



MEETING AGENDA

Monday, April 29, 2019
1:30 p.m. to 2:00 p.m.
(or conclusion of business)

MEMBERS OF THE PANEL

Sabrina Ashjian – Chair, Fresno County
Diandra Bremond – Member, Los Angeles County
Adrian Carpenter – Member, Yuba County
Sharon-Frances Moore – Member, San Diego County
Vacant – Speaker of the Assembly Appointee

Sacramento Teleconference Location

State Personnel Board Building
801 Capitol Mall, 6th Floor Conference Room
Sacramento, CA 95814

Tarzana Teleconference Location

Tarzana Community and Cultural Center
19130 Ventura Blvd
Tarzana, CA 91356

Los Angeles Teleconference Location

Crete Academy
6103 Crenshaw Boulevard
Los Angeles, CA 90043

San Diego Teleconference Location

United Domestic Workers of America
4855 Seminole Drive
San Diego, CA 92115

1. Call to Order and Establishment of Quorum

Sabrina Ashjian, Chair

2. Approval of November 28, 2018 Meeting Minutes

Sabrina Ashjian, Chair

3. Executive Summary Report

Anne Hawley, Executive Director

4. Authorization of Procurement – ProLaw Software

Christopher Phillips, Chief Counsel
Anne Hawley, Executive Director

5. Authorization of Commercial Lease

Anne Hawley, Executive Director



6. Public Comments on Items Not on the Agenda

The Panel may not discuss or act on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting.
[Government Code Sections 11125, 11125.7(a)]

7. Future Agenda Items

8. Adjournment

NOTICE TO THE PUBLIC

The public may provide appropriate comment on any issue before the panel at the time the item is discussed. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Total time allocated for public comment may be limited.

All times are approximate and subject to change. The meeting may be cancelled without notice. Agenda items may be taken out of order to accommodate speakers and to maintain a quorum. Action may be taken on any item on the agenda. Time limitations for discussion and comment will be determined by the Chair.

This panel meeting is open to the public and is accessible to the physically disabled. A person who needs a disability-related accommodation or modification to participate in the meeting may make a request by contacting Christopher Phillips at (916) 322-6870. Providing your request at least five business days before the meeting will help to ensure availability of the requested accommodation.

If you wish to participate, please plan to attend at the physical location. Seating for all attendees cannot, however, be guaranteed in the event the room reaches capacity. Interested parties should access the Panel's website for the meeting agenda and more information at <http://www.ccap.ca.gov/>. Requests for further information should be directed to Christopher Phillips at (916) 322-6870 or in writing to: Cannabis Control Appeals Panel, 801 Capitol Mall, 6th Floor, Sacramento, CA 95814.

AGENDA ITEM 1

**THERE ARE NO
MEETING MATERIALS**

AGENDA ITEM 2

**APPROVAL OF
NOVEMBER 28, 2018
MINUTES**



CANNABIS CONTROL APPEALS PANEL

Agenda Item 2 Attachment 1

Open Session Meeting Minutes

Wednesday, November 28, 2018
1:00 – 4:00 pm

State Personnel Board Building – 1st Floor Auditorium
801 Capitol Mall, Sacramento, CA 95814

Members present:

- Sabrina Ashjian, Chair
- Diandra Bremond
- Adrian Carpenter
- Sharon-Frances Moore

Staff present:

- Anne Hawley, Executive Director, Cannabis Control Appeals Panel
- Christopher Phillips, Chief Counsel, Cannabis Control Appeals Panel
- Cassandra DiBenedetto, Administrative Assistant, Cannabis Control Appeals Panel
- Catherine Ohaegbu, Assistant Director, Business, Consumer Services and Housing Agency

Presenters

- Heather C. Baugh, Assistant General Counsel, California Natural Resources Agency
- Greg Minor, Cannabis Regulatory Commission, City of Oakland

Public present:

- Unidentified

Summary:

1. Chair Sabrina Ashjian called the meeting to order at 1:00 pm. Catherine Ohaegbu called the roll. Panel members Sabrina Ashjian, Diandra Bremond, Adrian Carpenter, and Sharon-Frances Moore were present. Quorum was established.



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2. **Motion (Moore): Approve the minutes of the October 17, 2018 Panel Meeting as submitted. Seconded (Carpenter). Motion passed 4-0.**
3. Ashjian recommended moving Agenda Item #3, the Executive Director's Report, to after the informational presentations.

Heather C. Baugh from the California Natural Resources Agency gave an informational presentation on the California Environmental Quality Act (CEQA) regarding the Cannabis Industry.

Moore asked where the line is drawn for CEQA. Baugh replied that the Panel will need to be careful when using opinion. She stated that the court case *Friends of the Pocket vs. Sacramento* is an example of where the court looked to see if opinions were enough to substantiate the record.

Ashjian asked if any information is given to local jurisdictions to not be swayed. Baugh replied that locals are aware of the problem. Many people use CEQA to stop things that annoy them. The thinking is that it will stop the project. Political delay could cause a project to die.

No public comment.

4. Greg Minor from the City of Oakland Cannabis Regulatory Commission gave an informational presentation on local licensing, enforcement, and the social equity program.

Moore asked Minor to go over what is needed to qualify as an equity applicant. Minor stated that to qualify for the equity program, an applicant must have ownership (at least 50% of the entity), must not make more than 80% of the average income, and either has a cannabis conviction or lives in an area that has had high cannabis convictions in Oakland.

Bremont asked how Oakland markets to equity applicants. Minor stated that a lot of people are aware of the equity program. Oakland convened a summit six months into the application process, and the equity program has received a lot of media attention.



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Bremond asked how many loans they plan to give and how much an applicant can ask for. Minor stated that they received authorization for \$3 million to disburse. The website www.elevateimpactoakland.com has more information regarding the tiers. Eligibility is determined by how they can establish milestones. Minor is hopeful that it will be a revolving fund and anticipates an increase in funds from the Bradford bill (SB 1294).

Bremond asked about the low-income target population and their ability to obtain credit. Minor stated that they do not require a credit report to qualify.

Carpenter asked if conviction status refers to sales and distribution of marijuana. Minor stated that it is just described as a cannabis offense out of Oakland and it must be a conviction, not just an arrest.

Carpenter asked about the minimum number going to equity applicants and if they have met the target. Minor stated that it is required by ordinance. Half must go to equity applicants.

Carpenter asked if incubator companies have tried to take advantage of an equity applicant to get ahead in line. Minor stated that concerns have been raised about people taking advantage of equity applicants. Oakland requires operating agreements showing 50% ownership for incubator applicants. They have made companies revise operating agreements in the past.

Moore stated that she heard the process is difficult to navigate and asked if Minor has found that to be true, and if so, how has it been addressed. Minor responded that most critiques would apply to any other industry. The timing is consistent with other industries. The major critique has been regarding how long it takes to complete the application.

Moore asked what the racial breakdown of equity applicants is. Minor stated they do not keep records, but they will be required to do so with the Bradford Bill (SB 1294). Since the equity program has taken place, they have received an increase in calls.

No public comment.



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5. Anne Hawley, Executive Director, Cannabis Control Appeals Panel, gave an executive management report update to the Panel members.

CCAP Staff participated in a tour of cannabis businesses in Sacramento with Chair Ashjian. The tour gave them a real sense of the challenges with the regulatory process. Future tour dates include Los Angeles on December 12, San Diego on December 14, and Humboldt County on January 24-25.

Regulations: Christopher Phillips went over regulations.

Fiscal: CCAP Staff participated in a webcast training to learn more about FI\$Cal, the large financial IT system used by the State. Business, Consumer Services and Housing Agency assisted with getting CCAP online with FI\$Cal. CCAP will go live on FI\$Cal in January 2019. Hawley will provide more information when the time comes.

Budget/Accounting: CCAP Staff met with the Department of Finance and will provide budget projections during the next Panel meeting.

Facilities: The move-in date for the 400 R Street Panel office location will now take place in June 2019. They have not started construction on the office space. Hawley will send more information to Panel members and tour the location before the January Panel meeting. The State Personnel Board was helpful with IT equipment, and CCAP staff will continue to use the auditorium until moving to the new location.

CCAP Staff received training on Concur and will transition from using the Department of Consumer Affairs to in-house staff management of all travel bookings.

Personnel: Many applications were received after reposting the Attorney position. Interviews for the Attorney position will begin December 7. The Associate Governmental Program Analyst (AGPA) job posting closed with a large pool of applications, and CCAP staff plan to conduct the first round of interviews in December.

The legal secretary and legal assistant positions will post in December and interviews will be conducted in January.



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Purchasing Authority: The target date is now the last week in December for CCAP to receive purchasing authority. Hawley reached out to DGS to get temporary purchasing authority. This is affecting the cell phone purchase.

Budget Report: End of year budget report. All were appointed after the fiscal year and CCAP had few expenditures during that time. Agency incurred:

- \$750,000 in an architecture revolving fund
- \$145,000 for IT and branding services.
- \$100,000 for accounting and HR services, DCA for website, office supplies, etc.

CCAP staff do not anticipate problems due to salary savings.

No questions from the Panel. No questions from the audience.

6. Chief Counsel Christopher Phillips provided an overview of the proposed regulation text to establish the Panel's procedures and timelines.

At the last meeting, the Panel voted to approve the text of the proposed regulations and to further adopt the text of the proposed regulations if no public comments were received. CCAP received three public comments, two of which were germane. Staff recommended a minor, non-substantive change to strike a phrase from proposed Rule 6000(g).

The Panel discussed three options: proceed with version 2 of the proposed regulations, as approved at the October meeting; consider and approve the recommendations presented by staff ("version 3") and adopt if there are no public comments received; or direct staff to further modify based on language crafted by the Panel itself.

The two germane public comments relate to proposed Rule 6000(g). Public commenters feared that keeping the text as-is would permit the unauthorized practice of law before the Panel.

Staff recommended the Panel approve the modified language and allow staff to initiate another 15-day public comment period, similar to last time.



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The two versions were discussed. Version 2 was the version of the proposed regulations adopted by the Panel at the October meeting. Version 3 is the newly proposed text with the recommended edit to Rule 6000(g). The proposed change strikes a phrase that could create ambiguity and lead to future litigation. The modification does not substantively change the meaning or effect of Rule 6000(g).

No live public comment was received during the meeting.

Motion (Moore): Approve the draft proposed regulation text as modified by CCAP staff and authorize CCAP Staff to initiate the required fifteen (15) day public comment period, and further, adopt the proposed regulation text as modified by CCAP staff after the fifteen (15) day public comment period has expired if no comments are received. Seconded (Bremond). Motion passed 4-0.

7. Executive Director Hawley proposed including a public speaking policy in the Panel Member Handbook.

Agency requested that CCAP staff put together a document regarding public speaking policy since more speaking requests have come in, and suggested a tool for guidance for what should or should not be permissible. Agency suggested CCAP staff create a policy that will protect Panel members.

Christopher Phillips stated that the policy is to protect CCAP. As judges, the members run the risk that there will be situations where recusal would be required. Making a public appearance beyond biographical information could lead to a Panel member being forced to recuse. If someone says anything, then it could lead to an *ex parte* communication. For example, Chief Justice Roberts' public comments recently caused a firestorm due to the appearance of no longer being neutral.

Bremond asked that if she is asked to speak as an academic, whether that would fall under the limited circumstances allowed. Phillips replied that it is allowed as long as it is not cannabis related. Bremond asked if "cannabis related" should be specified, or if it is implied in the policy. Phillips said the policy it could be edited to be clear.

Ashjian stated that her concern is that she would like to inform the public that this Panel exists and not push applicants back to the black market should they be denied.



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Ashjian suggested moving information to licensing agency websites. Hawley did not see information on the agency websites, but she will check again. Hawley agrees that it should be clearly defined on their websites that CCAP is an option for appeal, and that it would be good to do coordination with other partners. Hawley reached out to ABC Appeals Board regarding speaking engagements. They usually refer them to attorneys or the Executive Director does them, but the Board members do not do speaking engagements.

Ashjian wants to make sure the process is easy to understand.

Hawley mentioned that she will decline invitations or reach out to other agencies, and as more staff are onboard they will be more responsive.

Motion (Moore): Approve the proposed CCAP Policy on Public Speaking for inclusion in the Member Handbook with the addition on page 1 of “cannabis related” language. Seconded (Carpenter). Motion passed 4-0.

8. The public did not request to comment on items not on the agenda.
9. Future agenda items. No comments on future agenda items.

Hawley recommends not having a meeting in December. Next meeting will be January 2019.

10. **Motion (Ashjian): Adjourn the meeting. Seconded (Moore).**

Meeting adjourned at 2:38 pm.

AGENDA ITEM 3

EXECUTIVE SUMMARY REPORT

CANNABIS CONTROL APPEALS PANEL

EXECUTIVE SUMMARY REPORT

REGULAR PANEL MEETING

APRIL 29, 2019

CCAP'S Regulations

CCAP Regulations were approved by the Office of Administrative Law (OAL) on April 12, 2019 and will be effective on July 1, 2019. They are now posted on CCAP's website. Congratulations to the CCAP legal team!

CalHR Regulations

CalHR has added CCAP to a regulation that provides for annual paid leave for nonelected members of state boards and commissions whose annual salaries are fixed by law. The new regulation is effective as of April 10, 2019. ([Title 02, California Code of Regulations amended section 599.752.1](#))

Panel members will now accrue unused annual and vacation leave and will be eligible to participate in the State's [Buy Back Program](#). Additionally, Panel Members will now accrue leave credits and would be eligible for a "pay out" of unused vacation and annual leave time upon separation from the Panel. This change will require each Panel Member to submit a time sheet at the end of the month.

Purchasing Authority

Purchasing authority was granted by the Department of General Services on March 13, 2019. This has allowed staff to begin the process of purchasing cell phones and the procurement of Prolaw Software, which will be discussed in further detail. (Agenda Item 4)

Staffing Update

CCAP does not anticipate its first case until the fall/winter of 2019, at the earliest. Staff are monitoring the situation and will begin the hiring process for the legal assistant, legal secretary, and the office technician approximately two months before cases are received.

Policies and Procedures

The legal team has updated the policies and procedures for CCAP. Next week, these policies will be emailed for your review and acknowledgement. The policies include:

- | | |
|-------------------------------------|--|
| Acceptable Use Policy | Incompatible Activity Statement Policy |
| ADA Policy | Information Security Policy |
| Anti-Discrimination Policy | Media Relations Policy |
| Anti-Nepotism Policy | Reasonable Accommodation Policy |
| Defensive Driver Policy | Record Retention Policy |
| Email Retention Policy | Telework Policy |
| Equal Employment Opportunity Policy | Work Place Violence Prevention Policy |

New Office - 400 R Street

The construction documents for the new office space were submitted earlier this year by the Department of General Services (DGS). DGS received comments on these documents from the City of Sacramento and the State Fire Marshal. DGS is filing a response to those comments and estimates that by the end of May, there may be a better understanding of the projected construction date. Currently, the move-in date is tentatively scheduled for September 2019.

Budget-to-Actuals Report FY 2018-19

Please see attachment 1 for Agenda Item 3.

The fiscal health of CCAP is excellent. The available balance as of April 29th is \$817,253.32. This balance will allow CCAP to consider additional capital asset purchases that maybe difficult to absorb in future years.

For FY 2018-19, the legislature provided an appropriation of \$2,650,000, for 13 positions which included \$2,101,000 for personal services (salaries and benefits) and \$549,000 for operating expenses and equipment.

For specific bargaining units, the Department of Finance provided a benefit adjustment to the employer's health benefits contribution pursuant to its memorandum of understanding with CalHR. The adjusted appropriation for CCAP has increased by \$26,000 from \$2,650,000 to \$2,676,000.

Below is a summary of Agenda Item, Attachment 1, a snapshot of CCAP's budget as of April 29, 2019.

- 77% of CCAP's budget is devoted for personal services (salary, wages, benefits) and 23% of CCAP's budget is devoted to operating expenses and equipment expenditures.
- \$2,057,000 has been budgeted for personal services and \$619,000 has been budgeted for operating expenses and equipment expenditures. These numbers could evolve as new needs are identified.
- The attached budget-to-actuals document illustrates significant cost savings due to savings on vacant staff positions and the vacant panel member position.
- **General Expenses** includes expenditures for office supplies, shredding service, professional & organizational memberships and subscriptions.
- **Printing** includes letterhead/envelope stationary, business cards, printing/copying, copier contracts.
- **Communication** includes phone service and equipment; cell service and phone equipment.
- **Postage** includes package delivery, postage costs, DGS' Interagency Mail and Messenger Service.

- **Consultant and Professional Services (Interdepartmental)** includes several contracts that were agreed upon at the end of FY 2018-18 with the Department of Consumer Affairs, Department of Business Oversight and the Department of General Services.
- **Consultant & Professional Services (External)** includes the one-time costs for Prolaw which is detailed in Exhibit B of Agenda Item 4.
- **Information Technologies** includes the one-time cost for the Prolaw software licenses (\$7,112) and annual maintenance and support (\$1,422).
- **Capital Asset Purchases** includes computers, keyboards, printers, and copiers. Staff anticipate additional purchases in the 4th quarter of this year.

STAFF CONTACT:

Anne Hawley, Executive Director
Cannabis Control Appeals Panel
916-322-6870

**Cannabis Control Appeals Panel
Budget to Actuals**

Category of Expenditures	Adjusted Appropriation FY 18/19	Budgeted	Qtr 1 Totals	Qtr 2 Totals	Qtr 3 Totals	Qtr 4 Totals	YTD Expenditure Totals	Available Balance
	\$2,676,000.00							
Personal Services								
Salaries and Wages		\$776,000.00	\$ 23,915.00	\$ 71,745.00	\$ 116,507.07	\$ 131,780.07	\$ 343,947.14	\$432,052.86
Temp Help		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Panel Members		\$594,000.00	\$ 105,401.64	\$ 154,905.00	\$ 154,905.00	\$ 154,905.00	\$ 570,116.64	\$23,883.36
Overtime		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Benefits		\$687,000.00	\$ 86,378.40	\$ 86,378.40	\$ 137,499.00	\$ 137,499.00	\$ 447,754.80	\$239,245.20
Total Personal Services		\$ 2,057,000.00	\$ 215,695.04	\$ 313,028.40	\$ 408,911.07	\$ 424,184.07	\$ 1,361,818.58	\$695,181.42
Operating Expenses & Equipment								
General Expense		\$32,000.00	\$ -	\$ -	\$ 775.00	\$ -	\$ 775.00	\$ 31,225.00
Printing		\$10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,000.00
Communications		\$18,000.00	\$ -	\$ -	\$ -	\$ 4,387.37	\$ 4,387.37	\$13,612.63
Postage		\$3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,000.00
Insurance		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel: In-State		\$20,000.00	\$ 316.93	\$ 1,287.10	\$ 449.49	\$ -	\$ 2,053.52	\$17,946.48
Travel: Out-of-State		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training		\$9,000.00	\$ -	\$ -	\$ -	\$ 4,350.00	\$ 4,350.00	\$4,650.00
Facilities Operations		\$214,000.00	\$ 30,435.21	\$ 30,435.21	\$ 64,995.21	\$ 82,897.13	\$ 208,762.76	\$5,237.24
Utilities		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consultant & Professional Services - Interdepartmental		\$159,000.00	\$ 110,979.00	\$ -	\$ 29,970.00	\$ 11,601.00	\$ 152,550.00	\$ 6,450.00
Consultant & Professional Services - External		\$120,000.00	\$ -	\$ -	\$ -	\$ 115,515.05	\$ 115,515.05	\$ 4,484.95
Departmental Services		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated Data Centers		\$9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$9,000.00
Information Technology		\$20,000.00	\$ -	\$ -	\$ -	\$ 8,534.40	\$ 8,534.40	\$11,465.60
Central Administrative Services		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Construction		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Purchases		\$5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,000.00
Non-Capital Asset Purchases		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Items of Expense		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unallocated Operating Exp. & Equip. (OE&E)		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE&E - Special Adjustments		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Subventions		\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses & Equipment Expenditures		\$ 619,000.00	\$ 141,731.14	\$ 31,722.31	\$ 96,189.70	\$ 227,284.95	\$ 496,928.10	
Total Budgeted Expenditures (Personal Services + OE&E)		\$ 2,676,000.00	\$ 357,426.18	\$ 344,750.71	\$ 505,100.77	\$ 651,469.02	\$ 1,858,746.68	
Total Available Balance								\$ 817,253.32

AGENDA ITEM 4

**AUTHORIZATION OF
PROCUREMENT – PROLAW
SOFTWARE**

CANNABIS CONTROL APPEALS PANEL

STAFF REPORT

REGULAR PANEL MEETING

APRIL 29, 2019

SUBJECT: Proposed Delegation of Limited Purchasing Authority to Executive Director.

BACKGROUND:

Business and Professions Code section 26041 requires that “[t]he director shall furnish the equipment, supplies, and housing necessary for the authorized activities of the panel and shall perform such other mechanics of administration as the panel and the director may agree upon.”

ANALYSIS:

Pursuant to Business and Professions Code section 26041, the Panel has the authority to delegate purchasing authority to the Executive Director. On October 17, 2019, the Panel voted to delegate purchasing authority to the Executive Director for “any single item up to \$10,000.” The Panel retains sole purchasing authority for transactions exceeding that amount.

“ProLaw” is a proprietary case management software system offered by Thomson Reuters. Although the cost depends on the complexity of the Panel’s case management needs and the depth of training, the initial estimated cost of license acquisition, implementation, configuration, and training for ProLaw is \$116,790.40; additionally, expected ongoing obligations amount to \$66,678.40 annually. See Attachment 3 for cost breakdown. This exceeds the Panel’s existing delegation of purchasing authority. Staff has determined that a one-time delegation of purchasing authority to the Executive Director is therefore warranted. Staff proposes the following delegations:

1. The Executive Director shall have purchasing authority for the license acquisition, installation, configuration, and training associated with implementing the ProLaw case management system.
2. The Executive Director shall have ongoing purchasing authority for the maintenance, support, hosting, and other necessary recurring costs associated with the ProLaw case management system.

BUDGET AND FISCAL IMPACTS:

Adopting the proposed delegation will authorize the Executive Director to enter into a purchasing contract that will have a significant impact on the Panel's budget. Additionally, ProLaw will entail ongoing, albeit significantly smaller, costs for maintenance and subscription fees.

ProLaw itself will dramatically streamline the production and organization of documents. This will improve efficiency, dramatically reduce paperwork errors, and eliminate the need for cumbersome *ad hoc* case management systems. This will reduce personnel costs.

BENEFITS AND RISKS:

Effective management of case files is essential to the Panel's decision making. Failure to adopt this resolution will require Panel staff to rely on *ad hoc* case management systems, or on a lower-cost case management system that cannot meet the Panel's unique quasi-judicial needs. This will put additional burdens on legal and administrative staff and could result in costly paperwork errors. An *ad hoc* or non-customizable case management system would also reduce the ability of legal staff to quickly and accurately review specific documents or portions of the administrative record, potentially leading to less thorough legal analysis of individual cases.

ATTACHMENTS:

1. Proposed Delegation Resolution 19-01.
2. ProLaw Overview
3. Cost Breakdown and Analysis

RECOMMENDATION:

Approve the Proposed Delegation Resolution.

STAFF CONTACT:

Christopher Phillips, Chief Counsel
Cannabis Control Appeals Panel
(916) 322-6874

CANNABIS CONTROL APPEALS PANEL

DELEGATION RESOLUTION

Subject: Executive Director

Delegation No. 19-01

Pursuant to Business and Professions Code section 26041, the Cannabis Control Appeals Panel hereby delegates to the Executive Director the authority to act finally with respect to the matters outlined below:

1. The Executive Director shall have purchasing authority for the license acquisition, installation, configuration, and training associated with implementing the ProLaw case management system.
2. The Executive Director shall have ongoing purchasing authority for the maintenance, support, hosting, and other necessary recurring costs associated with the ProLaw case management system.

The Executive Director's actions under this delegation shall be conducted in compliance with applicable laws, regulations and statutes.

This delegation is effective immediately upon signature by both parties. This delegation has no effect on any prior delegation of authority.

I hereby certify the Cannabis Control Appeals Panel made and adopted the foregoing Resolution.

Dated: _____

SABRINA ASHJIAN, PANEL CHAIR
CANNABIS CONTROL APPEALS PANEL

Dated: _____

ANNE HAWLEY, EXECUTIVE DIRECTOR
CANNABIS CONTROL APPEALS PANEL

CANNABIS CONTROL APPEALS PANEL

PROLAW OVERVIEW

SUBJECT: ProLaw Case Management System.

BACKGROUND:

CCAP hopes to procure the ProLaw case management system to facilitate efficient production and management of potentially voluminous legal documents.

Efficient organization of appeal files is central to the Panel's decision making. Case files to be managed include the administrative record, the briefs, correspondence, filings, decision drafts, orders, and any other documents produced in the course of an appeal.

This overview provides a brief outline of ProLaw's benefits over *ad hoc* or paper-based case management systems, or over similar software products that offer less flexibility.

BENEFITS OF PROLAW:

ProLaw is a comprehensive, customizable case management software system offered by Thomson Reuters. It offers numerous benefits over other electronic filing systems.

Integration with MS Office and Adobe. ProLaw allows for drag-and-drop interactivity with software CCAP already uses, including Outlook, Word, and Adobe Acrobat Pro.

Integration with Westlaw. ProLaw offers a similar level of integration with Westlaw, which CCAP uses for its legal research. ProLaw allows CCAP's legal team to electronically annotate its research, then import the annotated research to the appropriate case file. This promotes efficient collaboration, resulting in thorough, well-reasoned decisions.

Templates. ProLaw allows for near-instant production of completed documents from templates. ProLaw will automatically populate a template with all relevant information, such as a party's address, salutation, the date, the drafter's signature line, or any document formatting, with no additional effort from CCAP staff. This minimizes copy-paste errors and dramatically improves efficiency.

Version Control. ProLaw provides near-foolproof control when multiple users work on a single document. ProLaw ensures that only the most recent version of a document is active and editable, but that previous versions are retained and immediately available for reference. This allows the CCAP legal team to collaborate on multiple drafts of complex, evolving documents while minimizing errors and eliminating confusing file naming conventions.

Task Management. Within ProLaw, staff can assign tasks to specific individuals. ProLaw will send automatic task notification emails and set Outlook reminders for the assigned

employee. Any member of CCAP staff can quickly discern who is handling a specific matter.

Time Management. ProLaw features a billable hours module, which can be adapted to allow CCAP to better predict and manage its staffing and budget needs.

Calendaring. ProLaw can automatically calculate deadlines. For example, CCAP can customize ProLaw to automatically assign briefing deadlines based on the date it received the administrative record, minimizing the effort required of support staff. ProLaw also allows for near-effortless recalculation or extension of deadlines.

Reports. ProLaw allows for the automatic collection of data on virtually any aspect of the cases CCAP handles, including license numbers, business names, licensing agencies, dates, locations, or legal issues raised. This provides unparalleled transparency and allows CCAP to better manage its workload.

Adaptability. ProLaw is fully customizable, allowing CCAP to engineer the software to best meet our needs, even if those needs evolve.

Familiarity. ProLaw has become the gold standard in case management, and is already implemented at many California agencies, including the Office of Administrative Law and the Department of Justice.

PROCUREMENT:

ProLaw is a Proprietary Software offered by Thomson Reuters Elite. Because ProLaw is a proprietary software, the State's procurement procedures do not require CCAP to advertise for a bid from other vendors.

Additional services included in the quote are consulting services offered by Sophus Consulting and CenturyLink Cloud hosting. Both entities have entered into a State Leveraged Procurement Agreement (LPA). Sophus Consulting LPA contract is a Master Agreement, which does not require CCAP to advertise for bid. CenturyLink Cloud LPA contract is a Statewide Contract, which does not require CCAP to advertise for bid.

Purchasing will be facilitated by Department of General Services One Time Acquisitions unit.

EXHIBIT A

Agenda Item 4
Attachment 3

SCOPE OF WORK

This Scope of Work (“Agreement”) reflects the software and services to be provided by Thomson Reuters Elite, hereinafter referred to as the “Contractor” for Cannabis Control Appeals Panel, hereinafter CCAP.

Scope

Contractor will provide eight (8) Prolaw Software user licenses to be installed the CCAP infrastructure and one year Prolaw technical support. In addition, the following services will be provided:

- Onsite Administrative Training for (60 hours) for eight (8) staff members.
- Project Scoping and Plan Development (64 hours)
- Consulting, Configuration and Setup (192 hours)
- Application Training (86 hours) for eight (8) staff
- Travel Time (not to exceed 8 hours roundtrip) (16 hours)
- Travel Costs (not to exceed 8 travel days)
- CentruyLink Cloud Hosting

Support will be available Monday through Friday, 8:00am – 5:00pm Pacific Standard Time (PST), except State holidays and will include the following services:

1. Program updates and releases
2. Remote support for basic questions concerning installation, use and configuration.
3. Remote support for code-related errors.
4. For know errors, provision of corrective service information and program fixes.

Contractor shall provide all training and materials for eight (8) staff. Training shall take place at 801 Capitol Mall, Ste. 601, Sacramento, CA 95814 if scheduled before August 30th, 2019. If scheduled after August, training will take place at CCAP’s the new location: 400 R Street, 3rd Floor, Sacramento, CA 95814

Period of Performance

The term of this Agreement shall be effective for twelve (12) months effective “date – date”.

Contract Manager for Cannabis Control Appeal Panel is:

Melita A. Sagar
Administrative & Business Services Coordinator
801 Capitol Mall, Ste. 601

Sacramento, CA 95814
 916.322.6919 (desk)
 melita.sagar@ccap.ca.gov

Agenda Item 4
 Attachment 3

EXHIBIT B

BUDGET, INVOICE, AND PAYMENT PROVISIONS

For satisfactory services received and upon receipt of an undisputed invoice, Cannabis Control Appeals Panel shall pay the Contractor _____ not to exceed the amounts listed in the table below in accordance with the California Price Schedule which is hereby attached and made part of this Agreement.

Line Item No.	Quantity	Unit	Description	Unit Price	Extension
1	8	EA	Prolaw Software Licenses	\$889	\$7,112
2	60	HR	Onsite Admin. Training	\$236	\$14,160
3	64	HR	Project Scope and Plan Development	\$236	\$15,104
4	192	HR	Consulting, Configuration and Setup – Remote Services	\$236	\$45,312
5	86	HR	Application Training	\$236	\$20,296
6	8	ANN	Maintenance and Support	\$177.80	\$1,422.40
7	16	HR	Travel Time	\$118	\$1,888
8	8	EA	Travel Costs	\$375	\$3,000
9	36	EA	CenturyLink Cloud – Startup costs	\$236	\$8,496
10	8	EA/MO	CenturyLink Cloud – Ongoing costs	\$679.75	\$5,438
			Shipping & Handling (If applicable)		
			Subtotal		\$116,790.40
			Tax (If applicable)		
			Total Cost:		

Contractor’s charges shall include a 2% administrative fee which is included in the total cost of this Agreement.

Invoices shall be sent in arrears, to the name and address identified on Exhibit A of this Agreement.

BUDGET CONTINGENCY CLAUSE

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability

to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to Contractor to reflect the reduced amount.

The State shall have the right to terminate maintenance at no expense to the State upon delivery of written notice at least thirty (30) calendar days prior to any scheduled renewal date.

AGENDA ITEM 5

**AUTHORIZATION OF
COMMERCIAL LEASE**

CANNABIS CONTROL APPEALS PANEL

STAFF REPORT

REGULAR PANEL MEETING

APRIL 29, 2019

SUBJECT: Approval of Commercial Lease.

BACKGROUND:

Business and Professions Code section 26041 requires that “[t]he director shall furnish the equipment, supplies, and housing necessary for the authorized activities of the panel and shall perform such other mechanics of administration as the panel and the director may agree upon.”

ANALYSIS:

Pursuant to Business and Professions Code section 26041, the Panel can authorize the Executive Director to “furnish” the housing necessary for CCAP business. Currently, CCAP is operating out of its temporary office space. The lease on this space expires April 30, 2019. However, due to construction delays, CCAP’s permanent office space will not be ready until September 2019 at the earliest. Recently, the Department of General Services (“DGS”) offered to extend CCAP’s current lease. (See Attachment 1.) This extension, offered in the form of a separate commercial lease, would bridge the gap between the April 30 expiration date and the expected move-in date for the permanent office space. Staff has determined DGS’s offer provides the best available terms. Accordingly, staff proposes the following action:

1. The Panel approves and accepts the terms of the commercial lease between DGS and CCAP.

BUDGET AND FISCAL IMPACTS:

The proposed commercial lease between DGS and CCAP, covering CCAP’s current office space, would begin on May 1, 2019 and expire on August 31, 2019. Under the terms of the lease, CCAP would pay DGS \$10,456.03 each month in rent. CCAP may terminate the lease by providing a written notice to DGS thirty (30) days in advance. If CCAP continues to occupy the premises beyond the August 31 expiration date, the continued occupancy will constitute a month-to-month tenancy subject to the same terms and conditions, including the monthly rent of \$10,456.03. This monthly cost is in line with the existing budgetary allocation.

BENEFITS AND RISKS:

A centralized office space is imperative for staff to conduct the Panel's business. Approving the lease offers continuity, convenience, and flexibility. It would allow staff to stay in its current space and continue business without interruption. The August 31 expiration date allows staff to move into its new, permanent office space without delay. The lease would also allow staff to remain on a month-to-month plan beyond the expiration date if the permanent office space faces further construction delays. Failure to approve the lease would result in staff losing its office space at the end of April. Losing the office space would deprive staff of the facilities necessary to conduct the Panel's business.

ATTACHMENT:

1. Commercial Lease Contract (entitled "Memorandum of Understanding")

RECOMMENDATION:

Approve the Proposed Commercial Lease and Direct Executive Director to Execute.

STAFF CONTACT:

Christopher Phillips, Chief Counsel
Cannabis Control Appeals Panel
(916) 322-6874

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the "**MOU**") is dated for reference purposes as of May 1, 2019, by and between the State of California, acting by and through the Department of General Services ("**DGS**") and the Cannabis Control Appeals Panel ("**CCAP**") hereinafter collectively referred to as (the "**Parties**"), with reference to the following facts:

WHEREAS, DGS controls, operates and maintains property identified as the State Personnel Building (SPB), located at 801 Capitol Mall, in Sacramento, California; and

WHEREAS, the SPB building is a multi-storied office complex with approximately 3,887 square feet (SF) of general office space currently available for lease on the sixth floor, as shown on Exhibit A and made a part of this agreement, hereinafter identified as the "Premises"; and

WHEREAS, CCAP has requested from DGS and DGS has agreed to allow CCAP to temporarily lease the Premises, consisting of existing modular furniture, offices and conference rooms, for general office use on an "as is" basis; and

WHEREAS, CCAP shall maintain and keep the existing modular furniture, offices and conference rooms in good condition.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree to the following:

1. **OCCUPANCY:** DGS agrees to lease 3,887 SF of office space on the sixth floor, including modular furniture to CCAP.
2. **TERM:** The term of this temporary lease shall be for four months, commencing on May 1, 2019 and ending on August 31, 2019, with such rights of termination as are hereinafter expressly set forth.
3. **RENT:** CCAP shall pay the approved DGS 2018-19 SF rate of \$2.12 for office space, plus \$0.57 SF rate for the Central Plant operations. Rent shall be paid monthly in advance from CCAP's billing code #040061 as follows:

6 th Floor	SF	Rent Per SF	Central Plant Per SF	Multiplier Per SF	Rent Per Month
Office	3,887	\$2.12	\$0.57	\$2.69	\$10,456.03

Note: At any time during each fiscal year hereafter, rent per SF may increase or decrease pursuant to the Personnel Building SF rental rate as dictated by the DGS Price Book.

4. **HOLDING OVER/ LEASE RENEWAL:** Any hold-over by CCAP after lease expiration shall not be considered as renewal or extension of this Lease. The occupancy of the Lease Area after the expiration or termination of this Lease shall constitute a month to month tenancy, and all other terms and conditions of this Lease shall continue in full force.
5. **TERMINATION:** The parties hereto agree that CCAP may terminate this Lease during the term hereof and by either Party after the lease expiration, by giving notice to the other Party in writing, thirty (30) days prior to the date when such termination shall become effective. CCAP leases this space with the understanding that CCAP is not subject to DGS Building Occupancy Policy, Item No. 4 "TERMINATION/BACKFILL REQUIREMENTS", and as such, can vacate the premises without any obligation to DGS to secure a "Successive Agency" or pay rent beyond the time frame stated in this MOU.
6. **TELECOMMUNICATION:** Should existing cabling prove to be insufficient, CCAP shall be responsible for installing voice and data cabling at CCAP's expense. Upon relinquishment of the space and at the request of DGS, CCAP, at CCAP's expense, shall remove voice and data cabling installed by CCAP.
7. **EQUIPMENT:** CCAP agrees that the installation and maintenance of communication equipment such as phones, computers, copiers, fax machines, etc., will be the sole responsibility of CCAP. Upon termination of this agreement and at the request of DGS, CCAP shall remove all equipment and return said premises in same condition as received.
8. **CONDITION OF PREMISES:** CCAP accepts the Premises as being in good order, condition and repair, unless otherwise specified herein, and agrees that on the last day of the term, to surrender up to DGS the Premises, with any appurtenances or improvements therein, in the same condition as when received, reasonable use and wear thereof and damage by act of God, excepted.
9. **COMMON AREAS:** CCAP will have access to all common areas within its respective floors within the SPB building.
10. **JANITORIAL SERVICES:** DGS will provide cleaning and trash disposal along with any other services per the State's Space Assignment. CCAP staff will be included in the SPB building evacuation plan.
11. **AUDITORIUM:** CCAP agrees to receive, in advance, written approval from SPB's facilities staff prior to using the first floor Auditorium. SPB shall have first rights to the first-floor Auditorium.
12. **SECURITY SERVICES:** SPB is responsible for all security services in the building. If CCAP requires security services or card keys, CCAP will work and make arrangements directly with SPB.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding hereto.

CANNABIS CONTROL APPEALS PANEL

Anne Hawley, Executive Director
Cannabis Control Appeals Panel

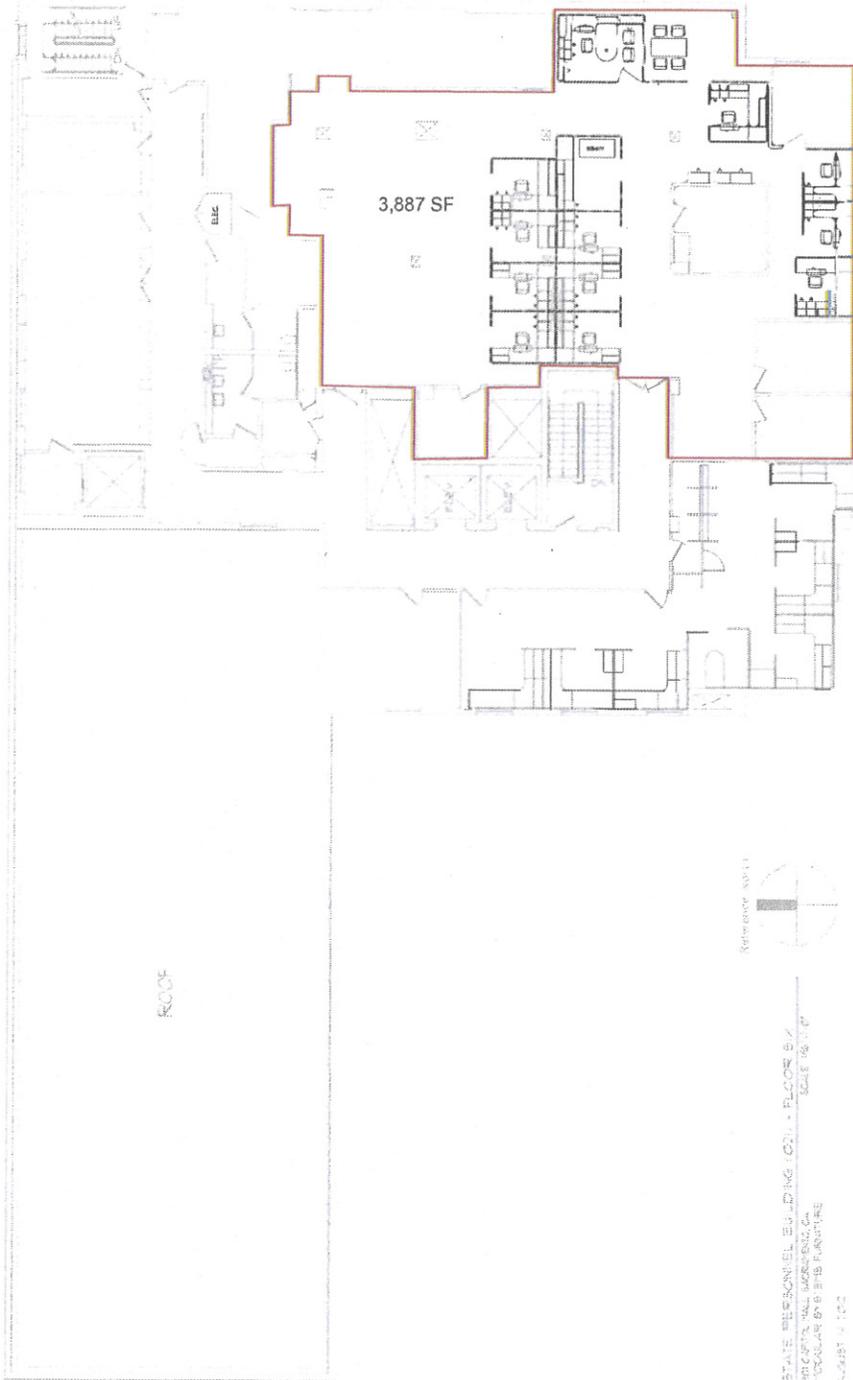
Date: _____

DEPARTMENT OF GENERAL SERVICES

Doug McCarley, Supervising Real Estate Officer
Real Estate Services Division
Asset Management Branch

Date: _____

Exhibit A



AGENDA ITEM 6

**THERE ARE NO
MEETING MATERIALS**

AGENDA ITEM 7

**THERE ARE NO
MEETING MATERIALS**