South Broadway Eureka, CA 95503	Redacted	2016 – Present
Commonwealth of Massachusetts Department of Revenue	Evan J. Garcia 200 Arlington St. Rm. 4300 Chelsea, MA 02150	Redacted	2010 – Present



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
 PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0057
 1-916-552-8637 • FAX 1-916-324-2554
 www.boe.ca.gov

SEN. GEORGE RUNNER (RET.)
 First District, Lancaster

FIONA MA, CPA
 Second District, San Francisco

JEROME E. HORTON
 Third District, Los Angeles County

DIANE L. HARKEY
 Fourth District, Orange County

BETTY I. YEE
 State Controller

DAVID J. GAU
 Executive Director

September 28, 2016

Christopher Shaver
 Executive Office/Central Services Division
 Mendocino County
 501 Low Gap Rd, Room 1010
 Ukiah, CA 95482

**RE: SICPA Letter of Reference
 RFP 34-16 Medical Cannabis Inventory Tracking
 Software**

Dear Mr. Shaver:

SICPA Product Security, LLC (SICPA) has been providing the California Board of Equalization (BOE) with secure cigarette tax stamps successfully since the inception of the original contract in 2005. During this period SICPA has continuously met all of the State's requirements and has delivered a high level of capability and service.

Under the scope of their contract, SICPA provides the BOE with an integrated secure track and trace system that utilizes an encrypted tax stamp as the secure unique identifier. The system is fully hosted by SICPA and provides the State with a centralized, secure database to manage all encrypted stamp orders, process inquiries from state officials, and generate reports on revenue collection, distributor activity, stamp inventory, investigation management, and reporting.

Using SICPA's solution, the State sells approximately 800 million tax stamps per year, protecting and generating almost \$700 million in revenue. Since full-scale implementation in July 2005, the BOE reports that the SICPA solution has contributed to significant gains in tax revenue collection, market protection, and criminal activity prevention and enforcement. In May of 2014, the BOE reported that due to the Cigarette and Tobacco Products Licensing Program, the counterfeit-resistant encrypted tax stamps and retail inspections, the total excise tax and sales and use tax compliance improvement benefits to the state are \$135.7 million annually.

Please do not hesitate to contact me at **Redacted** with any questions.

Sincerely,

Richard Parrott, Chief
 Special Taxes and Policy and Compliance Division



DEPARTMENT OF AGRICULTURE
COUNTY OF HUMBOLDT
5630 SOUTH BROADWAY EUREKA, CALIFORNIA 95503
PHONE (707) 441-5260

September 23, 2016

Christopher Shaver
Executive Office/Central Services Division
Mendocino County
501 Low Gap Rd, Room 1010
Ukiah, CA 95482

RE: SICPA Letter of Reference
RFP 34-16 Medical Cannabis Inventory Tracking Software

Dear Mr. Shaver

With the passage of the Medical Marijuana Regulation and Safety Act (subsequently amended to MCRSA) the State of California established its regulatory framework for Medical Cannabis. Under MCRSA, the State enumerated requirements for the use of Track and Trace technology utilizing a unique identifier for reporting the movement of medical cannabis items throughout the distribution chain.

In March, 2016 Humboldt County has entered into an agreement with SICPA Product Security, LLP ('SICPA') to engage in a first of its kind pilot program for track and trace of Medical Cannabis consistent with MCRSA regulations. Humboldt County decided to work with SICPA based on its unique domain knowledge, understanding of track and trace technology, and experience implementing this technology globally and with the California Board of Equalization. Under the program, SICPA is providing the County with a track and trace solution utilizing secure, encrypted unique identifier stamps along with patient engagement and field enforcement verification tools to provide the County with a comprehensive proof of origin capability for identifying and tracking Medical Cannabis products derived from Humboldt County.

The Office of the Humboldt County Agricultural Commissioner has overseen the program with SICPA and confirms that SICPA has fully met the County requirements and expectations for performance. The program went live on August 1st, 2016 and during our engagement SICPA has consistently delivered on the requirements and timeframes of the program and provided both the County and industry with a strong level of training and support. Based on SICPA's performance and the success of SICPA's track and trace solution in meeting County requirements for Medical Cannabis Track and Trace, the County has subsequently requested SICPA extend the program for an additional month through December 31, 2016.

Please do not hesitate to contact me at

Redacted

with any questions.

Thank you,


Jeff M. Dolf
Agricultural Commissioner/
Sealer of Weights & Measures



MICHAEL J. HEFFERNAN
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Audit Division
200 Arlington St., Room 4300
Chelsea, MA 02150

STEPHEN MOFFATT
ACTING DEPUTY COMMISSIONER

September 30, 2016

To Whom It May Concern,

This letter will confirm that the Massachusetts Department of Revenue ("DOR") has contracted with SICPA Products Security LLC to implement a Counterfeit-Resistant Cigarette Excise Stamp Program utilizing its SICPATRACE platform.

SICPATRACE has been in operation in the Commonwealth of Massachusetts since May 2010, reaching full implementation by March 2011. The contract is governed by the requirements set forth in the Request for Response for Counterfeit-Resistant Cigarette Excise Stamps ("RFR") issued March 18, 2009 and numbered RFR 08-623.

DOR awarded SICPA a contract for encrypted cigarette stamps and services that:

1. Manufacture stamps that are counterfeit-resistant due to the integration of multiple overt and covert features, including encrypted features.
2. Produce stamps with unique stamp numbers.
3. Ensure receipt by DOR of accurate reports regarding the manufacturers and brands of cigarette stamped.
4. Prevent stamps from being affixed by Stampers to cigarettes that are not listed on the Commonwealth's Tobacco Product Manufacturer Directory.
5. Allow stamps to be affixed only by designated Stampers/stamping machines.
6. Allow Stampers to order encrypted stamps through a secure Web-Based application, thereby streamlining DOR's order process and allowing stamps to be shipped from the contractor directly to Stampers.

SICPA has provided roughly 200 million stamps per year since July 2011. Any issues with the program have been minor and SICPA has addressed all issues timely and efficiently. To date SICPA has satisfactorily met its requirements under the contract.

Very truly yours,

A handwritten signature in black ink that reads "Evan G.".

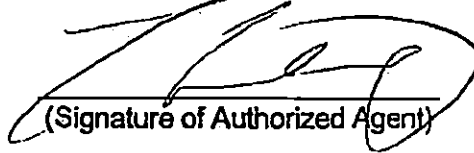
Evan J Garcia
Director, Miscellaneous Excises Unit
Massachusetts Department of Revenue

**ATTACHMENT E
CERTIFICATE OF NON-COLLUSION**

The undersigned certifies, under penalty of perjury, that this proposal has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

SICPA Product Security, LLC.

(Name of Proposer)



(Signature of Authorized Agent)

September 22, 2016

Date

APPENDIX A

SAMPLE SERVICE LEVEL AGREEMENT (SLA)

This Service Level Agreement ("Agreement") sets forth the details regarding the level of service and technical support for the Service that will apply to the County of Mendocino's account.

1. Downtime

(a) For purposes of this Agreement, a unit of Downtime is one period of at least thirty (30) minutes up to sixty (60) minutes ("Unit") during which the Service or a material components of it is unavailable because of problems with or the unscheduled maintenance of Vendor's hardware or system software("Downtime"). Downtime does not include (i) problems caused by factors outside of Vendor's reasonable control, (ii) problems resulting from any actions or inactions by the County or any third party, (iii) problems resulting from the County's equipment and/or third party equipment not within Vendor's sole control, or (iv) network unavailability during scheduled maintenance of Vendor's network and/or servers. Vendor will periodically monitor Vendor network and server availability using software and hardware components capable of measuring application traffic and responses. Based on its monitoring, Vendor will determine Downtime for the purposes of this Agreement.

(b) Vendor's servers connect to the Internet through redundant high-speed connections on diverse backbones, enabling data delivery to the end user in a quick and efficient manner. Subject to the limitations set out below, in any calendar month, Vendor guarantees that Downtime will not exceed four (4) Units of Downtime excluding regularly scheduled maintenance. Any regularly scheduled maintenance will be performed during the hours of 11:00 PM and 5:00 AM EST on a Saturday or Sunday. Vendor works to ensure the functioning of all network infrastructures through continuous monitoring by Vendor's staff, however, Vendor has no control over third party services including, without limitation, the Internet. VENDOR'S SERVICES ARE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. VENDOR IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

(c) If Downtime exceeds four (4) Units of Downtime in any calendar month, Vendor will, upon the County's written request, credit the County's account (a "Downtime Credit") in an amount equal to the prorated price for one (1) day of service, for each 4 Units of Downtime in any calendar month.

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(d) To receive Downtime Credit, the County must request such credit by sending an email to vendor within seven (7) days after the occurrence of Downtime. Downtime Credits will be applied upon issue of the first invoice following the request for Downtime Credit, unless the Downtime occurs in the County's final month of service. In such case, a refund for the dollar value of the Downtime Credit will be mailed to the County within thirty (30) days of the expiration of the County's service agreement.

2. Technical Support

(a) A member of Vendor's technical support help desk staff will be available to assist the County with problems and questions regarding the Service. Vendor will supply telephone and/or email support to County regarding the Service twenty four (24) hours a day, seven (7) days a week.

(b) The county may contact Vendor's technical support help desk via email at XXXXXX.XXXX@sicpa.com or by telephone at 1 800 313 xxxx. Vendor may, from time to time, develop additional methods for the County to contact the help desk, and will make information regarding such methods available at Vendor's website.

3. Software Upgrades

From time to time Vendor will release new versions of the Software and will automatically upgrade the Software to the latest version. Vendor will provide seven (7) days' notice to the county, of any such scheduled maintenance on the Administrator login screen and by email.



Exhibit E

COUNTY OF MENDOCINO
Executive Office
Central Services Division

CARMEL J. ANGELO
CHIEF EXECUTIVE OFFICER
PURCHASING AGENT

501 Low Gap Road Room 1010
Ukiah, CA 95482-3734

Email: ceo@co.mendocino.ca.us
Website: www.co.mendocino.ca.us

Office: (707) 463-4441
Fax: (707) 463-5649

COUNTY OF MENDOCINO ♦ REQUEST FOR PROPOSAL
ADDENDUM NO. 1

Medical Cannabis Inventory Tracking Software System

RFP No.	34-16
Addendum Issue Date:	September 13, 2016
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016 - 2:00 pm
NEW RFP Submission Deadline	October 7, 2016 – 2:00 pm

GENERAL RFP CLARIFICATION PROVIDED TO ALL VENDORS AND POTENTIAL PROPOSERS:

To allow for adequate time for proposal submission, the new RFP Submission Deadline will be October 7, 2016.

VENDOR INQUIRIES/MENDOCINO COUNTY RESPONSES

1. **Vendor Inquiry:** *The RFP states that the selected service may be made available for use by "other local government agencies." Does this include agencies within Mendocino County only, or agencies anywhere within the State of California?*

County of Mendocino Response/Clarification: Services may be made available for use by other government agencies throughout the State of California as the County included piggy back language. As stated in the RFP, *"The use of the contract, by the other government agencies, will be optional. Sales to these governmental agencies by the Contractor shall be optional. If bidders choose to extend prices offered on this proposal to other governmental agencies, any resulting contract will be solely between the supplier and the third party unit of government. Mendocino County shall not be responsible for any problems which may arise between other government agencies and the contractor as a result of any sales and/or purchases made."*

2. **Vendor Inquiry:** *Section X states, "The County's authority under its local permitting authority does not make it possible to track and trace medical cannabis grown outside of jurisdictional boundaries from seed or cutting." XI.F. 1 however does not refer to nurseries. Should the system support nursery users and shipments from nurseries?*

County of Mendocino Response/Clarification: Yes, the system should support nursery users and shipments from nurseries.

3. **Vendor Inquiry:** *These RFP sections refer to training. Will the County please provide an estimate of the number of county regulatory account administrators and users and permittee system administrators and users?*

County of Mendocino Response/Clarification: The County estimates at this time there would be 25 county users and five (5) account administrators.

4. **Vendor Inquiry:** *The RFP states the solution must provide the "...ability to track cannabis, including weight and/or volume, at each state of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction" [emphasis added]. MCRSA track and trace requirements include movement to dispensaries, but not dispensing of products to patients or the capture of patient information. Please clarify whether or not the County requires track and trace of products to patients?*

County of Mendocino Response/Clarification: The system should include movement to dispensaries and tracking mechanism to monitor gross sales, but no patient information is required.

5. **Vendor Inquiry:** *In regard to track and trace of cannabis storage/transporting: Does the County require the ability to track and trace product movement occurring within the same permitted entity location (for example from Room 1 to Room 2 within the same licenses manufacturing location)?*

County of Mendocino Response/Clarification: The product, at minimum, should be able to track the various stages in the product life cycle of cannabis, including stages occurring within the same permitted location.

6. **Vendor Inquiry:** *The County specifies the ITSS must provide a comprehensive payment collections solution and references current software systems including RevQ, Aumentum and other in-house systems. Does the County payment collection requirement include a need to process payments received electronically (in other states some industry payments are electronically remitted) and if so, does the County have a current payment clearinghouse vendor? Are payments currently cleared through any of the referenced solutions or other existing County systems? For what business functions does the County anticipate collection payments? Does the County anticipate supporting payment bonds or deferred payment options?*

County of Mendocino Response/Clarification: The RFP states ability to provide payment collection solution or ability to integrate with County systems. Yes, electronic payments will be accepted; the vendor is Point & Pay. Yes, payments are currently being received through RevQ by GovPayNet and the in-house system by ACI Official Payments; however, total transition to Point & Pay is anticipated to be complete by the end of the calendar year. The County anticipates collection of permit fees. The County does not anticipate supporting payment bonds or deferred payment options.

7. **Vendor Inquiry:** *Requires offerors to submit "A description of the experience/qualifications of all persons who may perform services under contract, including staff resumes that cover all experience and educational background." Is it acceptable to limit staff resumes to key personnel?*

County of Mendocino Response/Clarification: Yes, key personnel are sufficient.

8. **Vendor Inquiry:** *Requires "A list of key personnel, including full name, position, licenses or degrees held and brief summary of relevant experience as related to proposed services; organization chart; list of Board of Directors (if applicable); licenses (where appropriate)." For which positions should key personnel be proposed?*

County of Mendocino Response/Clarification: Executive and project management staff is sufficient.

ALL OTHER SPECIFICATIONS REMAIN IN FULL FORCE AND EFFECT.

Acknowledgment of receipt of this addendum is required to be included in your proposal. You may indicate such inclusion in narrative form within your proposal or by attaching a copy this addendum to your proposal.

Any questions or concerns regarding this matter should be directed to Janelle Rau, Deputy Chief Executive Officer, at (707) 463-4441 or email addresses below:

Janelle Rau, Deputy Chief Executive Officer
rauja@co.mendocino.ca.us

EXHIBIT F

SERVICE LEVEL AGREEMENT

This Service Level Agreement ("Agreement") sets forth the details regarding the level of service and technical support of the CalOrigin Track & Trace system by SICPA ("Vendor") to users of the system designated by the County of Humboldt ("County").

Service Scope: The following services are covered by this Agreement:

1. System Availability;
2. Support Services;
3. System Maintenance; and
4. Incident Management.

1. System Availability

- a. The system will be continuously available for use excluding planned maintenance windows. For purposes of this Agreement, system availability does not include outages resulting from:
 - i. problems caused by factors outside of Vendor's reasonable control;
 - ii. problems resulting from any actions or inactions by the County or any third party; or
 - iii. problems resulting from the County's equipment and/or third party equipment not within Vendor's sole control.
- b. Vendor will work to ensure the functioning of all network infrastructures, however, Vendor has no control over third party services including, without limitation, the internet. **VENDOR'S SERVICES ARE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. VENDOR IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.**

2. Support Services

- a. Vendor's technical support staff will be available to assist the County with problems and questions regarding the Service and shall provide the services listed below during regular hours.
 - i. **Regular Hours:** Support staff will provide support during regular hours from 8 a.m. to 6 p.m. Pacific Time, Monday through Friday, excluding holidays designated by the state of California ("business day").
 - ii. **Telephone support:** Support staff will answer calls received during regular hours. Calls received outside of office hours will be directed to voicemail and will be returned within one hour of the start of the next business day.

- iii. **Email support:** Support staff will monitor email requests during regular hours. For email requests received outside of office hours, support staff will respond within one hour of the start of the next business day.

3. System Maintenance

From time to time Vendor may upgrade the service or components of the service. Vendor will notify the County in advance of such upgrades along with a description of changes that affect the County. System maintenance may include bug fixes, security patches, or feature enhancements.

4. Incident Management

Vendor will provide incident resolution for events that impact the service availability or use of the system based on the severity of the impact. For the purposes of this agreement severity levels are defined as:

- a. **Severity Level 1:** The system is fully unavailable, or a major business function of the system is fully unavailable and no workaround exists to allow users to perform the function. The Vendor will respond to the county within 1 hour during regular hours, or if the incident occurs outside of regular hours, the vendor will respond within 1 hour of the start of the next business day. The Vendor will report progress to the County continually until the incident is resolved or a workaround provided that downgrades the severity level.
- b. **Severity Level 2:** An incident occurs that impairs some business functionality and a workaround exists that allows the function to be performed in a limited fashion until the problem can be fully resolved. Vendor will respond to the county within 2 business days with the plan for full resolution.
- c. Severity Level 3: An incident is found that does not impact the functionality of the system or may be cosmetic in nature. The Vendor will address the issue at a mutually agreeable time.

EXHIBIT G

NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE

SICPA certifies by its signature below that it is not a Nuclear Weapons Contractor, in that SICPA is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. SICPA agrees to notify County immediately if it becomes a Nuclear Weapons Contractor as defined above. County may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

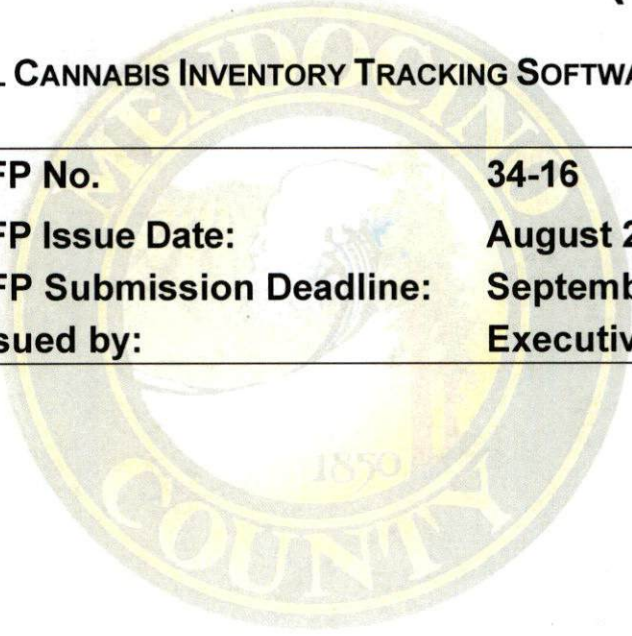
**COUNTY OF MENDOCINO
EXECUTIVE OFFICE/
CENTRAL SERVICES DIVISION**

501 Low Gap Road, Room 1010 • UKIAH, CA 95482 • (707) 463-4441
executiveoffice@co.mendocino.ca.us

REQUEST FOR PROPOSAL (RFP)

MEDICAL CANNABIS INVENTORY TRACKING SOFTWARE SYSTEM

RFP No.	34-16
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016
Issued by:	Executive Office



REQUEST FOR PROPOSAL
MEDICAL CANNABIS INVENTORY TRACKING SOFTWARE SYSTEM
COUNTY OF MENDOCINO



RFP No.	34-16
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016

I. INTENT

This Request for Proposal (RFP) announces the intent of the County of Mendocino to seek proposals from responsive and qualified contractors for technical services related to the acquisition, implementation and support of a cloud-hosted Plant to Sale Inventory Tracking Software System (ITSS) for the County of Mendocino.

The purpose of the RFP is to seek proposals from responsive and qualified contractors for technical services related to the acquisition, implementation and support of a cloud-hosted Plant to Sale Inventory Tracking Software System (ITSS) for the County of Mendocino's Medical Cannabis Cultivation Program and Medical Cannabis Facilities Program. This system will be utilized by organizations permitted by the County of Mendocino to operate a medical cannabis business which cultivates manufactures, distributes, tests, delivers, transports, and/or dispenses medical cannabis in the unincorporated areas of the County, as well as provide the County with the ability to access the data of each permittee. A decision to award a contract may be based in part or in whole on information provided by Offers or responding to this Request For Proposals (RFP).

II. DEFINITIONS

COUNTY – The County of Mendocino.

VENDOR – A person, partnership, firm, corporation, or joint venture submitting a proposal to obtain a COUNTY contract.

CONTRACTOR – A vendor who signs a contract with the COUNTY to perform services.

III. PROPOSAL SUBMISSION GUIDELINES

A. Vendors must submit five (5) copies of their proposal: four (4) complete paper copies with original Vendor signature, and one (1) complete copy on CD. The proposal must be formatted in accordance with the instructions of this RFP. Promotional materials may be attached, but are not necessary and will not be considered as meeting any of the requirements of this RFP. Proposals must be enclosed in a sealed envelope or package, clearly marked "Mendocino County RFP No. 34-16", and delivered by 2:00 p.m. September 30, 2016 to:

Mendocino County
Executive Office/Central Services Division
Attn: Christopher Shaver
501 Low Gap Road, Room 1010
Ukiah, CA 95482

Late or facsimile proposals will not be accepted. It is the proposer's responsibility to assure that its proposal is delivered and received at the location specified herein, on or before the date and hour set. **Proposals received after the date and time specified will not be considered.** Note: The unauthorized use of the County's official logo is strictly prohibited.

- B. Proposers are required to submit with their proposal:
- Attachment A – Proposal Summary and Statement of Responsibility (Signature Page)
 - Attachment B – Proposal Checklist/Table of Contents
 - Executive summary of proposal
 - Scope of services
 - Company background and experience
 - Proposal cost plan and narrative (as identified in Section XIII)
 - Attachment C – Exceptions to RFP
 - Attachment D – Letters of Reference
 - Attachment E – Certificate of Non-collusion
 - Insurance coverage/certificate of insurance
 - Acknowledgement of receipt of addenda, if applicable.
- C. Proposers are expected to examine all provisions, specifications, and instructions included in this RFP. Failure to do so will be at the proposer's risk.
- D. All prices and proposals must be typed or written in ink. No erasures are permitted. Errors may be crossed out; corrections may be printed in ink or typed adjacent to the error and initialed in ink by the person authorized to sign the bid. **Facsimile, telephone, electronic or verbal proposals will not be accepted.**
- E. Prices shall be stated in the format as requested herein. Where indicated, vendor shall provide unit of issue and cost per unit. In the event of a discrepancy between the unit price and the extended price for any item, the unit price shall prevail.
- F. All proposals must be dated and signed by a representative authorized to enter into contracts for the proposing vendor.
- G. All proposals will remain in effect and legally binding for at least 90 days from the opening date.

- H. Expenses incurred in preparation of the proposal, site visits, or any other actions related to responding to this RFP shall be the responsibility of the vendor. Any and all damages that may occur due to packaging or shipping of the proposal will be the sole responsibility of the vendor.
- I. All proposals, response inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits and other documentation submitted by vendor shall become the property of the County of Mendocino.
- J. Time when stated as a number of days, shall include Sundays through Saturdays, excluding legal holidays.
- K. Vendor must examine all information and materials contained in and accompanying its proposal. Failure to do so will be at the vendor's risk. This will include, but not be limited to, all relevant laws and regulations of the State of California and the United States Government.
- L. If proposed, the County reserves the right to obtain equipment items through its own purchase programs.
- M. This service has been selected to be made available for use by other local government agencies (piggy-back). The use of the contract, by the other government agencies, will be optional. Sales to these governmental agencies by the Contractor shall be optional. If bidders choose to extend prices offered on this proposal to other governmental agencies, any resulting contract will be solely between the supplier and the third party unit of government. Mendocino County shall not be responsible for any problems which may arise between other government agencies and the contractor as a result of any sales and/or purchases made.
- N. The County of Mendocino encourages all vendors to participate in our ePayables program as our preferred payment method. The County's ePayables program is designed to provide the highest level of efficiency and service to our vendors ensuring that payments are received in a timely cost efficient manner (please refer to Attachment H).

IV. PRE-SUBMITTAL INQUIRIES AND POINTS OF CONTACT

A. Pre-submittal inquiries and correspondence shall be directed to:

- Procedural inquiries: Christopher Shaver
Executive Office/Central Services Division
(707) 463-4441
shaverc@co.mendocino.ca.us

- Technical inquiries: Sarah Dukett
Executive Office
(707) 463-4441
duketts@co.mendocino.ca.us

B. All questions regarding this RFP shall be submitted in writing (Email or Fax is acceptable).

C. The questions and answers will be provided by the County in writing, in the form of an addendum to all known interested vendor(s) after the inquiry deadline. If any addenda are issued by the County, they shall be sent via facsimile and/or first class U.S. mail to the last known business address of each vendor known to have received a copy of this RFP. **Vendors must include in their proposals acknowledgement of receipt of any and all addenda issued.**

D. The deadline for submitting written inquiries regarding this RFP is indicated in **Section VI SCHEDULE OF ACTIVITIES.**

E. Questions submitted after the inquiry deadline will not be answered. Only answers to questions communicated by formal written addenda will be binding.

F. Mendocino County requires that other Mendocino County management and employees not be contacted by Vendors during the RFP process. **Failure to comply with this requirement may disqualify those proposals from further consideration. Contact is limited to the Mendocino County RFP Representatives listed above for any and all technical and procedural inquiries.**

V. MODIFICATIONS OR WITHDRAWAL OF PROPOSALS

A. A proposal that is in the possession of the County may only be altered by letter or facsimile bearing the signature or name of the Vendor's authorized representative, provided it is received **prior to the deadline for submission of proposals.** Telephone, email or verbal alterations will not be accepted.

B. A proposal that is in the possession of the County may be withdrawn by the proposer **up to the time of the deadline for submission of proposals.**

VI. SCHEDULE OF ACTIVITIES

The County intends to progress in this procurement in a series of orderly steps. The schedule that follows has been developed in order to provide adequate information for Vendors to prepare definitive Proposals and to permit Mendocino County to fully consider various factors that may affect its decision. **This schedule is subject to change at the discretion of the County. The County will provide sufficient advance notice to vendors in the event of schedule changes.**

Scheduled Activity	Proposed Date
Letter of interest and Request for Proposals mailed to prospective proposers	August 26, 2016
Inquiry Deadline	September 9 2016
RFP Submission Deadline	September 30, 2016
RFP Selection and Notification	October 28, 2016
County Board of Supervisors Approval of Recommendation(s)	November 15, 2016
Approximate Contract Start Date	December 16, 2016

VII. SELECTION PROCESS

A. The County reserves the sole right to judge the contents of the Vendors' proposals. The selection process will be governed by the following criteria:

1. The proposals must adhere to the instructions and format as specified in this RFP.
2. The evaluation will include a review of all documents and information relating to the Vendor's services, organizational structure, capabilities, qualifications, past performance, and costs.
3. Vendors may be required to make an oral presentation and interview before final selection is made.
4. The County may evaluate any information from any source it deems relevant to the evaluation.
5. False, incomplete, or unresponsive statements in a proposal may be sufficient cause for its rejection.

VIII. SELECTION CRITERIA

A. The selection of VENDORS(s) and subsequent contract award(s) will be based on the criteria contained in this RFP, and as demonstrated in the submitted proposal.

VENDORS(s) should submit information sufficient for the County of Mendocino to easily evaluate proposals with respect to the selection criteria. The absence of required information may cause the proposal to be deemed non-responsive and may be cause for rejection.

- B. Funding determinations for this RFP will be made through a competitive procurement process and shall be in accordance with all applicable federal, state, and local procurement laws and regulations.
- C. Competitive negotiations require that at least two (2) responsive proposals for the same scope of work and service area must be received in response to an RFP. A competition is considered failed if only one (1) responsive proposal is received. If a competition has been declared failed, the County of Mendocino then has the option to re-compete the procurement or enter into sole-source procurement.
- D. Proposal Review and Evaluation Process
 - 1. The proposal will be judged based on service capabilities and experience of the prospective Vendor and all persons who will be providing services under contract. The following are the critical areas of the proposals that will be evaluated:
 - a. Adequacy of the described plan/approach to deliver requested services as described in Section XI SCOPE OF WORK.
 - b. Experience of Vendor in providing services and quality of work.
 - c. Status of Professional Certification including whether the Vendor meets the minimum requirements to provide service.
 - d. Cost of providing services as outlined in Section XI SCOPE OF WORK.
 - e. All criteria identified in Attachment F, Proposal Evaluation Form.

IX. AWARD AND CONTRACT INFORMATION

- A. The County hereby notifies all proposers that it will affirmatively ensure that minority business enterprises will be afforded full opportunity to submit proposals in response to this invitation, and that no proposer shall be discriminated against on the grounds of age, race, color, sex, religion, creed, national origin, marital status, political affiliation, or disability.
- B. The Vendor agrees that should it be awarded a contract, the Vendor shall not discriminate against any person who performs work thereunder because of age, race, color, sex, religion, creed, national origin, marital status, political affiliation, or disability.

- C. The County reserves the right to reject any or all proposals and to waive any irregularities if deemed in the best interest of the County to do so. The County will select the Vendor whose proposal is determined by the County to be the most responsive and responsible proposal and of the best advantage to the citizens of Mendocino County. The County shall be the sole judge in making such a determination.
- D. The successful Vendor will be required to enter into and sign a formal agreement with the County and said agreement will be in effect for the duration of the contract period. A sample contract is attached to this Request for Proposal as Attachment G. It is the Vendor's responsibility to review the contract's terms and conditions and to state any exceptions to those conditions via response to the Request for Proposals (Attachment C). If no exceptions are noted, the County will understand that the Vendor agrees to the terms and conditions as stated in the contract.
- E. The terms and conditions of this Request for Proposal as well as the Vendor's proposal, and any modifications to said proposal agreed to in writing by both parties shall become a part of the contract.
- F. Prior to final selection, Vendors may be required to submit additional information that Mendocino County may deem necessary to determine the Vendor's qualifications. Should any of the information requested by Mendocino County be considered by the Vendor to be confidential, it must be so stated. Mendocino County will attempt to treat any information submitted by the Vendor as confidential if requested to do so; however, Mendocino County cannot ensure such confidentiality.
- G. Open Procurement
1. The Vendor shall include any latitudes, prohibitions or limitations placed on the purchase of the items presented in the Vendor's Proposal. Items and/or services that the Vendor intends to be offered on a unit price basis must be so identified. [The County's objective is to clarify all purchase options.]
 2. Mendocino County reserves the right to negotiate changes to the original Proposal(s), including changes in system cost and/or unit price.
 3. Mendocino County reserves the right to accept or reject any or all Proposals in whole or in part.
 4. Mendocino County reserves the right to negotiate a contract with more than one Vendor at the same time.

H. Local Vendor Preference:

1. The County of Mendocino has established a local vendor preference. All informal and formal Invitations to Bid and Request for Proposals for contracts are evaluated with a 5% preference for local vendors. The vendor must claim local vendor preference to be considered (refer to Attachment A – Summary and Statement of Responsibility (Signature Page), Certification No. 6). Please note the following exceptions:
 - a. Those contracts that State Law or, other law or regulation precludes this local preference.
 - b. Public Works construction projects.
2. "Local" vendor preference will be approved as such when, 1) Vendor conducts business in an office with a physical location within the County of Mendocino; 2) Vendor holds a valid business license issued by the County of Mendocino, and provides the name of the Local Agency that issued the license; and 3) business has been conducted in such a manner for not less than six (6) months prior to being able to receive the preference, said Vendor provides the business address and how many years the business has been at that location.

X. BACKGROUND INFORMATION

On September 11, 2015, the California legislature adopted the Medical Marijuana Regulation and Safety Act (MMRSA), codified in Chapter 3.5 of Division 8 of the California Business and Professions Code, Sections 19300 et seq., which establishes a comprehensive regulatory system to implement the Compassionate Use Act of 1996 (Health and Safety Code Section 11362.5) pertaining to medical use of cannabis.

MMRSA establishes, among other things, a licensing program requiring medical cannabis cultivators, manufacturers, distributors, testing laboratories, commercial cannabis activity businesses, distributors and transporters to obtain State issued licenses, and authorizes local governments to establish additional standards, requirements, and regulations for local licenses and permits.

MMRSA establishes a track and trace program for reporting the movement of medical marijuana items throughout the distribution chain, beginning with a unique identifier for each medical marijuana plant. All medical cannabis and medical cannabis products are required to undergo a quality assurance review prior to distribution to ensure the quantity and content of the medical cannabis or medical cannabis product, and for tracking and taxation purposes. Licensed cultivators and manufacturers must package or seal all medical cannabis and medical cannabis products in tamper-evident packaging and use a unique identifier, as prescribed by the Department of Food and Agriculture, for the purpose of identifying and tracking medical cannabis or medical cannabis products. Medical cannabis and medical cannabis products must be labeled as required by Section 19347. All packaging and sealing must be completed prior to

medical cannabis or medical cannabis products being transported or delivered to a licensee, qualified patient, or caregiver.

In light of MMRSA, the County of Mendocino is currently developing local regulations for medical cannabis cultivation as well as for dispensing, manufacturing, testing and distribution. It is anticipated, that a cultivation program will begin February of 2017 and the facilities program in April 2017. Both programs will have a land use zoning requirement and a local permit requirement. The County estimates the number most likely to get permitted in year 1 and 2 of the program at 200-1,500. Currently, the County does not have a definite number of cannabis businesses that will come into compliance.

Since the County is moving forward with permitting medical cannabis activity business and the State has not yet established a regulatory and tracking mechanism, the County of Mendocino is releasing this RFP to ensure that all local permittees will be in compliance with County regulations to ensure a smooth transition to the tracking system, which will eventually be mandated by the State of California. The County's authority under its local permitting authority does not make it possible to track and trace medical cannabis grown outside of jurisdictional boundaries from seed or cutting. Therefore, the ITSS needs to be able to track medical cannabis beginning at the point the product enters into Mendocino County.

The County intends to require all approved permittees to contract directly with the firm selected to implement the ITSS as part of their permit conditions. permittees may utilize other software for their internal purposes, but will be required to exclusively utilize the County's approved ITSS for all required reporting to the County. The County shall have administrative regulatory access account(s) thereby providing the County with direct access to all permittees' ITSS accounts for monitoring, tracking; and enforcement purposes.

The selected firm will be required to operate, maintain, control, secure and support all aspects of a cloud-hosted plant to sale ITSS. The firm shall provide training for County regulatory account administrators and users and permittee system administrators and users. The firm shall also provide ongoing technical support to ensure that account users can effectively utilize the ITSS. Both the County regulatory access account and all permittee access accounts must have real time, twenty-four hour access to the data. All permittee(s) will be required to purchase and maintain the ITSS directly from the selected vendor.

Permittees may choose to utilize the ITSS as their sole tracking system or may utilize the ITSS in combination with other systems for their own internal use. The permittees will be required to utilize the ITSS system exclusively for reporting to the County. Permittees are not required to connect their ITSS system directly to barcode scanners, scales, cash registers and are authorized to enter data manually. The County prefers that the ITSS system have the capability to allow permittees the ability to connect directly to such devices for direct data input purposes. The County also prefers that the

ITSS system have the ability to interface directly with other commercial inventory tracking systems that are currently widely used in the industry.

XI. SCOPE OF WORK

The Scope of work for the project includes:

- A. **Executive Summary:** Offeror to provide a concise summary of the products and services proposed.
- B. **Vendor profile:** Offeror to provide an overview of company; its experience and capabilities; current client listing; number of years in business; number of years offering services described in proposal; list of key personnel and a summary of their relevant experience; and a list of three references with contact information from existing system users.
- C. **Specifications:** This RFP does not include hardware equipment such as computer, bar code or other scanners, label printers, and point-of-sale devices such as weighing scales, flatbed scanners, cash drawers and receipt printers that will be used by the permittees and County.
- D. The selected firm will be required to operate, maintain, control, secure and support all aspects of a cloud-hosted plant to sale ITSS. The firm must provide training for County regulatory account administrators and users; Permittee system administrators and Permittee system users. The firm must also provide ongoing technical support to ensure that account users can effectively utilize the ITSS. Both the County regulatory access account and all Permittee access accounts must have real time, twenty-four hour access to the data. All permittee(s) will be required to purchase and maintain the ITSS directly from the selected firm.
- E. The successful firm shall perform maintenance and operations services for the system in accordance with agreed upon standards. Maintenance and operations includes at the minimum:
 1. **Software management:** The firm shall maintain the systems help desk support, regularly provide systems enhancements, systems maintenance, as well as, adaptive and preventive maintenance.
 2. **System performance:** The firm shall monitor the system to make sure it is continually in operation, measure the system against agreed upon standards, and report problems when they occur.
 3. **Business Continuity and Disaster Recovery:** The firm shall ensure the system is protected against natural disasters, hardware and software failures, human error, and other contingencies that could interrupt services.

- F. The list below highlights some of the capabilities that the plant to sale solution must provide.
1. The ability to track cannabis, including weight and/or volume, at each stage of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction. This would include the amount of unused organic material produced by each plant at harvest.
 2. The ability to track the total amount of cannabis in possession of any County permitted entity from either plant and products, including all plants that are derived from cuttings or cloning, until the cannabis, cannabis plants, or manufactured cannabis product is sold or destroyed;
 3. The ability to produce chain of custody, shipping manifests, and other forms that are typically required to track, monitor and enforce compliance during all stages of the process.
 4. The ability to track the transport of cannabis and manufactured cannabis products between cultivation/production centers and retail dispensing locations and the means of transport including the make, model, and vehicle identification number of the vehicle used for transport.
 5. The ability for the system to integrate with hardware, such as scales, barcode scanners, and cash registers.
 6. The ability to interface with other common commercial inventory tracking software systems that permittees may be utilizing for their own internal purposes. Offeror shall provide a list of compatible software programs and hardware that may be typically utilized in conjunction with the proposed ITSS.
 7. The ability for the permittee and County to track the form of medical cannabis product produced, unique lot identifier (number or barcode), quantity, manufacture date, and expiration date.
 8. The ability for the system to create user security groups and for a security administrator to grant read-only access to some user security groups or to grant specific privileges to a user security group.
 9. The ability to produce reports electronically in a specified format (CSV, PDF, etc.) including but not limited to growing, manufacture, laboratory testing, distribution, dispensing history, patient dispensing history, transport, medical cannabis product availability, medical cannabis product utilization, destruction, and production statistics.

10. The ability to retain history of modifications to records, provide system backup and archiving.
 11. The ability to set up and maintain multiple locations for a given User Account.
 12. The ability to turn over data from User Account to other regulatory and enforcement agencies upon the County's request.
 13. The ability to provide a comprehensive payment collections solution or the ability to fully integrate with one of the County's current software systems, including but not limited to RevQ, Aumentum, or in-house systems.
- G. Training Plan: Offeror shall provide a training plan that addresses training and knowledge transfer that will allow County to effectively monitor the System after implementation, as well as provide each permittee system administration and user account training. The plan must indicate the availability of basic tutorials and training guides and their medium/method.
- H. Project Implementation Plan: Offeror shall briefly describe how they would carry out the major activities of this project in context of the Scope of Work. Provide a comprehensive management plan that the Proposer intends to follow. Illustrate how the plan will serve to coordinate and accomplish the work.
- I. Technology and Configuration Specifications: Offeror to provide information on the proposed technology infrastructure, platform and configuration.
- J. Cost Proposal: Offeror to provide a breakout of all costs borne to the County, as well as costs borne for each permittee to implement the ITSS as early as January 2017.

XII. PROPOSAL FORMAT AND CONTENT

Proposals submitted in response to this RFP should include the following elements and are to be completed in accordance with the information and outline contained in Attachment B – Proposal Check List/Table of Contents:

- A. An executive summary and written narrative, including a detailed description of the organization's experience, qualifications and commitment to the project, addressing the below listed elements at a minimum: Experience, stability & growth, commitment, product and services.
- B. A description of the process/approach to be used in providing the services described in Sections XI – Scope of Work. Be specific and address all elements, including but not limited to, descriptions for all system modules.

- C. A description of Contractor's experience in providing the requested services.
- D. A description of the experience/qualifications of all persons who may perform services under contract, including staff resumes that cover all experience and educational background. All personal information provided will be maintained in confidence as allowed by law.
- E. Upon specific request of the County, Vendor shall provide consent and waiver forms permitting County to obtain personal employment/professional qualification information about Contractor who may perform services under this contract from third parties, and releasing third parties from any and all liability for disclosing such information to County.
- F. Any exceptions to the terms and conditions as specified in Attachment G to this RFP. The terms and conditions not specifically identified will be considered acceptable to Contractor.
- G. Two (2) letters of reference for the County to contact, including contact name, phone number, and address (to be listed in Attachment D of this RFP). These references should be organizations with which Contractor has worked to provide services.
- H. A list of key personnel, including full name, position, licenses or degrees held and a brief summary of relevant experience as related to proposed services; organization chart; list of Board of Directors (if applicable); licenses (where appropriate).
- I. Timeline indicating implementation schedule and training schedule (if applicable).
- J. Additional documents or other material, as appendices, in support of the proposal. The proposal, however, must reference any additional material or documentation on Attachment B – Proposal Checklist/Table of Contents.

XIII. FORMAT OF COST PROPOSAL

The Vendor must itemize all costs, including per hour costs, chargeable to the County as described in this Section, in the separate Cost Proposal. Prices quoted shall be valid for at least ninety (90) days following the proposal submission deadline and if a contract is entered into as a result of this RFP, shall become fixed for the term of the contract.

The County shall be the sole arbiter in the determination of equality. The County reserves the right to reject any proposals and to accept the proposal or proposals, which in its sole and absolute judgment and under all circumstances, best serve the interests of the County.

XIV. CONTRACT

A. Time is of the essence in awarding the contract. The County reserves the right to cancel any intent to award and proceed to the next vendor if the selected vendor has not signed the agreement within two (2) weeks after the notification of intent of award.

B. Execution of Contract

1. Upon the acceptance of a Vendor's Proposal, County will prepare and submit a contract to the successful Vendor for signature. (See sample contract, as Attachment G, which contains required contractual language.) In the event that the successful Vendor fails, neglects or refuses to execute the contract within two (2) weeks after receiving a copy of the contract from County, County, at its option, may terminate and cancel its action in awarding the contract and the contract shall become null and void and of no effect.

2. Incorporated by reference into the contract that is to be entered into by County and the successful Vendor pursuant to this Proposal will be (a) all of the information presented in or with this Proposal and the Vendor's response thereto, and (b) all written communications between County and the successful Vendor whose Proposal is accepted.

C. No Assignment

Assignment by the successful Contractor to any third party of any contract based on the Proposal or any monies due shall be absolutely prohibited and will not be recognized by County unless approved in advance by County in writing.

D. Force Majeure

Neither party shall be liable to the other for any failure or delay in rendering performance arising out of causes beyond its control and without its fault or negligence. Such causes may include, but not be limited to, acts of God or the public enemy, freight embargoes, and unusually severe weather; but the failure or delay must be beyond its control and without its fault or negligence. Dates or times of performance will be extended to the extent of delays excused by this section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.

E. Contract Term

The term of the AGREEMENT(s) will be for a period of (2) year(s) with the option to extend the AGREEMENT(s) up to one (1) additional one-year period.

F. Insurance

Prior to commencement of this AGREEMENT, the CONTRACTOR(s) shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR(s) upon request shall provide a certified copy of the policy or policies. Refer to Exhibit C (Insurance Requirements) of Attachment G, Sample Mendocino County Contract.

XVI. REJECTION OF PROPOSALS

The RFP does not commit the County to award a contract, to pay any costs incurred in the preparation of the proposal to this request, or to procure or contract for services or supplies. The County reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified source, or to cancel the RFP in part or in its entirety, if it is in the best interest of the County to do so. The County may require the proposer selected to participate in negotiations, and to submit such proposal as may result from negotiations.

Any proposal submitted during this RFP process becomes the property of the County. The County will not be liable for nor pay any costs incurred by the respondent in the preparation of a response to this RFP or any other costs involved to include travel. The selected contractor is required to obtain a County business license if not already held.

XVII. GENERAL CONDITIONS

While the intent of the County is to award the contract to the selected Vendor, it reserves the right to both either withdraw and/or not award a contract at any time it so desires. Costs incurred in the preparation of response to this RFP will not be reimbursed.

The County has a standard contract service agreement. The successful firm will be required to agree to the terms contained within. Any issues with the insurance coverage or terms of the standard contract service agreement should be mentioned in the response to the Request for Proposals and documented in detail in Attachment C – Exceptions to RFP.

Limitations

- 1) The Vendor should expect to have access only to the public records and public files of local government agencies in preparing the proposal or reports. The Vendor should not anticipate any compilation, tabulation, or analysis of data, definition or opinion, etc., unless volunteered by a responsible official of that agency.

- 2) The County has the authority to terminate the contract upon written notice to the Vendor at any time during the period of the project if the County finds that the Vendor's performance is not satisfactory (as specified in Attachment G – Sample Mendocino County Contract, paragraph 20).
- 3) Contract payments will be made on the basis of satisfactory performance by the Vendor as determined by the County. Final payment to the Vendor will only be made when the County finds that the work performed by the Vendor to be satisfactory and the final work product and documents submitted meet the tasks of the project and is accepted by the County.

XVIII. LIST OF ATTACHMENTS

- Attachment A – Proposal Summary and Statement of Responsibility (Signature Page)
- Attachment B – Proposal Checklist/Table of Contents
- Attachment C – Exceptions to RFP
- Attachment D – Letters of Reference
- Attachment E – Certificate of Non-collusion
- Attachment F – Proposal Evaluation Form
- Attachment G – Sample Mendocino County Contract
- Attachment H – Mendocino County ePayables Information

ATTACHMENT A
PROPOSAL SUMMARY AND STATEMENT OF RESPONSIBILITY (SIGNATURE PAGE)

County of Mendocino
Executive Office/Central Services Division
Medical Cannabis Inventory Tracking Software System



RFP No. 34-16

RFP No.	34-16
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016

Proposals must be enclosed in a sealed envelope or package, clearly marked "Mendocino County RFP No.34-16, and delivered by 2:00 p.m. September 30, 2016 to: Mendocino County, Executive Office, Attn: Christopher Shaver, 501 Low Gap Road, Room 1010, Ukiah, CA 95482.

Questions regarding this RFP should be directed to:

- Procedural inquires: Christopher Shaver
Executive Office/Central Services Division
(707) 463-4441
shaverc@co.mendocino.ca.us
- Technical inquires: Sarah Dukett
Executive Office
(707) 463-4441
duketts@co.mendocino.ca.us

This Proposal Summary and Statement of Responsibility (Signature Page) must be included with your submittal in order to validate your proposal. Proposals submitted without this page will be deemed non-responsive.

Vendor Authorized Representative

Company Name: _____ Date: _____

Representative: _____

Title: _____

Phone: _____

Address: _____ Fax: _____

Federal Tax ID No.: _____ Email: _____

RFP Contact Information (if different then above)

Contact Person: _____

Title: _____

Phone: _____ Fax: _____

Address: _____ Email: _____

Certifications:

1. Do you agree to comply with specifications, RFP instructions, draft contract requirements and other pertinent references contained in this RFP?

YES NO

2. Do you agree that the proposal will stand firm and will not be withdrawn for a period of 90 days after the proposal is opened?

YES NO

3. Do you certify that all statements in the proposal are true? This shall constitute a warranty, the falsity of which shall entitle the County to pursue any remedy authorized by law, and shall include the right, at the option of the County, of declaring any contract made as a result thereof to be void.

YES NO

4. Do you agree to provide the County with any other information the County determines is necessary for accurate determination of your qualifications to provide services?

YES NO

5. Do you agree that the proposal amount includes all costs incident to the proposed contract?

YES NO

6. The County of Mendocino has adopted a Local Vendor Preference. Does your company meet the criteria for the five percent cost preference as a local vendor for the County of Mendocino, as described in Section IX(H)(2) AWARD AND CONTRACTING INFORMATION?

YES NO

7. Do you agree to be an ePayable as described in Attachment H?

YES NO

To the best of my knowledge and belief, the information provided in this initial determination of responsibilities is true and correct.

Authorized Representative:	_____
	(Printed name)
Signature:	_____
Date:	_____

**ATTACHMENT B
PROPOSAL CHECK LIST/TABLE OF CONTENTS**

This proposal checklist identifies the various components that must be submitted with your proposal. This form is to be completed and included in the proposal and must be located directly behind Attachment A.

Follow this sequence in presenting your proposal with the checklist serving as your table of contents.

Proposal Check List/Table of Contents	Page No.
Signature Page, signed by authorized representative (RFP Attachment A)	
Proposal Check List/Table of Contents (RFP Attachment B)	
Executive Summary	
Scope of Services (in relation to providing services described in Section XI, Scope of Work)	
Company Background and Experience (including staff resumes)	
Proposal Cost Plan and Narrative	
Exceptions to the RFP (RFP Attachment C)	
Letters of Reference (minimum of two (2)) (RFP Attachment D)	
Certificate of Non-Collusion, signed by authorized representative (RFP Attachment E)	
Insurance Coverage (Certificate of Insurance)	

**ATTACHMENT D
LETTERS OF REFERENCE**

Please list the references (minimum of two (2)) in the section provided below and attach corresponding letters to this form.

Agency	Contact Name/Address	Phone No.	Dates Services Provided (From/Through)

**ATTACHMENT E
CERTIFICATE OF NON-COLLUSION**

The undersigned certifies, under penalty of perjury, that this proposal has been made in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

(Name of Proposer)

(Signature of Authorized Agent)

_____, 2016
Date

**ATTACHMENT F
COUNTY OF MENDOCINO SAMPLE PROPOSAL EVALUATION FORM
RFP No. 34-16**

MEDICAL CANNABIS INVENTORY TRACKING SOFTWARE SYSTEM

Vendor Name: _____

Evaluated By: _____

A.	Completeness of Response	Pass/Fail	
B.	Financial Stability	Pass/Fail	
C.	Technical Criteria	Pass/Fail	

NOTE: In the event that the proposal rates a 'Fail' on any of the above, please seek the guidance of the Executive Office.

		Weight	*Rating Scale	Points Total
D.	Cost	15 points		
E.	Implementation Plan and Schedule	35 points		
F.	Relevant Experience	25 points		
G.	References	10 points		
H.	Overall Proposal	15 points		

Evaluation Total (Maximum 500)		
---------------------------------------	--	--

Comments:

Scoring: (To be performed by the Executive Office/Purchasing Agent)

Weight X *Rating (per Scale) = Points Total

*Rating Scale: 5 = Excellent 4 = Above Average 3 = Average 2 = Fair 1 = Poor 0 = Unacceptable

ATTACHMENT G – SAMPLE AGREEMENT

**COUNTY OF MENDOCINO
STANDARD SERVICES AGREEMENT**

This Agreement, dated as of _____, 2016, is by and between the COUNTY OF MENDOCINO, hereinafter referred to as the "COUNTY", and _____, hereinafter referred to as the "CONTRACTOR".

WITNESSETH

WHEREAS, pursuant to Government Code Section 31000, COUNTY may retain independent contractors to perform special services to or for COUNTY or any department thereof; and,

WHEREAS, COUNTY desires to obtain CONTRACTOR for its [Services]; and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this AGREEMENT and is willing to provide same to COUNTY.

NOW, THEREFORE it is agreed that COUNTY does hereby retain CONTRACTOR to provide the services described in Exhibit "A", and CONTRACTOR accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

- Exhibit A Definition of Services
- Exhibit B Payment Terms
- Exhibit C Insurance Requirements

The term of this Agreement shall be from _____, 20 through
_____, 20

The compensation payable to CONTRACTOR hereunder shall not exceed [Spelled out Contract Amount] (\$[Numerical Amount]) for the term of this Agreement.

MENDOCINO COUNTY, CA

REQUEST FOR PROPOSAL

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DEPARTMENT FISCAL REVIEW:

CONTRACTOR/COMPANY NAME

DEPARTMENT HEAD _____ DATE _____

By: _____

Budgeted: Yes No

NAME AND ADDRESS OF CONTRACTOR:

Budget Unit: _____

Line Item: _____

Grant: Yes No

Grant No.: _____

COUNTY OF MENDOCINO

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

By: _____

DAN GJERDE, Chair
BOARD OF SUPERVISORS

COUNTY COUNSEL REVIEW:

ATTEST:

CARMEL J. ANGELO, Clerk of said Board

APPROVED AS TO FORM:

By: _____

Deputy

KATHARINE L. ELLIOTT,
County Counsel

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

By: _____

Deputy

CARMEL J. ANGELO, Clerk of said Board

By: _____

Deputy

INSURANCE REVIEW:

FISCAL REVIEW:

RISK MANAGER

By: _____

ALAN D. FLORA, Risk Manager

By: _____

Deputy CEO/Fiscal

EXECUTIVE OFFICE REVIEW:

APPROVAL RECOMMENDED

By: _____

CARMEL J. ANGELO, Chief Executive Officer

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; \$50,001+ Board of Supervisors

Exception to Bid Process Required/Completed _____

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONTRACTOR is an Independent Contractor. CONTRACTOR is not the agent or employee of the COUNTY in any capacity whatsoever, and COUNTY shall not be liable for any acts or omissions by CONTRACTOR nor for any obligations or liabilities incurred by CONTRACTOR.

CONTRACTOR shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold County harmless from any and all liability which COUNTY may incur because of CONTRACTOR's failure to pay such amounts.

In carrying out the work contemplated herein, CONTRACTOR shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of COUNTY.

CONTRACTOR does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, including but not limited to prevailing wage laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of COUNTY is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the County agency concerned.

Notwithstanding the foregoing, if the COUNTY determines that pursuant to state and federal law CONTRACTOR is an employee for purposes of income tax withholding, COUNTY may upon two (2) week's written notice to CONTRACTOR, withhold from payments to CONTRACTOR hereunder federal and state income taxes and pay said sums to the federal and state governments.

2. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever including damages to property and injuries to, or death of persons, reasonable attorney's fees, expert fees and court costs occurring or resulting, or alleged to be occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connections with the CONTRACTOR'S performance or its obligations under this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting, or alleged to be occurring or resulting, to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance of its obligations under this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR'S performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.
3. **INSURANCE AND BOND:** CONTRACTOR shall at all times during the term of the Agreement with the COUNTY maintain in force those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
4. **WORKERS' COMPENSATION:** CONTRACTOR shall provide Workers' Compensation insurance, as applicable, at CONTRACTOR's own cost and expense and further, neither the CONTRACTOR nor its carrier shall be entitled to recover from COUNTY any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, CONTRACTOR shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. CONTRACTOR shall indemnify and hold COUNTY harmless from any and all liability, fines, penalties and consequences from any of CONTRACTOR's failures to comply with such laws, ordinances, codes and regulations.
 - b. **Accidents:** If a death, serious personal injury or substantial property damage occurs in connection with CONTRACTOR's performance of this Agreement, CONTRACTOR shall immediately notify Mendocino County Risk Manager's Office by telephone. CONTRACTOR shall promptly submit to COUNTY a written report, in such form as may be required by COUNTY of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of CONTRACTOR's sub-contractor, if any; (3) name and address of CONTRACTOR's liability insurance carrier; and (4) a detailed description of the

accident and whether any of COUNTY's equipment, tools, material, or staff were involved.

- c. CONTRACTOR further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the COUNTY the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: For services performed in accordance with this Agreement, payment shall be made to CONTRACTOR as provided in Exhibit "B" hereto as funding permits.
7. TAXES: Payment of all applicable federal, state, and local taxes shall be the sole responsibility of the CONTRACTOR.
8. OWNERSHIP OF DOCUMENTS: CONTRACTOR hereby agrees to provide to a private, not-for-profit, successor and if there is none then assigns the COUNTY and its assignees all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by the COUNTY, the CONTRACTOR, the CONTRACTOR's subcontractors or third parties at the request of the CONTRACTOR (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONTRACTOR shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. CONTRACTOR agrees to take such further steps as may be reasonably requested by COUNTY to implement the aforesaid assignment. If for any reason said assignment is not effective, CONTRACTOR hereby grants the COUNTY and any assignee of the COUNTY an express royalty – free license to retain and use said Documents and Materials. The COUNTY's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONTRACTOR's services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

CONTRACTOR shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by the CONTRACTOR and incorporated into the work as set forth in Exhibit "A", and shall defend, indemnify and hold the COUNTY harmless from any claims for infringement of patent or copyright arising out of such selection.

The COUNTY's rights under this Paragraph 8 shall not extend to any computer software used to create such Documents and Materials.

9. **CONFLICT OF INTEREST:** The CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement.
10. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. **Certified Mail:** When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Facsimile transmission: When sent by facsimile to the facsimile number of the recipient known to the party giving notice, notice is effective on receipt, provided that, (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given facsimile shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To COUNTY: COUNTY OF MENDOCINO

Ukiah, CA 95482

Attn:

To CONTRACTOR: [Name of Contractor]
[Number and Street]
[City, State, Zip Code]
ATTN:

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

11. **USE OF COUNTY PROPERTY:** CONTRACTOR shall not use County property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
12. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** CONTRACTOR certifies that it will comply with all federal and state laws pertaining to equal employment opportunity and that it shall engage in any unlawful discrimination.
 - a. CONTRACTOR shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Veteran's status, political affiliation, or any other non-merit factor.
 - b. CONTRACTOR shall, if requested to so do by the COUNTY, certify that it has not, in the performance of this Agreement, shall engaged in any unlawful discrimination.
 - c. If requested to do so by the COUNTY, CONTRACTOR shall provide the COUNTY with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act which is prohibited by law.
 - e. The CONTRACTOR shall include the provisions set forth in this paragraph in each of its subcontracts.
13. **DRUG-FREE WORKPLACE:** CONTRACTOR and CONTRACTOR's employees shall comply with the COUNTY's policy of maintaining a drug-free workplace. Neither CONTRACTOR nor CONTRACTOR's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. If CONTRACTOR or any employee of CONTRACTOR is convicted or pleads *nolo contendere* to a criminal drug statute violation occurring at a County facility or work site, the CONTRACTOR, within five days thereafter, shall notify the head of the County department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.
14. **ENERGY CONSERVATION:** CONTRACTOR agrees to comply with the mandatory standards and policies relating to energy efficiency in the State of California Energy Conservation Plan, (Title 24, California Administrative Code).

15. **COMPLIANCE WITH LICENSING REQUIREMENTS:** CONTRACTOR shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with the County Executive Office.
16. **AUDITS; ACCESS TO RECORDS:** The CONTRACTOR shall make available to the COUNTY, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to the COUNTY, and shall furnish to the COUNTY, within sixty (60) days after examination, its authorized agents, officers or employees such other evidence or information as the COUNTY may require with regard to any such expenditure or disbursement charged by the CONTRACTOR.

The CONTRACTOR shall maintain full and adequate records in accordance with County requirements to show the actual costs incurred by the CONTRACTOR in the performance of this Agreement. If such books and records are not kept and maintained by CONTRACTOR within the County of Mendocino, California, CONTRACTOR shall, upon request of the COUNTY, make such books and records available to the COUNTY for inspection at a location within County or CONTRACTOR shall pay to the COUNTY the reasonable, and necessary costs incurred by the COUNTY in inspecting CONTRACTOR's books and records, including, but not limited to, travel, lodging and subsistence costs. CONTRACTOR shall provide such assistance as may be reasonably required in the course of such inspection. The COUNTY further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by the COUNTY, and the CONTRACTOR shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after the COUNTY makes the final or last payment or within four (4) years after any pending issues between the COUNTY and CONTRACTOR with respect to this Agreement are closed, whichever is later.

17. **DOCUMENTS AND MATERIALS:** CONTRACTOR shall maintain and make available to COUNTY for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 8 of this Agreement. CONTRACTOR's obligations under the preceding sentence shall continue for four (4) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by COUNTY), and CONTRACTOR shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following the COUNTY's last payment to CONTRACTOR under this Agreement.
18. **TIME OF ESSENCE:** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

19. **TERMINATION:** The COUNTY has and reserves the right to suspend, terminate or abandon the execution of any work by the CONTRACTOR without cause at any time upon giving to the CONTRACTOR prior written notice. In the event that the COUNTY should abandon, terminate or suspend the CONTRACTOR's work, the CONTRACTOR shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit B hereto, provided that the maximum amount payable to CONTRACTOR for its [Services] shall not exceed \$[Contract Amount] payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment or lack of funding.
20. **NON APPROPRIATION:** If COUNTY should not appropriate or otherwise make available funds sufficient to purchase, lease, operate or maintain the products set forth in this Agreement, or other means of performing the same functions of such products, COUNTY may unilaterally terminate this Agreement only upon thirty (30) days written notice to CONTRACTOR. Upon termination, COUNTY shall remit payment for all products and services delivered to COUNTY and all expenses incurred by CONTRACTOR prior to CONTRACTOR'S receipt of the termination notice.
21. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
22. **VENUE:** All lawsuits relating to this contract must be filed in Mendocino County Superior Court, Mendocino County, California.
23. **WAIVER:** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
24. **ADVERTISING OR PUBLICITY:** CONTRACTOR shall not use the name of County, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of COUNTY in each instance.
25. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between COUNTY and CONTRACTOR relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding

the subject matter thereof. This Agreement may not be modified except by a written document signed by both parties.

26. **HEADINGS:** Herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.
27. **MODIFICATION OF AGREEMENT:** This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
28. **ASSURANCE OF PERFORMANCE:** If at any time the COUNTY has good objective cause to believe CONTRACTOR may not be adequately performing its obligations under this Agreement or that CONTRACTOR may fail to complete the Services as required by this Agreement, COUNTY may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to COUNTY, to correct the observed deficiencies in CONTRACTOR's performance. CONTRACTOR shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of COUNTY's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.
29. **SUBCONTRACTING/ASSIGNMENT:** CONTRACTOR shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without the COUNTY's prior written approval.
 - a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - b. CONTRACTOR shall use subcontractors identified in Exhibit "A" and shall not substitute subcontractors without COUNTY's prior written approval.
 - c. CONTRACTOR shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between CONTRACTOR and its subcontractors.
30. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 8), and Conflict of Interest (Paragraph 9), shall survive termination or expiration for two (2) years.
31. **SEVERABILITY:** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the

validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

32. **PATENT AND COPYRIGHT INDEMNITY:** CONTRACTOR represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("CONTRACTOR Products") provided to COUNTY under this Agreement infringe any patent, copyright or other proprietary right. CONTRACTOR shall defend, indemnify and hold harmless COUNTY of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any CONTRACTOR Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.
- a. COUNTY will: (1) notify CONTRACTOR promptly of such claim, suit or assertion; (2) permit CONTRACTOR to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable CONTRACTOR to do so. CONTRACTOR shall not agree without COUNTY's prior written consent, to any settlement, which would require COUNTY to pay money or perform some affirmative act in order to continue using the CONTRACTOR Products.
 - b. If CONTRACTOR is obligated to defend COUNTY pursuant to this Section 32 and fails to do so after reasonable notice from COUNTY, COUNTY may defend itself and/or settle such proceeding, and CONTRACTOR shall pay to COUNTY any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with COUNTY's defense and/or settlement of such proceeding.
 - c. In the case of any such claim of infringement, CONTRACTOR shall either, at its option, (1) procure for COUNTY the right to continue using the CONTRACTOR Products; or (2) replace or modify the CONTRACTOR Products so that that they become non-infringing, but equivalent in functionality and performance.
 - d. Notwithstanding this Section 32, COUNTY retains the right and ability to defend itself, at its own expense, against any claims that CONTRACTOR Products infringe any patent, copyright, or other intellectual property right.

33. **OTHER AGENCIES:**

Other tax supported agencies within the State of California who have not contracted for their own requirements may desire to participate in this contract. The CONTRACTOR is requested to service these agencies and will be given the opportunity to accept or reject the additional requirements. If the CONTRACTOR elects to supply other agencies, orders will be placed directly by the agency and payments made directly by the agency.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

DEFINITION OF SERVICES

CONTRACTOR shall provide the following services:

[END OF DEFINITION OF SERVICES]

EXHIBIT B
PAYMENT TERMS

[END OF PAYMENT TERMS]

EXHIBIT C**INSURANCE REQUIREMENTS**

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve CONTRACTOR for liability in excess of such coverage, nor shall it preclude COUNTY from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

CONTRACTOR agrees to indemnify and hold harmless COUNTY, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorney's fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, to the extent arising out of the performance of this Agreement by CONTRACTOR.

CONTRACTOR affirms that s/he is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self insurance in accordance with the provisions of the Code and CONTRACTOR further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. CONTRACTOR shall furnish to COUNTY certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of CONTRACTOR'S and subcontractors' employees.

CONTRACTOR shall furnish to COUNTY certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum the following:

- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
- b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.

[END OF INSURANCE REQUIREMENTS]

**ATTACHMENT H
MENDOCINO COUNTY EPAYABLES INFORMATION**

The County of Mendocino is currently making electronic payments to all of our vendors and suppliers who qualify. To achieve this more efficient form of payment, the County has partnered with Bank of America and their ePayables credit card program. This electronic initiative will yield many benefits to its participants:

- Expedited receipt of cash – electronic payments provide cash flow benefits by eliminating mail and paper check float
- Elimination of check processing costs
- Remittance data transmitted with payment for more efficient back-end reconciliation
- No collection costs associated with lost or misplaced checks
- Reduced exposure to check fraud
- More efficient handling of exception items
- Fits with existing accounting software – requires no purchase of software, no modifications to existing accounts receivable system and no change to bank accounts.
- Going green with paperless electronic payments help conserve the environment by eliminating printing and mailing of paper checks.

For information regarding the payment process, please contact Dennis Dow dowd@co.mendocino.ca.us or 707-234-6864.

Additional information regarding the Bank of America Program is also available at:

http://corp.bankofamerica.com/business/ci/landing/epayables-vendors?cm_mmc=sb-general--vanity--sg01vn000r_epayablesvendors--na



COUNTY OF MENDOCINO
Executive Office
Central Services Division

Exhibit H

CARMEL J. ANGELO
CHIEF EXECUTIVE OFFICER
PURCHASING AGENT

501 Low Gap Road Room 1010
Ukiah, CA 95482-3734

Email: ceo@co.mendocino.ca.us
Website: www.co.mendocino.ca.us

Office: (707) 463-4441
Fax: (707) 463-5649

COUNTY OF MENDOCINO ♦ REQUEST FOR PROPOSAL
ADDENDUM No. 1

Medical Cannabis Inventory Tracking Software System

RFP No.	34-16
Addendum Issue Date:	September 13, 2016
RFP Issue Date:	August 26, 2016
RFP Submission Deadline:	September 30, 2016 - 2:00 pm
NEW RFP Submission Deadline	October 7, 2016 – 2:00 pm

GENERAL RFP CLARIFICATION PROVIDED TO ALL VENDORS AND POTENTIAL PROPOSERS:

To allow for adequate time for proposal submission, the new RFP Submission Deadline will be October 7, 2016.

VENDOR INQUIRIES/MENDOCINO COUNTY RESPONSES

1. **Vendor Inquiry:** *The RFP states that the selected service may be made available for use by "other local government agencies." Does this include agencies within Mendocino County only, or agencies anywhere within the State of California?*

County of Mendocino Response/Clarification: Services may be made available for use by other government agencies throughout the State of California as the County included piggy back language. As stated in the RFP, *"The use of the contract, by the other government agencies, will be optional. Sales to these governmental agencies by the Contractor shall be optional. If bidders choose to extend prices offered on this proposal to other governmental agencies, any resulting contract will be solely between the supplier and the third party unit of government. Mendocino County shall not be responsible for any problems which may arise between other government agencies and the contractor as a result of any sales and/or purchases made."*

2. **Vendor Inquiry:** *Section X states, "The County's authority under its local permitting authority does not make it possible to track and trace medical cannabis grown outside of jurisdictional boundaries from seed or cutting." XI.F. 1 however does not refer to nurseries. Should the system support nursery users and shipments from nurseries?*

County of Mendocino Response/Clarification: Yes, the system should support nursery users and shipments from nurseries.

3. **Vendor Inquiry:** *These RFP sections refer to training. Will the County please provide an estimate of the number of county regulatory account administrators and users and permittee system administrators and users?*

County of Mendocino Response/Clarification: The County estimates at this time there would be 25 county users and five (5) account administrators.

4. **Vendor Inquiry:** *The RFP states the solution must provide the "...ability to track cannabis, including weight and/or volume, at each state of the process: growing, manufacturing, storage, laboratory testing, distribution, transporting, dispensing, delivery and destruction" [emphasis added]. MCRSA track and trace requirements include movement to dispensaries, but not dispensing of products to patients or the capture of patient information. Please clarify whether or not the County requires track and trace of products to patients?*

County of Mendocino Response/Clarification: The system should include movement to dispensaries and tracking mechanism to monitor gross sales, but no patient information is required.

5. **Vendor Inquiry:** *In regard to track and trace of cannabis storage/transporting: Does the County require the ability to track and trace product movement occurring within the same permitted entity location (for example from Room 1 to Room 2 within the same licenses manufacturing location)?*

County of Mendocino Response/Clarification: The product, at minimum, should be able to track the various stages in the product life cycle of cannabis, including stages occurring within the same permitted location.

6. **Vendor Inquiry:** *The County specifies the ITSS must provide a comprehensive payment collections solution and references current software systems including RevQ, Aumentum and other in-house systems. Does the County payment collection requirement include a need to process payments received electronically (in other states some industry payments are electronically remitted) and if so, does the County have a current payment clearinghouse vendor? Are payments currently cleared through any of the referenced solutions or other existing County systems? For what business functions does the County anticipate collection payments? Does the County anticipate supporting payment bonds or deferred payment options?*

County of Mendocino Response/Clarification: The RFP states ability to provide payment collection solution or ability to integrate with County systems. Yes, electronic payments will be accepted; the vendor is Point & Pay. Yes, payments are currently being received through RevQ by GovPayNet and the in-house system by ACI Official Payments; however, total transition to Point & Pay is anticipated to be complete by the end of the calendar year. The County anticipates collection of permit fees. The County does not anticipate supporting payment bonds or deferred payment options.

7. **Vendor Inquiry:** *Requires offerors to submit "A description of the experience/qualifications of all persons who may perform services under contract, including staff resumes that cover all experience and educational background." Is it acceptable to limit staff resumes to key personnel?*

County of Mendocino Response/Clarification: Yes, key personnel are sufficient.

8. **Vendor Inquiry:** *Requires "A list of key personnel, including full name, position, licenses or degrees held and brief summary of relevant experience as related to proposed services; organization chart; list of Board of Directors (if applicable); licenses (where appropriate)." For which positions should key personnel be proposed?*

County of Mendocino Response/Clarification: Executive and project management staff is sufficient.

ALL OTHER SPECIFICATIONS REMAIN IN FULL FORCE AND EFFECT.

Acknowledgment of receipt of this addendum is required to be included in your proposal. You may indicate such inclusion in narrative form within your proposal or by attaching a copy this addendum to your proposal.

Any questions or concerns regarding this matter should be directed to Janelle Rau, Deputy Chief Executive Officer, at (707) 463-4441 or email addresses below:

Janelle Rau, Deputy Chief Executive Officer
rauja@co.mendocino.ca.us