



**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF STATE PROCUREMENT  
ACTION AGENDA  
July 22, 2020**



*Contact: Ugochukwu Osoh 410-487-8055  
Ugochukwu.osoh@maryland.gov*

**29-IT-OPT. INFORMATION TECHNOLOGY OPTION  
*Medical Cannabis Commission***

**Contract ID:** Medical Cannabis Seed-to-Sale Tracking System  
ADPICS No.: 060B6400047, 001B0600473

**Contract Approved:** DoIT 13-IT, 08/17/2016

**Contractor(s):** Metrc, LLC (novation from Franwell, Inc.); Lakeland, FL

**Contract Description:** Software-as-a-Service (SaaS) application that supports the identification and tracking of cannabis in all its forms for the purposes of inventory, enforcement, investigation and diversion prevention (Seed-to-Sale System) for the Medical Cannabis Commission.

**Option Description:** Exercise the second and final renewal option.

**Original Contract Term:** 08/18/2016 - 08/17/2019 (with two 1-year options)

**Option Term:** 08/18/2020 - 08/17/2021

**Original Contract Amount:** \$ 930,000 (3-years)

**Option Amount:** \$ 310,000 (1-year)

**Total Contract Amount:** \$1,550,000

**Prior Mods/Options:** \$310,000 (Renewal Option 1, DoIT Item #5-IT-OPT, BPW meeting 08/14/2019)

**Percent +/- (This Item):** 20%

**Total Percent Change:** 53%

**Original Procurement Method:** Competitive Sealed Proposals

**MBE/VSBE Participation:** N/A / N/A

**MBE/VSBE Compliance:** N/A / N/A



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**29-IT-OPT. INFORMATION TECHNOLOGY (cont'd)**

***Requesting Agency Remarks:*** Metrc LLC provides the current Medical Cannabis Seed-to-Sale Tracking contract component at no upfront cost to the Maryland Medical Cannabis Commission. The funding of setup, ongoing maintenance and support to the State and industry are rolled into fees charged for tags to plants and packaged products payable by licensed growers, processors and dispensaries the Commission regulates.

Metrc is one of the most viable and well known seed-to-sale medical cannabis tracking and inventory systems in the market and they are operational in several states across the country. The tracking system is an integral part of the Commission's responsibility to ensure that medical cannabis and products will be safely monitored before sale throughout the State and a safeguard against diversion of cannabis products. All Commission licensees are required to participate in the Statewide tracking system program.

All licensees are required to use the Metrc tags. Each licensee is responsible for the cost of the tags and any associated vendor fees. This is unlike models in other states where the State pays for the cost of hosting the system while industry pays for plant and package tags, as well as a monthly user fee directly to Metrc. The no cost to the State aspect of the Metrc seed-to-sale tracking component in the present contract will be maintained.

The Commission believes it is in the best interest of the State for the Board to approve it exercising the renewal option:

- The Seed-to-Sale tracking component is functioning well; the Commission does not have adequate resources to acquire, customize and implement a different seed-to-sale tracking system at this time
- Major changes to the Commission's IT infrastructure over the next year may have an impact on the agent registration system, the extent of which is currently unknown, necessitating the continuation of the current system until a final Enterprise IT system solution is decided.
- Provides planning and implementation time for new Commission IT infrastructure while continuing operations without disruption, as required for daily ongoing activities.
- Since this is the final option and the services are integral to our operations, the Commission intends to undertake a competitive procurement within the next 12 months to avoid interruption of the services.



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29-IT-OPT. INFORMATION TECHNOLOGY (cont'd)

*Fund Source:* Self-Funded

*Approp. Code(s):* 32.02.01.04

*Resident Business:* No

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BOARD OF PUBLIC WORKS ACTION

THIS ITEM WAS:

**APPROVED**

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

**WITHOUT DISCUSSION**