



Application Checklist and Scoring Criteria

This document is a supplement to the Dispensing Organization Application, form RSD-51. It is being provided as a courtesy to assist with the completion of the application. All information will be evaluated and scored by an impartial panel.

PART A: Mandatory Unscored Items

Exhibit A. Proof of ownership and current status, including but not limited to a current Certificate of Existence or Certificate of Authority from the Texas Office of the Secretary of State and a Certificate of Good Standing from the Texas Comptroller of Public Accounts;

Exhibit B. Complete registration applications for all directors, managers and employees submitted using form RSD-52 and in compliance with Title 37, Texas Administrative Code §12.12;

1. Names, dates of birth, addresses, and all other information required by the department necessary to verify the identity of all directors, managers, and employees of the applicant;
2. Criminal history disclosure of all convictions and deferred adjudications for each individual listed on the application as directors, managers, and employees of the dispensing organization;

Exhibit C. Proof of commercial general liability insurance coverage against claims of liability for damage to property of third parties and for personal injuries to third parties, including bodily injury, property damage, and product liability, with limits of:

- (A) \$1,000,000 each occurrence;
- (B) \$2,000,000 General Aggregate limit; and
- (C) \$1,000,000 Product Liability

Exhibit D. Application payment.

1. The application fee for a dispensing organization license is \$7,356. The license fee for a dispensing organization will be paid separately upon satisfactory completion of all on-site inspection requirements and final approval of license.
2. Payment of all fees must be made in the manner determined by the department.
3. Any dishonored or reversed payment may be subject to Title 37, Texas Administrative Code §12.23.

PART B: The following exhibits will be scored by the review panel, weighed as indicated, and applied to the overall evaluation of the application.

**Percentage
of total**

- 20%** **Exhibit E.** Proof of the ability to secure the premises, resources, and employees necessary to operate as a dispensing organization, evidenced by:
1. Descriptions of all properties applicant proposes to utilize to cultivate, process, and dispense low-THC cannabis, including ownership information for the properties;
 2. Descriptions of the methods proposed for the cultivation, processing, and dispensing of low THC cannabis;
 3. Descriptions of the types and locations of worker safety equipment and plans and procedures for complying with federal Occupational Safety and Health Administration (OSHA) regulations for workplace safety;
 4. A list of current and proposed staff, including, position, duties and responsibilities, and an organizational chart illustrating the supervisory structure of the dispensing organization;
 5. Description of the applicant's proposed testing laboratory, and description of the proposed testing protocols and methods; and
 6. A proposal establishing the ability to secure premises reasonably located to allow patient access through existing infrastructure.
- 20%** **Exhibit F.** Proof of the ability to maintain accountability of all raw materials, finished products, and any by products to prevent diversion or unlawful access to or possession of these substances, evidenced by:
1. Floor plan of each facility or proposed floor plans for proposed facilities, including:
 - a. Locking options for all means of ingress and egress consistent with life safety requirements;
 - b. Alarm systems;
 - c. Video surveillance;
 - d. Name, layout and function of each room; and
 - e. Storage, including safes and vaults.
 2. Diversion prevention procedures;
 3. Emergency management plan;
 4. System for tracking source plant material throughout cultivation, processing, and dispensing;
 5. Inventory control system as required by Title 37, TAC §12.8.
 6. Policies and procedures for recordkeeping;
 7. Electronic vehicle tracking systems;
 8. Vehicle security systems;
 9. Methods of screening and monitoring employees;
 10. Employee qualifications and experience with chain of custody or other tracking mechanisms;
 11. Waste disposal plan;
 12. Recall procedures for any product that has a reasonable probability of causing adverse health consequences based on a testing result, patient reaction, or other reason; and
 13. Access to specialized resources or expertise regarding data collection, security, and tracking.

10% Exhibit G. Proof of the financial ability to maintain operations for two (2) years from the date of application, evidenced by:

1. Description of applicant's business organization, and corporate structure if applicable;
2. List of all owners of any non-corporate applicant, or all shareholders of a corporate applicant;
3. List of all individuals and entities with control over the applicant
4. Projected two (2) year budget; and
5. Description of available assets sufficient to support the dispensing organization activities.

20% Exhibit H. Proof of the technical and technological ability to cultivate, process, and/or dispense low-THC cannabis, evidenced by experience in the areas of:

1. Cultivation, analytical organic chemistry and micro-biology; and analytical laboratory methods; and
2. Patient education and interaction, and the handling of confidential information including familiarity with the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

20% Exhibit I. Proof of infrastructure reasonably located to dispense low-THC cannabis to registered patients, evidenced by:

1. Map showing the location of the applicant's proposed dispensing facilities with streets; property lines; buildings; parking areas; outdoor areas, if applicable; fences; security features; fire hydrants, if applicable; and access to water and sanitation systems;
2. Floor plan of the actual or proposed building or buildings where dispensing activities will occur showing areas designed to protect patient privacy and areas designed for retail sales, with proposed hours of operation;
3. Detailed description of HIPAA compliant computer network utilized by all facilities;
4. Identifying descriptions of any vehicles to be used to transport product; and
5. Description of all communication systems.

10% Exhibit J. Cover Letter.

1. Each applicant must provide a cover letter of no more than 500 words explaining:
 - a. The applicant's understanding of its role in the development of the Compassionate Use Program;
 - b. An explanation of the applicant's overall business philosophy and approach to the production low-THC cannabis;
 - c. An explanation of the applicant's approach to the provision of low-THC cannabis to patients registered in the compassionate-use registry; and
 - d. An explanation of how issuance of the license will facilitate reasonable statewide access to, and the availability of, low-THC cannabis to prescribed patients.

Dispensing Organization Application, exhibits and attachments should be submitted electronically to:

<https://www.dps.texas.gov/rsd/contact/CUP.aspx>

Privacy Policy Texas Government Code, Title 5, Chapter 559, Sec. 559.003. RIGHT TO NOTICE ABOUT CERTAIN INFORMATION LAWS AND PRACTICES (a) Each state governmental body that collects information about an individual by means of a form that the individual completes and files with the governmental body in a paper format or in an electronic format on an Internet site shall prominently state, on the paper form and prominently post on the Internet site in connection with the electronic form, that: (1) with few exceptions, the individual is entitled on request to be informed about the information that the state governmental body collects about the individual; (2) under Sections 552.021 and 552.023 of the Government Code, the individual is entitled to receive and review the information; and (3) under Section 559.004 of the Government Code, the individual is entitled to have the state governmental body correct information about the individual that is incorrect. (b) Each state governmental body that collects information about an individual by means of an Internet site or that collects information about the computer network location or identity of a user of the Internet site shall prominently post on the Internet site what information is being collected through the site about the individual or about the computer network location or identity of a user of the site, including what information is being collected by means that are not obvious. Please visit: <http://www.statutes.legis.state.tx.us/docs/GV/htm/GV.559.htm>