

State of Hawaii
Department of Health
Division of Health Resources Administration
Office of Medical Cannabis Control and Regulation

Request for Proposals
RFP No. 2025-2

**Independent Assessment of the Medical
Cannabis Licensing Framework and Market
Demand for Adult-use Cannabis in Hawaii**

PROPOSALS WILL BE RECEIVED UP TO 2:00 (HST) ON

NOVEMBER 1, 2024

BY SUBMISSION TO THE STATE OF HAWAII'S
ePROCUREMENT SYSTEM ("HiePRO")

Note: *It is the applicant's responsibility to check the public procurement notice website, the request for proposals website, or to contact the RFP point-of-contact identified in the RFP for any addenda issued to this RFP. The State shall not be responsible for any incomplete proposal submitted as a result of missing addenda, attachments or other information regarding the RFP.*

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SECTION ONE: ADMINISTRATIVE OVERVIEW

1.1 Introduction

The Department of Health, Office of Medical Cannabis Control and Regulation (OMCCR), is responsible for administering medical cannabis licensure and regulation and for the registration of qualifying patients and primary caregivers. Section 329D-26, Hawaii Revised Statutes, grants OMCCR the authority to issue medical cannabis dispensary licenses statewide.

The OMCCR is requesting proposals from qualified vendors to conduct an independent assessment of the Medical Cannabis Dispensary Licensing framework and an analysis of the demand for cannabis, both for medical cannabis and adult-use, in Hawaii should the State legalize adult-use of cannabis. Proposals must be submitted via HlePRO on or before the deadline listed on the solicitation. Proposals submitted after the submittal deadline shall be considered late and rejected. There are no exceptions to this requirement.

The deadline for submission of questions is 2:00 p.m., HST, on November 1, 2025. All questions shall be submitted through HlePRO. Questions not submitted via HlePRO will not be answered.

Any inquiries and requests regarding this RFP should be directed to Michele Nakata, telephone: (808) 722-2126, e-mail: michele.nakata@doh.hawaii.gov.

1.2 Procurement Timetable

Note that the procurement timetable represents the State's best estimated schedule. If an activity on this schedule is delayed, the rest of the schedule will likely be shifted by the same number of days. Contract start dates shall be subject to the issuance of a notice to proceed.

<u>Activity</u>	<u>Scheduled Date</u>
Public notice announcing Request for Proposals (RFP)	<u>Oct 4, 2024</u>
Closing date for submission of written questions for written responses	<u>Oct 18, 2024</u>
State purchasing agency's response to applicants' written questions	<u>Oct 23, 2024</u>
Proposal submittal deadline	<u>Nov 1, 2024</u>
Proposal evaluation period	<u>Nov 4 - 7, 2024</u>
Provider selection and posted notice of award	<u>Nov 8, 2024</u>
Contract start date	<u>Nov 18, 2024</u>

1.3 Website References

	Item	Website
1	Procurement of Goods, Services, & Construction	https://spo.hawaii.gov/for-vendors/vendor-guide/methods-of-procurement/goods-services-construction/competitive-sealed-proposals-procurement-method/
2	RFP website	https://hiepro.ehawaii.gov/welcome.html?redirectContext=welcome.html
3	Hawaii Revised Statutes (HRS) and Hawaii Administrative Rules (HAR) for Competitive Sealed Proposals	https://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/hrs0103D/HRS_0103D-.htm ; https://spo.hawaii.gov/references/har/goods/
4	General Conditions, AG-103D	https://spo.hawaii.gov/wp-content/uploads/2014/02/103D-General-Conditions.pdf
5	Forms	https://spo.hawaii.gov/all-forms/
6	Cost Principles	http://spo.hawaii.gov Search: Keywords “Cost Principles”
7	Protest Forms/Procedures	https://spo.hawaii.gov/for-vendors/vendor-guide/protests-for-goods-services-construction/
8	Hawaii Compliance Express (HCE)	http://spo.hawaii.gov/hce/
9	Hawaii Revised Statutes	http://capitol.hawaii.gov/hrscurrent
10	Department of Taxation	http://tax.hawaii.gov
11	Department of Labor and Industrial Relations	http://labor.hawaii.gov
12	Department of Commerce and Consumer Affairs, Business Registration	https://cca.hawaii.gov/breg/
13	Campaign Spending Commission	http://ags.hawaii.gov/campaign/
14	Internal Revenue Service	http://www.irs.gov/
<p>(Please note: website addresses may change from time to time. If a State link is not active, try the State of Hawaii website at http://hawaii.gov)</p>		

1.4 Authority

This RFP is issued under the provisions of the Hawaii Revised Statutes (“HRS”) Chapter 103D and its administrative rules, Hawaii Administrative Rules (“HAR”) Chapters 3-120 to 3-132. All prospective OFFERORS are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any prospective OFFEROR shall constitute an admission of such knowledge on the part of such prospective OFFEROR.

1.5 Contracting Office

The Contracting Office is responsible for overseeing the contract(s) resulting from this RFP, including system operations, fiscal agent operations, and monitoring and assessing provider performance. The Contracting Office is:

Department of Health
Office of Medical Cannabis Control & Regulation
4348 Waiialae Avenue #648
Honolulu, HI 96816

1.6 RFP Point-of-Contact

From the release date of this RFP until the selection of the successful OFFEROR, any inquiries and requests shall be directed to the sole point-of-contact identified below.

Michele Nakata, JD
Chief, OMCCR
Telephone: (808) 733-2126
Email: michele.nakata@doh.hawaii.gov

1.7 Submission of Questions

OFFERORS may submit questions to the RFP Point-of-Contact. Written questions should be received by the date and time specified in Section 1.2, Procurement Timetable. The purchasing agency will respond to written questions to the RFP, as indicated in Section 1.2, Procurement Timetable.

1.8 Submission of Proposals

A. Forms/Formats - Forms, with the exception of program specific requirements, may be found on the State Procurement Office website referred to in Section 1.3, Website Reference.

1. **Proposal Identification Form (Form OF-1).** Provides OFFEROR proposal identification. Form OF-1 is attached hereto as Attachment A.
 2. **Proposal Submission Checklist.** The checklist provides OFFERORS specific program requirements, reference and location of required RFP proposal forms, and the order in which all proposal components should be collated and submitted to the state purchasing agency. Proposal Submission Checklist is attached hereto as Attachment B.
 3. **Table of Contents.** The table of contents may vary depending on the RFP. A sample Table of Contents is attached hereto as Attachment C.
 4. **Proposal Offer Form (Form OF-2).** OFFEROR shall submit a comprehensive cost/proposal budget to successfully deliver services required in this RFP. Form OF-2 is attached hereto as Attachment D.
 5. **Reference Form.** OFFEROR shall submit a completed reference form as required by this RFP. Reference form is attached hereto as Attachment E.
- B. Program Specific Requirements.** Program specific requirements are included in Sections 2 and 3, or as applicable. Required Federal and/or State certifications are listed on the Proposal Submission Checklist.
- C. Multiple or Alternate Proposals.** Multiple or alternate proposals shall not be accepted unless specifically provided for in Section 2.
- D. OFFEROR Compliance.** All OFFERORS shall comply with all laws governing entities doing business in the State. The OFFEROR must be compliant at the time of award, or they shall be disqualified.
1. **Tax Clearance.** Pursuant to HRS §103-53, as a prerequisite to entering into contracts of \$25,000 or more, providers are required to have a tax clearance from the Hawaii State Department of Taxation (“DOTAX”) and the Internal Revenue Service (“IRS”). Refer to Section 1.3, Website Reference for DOTAX and IRS website address.
 2. **Labor Law Compliance.** Pursuant to HRS §103-55, OFFERORS shall be in compliance with all applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety. Refer to Section 1.3, Website Reference for the Department of Labor and Industrial Relations (“DLIR”) website address.

3. **Business Registration.** Prior to contracting, owners of all forms of business doing business in the state except sole proprietorships, charitable organizations, unincorporated associations and foreign insurance companies shall be registered and in good standing with the Department of Commerce and Consumer Affairs (“DCCA”), Business Registration Division. Foreign insurance companies must register with DCCA, Insurance Division. More information is on the DCCA website. Refer to Section 1.3, Website Reference for DCCA website address.
 4. OFFERORS may register with Hawaii Compliance Express (“HCE”) for online compliance verification from the DOTAX, IRS, DLIR, and DCCA. There is an annual registration fee (currently \$12) for the service. The HCE’s online “Certificate of Vendor Compliance” provides the registered offeror’s current compliance status as of the issuance date and is accepted for both contracting and final payment purposes. Refer to Section 1.3, Website Reference, for HCE’s website address.
 5. OFFERORS not utilizing the HCE to demonstrate compliance shall provide paper certificates to the purchasing agency. All applications for applicable clearances are the responsibility of the providers. All certificates must be valid on the date it is received by the purchasing agency. The tax clearance certificate shall have an original green certified copy stamp and shall be valid for six months from the most recent approval stamp date on the certificate. The DLIR certificate is valid for six months from the date of issue. The DCCA certificate of good standing is valid for six months from date of issue.
- E. Wages Law Compliance.** If applicable, by submitting a proposal, the offeror certifies that the offeror is in compliance with HRS §103-55, Wages, hours, and working conditions of employees of contractors performing services. Refer to Section 1.3, Website Reference, for statutes and DLIR website address.
- F. Campaign Contributions by State and County Contractors.** HRS § 11-355 prohibits campaign contributions from certain State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. Refer to Section 1.3, Website Reference, for statutes and Campaign Spending Commission website address.
- G. Confidential Information.** If an offeror believes any portion of a proposal contains information that should be withheld as confidential, the offeror shall request in writing nondisclosure of designated proprietary data to be confidential and provide justification to support confidentiality. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal to facilitate eventual public inspection of the non-confidential sections of the proposal.

Note that price is not considered confidential and will not be withheld.

H. Proposal Submittal. The State has established the Hawaii State eProcurement (HiePRO) System to promote an open and transparent system for vendors to compete for State contracts electronically. OFFERORS interested in responding to this solicitation must be registered on HiePRO. Registration information is available at the State Procurement Office website: <http://spo.hawaii.gov/HIEPRO/>; select HIEPRO Vendor Registration and then select HIEPRO Vendor Registration Guide.

All proposals shall be submitted via HiePRO at the date and time indicated in the solicitation, and in strict accordance with the instructions herein. The RFP Process, including issuance of the RFP, submission of Proposals, issuance of Addenda, and changes to the Procurement Timetable in Section 1.2 shall be conducted through HiePRO. The State shall not be responsible for the failure of any OFFEROR to receive the RFP Process information.

The Contractor shall be subject to a one-time mandatory HIEPRO fee of .75% (.0075) of the award amount or \$5,000, whichever is less. HiePRO is administered by Tyler Technologies, Inc. Tyler Technologies, Inc. shall invoice the Contractor directly for payment of the HIEPRO fee. Payment must be made within thirty (30) days from receipt of invoice.

1.9 HiePRO Special Instructions

OFFERORS shall view all special instructions located in HiePRO. OFFERORS are responsible for ensuring that all necessary files are attached to their proposal prior to the proposal deadline.

The maximum file size that HiePRO can accept is 100MB. Files larger than 100MB must be reduced into two or more files.

OFFERORS must carefully examine this RFP, all addenda, required contract forms, and other documents, laws, and rules, as necessary, before submitting a proposal. The submission of a proposal shall be considered to be a warranty and representation that the OFFEROR has made a careful examination of the RFP and understands the work and the requirements of this RFP. Each qualified OFFEROR may submit only one (1) proposal. Proposals must be detailed and concise. Each Proposal must be labeled and organized in a manner that is congruent with the requirements and terminology used in this RFP and must include a point-by-point response, structured in form and reference to the RFP, addressing all requirements and the Scope of Work elements.

The OFFEROR's proposal, including all of its required submission types as noted above, must be received through HIEPRO no later than the closing date and time specified for the receipt of proposals as specified in Section 1.2, Procurement Timetable. Any proposal received outside of HiePRO, including faxed, emailed, or handwritten proposals, will not be considered.

1.10 Additional Materials and Documentation

Upon request from the state purchasing agency, each OFFEROR shall submit additional materials and documentation reasonably required by the state purchasing agency in its evaluation of the proposals.

1.11 RFP Amendments

The State reserves the right to amend this RFP at any time prior to the closing date for final revised proposals.

1.12 Best and Final Offer

OMCCR, in its sole discretion, may generate a Priority List of offerors in accordance with HAR § 3-122-53 and request each Priority-Listed OFFEROR to submit its Best and Final Offer ("BAFO"). The request shall be issued in an Addendum which will provide guidance and additional instructions. BAFOs shall be submitted to the RFP Point-of-Contact via HlePRO on or before the deadline established in the Addendum. If a Priority Listed OFFEROR fails to submit a BAFO, its last submitted offer shall be deemed to be its BAFO. Procurement files shall be open to public inspection after a contract has been awarded and executed by all parties.

1.13 Cancellation of Request for Proposal

The RFP may be canceled and any or all proposals may be rejected in whole or in part, when it is determined to be in the best interest of the State pursuant to HAR §§ 3-122-95 through 98.

1.14 Cost for Proposal Preparation

Expenses for the development and submission of proposals and other responses to the RFP are the sole responsibility of the OFFEROR whether or not any award results from this RFP. Travel and expenses to and from the State, outside of an award, are also the responsibility of the OFFEROR.

1.15 Rejection of Proposals

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and comply with the service specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be rejected as authorized under HAR §§ 3-122-95 through 98.

1.16 Notice of Award

A Notice of Award of the Contract shall be made to the responsible OFFEROR whose Proposal is determined the most advantageous to the State, taking into consideration all the evaluation factors set forth in this RFP.

The Notice of Award shall be made available in HlePRO. Failure by the chosen vendor to accept the award within five days of the Notice of Award will be deemed a rejection of the award.

Any agreement arising out of this solicitation is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order or other directive.

1.17 Protests

An OFFEROR aggrieved by an award of a contract may file a protest in accordance with the procedures set forth in HRS §103D-701 and HAR Chapter 3-126. Refer to Section 1.3, Website Reference, for the website address where information regarding protests can be found.

Any protest shall be submitted in writing to the Procurement Officer identified in HlePRO, addressed to:

Michele Nakata
Chief, OMCCR
Email: michele.nakata@doh.hawaii.gov
4348 Waiialae Avenue #648
Honolulu, HI 96816

1.18 Availability of Funds

The award of a contract and any allowed renewal or extension thereof, is subject to allotments made by the Director of Finance, State of Hawaii, pursuant to HRS Chapter 37, and in accordance with §103D-309, HRS, and subject to the availability of State funds.

1.19 General Conditions of Contract

If an award is accepted, the successful OFFEROR will be required to enter into a formal written contract with the State (Contract). The Contract shall include or be deemed to incorporate this RFP, the Contractor's Proposal or BAFO, State AG General Conditions set

forth in Attachment F, and any other terms as may be agreed to by the State and the Contractor. To the extent that the RFP and the successful proposal conflict, the terms of the RFP shall govern. By submitting a proposal, the OFFEROR certifies that they have read and agree to the General Conditions attached hereto.

1.20 Cost Principles

To promote uniform purchasing practices among state purchasing agencies procuring goods, services, and construction under HRS Chapter 103D, state purchasing agencies will utilize standard cost principles as outlined on the SPO website. Refer to Section 1.3, Website Reference, for website address. Nothing in this section shall be construed to create an exemption from any cost principle arising under federal law.

1.21 Contract Execution

The successful OFFEROR shall enter into a formal written contract with the State. In submitting a proposal, the OFFEROR will be deemed to have agreed to each provision set forth in Attachment F, General Conditions and Attachment G, Contract Form. The State shall have no obligation to accept terms and conditions that vary from those set forth in the aforementioned attachments.

Upon selection and award of the contract, the State shall send the formal contract to the successful OFFEROR via an electronic signature process. The State reserves the right to cancel any contract and request new proposals or negotiate with remaining OFFERORS if the State is not satisfied with the awarded Contractor’s performance.

No work is to be undertaken by the OFFEROR awarded a contract prior to the execution of a formal contract and the contract commencement date. The State of Hawaii is not liable for any costs incurred prior to the contract commencement date.

No contract shall be considered binding upon the State until the contract has been fully and properly executed by all parties thereto.

1.22 Terms and Acronyms Used Throughout the Solicitation

AG	= Department of the Attorney General
APRN	= Advanced Practice Registered Nurse
BAFO	= Best and Final Offer
DOH	= Department of Health
HAR	= Hawaii Administrative Rules
HlePRO	= Hawaii eProcurement System
HRS	= Hawaii Revised Statutes
LMS	= Learning Management System

OMCCR = Office of Medical Cannabis Control & Regulation
RFP = Request for Proposals
SPO = State Procurement Office

SECTION TWO: BACKGROUND AND SCOPE OF WORK

2.1 Introduction

This Request for Proposals (RFP) is issued by the State of Hawaii (State) Department of Health (DOH) Office of Medical Cannabis Control and Regulation (OMCCR) for firm fixed price (FFP) Proposals from Vendors to conduct a comprehensive assessment to: (1) evaluate Hawaii's current medical cannabis dispensary licensing framework; and (2) conduct a market analysis of the demand for medical and adult-use cannabis and assess the economic, health, public safety, and environmental impacts of an adult-use cannabis market in Hawaii.

Hawaii legalized medical cannabis through Act 228 in 2000, allowing patients with specific qualifying conditions to use cannabis for medical purposes and permitting them or their caregivers to cultivate a limited number of cannabis plants for personal use. In July 2015, Act 241, Session Laws of Hawaii, was signed into law and codified as chapter 329D, Hawaii Revised Statutes (HRS) and established a regulated statewide dispensary system to ensure safe and legal access to cannabis for medical use by qualifying patients. The goal of the dispensary licensing program is to make medical cannabis products readily available for registered patients while balancing the health and safety of patients and the public.

Section 329D-2, HRS, authorizes the DOH to issue eight dispensary licenses statewide – three for the City and County of Honolulu, two each for the County of Hawaii and County of Maui, and one for the County of Kauai. Regulatory oversight of the licensees is the responsibility of the OMCCR Medical Cannabis Dispensary Licensing Section (MCDLS). Since 2016, MCDLS has continuously monitored and inspected the dispensary licensees and their production centers and retail dispensary locations.

In recent years, there has been growing interest in the legalization of cannabis for adult use. The Hawaii State Legislature has actively considered several bills aimed at legalizing adult-use cannabis, including SB669 and HB237 in 2023 and SB3335 and HB2600 in 2024.

OMCCR requires an independent assessment of the current Medical Cannabis Dispensary Licensing program to evaluate its regulatory framework and its impact on patient accessibility and the economic viability of licensed dispensaries. Additionally, in anticipation of the legalization of adult-use cannabis, OMCCR requires a market demand study to predict total demand (including demand from Hawaii residents and tourists) for cannabis and cannabinoid product from all sources, including medical cannabis, adult-use cannabis, home cultivation, hemp-derived cannabinoid products, and the illicit market. The market demand study should also assess the economic impact of an adult-use cannabis program, as well as its effects on the medical cannabis program, public health and safety, and environmental health and safety. The assessment and study will guide the development of regulatory frameworks, including licensing, production quotas and

taxation levels, and will inform the planning of policies, education campaigns, and measures to protect public health and safety and environmental health and safety.

The resulting contract from this solicitation shall be a contract NTE \$94,100.00 with an anticipated award date of November 8, 2024. All work under this contract, including a final written report, must be completed by March 15, 2025.

2.2 Project Goals

The purpose of this RFP is to procure a comprehensive and independent assessment of: (1) Hawaii's Medical Cannabis Dispensary Licensing program's current performance; and (2) the projected growth and impact of the cannabis market over the next five years with the legalization of adult-use cannabis.

The vendor shall identify and undertake the appropriate study methodologies to achieve the following objectives:

- (1) Evaluate qualifying patients' access to medical cannabis under the current Medical Cannabis Dispensary Licensing framework;
- (2) Assess the impact of Hawaii's current medical cannabis regulatory framework on the viability of licensed medical cannabis dispensaries;
- (3) Predict the potential size of the cannabis market in Hawaii by specific geographic area and include effects of tourism on market size;
- (4) Analyze economic impacts of adult-use cannabis, including taxation levels' impact on revenue, illicit market share, hemp market share, and viability of small and medium enterprises; and
- (5) Assess the long-term costs associated with adult-use cannabis, including on the medical cannabis program, regulation and enforcement, public health and environmental health and safety.

2.3 Geographic Coverage of Service

The independent assessment will cover all counties of the State of Hawaii and predict sub-county demand levels where possible.

2.4 Scope of Work

The OFFEROR shall provide a report covering analyses described below. OMCCR may provide anonymized information on patient access to medical cannabis that have been

collected in past surveys or recorded in the program's seed-to-sale database. However, the OFFEROR is responsible for gathering its own market data and obtaining any required Institutional Review Board clearances.

2.4.1 The OFFEROR shall evaluate qualifying patients' access to medical cannabis and access barriers under the current medical cannabis dispensary licensing regulatory framework, to include:

- a. Current and future size of the medical cannabis market for the next five years and the optimal amount of cannabis production to meet current and future needs
- b. Current cost of medical cannabis, including patient expenditures across product categories, regulated market and gray/illicit market price comparison, and wholesale and retail prices across product categories compared to similar jurisdictions
- c. Access to medical providers and to licensed medical cannabis dispensaries, including a comparison of dispensary population and travel distance to nearest dispensaries
- d. Effects of regulations, such as maximum monthly allotment, plant count restrictions and caregiver cultivation restrictions, on patient's access to medical cannabis
- e. Other barriers to access as relevant to the medical cannabis program

2.4.2 The OFFEROR shall conduct an evaluation of the economic impact of Hawaii's current regulatory framework on the viability of licensed dispensaries with respect to the following:

- a. Taxation, licensing fees, and annual renewal fees
- b. Ongoing regulatory requirements such as seed-to-sale tracking, security systems, inventory management, and testing protocols
- c. Limited patient base (and required number of patients to purchase from dispensaries)
- d. Regulations restricting product diversity
- e. Size of the gray and illicit markets, including cannabis cultivation farms and hemp retailers, and their impact on dispensary sales
- f. Impact of the home cultivations, particularly the application of caregiver cultivation, on dispensary viability
- g. Other factors that may impose challenges on the viability of licensed dispensaries

2.4.3 The OFFEROR shall conduct predictive modelling on cannabis demand and supply in the next 5 years under the scenario that Hawaii legalizes adult-use cannabis, examining the following:

- a. Future cannabis market size from all sources, covering demand and supply across different geographic areas, preferably at the sub-county level, and include demands by residents and tourists
- b. Number of retail cannabis stores and medical cannabis dispensary locations needed to meet medical and adult-use demands
- c. Number of licenses by different types, including cultivation, retail, and processing to meet demands
- d. Market saturation points using historical data from other states with similar population and socioeconomic characteristics to Hawaii

2.4.4 The OFFEROR shall analyze the economic impact of future cannabis demand predicted in section 2.4.3 and incorporate the following:

- a. Type and rate of tax sufficient to fund regulatory operations and provide revenue for public health initiatives, local law enforcement training, and other public needs while maintaining a sustainable market for medical cannabis
- b. Impact that local taxes may have on sales, balanced against the interests of consumers purchasing cannabis through licensed entities rather than on the illicit market
- c. Impact and feasibility of a higher tax bracket for tourists
- d. Optimal amount of cannabis production (e.g., number of plants and cultivation square footage) to meet the current and future market demand
- e. Impact of establishing canopy limits per license and recommendations on canopy limits sizes
- f. Number of cannabis licenses and the related license fees that will encourage diversity and small business participation
- g. Potential number of people interested in obtaining an adult-use cannabis license
- h. Impact that establishing classes of licenses based on the size of the licensed business would have on achieving the goals of diversity and small business participation
- i. Impact that restricting the number of licenses owned by a single entity and restricting the transfer of licenses would have on diversity and small business participation
- j. Impact of reduced or waived fees on applicant diversity, including Native Hawaiians and applicants from communities impacted by cannabis arrests
- k. Economic impact of permitting personal use cultivation
- l. Size and scope of the gray and illicit cannabis market, including the hemp-

cannabinoid market

- m. Price necessary to encourage consumers to exit the illicit cannabis market and purchase from licensed retailers and dispensaries

2.4.5 The OFFEROR shall assess long-term costs associated with adult-use cannabis, including on the medical cannabis program, regulation and enforcement, public health and environmental health and safety, as follows:

- a. Potential shifts in medical cannabis patient numbers and demographics under proposed provisions for medical cannabis vs. adult-use cannabis;
- b. Impact on the accessibility and affordability of medical-grade cannabis;
- c. Comparison of policies affecting medical cannabis patients in other jurisdictions, such as taxation of medical cannabis, product concentrations, home cultivation, and laboratory testing requirements, and how they differentiate medical cannabis patients from adult-use cannabis customers;
- d. Incentives for businesses to manufacture and dispense medical cannabis products;
- e. Public health and safety, particularly trends in youth use and impaired driving, considering varying number of licensees and retailers; and
- f. Environmental impacts from cannabis cultivation and manufacturing, including water usage, energy requirements, air emissions, and waste production, considering varying number of licensees and retailers.

2.4.6 Within the scope of the current Medical Cannabis Dispensary Licensing assessment, the OFFEROR shall present a framework for an expanded medical cannabis market that fosters robust competition, with recommendations on how to produce medical cannabis products at an affordable cost and sufficient to meet consumer demand while not resulting in excess production.

2.4.7 The market demand study for adult-use cannabis should draw from experiences in other states that have transitioned from legalizing medical cannabis only to legalizing both medical cannabis and adult-use cannabis.

2.5 Personnel Requirements

2.5.1 The OFFEROR will be responsible for identifying personnel with the required skill sets to fully execute the tasks specified under section 2.4, Scope of Work. The

preferred contractors will have the capacity to commit personnel and resources necessary to provide high quality services in a timely and responsible manner.

- 2.5.2 The OFFEROR shall be familiar with the OMCCR's enabling statutes as well as the laws and regulations pertaining to the licensure of medical cannabis businesses. Chapter 329D, Hawaii Revised Statutes (HRS).
- 2.5.3 The OFFEROR shall have well-developed qualifications, experience, contacts, and resources in performing regulatory assessments and quantitative and qualitative assessments of market size and growth.
- 2.5.4 The OFFEROR shall demonstrate ability to identify and explain quantitative and qualitative health, safety, and economic impacts of laws legalizing medical and adult-use cannabis.
- 2.5.5 The OFFEROR shall provide adequate qualified personnel that possess a demonstrated ability to provide, produce and present a comprehensive report to the OMCCR on each subject outlined in the scope of service.

2.6 Experience Requirements

- 2.7.1 The OFFEROR shall have a minimum of 2 years of experience in predictive modelling.
- 2.7.2 The OFFEROR shall have expertise and demonstrated professional skill in assessing state medical cannabis programs.
- 2.7.3 The OFFEROR shall have expertise and demonstrated professional skill in conducting market analysis for the adult-use cannabis market.

2.7 Reporting Requirements

The OFFEROR is required to submit a monthly report documenting actions taken throughout the contract period.

2.8 Timeline of Deliverables

Deliverables	Description	Deadline
1. Action Plan	Narrative statement of research and analytical steps to be undertaken, estimate of time for each and schedule for completing same.	November 25, 2025
2. Draft Report	Information collected through execution of action plan is reflected and analyzed in draft report.	February 15, 2025
3. Final Report	Comments and input by OMCCR addressed in finalized report.	March 15, 2025

2.9 Compensation and Method of Payment

- 2.9.1 Any contract resulting from this RFP shall be based on a firm fixed price structure. The OFFEROR shall propose a reasonable estimate for services to be provided.
- 2.9.2 Payments shall be made according to the scheduled deliverables upon submission by the Contractor of invoices for the services provided.
- 2.9.3 Invoices shall be certified by the Contractor and accompanied by progress reports describing the services performed in providing the deliverables under the contract.
- 2.9.4 Each deliverable shall be reviewed by the State and shall be subject to the State's preliminary determination of appropriateness and acceptance of each deliverable. Should a deliverable be unacceptable, the State shall notify the Contractor within ten (10) working days from receipt of the deliverable. The Contractor shall make all recommended changes and edits and re-submit the revised deliverable to the State within ten (10) working days.
- 2.9.5 Final settlement of any contract resulting from this RFP shall include submission and acceptance of all reports and other materials to be submitted by the Contractor to the State, resolution of all discrepancies in the deliverables received or performance of services, and completion of all other outstanding matters under the contract.

SECTION THREE: PROPOSAL APPLICATION INSTRUCTIONS

General instructions for completing submissions:

- *Proposals shall be submitted to the state purchasing agency using the prescribed format outlined in this section.*
- *Page numbering of the Proposal should be consecutive, beginning with page one and continuing through for each section.*
- *OFFERORS must also include a Table of Contents with the Proposal which shall coincide with the order of this RFP. A sample Table of Contents is attached hereto as Attachment C.*
- *A written response is required for each item unless indicated otherwise. Failure to answer any of the items will impact upon an OFFEROR's score.*
- *OFFERORS are strongly encouraged to review evaluation criteria in Section 4, Evaluation Criteria, when completing the proposal.*

The Proposal is comprised of the following sections:

- *Proposal Identification Form (OF-1)*
- *Proposal Submission Checklist*
- *Table of Contents*
- *Program Overview*
- *Experience and Capability*
- *Project Organization, Schedule, and Staffing*
- *Technical Proposal*
- *Proposal Offer Form (OF-2)*
- *Reference Form*
- *Other*

3.1 Proposal Identification Form (OF-1)

The OFFEROR shall submit the Proposal Identification Form (OF-1), attached hereto as Attachment A, to allow evaluators to properly identify the organization submitting the proposal.

3.2 Proposal Submission Checklist

The OFFEROR shall complete the Proposal Submission Checklist, attached hereto as Attachment B, and include it in the proposal submission packet. The OFFEROR shall read the checklist instructions carefully and complete the form in its entirety.

3.3 Table of Contents

The OFFEROR shall provide a table of contents to inform evaluators where to locate required information. A sample table of contents is attached hereto as Attachment C.

3.4 Program Overview

The OFFEROR shall give a brief overview to orient evaluators as to the program/services being offered.

3.5 Experience and Capability

The OFFEROR must demonstrate its capability and knowledge to perform the services listed in section 2.4, Scope of Work and meet all requirements listed in section 2.6, Experience Requirements. All requirements listed in sections 2.4, Scope of Work, and 2.6, Experience Requirements, must be addressed. Provide as much detail as possible regarding the following points to show experience in completing the scope of work.

The OFFEROR must provide description and examples of market analyses which the OFFEROR has produced, and which are pertinent to the proposed services.

3.6 Project Organization, Schedule, and Staffing

The OFFEROR shall describe the proposed staffing and proposed caseload capacity appropriate for the viability of services. Provide as much detail as possible to meet personnel requirements as described in section 2.5

The OFFEROR shall describe its ability to supervise, train and provide administrative direction relative to the delivery of the proposed services.

The OFFEROR shall include an organization chart that reflects the position of each staff and line of responsibility (include position title, name, and full-time equivalency).

3.7 Technical Proposal

The OFFEROR shall provide as much detail as possible on how the scope of work will be implemented. A timeline of activities with a start date and an end date that meets the timeline of deliverables described in section 2.8 must be provided, including how the OFFEROR will adhere to the timeline and contingency plans when the OFFEROR is unable to meet the timeline required. Any issues that may arise and any shortfalls that are likely should be described with remedies and strategies to address such issues or shortfalls.

3.8 Proposal Offer Form (OF-2)

The OFFEROR shall submit a cost proposal and budget plan in a completed Proposal Offer Form (OF-2), attached hereto as Attachment D, utilizing the pricing structure designated by the state purchasing agency.

3.9 Reference Form

The OFFEROR shall provide a reference list, in the form attached hereto as Attachment E, with a minimum of 1 reference that is a client who received services from the OFFEROR that is directly related to the work identified in Section 2.4, Scope of Work.

3.10 Other

The OFFEROR shall disclose and explain any pending litigation to which they are a party, including the disclosure of any outstanding judgment.

SECTION FOUR: EVALUATION CRITERIA

Evaluation criteria and the associated points are listed below. The award will be made to the responsible OFFEROR whose proposal is determined to be the most advantageous to the State based on the evaluation criteria listed in this section. The OFFEROR may have portions of its proposal withheld from disclosure to the public. The OFFEROR must separate those portions of the proposal that it does not want to be disclosed. The OFFEROR must justify why certain portions need to be withheld from disclosure to the public. The cost part of the proposal will not be withheld.

The total number of points that an OFFEROR can achieve is 100.

To achieve the highest possible points, the OFFEROR should provide sufficient detail for each criterion in its proposal that will allow the evaluation committee to make a satisfactory judgment.

4.1 Cost Criterion – 20 Points Maximum

The total cost of the project along with a cost breakdown. The cost breakdown must show personnel costs and labor hours, equipment costs, major supply costs, any significant costs such as travel, any administrative costs, and direct and indirect costs. Points may be reduced for an inadequate cost breakdown. The maximum points will be given when all resources have been accounted for and are supported by descriptions in the technical narrative proposal. Ten points will be given when cost items have little to no relevance to or are not supported by the technical narrative proposal. Five points will be given for an incomplete, illogical, or incoherent budget plan.

4.2 Experience and Capabilities Criterion – 30 Points Maximum

The vendor must demonstrate that it has the experience and capabilities required by Section 2.6. The maximum points will be given if the vendor meets all the requirements. Points will be given proportionately by the number of items that the vendor meets. For example, if the vendor meets 2 out of 3 items, then 20 points will be given.

4.3 Example Work Criterion – 18 Points Maximum

Sample projects and/or examples of past work demonstrating the scope of work. The vendor must provide examples of medical cannabis program assessment and adult-use cannabis market demand studies. The maximum points will be given examples or supporting documents that exhibit exceptional quality and relevant work.

4.4 Technical Narrative Criterion – 30 Points Maximum

A technical narrative proposal that describes how the vendor will carry out the scope of work to meet the project objectives. The narrative should detail the methods and metrics for assessing the current Medical Cannabis Dispensary Licensing framework and the demand for medical cannabis and adult-use cannabis in Hawaii should the State legalize adult-use of cannabis. The maximum points will be given when the technical narrative is thoroughly described to explain how the vendor will carry out the scope of work and that the narrative supports the cost items in the budget plan.

4.5 Certificate of Vendor Compliance – 2 Point Maximum

Certificate of Vendor Compliance. The vendor must attach a copy of its certificate dated within the last six months of submitting the proposal. 2 points will be given if the certificate is attached and the vendor is in compliance. 0 points will be given if no certificate is attached or the certificate shows the vendor is not in compliance.

ATTACHMENT A - PROPOSAL IDENTIFICATION FORM OF-1

State of Hawaii
Department of Health
Health Resources Administration Division
Office of Medical Cannabis Control and Regulation
4348 Waialae Avenue #648
Honolulu, HI 96816

Whom It May Concern:

The undersigned has carefully read and understands the terms and conditions specified in this RFP and hereby submits the following proposal to perform the work specified in the RFP.

The undersigned further understands and agrees that by submitting this proposal, 1) he/she is declaring his/her proposal is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Respectfully submitted,

Date

Exact Legal Name of OFFEROR

Telephone No.

Authorized Signature

Fax No.

Title

Street Address

City, State, Zip Code

Payment Address, if different

Hawaii General Excise Tax I.D. No. _____

Social Security of Federal Identification No. _____

If OFFEROR shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

OFFEROR is: Individual Partnership Corporation Joint Venture LLC

State of incorporation: Hawaii _____ *Other

*If "other," is corporate seal available in Hawaii? Yes No

ATTACHMENT B – PROPOSAL SUBMISSION CHECKLIST

Organization: _____

RFP No.: _____

OFFEROR(s) are required to include in their Proposal Submission Packet the items listed below as well as placing a check next to each item to indicate inclusion in the Proposal Submission Packet.

Item	Format/Instructions Provided	Required by Purchasing Agency	OFFEROR to place "X" for items included in Proposal
Proposal Identification Form (OF-1)	Section 3	X	
Proposal Submission Checklist	Section 3	X	
Table of Contents	Section 3	X	
Program Overview	Section 3	X	
Experience and Capability	Section 3	X	
Project Organization, Schedule, and Staffing	Section 3	X	
Technical Proposal	Section 3	X	
Proposal Offer Form (OF-2)	Section 3	X	
Reference Form	Section 3	X	
Other	Section 3	X	
OFFEROR Compliance	Section 1.8	X	
General Conditions*	Section 1.19	X	

*OFFERORS shall place an X in the column to confirm that the OFFEROR has read and agrees to all General and Special Conditions attached to the RFP.

ATTACHMENT C – SAMPLE TABLE OF CONTENTS

1.0	Proposal Identification Form	i
	See Attachments for Proposal Identification Form (OF-1)	
2.0	Proposal Submission Checklist	ii
3.0	Table of Contents	iii
4.0	Program Overview	1
5.0	Experience and Capability	2
	A. Necessary Skills	3
	B. Experience.....	4
	C. Quality Assurance and Evaluation	5
	D. Coordination of Services.....	6
6.0	Project Organization, Schedule, and Staffing	7
	A. Staffing	8
	1. Proposed Staffing.....	8
	2. Staff Qualifications	9
	B. Project Organization.....	10
	1. Supervision and Training.....	10
	2. Organization Chart (Program & Organization-wide) (See Attachments for Organization Charts)	
	C. Project Schedule and Workplan	11
7.0	Technical Proposal	12
8.0	Financial	20
	See Attachments for Offer Form (OF-2)	
9.0	References	20
	See Attachments for Reference Form	
10.0	Litigation	20
11.0	Additional Attachments	21

ATTACHMENT D – PROPOSAL OFFER FORM OF-2

The following fixed price proposal is hereby submitted for RFP No. 2025- for the Independent Assessment of Hawaii Medical Cannabis Licensing Framework and Market Demand for Adult-Use Cannabis.

The proposed price(s) submitted below shall be paid to the selected Contractor. No other request for payment shall be honored. Proposed price shall be inclusive of taxes, fees, licenses, and all other costs associated with successful delivery of services.

The services detailed in the Scope of Work should form the basis for the proposal price.

Deliverable Table:

Ref.	Deliverable	RFP Section	Amount
D1	Action Plan	2.8	
D2	Draft Report	2.4, 2.8	
D3	Final Report	2.4, 2.8	

Total Estimated Cost Summary:

ATTACHMENT E – REFERENCE FORM

Reference 1.

Organization

Point of Contact

Contact Email

Contact Telephone

Reference 2.

Organization

Point of Contact

Contact Email

Contact Telephone

Reference 3.

Organization

Point of Contact

Contact Email

Contact Telephone