

REQUEST FOR PROPOSALS FOR

Cannabis Home Delivery

Prince Edward Island Liquor Commission for 102173 P.E.I. Inc.

Request for Proposal Number:	#5036
Date Issued:	May 4, 2018
Submission Deadline:	May 18, 2018



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PART 1 – INVITATION AND SUBMISSION INSTRUCTIONS

1.1 Invitation to Proponents

This Request for Proposals (the “RFP”) is an invitation by 102173 P.E.I. Inc. to prospective Proponents to submit proposals for the provision of services for the pick-up, transportation and delivery of recreational cannabis primarily to residential addresses beginning August 2018. These services are further described in the RFP Particulars (Appendix D - the “Deliverables”) including, but not limited to, approximate daily volumes, service attributes, frequency, equipment, delivery days and hours, damage, length of contract and insurance coverage. The RFP submission requirements have been developed to ensure all RFP responses are submitted in a manner that will facilitate evaluation on an equitable basis.

This RFP neither expresses nor implies any obligation on the part of 102173 P.E.I. Inc. to enter into a contract with any vendor submitting a response. Proponent’s proposals must provide all information requested, a completed ‘Requirements Confirmation Sheet’ as well as a signed and priced Form of Tender (Appendix B and Appendix C). If all requested information is not supplied, 102173 P.E.I. Inc. reserves the right NOT to consider the response. This RFP implies no obligation on 102173 P.E.I. Inc. to accept any response submitted. 102173 P.E.I. Inc. reserves the right to reject any or all proposals and has the right to cancel this RFP if required.

102173 P.E.I. Inc. is a temporary measure to allow the Government of PEI to proceed with the business of setting up and becoming operational for the distribution and sale of recreational cannabis. During the 2018 spring sitting of the Legislature, the PEI Cannabis Management Corporation Act is expected to be debated, passed and proclaimed for July 1, 2018. At this time, the assets and liabilities of 102173 P.E.I. Inc., are expected to be rolled into a Crown Corporation responsible for the distribution and sale of recreational cannabis in PEI.

1.2 RFP Contact

For the purposes of this procurement process, the “RFP Contact” shall be:

Prince Edward Island Liquor Control Commission
3 Garfield Street
Charlottetown, PE
C1A 7M4

Attention: Zach Currie
Email: zrcurrie@liquorpei.com

Proponents and their representatives are not permitted to contact any employees, officers, agents, elected or appointed officials or other representatives of 102173 P.E.I. Inc., other than the RFP Contact or their designate, concerning this RFP. Failure to adhere to this rule may result in the disqualification of the Proponent and the rejection of the Proponent’s proposal.

1.3 Type of Contract for Deliverables

The selected Proponent will be required to enter into an agreement with 102173 P.E.I. Inc. for the provision of the Deliverables in a similar form attached as Appendix A to the RFP (the “Agreement”). The initial term of the agreement will be for a period of one (1) year commencing on August 1, 2018 and ending July 31, 2019. 102173 P.E.I. Inc. reserves the right to extend the agreement for five (5) extensions beyond the initial term, for an overall potential maximum of six (6) years in total. The option to extend may be exercised by 102173 P.E.I. Inc. at its discretion.

1.4 RFP Timetable

Issue Date of RFP	4 May 2018
Deadline for Questions	15 May 2018
Deadline for Issuing Addenda	16 May 2018
Submission Deadline	18 May 2018 2:00pm AST
Anticipated Execution of Agreement	1 August 2018

1.5 Submission of Proposals

1.5.1 Proposals to be submitted at the Prescribed Location

Proposals must be submitted at:

PROCUREMENT SERVICES
95 Rochford Street
2nd Floor South, Shaw Building,
Room 27, Charlottetown, PE, C1A 7N8

1.5.2 Proposals to be submitted on Time

Proposals must be submitted at the location set out above on or before the Submission Deadline as indicated in section 1.4. The Proponent is solely responsible for the delivery of its proposal to the exact location (including floor, if applicable) indicated in this RFP on or before the Submission Deadline. 102173 P.E.I. Inc. does not accept any responsibility for proposals delivered to any other location by the Proponent or its delivery agents. Proposals submitted after the Submission Deadline will be rejected.

1.5.3 Proposals to be submitted in Prescribed Format

Proponents shall use the described Appendices and Forms (provided in these RFP Documents) to submit their Proposals. Submission documents shall be submitted in a sealed package as noted below, along with fully executed copies of all Addenda (if used by 102173 P.E.I. Inc.).

In a sealed package, Proponents should submit their proposal containing one (1) hard copy of their proposal and one (1) electronic copy saved as a Portable Document Format (PDF) on a USB flash drive, unless otherwise indicated. The file name on the electronic copy should include an abbreviated form of the Proponent’s name and RFP#. If there is a conflict or inconsistency between the hard copy and the electronic copy of the proposal, the hard copy of the proposal shall prevail. In the interest of environmental sustainability, please refrain from using binders, binding, plastic covers, or similar fastening or presentation materials when submitting the proposal. Similarly, unless specifically requested in this solicitation document, Proponents should not submit other marketing materials with their bid. Sealed packages should be prominently marked with:

- the RFP title and number (see RFP cover)
- the full legal name and return address of the Proponent

102173 P.E.I. Inc. will not accept proposals submitted by facsimile transfer, email, or any other electronic means.

1.5.4 Amendment of Proposals Prior to Submission Deadline

Proponents may amend their proposals prior to the Submission Deadline by submitting the amendment in a sealed package prominently marked with the RFP title and number and the full legal name and return address of the Proponent to the location set out in section 1.5.1 Any amendment must clearly indicate which part of the proposal the amendment is intended to amend or replace. Any amendments received after the Submission Deadline will not be accepted. Amendment must be signed by the person who signed the original proposal submission or by a person authorized to sign on his or her behalf.

1.5.5 Withdrawal of Proposals

Proponents may withdraw their proposals prior to the Submission Deadline. To withdraw a proposal, a notice of withdrawal must be received by the RFP Contact prior to the Submission Deadline and must be signed by an authorized representative of the Proponent. 102713 P.E.I. Inc. is under no obligation to return withdrawn proposals.

1.5.6 Proposals Irrevocable after Submission Deadline

Proposals shall remain open to acceptance and be irrevocable for a period of ninety (90) days from the Submission Deadline.

1.5.7 Minor Non-Compliance

102173 P.E.I. Inc. has the authority to waive a minor non-compliance with the mandatory requirements of the solicitation documents and accept the submission. A failure to comply with the mandatory requirements of the solicitation documents is a minor non-compliance if it:

- a) affects the form of the submission, rather than its substance;
- b) does not affect the submission's price, delivery, quality or quantity, and
- c) if waived, would not give the prospective supplier an unfair advantage over other prospective suppliers who submitted.

[End of Part 1]

PART 2 – EVALUATION OF PROPOSALS

2.1 Stages of Evaluation

102173 P.E.I. Inc. will conduct the evaluation of proposals in the following three stages:

2.2 Stage I: Mandatory Submission Requirements

Stage I will consist of a review to determine which proposals comply with all of the Mandatory Submission requirements. Proposals that do not comply with all of the Mandatory Submission requirements as of the Submission Deadline will be disqualified and not evaluated further. **Proponents must submit the Requirements Confirmation Form found in Appendix D of this RFP and submit it with their proposal.**

The Mandatory Submission Requirements are as follows:

Section A – Company General Information

- Legal Name of Respondent;
- Operating Company Name;
- Headquarters Location;
- Prince Edward Island Facility(s) Address;
- RFP Contact Person (Name, Title, Email, Phone No., Fax No., Website);
- Type of services offered; and
- Strategic alliances or partnership with other logistics service providers.

Section B – Terminal and Distribution Network

Respondents must list, in their desired format, their capabilities in the following key areas:

- Locations of their terminal network in Prince Edward Island;
- The number of pick-up and delivery vehicles and routes per zone that can be deployed for home deliveries;
- Agents used and locations serviced by them by zone; and
- % of total deliveries performed by agents by zone.

Section C – Customer Service Performance

- Home deliveries in the most recent year (2017);
- Security / Loss Prevention performance; and
- Other relevant customer service performance indicators.

Section D – Information and Communication Technology

Respondents must list their competence in the following key areas:

- Track & Trace System Functionality is a requirement. (a demonstration may be required);
- Capability and experience integrating with customer technology platforms such as Oracle EBS (R12.x);
- Capability with EDI 940,945,943 and 944, web services, comma delimited flat files, XML etc.;
- Capability and experience integrating information transfer with various customer platforms; and
- Describe availability of IT support staff.

Section E – Local Management Team

- Respondents should list key company officers responsible for Prince Edward Island (i.e. Name, Title, Length of service with company, etc.)
- 102173 P.E.I. Inc. reserves the right to confirm the qualifications of management assigned to this contract and obtain redress if required.

Section F – References

Respondents must provide three (3) references (Company Name, Type of service provided, Contact name, Telephone number, and best time to call for each), for whom the respondent has provided similar services as required under this RFP within the last three (3) years. A written letter of reference submitted as part of this proposal may be deemed acceptable. Members of 102173 P.E.I. Inc. cannot be used as a reference. 102173 P.E.I. Inc. reserves the right to verify information submitted by auditing the respondent’s facility as well as contacting any or all of the references submitted by the respondent.

2.2.1 No Amendment to Forms

Other than inserting the information requested on the mandatory submission forms set out in the RFP, a Proponent may not make any changes to any of the forms. Any proposal containing any such changes, whether on the face of the form or elsewhere in the proposal, will be disqualified.

2.2.2 Submission Form (Appendix B)

Each proposal must include a completed **Submission Form (Appendix B)** signed by an authorized representative of the Proponent.

2.2.3 Submission Pricing Form (Appendix C)

Each proposal must include a **Submission Pricing Form (Appendix C)** completed according to the instructions contained in the form.

2.3 Stage II – Evaluation

Stage II will consist of the following two sub-stages:

2.3.2 Rated Criteria

102173 P.E.I. Inc. will evaluate each compliant proposal on the basis of the rated criteria below, which are further described in the **RFP Deliverables (Appendix D)**. The following is an overview of the categories and weighting for the rated criteria of the RFP.

Rated Criteria Category	Weighting (Points)
Minimum Requirements Sheet (Appendix D)	Pass/Fail
Regional Route Capacity	25 Points
Service Capabilities	25 Points
Security and Risk Management	10 Points
Subtotal A	60 points
Stage III Pricing – (Appendix C – Submission Pricing Form)	40 points
Total Points	100 points

2.4 Stage III – Pricing

Stage III will consist of a scoring of the submitted pricing of compliant proposals in accordance with the price evaluation set out in the **Submission Pricing Form (Appendix C)**. The evaluation of price will be undertaken after the evaluation of mandatory submission requirements, mandatory technical requirements, and rated criteria has been completed.

2.5 Selection of Highest Scoring Proponent

After the completion of Stage III, all scores from Stage II and Stage III will be added together and each Proponent will be ranked based on its total score. The Proponent with the highest score will be selected to enter into the Agreement in accordance with Part 3. Upon finalization of the Agreement with 102173 P.E.I. Inc. the Proponent shall thereafter be known as the successful Proponent.

2.6 Notification to Other Proponents

Once an agreement is finalized and executed by the 102173 P.E.I. Inc. with a Proponent, notice of the successful proponent will be posted on the 102173 P.E.I. Inc. of PEI's tender site.

[End of Part 2]

PART 3 – TERMS AND CONDITIONS OF THE RFP PROCESS

3.1 General Information and Instructions

3.1.1 RFP Incorporated into Proposal

All of the provisions of this RFP are deemed to be accepted by each Proponent and incorporated into each Proponent's proposal. A Proponent who submits conditions, options, variations or contingent statements inconsistent with the terms set out in this RFP, including the terms of the Agreement in Appendix A, either as part of its proposal or after receiving notice of selection, will be disqualified.

3.1.2 Proponents not to change terminology

Changes to the terminology of this RFP are prohibited

3.1.3 Proponents to Follow Instructions

Proponents should structure their proposals in accordance with the instructions in this RFP. Where information is requested in this RFP, any response made in a proposal should reference the applicable section numbers of this RFP.

3.1.4 Language

All proposals are to be in English, or both English and French. If there is a conflict or inconsistency between the English version and the French version of the proposal, the English version of the proposal shall prevail.

3.1.5 No Incorporation by Reference

The entire content of the Proponent's proposal should be submitted in a fixed form, and the content of websites or other external documents referred to in the Proponent's proposal but not attached will not be considered to form part of its proposal.

3.1.6 References and Past Performance

In the evaluation process, 102173 P.E.I. Inc. may include information provided by the Proponent's references and may also consider the Proponent's past performance or conduct on previous contracts with 102173 P.E.I. Inc..

3.1.7 Information in RFP Only an Estimate

102173 P.E.I. Inc. makes no representation, warranty or guarantee as to the accuracy of the information contained in this RFP, received from the RFP contact or issued by way of addenda. Any quantities shown or data, or opinion contained in this RFP or provided by way of addenda are estimates only and are for the sole purpose of indicating to Proponents the general scale and scope of the Deliverables. It is the Proponent's responsibility to obtain all the information necessary to prepare a proposal in response to this RFP.

3.1.8 Proponents to Bear Their Own Costs

The Proponent shall bear all costs associated with or incurred in the preparation and presentation of its proposal, including, if applicable, costs incurred for interviews, presentations or demonstrations.

3.1.9 Proposal to be retained by 102173 P.E.I. Inc.

102173 P.E.I. Inc. will not return the proposal or any accompanying documentation submitted by a Proponent.

3.2 Business Registration

Proponents may be required to be registered to carry on business in accordance with applicable laws. For information on the business registration requirements of the Consumer, Corporate and Financial Services, Department of Justice and Public Safety, please consult:

<https://www.princeedwardisland.ca/en/topic/business-name-registration>

The status of a Proponent's business registration does not preclude the submission of a proposal in response to this RFP. A proposal can be accepted for evaluation, regardless of (i) whether the company is registered, or (ii) whether its business registration is in good standing. However, if the Proponent is selected as the successful Proponent, that Proponent must bring itself into compliance prior to the execution of the Agreement.

3.3 Communication after Issuance of RFP

3.3.1 Proponents to Review RFP

Proponents shall promptly examine all of the documents comprising this RFP, and report any errors, omissions, or ambiguities; and direct questions or seek additional information in writing by email to the RFP Contact on or before the Deadline for Questions. No such communications are to be directed to anyone other than the RFP Contact. 102173 P.E.I. Inc. is under no obligation to provide additional information, and 102173 P.E.I. Inc. will not be responsible for any information provided by or obtained from any source other than the RFP Contact. It is the responsibility of the Proponent to seek clarification from the RFP Contact on any matter it considers to be unclear. 102173 P.E.I. Inc. will not be responsible for any misunderstanding on the part of the Proponent concerning this RFP or its process.

3.3.2 All New Information to Proponents by Way of Addenda

This RFP may be amended only by addendum in accordance with this section. If 102173 P.E.I. Inc., for any reason, determines that it is necessary to provide additional information relating to this RFP, such information will be communicated by addendum on the **Prince Edward Island Tendering Site**. Each addendum forms an integral part of this RFP and may contain important information, including significant changes to this RFP. Proponents are responsible for obtaining all addenda issued by the 102173 P.E.I. Inc. and will be deemed to have read all posted addenda.

3.3.3 Post-Deadline Addenda and Extension of Submission Deadline

If 102173 P.E.I. Inc. determines that it is necessary to issue an addendum after the Deadline for Issuing Addenda, 102173 P.E.I. Inc. may extend the Submission Deadline for a reasonable period of time.

3.3.4 Verify and Clarify

During the evaluation process, 102173 P.E.I. Inc. may request further information from the Proponent or third parties in order to verify or clarify the information provided in the Proponent's proposal, including but not limited to clarification with respect to whether a proposal meets the mandatory requirements set out in the RFP Particulars (**Appendix D**). 102173 P.E.I. Inc. may revisit and re-evaluate the Proponent's response or ranking on the basis of any such information.

3.4 Execution of Agreement and Notification

3.4.1 Selection of Proponent and Execution of Agreement

102173 P.E.I. Inc. will notify the selected Proponent in writing. The selected Proponent shall execute the Agreement in a similar form attached as **Appendix A** to this RFP, and satisfy any other applicable conditions of this RFP within fifteen (15) days of notice of selection.

3.4.2 Failure to Enter into Agreement

In addition to all of 102173 P.E.I. Inc.'s other remedies, if a selected Proponent fails to execute the Agreement or satisfy any other applicable conditions within fifteen (15) days of notice of selection, 102173 P.E.I. Inc. may, in its sole and absolute discretion and without incurring any liability, withdraw the selection of that Proponent and proceed with the selection of another Proponent or cancel the RFP Process.

3.4.3 Notification of Outcome of Procurement Process

Once an agreement is executed by 102173 P.E.I. Inc. with a Proponent, notification of the outcome of the Procurement process will be posted on the Province of Prince Edward Island Tendering Site.

3.5 Conflict of Interest and Prohibited Conduct

3.5.1 Conflict of Interest

102173 P.E.I. Inc. may disqualify a Proponent for any conduct, situation or circumstance, determined by the 102173 P.E.I. Inc., in its sole and absolute discretion, to constitute a Conflict of Interest. For the purposes of this Section, "Conflict of Interest" has the meaning ascribed to it in the **Submission Form (Appendix B)**.

3.5.2 Disqualification for Prohibited Conduct

102173 P.E.I. Inc. may disqualify a Proponent, or terminate an agreement entered into if 102173 P.E.I. Inc., in its sole and absolute discretion, determines that the Proponent has engaged in any conduct prohibited by this RFP.

3.5.3 Prohibited Proponent Communications

A Proponent shall not engage in any communications that could constitute a Conflict of Interest and must take note of the Conflict of Interest declaration set out in the **Submission Form (Appendix B)**.

3.5.4 Proponent not to Communicate with Media

A Proponent may not at any time directly, or indirectly, communicate with the media in relation to this RFP or any agreement entered into pursuant to this RFP without consent of 102173 P.E.I. Inc., and then only in coordination with 102173 P.E.I. Inc.

3.5.5 No Lobbying

A Proponent shall not, in relation to this RFP or the evaluation and selection process, engage directly or indirectly in any form of political or other lobbying whatsoever to influence the selection of the successful Proponent.

3.5.6 Illegal or Unethical Conduct

Proponents shall not engage in any illegal business practices, including without limitation activities such as bid-rigging, price-fixing, bribery, fraud, coercion or collusion. Proponents shall not engage in any unethical conduct, including lobbying, as described above, or other inappropriate communications; offering gifts to any employees, officers, agents, elected or appointed officials or other representatives of 102173 P.E.I. Inc.; submitting proposals containing misrepresentations or other misleading or inaccurate information; or any

other conduct that compromises or may be seen to compromise the competitive process provided for in this RFP.

3.5.7 Rejection of Proposals

102173 P.E.I. Inc. may reject a proposal based on past performance or based on inappropriate conduct, including but not limited to the following:

- (a) illegal or unethical conduct as described above;
- (b) the refusal of the Proponent to honour its submitted pricing or other commitments;
- (c) any conduct, situation or circumstance determined by the 102713 P.E.I. Inc., in its sole and absolute discretion, to have constituted an undisclosed Conflict of Interest;
- (d) 102173 P.E.I.'s or the PEILCC's past experience with the Proponent within the 18 month period prior to the Submission Deadline for similar or related services; or
- (e) any information provided to 102173 P.E.I. Inc. by any references of the Proponent, pursuant to either section 3.1.6 or section 3.7.1(e) of this RFP.

3.6 Confidential Information

3.6.1 Confidential Information of 102173 P.E.I. Inc.

All information provided by or obtained from 102173 P.E.I. Inc. in any form in connection with this RFP either before or after the issuance of this RFP

- (a) is the sole property of 102173 P.E.I. Inc. and must be treated as confidential;
- (b) is not to be used for any purpose other than replying to this RFP and the performance of the agreement for the Deliverables;
- (c) must not be disclosed without prior written authorization from 102173 P.E.I. Inc.; and
- (d) must be returned by the Proponent to 102173 P.E.I. Inc. immediately upon request of 102173 P.E.I. Inc..

3.6.2 Confidential Information of Proponent

A Proponent should identify any information in its proposal or any accompanying documentation supplied in confidence for which confidentiality is to be maintained by 102173 P.E.I. Inc.. The confidentiality of such information will be maintained by 102173 P.E.I. Inc., except as otherwise required by law or by order of a court or tribunal. Proponents are advised that their proposals will, as necessary, be disclosed, on a confidential basis, to advisers retained by 102173 P.E.I. Inc. to advise or assist with the RFP process, including the evaluation of proposals.

Proponents are also advised that all documents forming part of the RFP process, including all submitted proposals, are subject to the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01 ("FOIPP"). A copy of FOIPP is available online at:

https://www.princeedwardisland.ca/sites/default/files/legislation/f-15-01_0.pdf

3.6.3 Personal Information

The *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01 ("FOIPP") governs the collection, use and disclosure of personal information by the 102173 P.E.I. Inc. and its service providers. The successful Proponent shall be required to comply with all requirements of FOIPP during the term of the Agreement.

A copy of FOIPP is available online at:

https://www.princeedwardisland.ca/sites/default/files/legislation/f-15-01_0.pdf

3.7 Reserved Rights, Limitation of Liability and Governing Law

3.7.1 Reserved Rights of 102173 P.E.I. Inc.

102173 P.E.I. Inc. reserves the right to:

- (a) make public the names of any or all Proponents;
- (b) request written clarification in relation to a Proponent's proposal;
- (c) waive minor formalities that do not constitute Mandatory Submission requirements or Mandatory Technical requirements;
- (d) verify with any Proponent or with a third party any information set out in a proposal;
- (e) check references other than those provided by any Proponent;
- (f) disqualify any Proponent whose proposal contains misrepresentations or any other inaccurate or misleading information;
- (g) disqualify any Proponent or the proposal of any Proponent who has engaged in conduct prohibited by this RFP;
- (h) amend this RFP process without liability at any time prior to the execution of a written agreement between 102173 P.E.I. Inc. and a Proponent. These changes are issued by way of addendum in the manner set out in this RFP;
- (i) cancel this RFP process without liability at any time prior to the execution of a written agreement between 102173 P.E.I. Inc. and a Proponent. A cancellation is communicated by way of addendum in the manner set out in this RFP. 102173 P.E.I. Inc. may in its sole discretion issue a new RFP for the same or similar Deliverables; or
- (j) reject any or all proposals.

These reserved rights are in addition to any other express rights or any other rights that may be implied in the circumstances, or that 102173 P.E.I. Inc. has at law.

3.7.2 Limitation of Liability

By submitting a proposal, each Proponent agrees that:

- (a) neither 102173 P.E.I. Inc. nor any of its employees, officers, agents, elected or appointed officials, advisors or representatives will be liable, under any circumstances, for any claim arising out of this proposal process including but not limited to costs of preparation of the proposal, loss of profits, loss of opportunity or for any other claim; and
- (b) the Proponent waives any claim for any compensation of any kind whatsoever, including claims for costs of preparation of the proposal, loss of profit or loss of opportunity by reason of 102173 P.E.I. Inc.'s decision to not accept the proposal submitted by the Proponent, to enter into an agreement with any other Proponent or to cancel this proposal process, and the Proponent shall be deemed to have agreed to waive such right or claim.

3.7.3 Governing Law and Interpretation

These terms and conditions of the RFP Process (Part 3):

- (a) are intended to be interpreted broadly and independently (with no particular provision intended to limit the scope of any other provision);

- (b) are non-exhaustive and shall not be construed as intending to limit the pre-existing rights of the parties to engage in pre-contractual discussions in accordance with the common law governing direct commercial negotiations; and
- (c) are to be governed by and construed in accordance with the laws of the province of Prince Edward Island and the federal laws of Canada applicable therein.

[End of Part 3]

APPENDIX A – FORM OF AGREEMENT

**SAMPLE CONTRACT
NAME OF AGREEMENT**

THIS AGREEMENT made this _____ day of _____, 20__.

BETWEEN: **102173 P.E.I. Inc.**
(hereinafter referred to as the "Company")

OF THE FIRST PART;

AND: _____
of _____
in _____ County, Province of _____,
(hereinafter referred to as the "Contractor")

OF THE SECOND PART.

WHEREAS the Company wishes to engage the services of the Contractor to carry out the services described in Schedule "A" attached hereto;

AND WHEREAS the Contractor has agreed to provide Government with these services on certain terms and conditions as more particularly set out in this Agreement.

NOW THEREFORE in consideration of the mutual promises contained in this Agreement, the Parties agree that the terms and conditions of their relationship are as follows:

Definitions

1. In this Agreement, the following definitions apply:
 - a. "Fiscal Year" means ...
 - b. "Schedule" means ...

Covenants of the Contractor and Government

2. The Contractor shall perform the services, assume all those responsibilities and diligently execute all those duties described in the attached Schedule "A" (the "Work"), in a manner satisfactory to Government.
3. (a) Subject to the termination clause contained in the Termination section of this Agreement, the term of this Agreement shall commence on the _____ day of _____, 20__, and end on the _____ day of _____, 20__.

- (b) Subject to the termination clause contained in the Termination section of this Agreement, and notwithstanding the date of signing of this Agreement, it is acknowledged by both Parties that the Contractor commenced the performance of the Work on the ____ day of ____, 20___. It is further agreed that the amount of \$_____ is the maximum amount to be paid for the Work and includes all amounts which may be owed for the Work done since the ____ day of ____, 20___.

Payments, Records and Accounts

4. The Government shall make payments to the Contractor in the following manner:

- (a) Payment for the Work shall be at the rate of \$_____ per hour, excluding taxes, but in no case shall the total payment exceed \$_____;

OR

- (a) Payment for the Work shall be a fixed lump sum of \$_____, excluding taxes, payable in installments, *as follows: [i.e. List dates (milestones) when payments will be made including amount to be paid on each date]*

AND, IF APPLICABLE

- (b) Government shall pay all expenses of the Contractor, excluding taxes, up to a maximum of \$_____, based on expenses actually incurred and verified by receipt.

- (c) The payments described herein shall be paid upon the basis of the submission by the ____ day of ____, 20__ of a detailed statement together with all necessary receipts. Such statements shall be submitted to Government and Government shall pay the amount owing within ____ days of receipt.

- (d) All payments are subject to a hold back of an amount equal to __% of the amount billed. The hold back shall be paid upon the submission and acceptance of the final report and completion of the Work.

OR

- (d) All payments are subject to a hold back of an amount equal to ____% of the amount billed. The hold back shall be paid upon the submission and acceptance of the final report and completion of the work.

- (e) The Contractor shall keep proper accounts and records of the cost to the Contractor of the Work and of all expenditures or commitments made by the Contractor under this Agreement including the related invoices, receipts and vouchers. Such accounts, invoices, receipts and vouchers shall, at all times, be open to audit, copying, extracting information and inspection by the authorized representatives of Government. The Contractor shall provide all facilities for the audits, inspections, copying and extractions and shall provide Government and its authorized representatives with all information that is requested from the accounts, records, invoices, receipts and vouchers.

- (f) Subject to statutory limitations, the Contractor shall not, without the written consent of Government, dispose of the accounts, records, invoices, receipts and vouchers related to this Agreement, but shall preserve and keep the same available for audit, copying, extracting information and inspections at any time.

Conditions of Agreement

5. (a) The Parties agree that the Contractor shall act as an independent contractor and that it is entitled to no other benefits or payments whatsoever than those specified in the Payments, Records and Accounts section of this Agreement.
- (b) The Parties agree that entry into this Agreement will not result in the appointment or employment of the Contractor, or any officer, clerk, employee or agent of the Contractor, as an officer, clerk, employee or agent of Government, nor shall the *Civil Service Act* R.S.P.E.I. 1988, Cap. C-8 apply.
6. (a) The Contractor agrees to accept sole responsibility to submit any applications, reports, payments or contributions for sales taxes, income tax, Canada Pension Plan, Employment Insurance, Workers' Compensation assessments, goods and services tax, harmonized sales tax, or any other similar matter which the Contractor may be required by law to make in connection with the Work.
- (b) The Contractor agrees to accept sole responsibility to comply with all federal, provincial and municipal legislation which may have application to the Work and agrees to comply with all provincial and federal legislation affecting conditions of work and wage rates including the *Employment Standards Act* R.S.P.E.I. 1988, Cap. E-6.2, the *Workers' Compensation Act* R.S.P.E.I. 1988, Cap. W-7.1, or any other laws that impose obligations in the nature of the employers' obligations.
- (c) The Contractor, before undertaking any Work shall provide to Government either a certificate of good standing by the Workers Compensation Board or written confirmation from the Workers Compensation Board that such certificate is not required.
- (d) The contractor shall verify that all employees and agents shall have an up-to-date police certificate.
- (e) The Contractor agrees to accept the full cost of doing those things required under this paragraph, and will not charge or seek reimbursement from Government in any way, such costs having been taken into consideration and included in the rates of payment stipulated in Payments, Records and Accounts section of this Agreement.
7. Any payment under this Agreement is subject to a provincial appropriation for the payment being approved by the Legislative Assembly of Prince Edward Island for Government's fiscal year in which the payment is to be made.

Reports

8. (a) The Contractor shall make interim reports as Government may direct.
- (b) The Contractor shall prepare and submit a draft final report for review and approval of Government not later than the ___ day of ___ 20___. Government shall either signify its approval or note the deficiencies in writing to the Contractor within ___ days of its

submission. The final report shall be submitted to Government not later than the _____ day of _____, 20__ unless the Parties agree otherwise in writing.

Administration

9. Subject to any specified time schedule or location where the Work is to be performed as may be set forth in Schedule "A" attached hereto, the Work is to be performed in the offices of Government and the Contractor shall follow the same time schedule as applicable to employees of Government.
10. Government shall provide such support, direction, decisions and information to the Contractor as it deems necessary or appropriate under this Agreement and may appoint a person to administer this Agreement and communicate with the Contractor.

Termination

11. Notwithstanding other provisions of this Agreement, Government may terminate this Agreement in its entirety, or any part thereof, at any time by a notice in writing, signed by or on behalf of Government and delivered to the Contractor by hand delivery, mailed to the Contractor's last known place of business, facsimile transmission, or electronic communication.

This Agreement shall be determined to have ended upon the date of delivery, sending by electronic communications or mailing of such notice in which event the Contractor shall have no further claim against Government, except that the Contractor will be paid pursuant to and in accordance with the provisions of the Payments, Records and Accounts section of this Agreement for the Work performed up to the date of termination by written notice. Such payment shall include all firm commitments made by the Contractor prior to the receipt of the notice and for which the Contractor is liable for payment, less any sums paid by Government to the Contractor on account.

12. Notice in this Agreement is deemed to have been effected on the day of delivery in person, facsimile, electronic communication, or upon mailing of the notice.

Confidentiality and Copyright

13. Any and all information, knowledge or data made available to the Contractor as a result of this Agreement shall be treated as confidential information. The Contractor shall not directly or indirectly disclose or use the information, knowledge or data for purposes unrelated to the Agreement at any time without first obtaining the written consent of Government, unless the information, knowledge or data is generally available to the public.
14. (a) The Parties agree that all lists, reports, information, statistics, compilations, analyses, and other data generated or collected in any way as a result of this Agreement are the exclusive property of Government and shall not be distributed, released, transmitted or used in any way, via any media, outside the purposes of this Agreement, by the Contractor, its employees, agents, servants or others for whom the Contractor is responsible, without the written consent of Government.

(b) The Parties agree that Government owns the copyright on all aspects of the Work, including all manner of data as set out in sub-paragraph (a) and including all software

developed as a result of the Work whether in the form of raw data, analyses, database entries or software or hardware code of any kind or in any form whatsoever, including but not limited to object code and source code and any necessary information with respect to the use of such code such as encryption keys, compiler information and version number.

- (c) The Contractor relinquishes all rights to the Work created pursuant to this Agreement, including all rights, and moral rights otherwise accruing to the Contractor pursuant to the *Copyright Act*, R.S.C. 1985, c. C-42.

Conflict of Interest

- 15. The Contractor warrants that as at the date of this Agreement, no conflict of interest, or any circumstance that might interfere with independent and objective exercise of judgment, exists or is likely to arise in relation to execution of this Agreement or its subject matter. The Contractor shall immediately notify Government, in writing, if any such actual or potential conflict of interest should arise at any time during the Term. In the event Government discovers or is notified by the Contractor of an actual or potential conflict of interest, Government, in its sole discretion, may either:
 - (a) Allow the Contractor to resolve the actual or potential conflict to the satisfaction of Government; or
 - (b) Terminate the Agreement in accordance with the Termination section of this agreement.

Freedom of Information and Protection of Privacy Act

- 16. The Contractor acknowledges that this Agreement, and information provided in respect of this Agreement, may be subject to release under the *Freedom of Information and Protection of Privacy Act* R.S.P.E.I. 1988, Cap. F-15.01. The Contractor may be consulted prior to release of any information.
- 17. The Contractor acknowledges and agrees that, in the event the Work involves the collection or use of personal information, it is subject to the *Freedom of Information and Protection of Privacy Act*, and that personal information may not be released to any third party or unauthorized individual.

Indemnification and Insurance

- 18. The Contractor shall indemnify and hold harmless Government, its agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever arising out of or resulting from the performance of the Work (herein called the "Claim"), provided that any such Claim is caused in whole or in part by any act, error or omission, including, but not limited to, those of negligence, of the Contractor or anyone directly or indirectly employed by the Contractor or anyone for whom the Contractor may be liable.
- 19. The Contractor shall, without limiting its obligations or liabilities under this Agreement and at its own expense, provide and maintain, the following insurance with insurers and in forms and amounts acceptable to Government:

- (a) Commercial General Liability (CGL) insurance in an amount not less than Ten Million (\$10,000,000.00 CAD) Dollars inclusive per occurrence against bodily injury and property damages. Government of Prince Edward Island is to be added as an additional insured under this policy. The wording of such insurance shall be at least as broad in terms and conditions as the current Insurance Bureau of Canada CGL and include, but not be limited to:
- Products and Completed Operations Liability;
 - Owner's and Contractor's Protective Liability;
 - Blanket Written Contractual Liability;
 - Personal Injury Liability;
 - Non-Owned Automobile Liability;
 - Cross Liability;
 - Employees as additional Insured;
 - Broad Form Property Damage;
 - If applicable, Tenant's Legal Liability in an amount adequate to cover a loss to premises of Government occupied by the Contractor.
- (b) Automobile Liability insurance on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than Five Million (\$5,000,000.00 CAD) Dollars inclusive of bodily injury and property damage..
- (c) All Risk property insurance covering the value of the product being transported in any one vehicle. For further clarification, if more than one vehicle is transporting product at the same time, insurance must of a type to cover each vehicle with no aggregate limit.
- (d) The policy or policies required by this Agreement shall be in a form and with insurers satisfactory to Government. All required insurance shall be endorsed to provide Government with 30 days advance written notice of cancellation or material change. The foregoing insurance shall be primary and not require the sharing of any loss by any insurer of Government nor by any other form of recovery available such as the Provincial Self Insurance and Risk Management Fund. A certified copy of the policy, or policies, shall be delivered to Government prior to execution of this Agreement. Default of delivery to Government or receipt of the certified copy of the policy, or policies, by Government shall not be construed as acknowledgment or concurrence that there has been compliance with the terms of this Agreement.

General

20. This Agreement shall not be assigned or subcontracted in whole or in part by the Contractor without the prior written consent of Government.
21. This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and, subject to the above assignment and subcontracting clause, their executors, administrators, successors and assigns.
22. This Agreement shall be interpreted and applied in accordance with the laws and in the Courts of the province of Prince Edward Island.

- 23. This Agreement, including Schedule "A", constitutes and expresses the entire agreement of the Parties hereto and any amendment or addition thereto shall be in writing and signed by the respective Parties.
- 24. The headings are inserted in this Agreement for reference only and shall not form part of the Agreement.
- 25. The provisions of this Agreement which, by their terms, are intended to survive or which must survive in order to give effect to continuing obligations of the Parties, shall survive the termination or expiry of this Agreement.
- 26. If any provision of this Agreement is, for any reason, invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the Parties as though the invalid provision had never been included in this Agreement.

IN WITNESS WHEREOF the Parties thereto have executed this Agreement as of the date first above written.

SIGNED, SEALED & DELIVERED)
 in the presence of:)
)
)

102173 P.E.I Inc.,
 as represented by:

SIGNED, SEALED & DELIVERED)
 in the presence of:)
)
)

Contractor

 Authorized Signing Officer

APPENDIX B – SUBMISSION FORM

B.1 Proponent Information

Please fill out the following form, naming one person to be the Proponent’s contact for the RFP process and for any clarifications or communication that might be necessary.	
Full Legal Name of Proponent:	
Any Other Relevant Name under which Proponent Carries on Business:	
Street Address:	
City, Province/State:	
Postal Code:	
Phone Number:	
Fax Number (if any):	
Company Website (if any):	
Proponent Contact Name and Title:	
Proponent Contact Phone:	
Proponent Contact Fax (if any):	
Proponent Contact Email:	
HST / GST Registration Number (Leave blank if NOT applicable):	

B.2 Offer

The Proponent has carefully examined the RFP documents and has a clear and comprehensive knowledge of the Deliverables outlined in Appendix D. The Proponent represents and warrants its ability to provide the Deliverables in accordance with the requirements of the RFP for the rates set out in the completed Pricing Form (Appendix C).

B.3 Mandatory Forms

The Proponent encloses as part of the proposal the mandatory forms set out below:

Add to or delete from the sample list of mandatory forms noted below.

FORM	INITIAL TO ACKNOWLEDGE
Submission Form (Appendix B)	
Pricing Form (Appendix C)	
Requirement Confirmation Sheet (Appendix D)	

B.4 Pricing

The Proponent has submitted its pricing in accordance with the instructions in the RFP and in the **Pricing Form (Appendix C)**. The Proponent confirms that it has factored all of the provisions of **Appendix D**, including insurance and indemnity requirements, into its pricing assumptions and calculations. The undersigned acknowledges 102173 P.E.I. Inc.’s right not to accept the lowest, highest or any submission received in response to this RFP

B.5 Addenda

The proponent also confirms that all the above prices include all or any adjustments in pricing resulting from the issuance of Addenda during the submission period. Signed copies of all Addenda that may have been issued are herein submitted with this submission.

B.6 No Prohibited Conduct

The Proponent declares that it has not engaged in any conduct prohibited by this RFP.

B.7 Conflict of Interest

For the purposes of this RFP, the term “Conflict of Interest” includes, but is not limited to, any situation or circumstance where:

- (a) in relation to the RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having, or having access to, confidential information of 102173 P.E.I. Inc. in the preparation of its proposal that is not available to other Proponents, (ii) communicating with any person with a view to influencing preferred treatment in the RFP process (including but not limited to the lobbying of decision makers involved in the RFP process), or (iii) engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive RFP process or render that process non-competitive or unfair; or
- (b) in relation to the performance of its contractual obligations under an agreement for the Deliverables, the Proponent’s other commitments, relationships or financial interests (i) could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or (ii) could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

Proponents should disclose the names and all pertinent details of all individuals (employees, advisers, or individuals acting in any other capacity) who participated in the preparation of the proposal; **AND** were employees of the Province of PEI within twelve (12) months prior to the Submission Deadline.

If the box below is left blank, the Proponent will be deemed to declare that (a) there was no Conflict of Interest in preparing its proposal; and (b) there is no foreseeable Conflict of Interest in performing the contractual obligations contemplated in the RFP.

Otherwise, if the statement below applies, check the box.

- The Proponent declares that there is an actual or potential Conflict of Interest relating to the preparation of its proposal, and/or the Proponent foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

If the Proponent declares an actual or potential Conflict of Interest by marking the box above, the Proponent must set out below details of the actual or potential Conflict of Interest:

B.8 Proposal Irrevocable

The Proponent agrees that its proposal shall be irrevocable for a period of Ninety (90) days following the Submission Deadline.

B.9 Disclosure of Information

The Proponent hereby agrees that any information provided in this proposal, even if it is identified as being supplied in confidence, may be disclosed where required by law or by order of a court or tribunal. The Proponent hereby consents to the disclosure, on a confidential basis, of this proposal by 102173 P.E.I. Inc. to the advisers retained by 102173 P.E.I. Inc. to advise or assist with the RFP process, including with respect to the evaluation of this proposal.

B.10 Execution of Agreement

The Proponent agrees that in the event its proposal is selected by the Province, it will finalize and execute the Agreement in the form set out in **Appendix A** to this RFP in accordance with the terms of this RFP.

Signature of Witness

Signature of Proponent Representative

Name of Witness

Name of Proponent Representative

Title of Proponent Representative

Date

I have the authority to bind the Proponent.

APPENDIX C – SUBMISSION PRICING FORM

1. Instructions on How to Complete Submission Form A - Pricing Form

- (a) Rates shall be provided in Canadian funds, inclusive of all applicable duties and taxes except for HST, which must be itemized separately.
- (b) Rates quoted by the Proponent shall be all-inclusive and shall include all labour and material costs, all travel and carriage costs, all insurance costs, all costs of delivery, all costs of installation and set-up, including any pre-delivery inspection charges, and all other overhead, including any applicable fees or other charges. Instructions on how structure costs so submissions are comparable on an equitable basis can be found under Form A of this appendix.

2. Evaluation of Pricing

Pricing is worth forty (40) points of the total score.

Pricing will be scored based on a relative pricing formula using the rates set out in the Pricing Form. Each Proponent will receive a percentage of the total possible points allocated to price for the particular category it has bid on, which will be calculated by dividing that Proponent's price for that category into the lowest bid price in that category. For example, if a Proponent bids \$120.00 for a particular category and that is the lowest bid price in that category, that Proponent receives 100% of the possible points for that category ($120/120 = 100\%$). A Proponent who bids \$150.00 receives 80% of the possible points for that category ($120/150 = 80\%$), and a Proponent who bids \$240.00 receives 50% of the possible points for that category ($120/240 = 50\%$).

Lowest rate

----- x Total available points = Score for second-lowest rate

Second-lowest rate

Lowest rate

----- x Total available points = Score for third-lowest rate

Third-lowest rate

And so on, for each proposal.

FORM A - PRICING FORM

The proponent acknowledges that the submitted pricing includes all charges as called for in these documents and as called for or implied by all Addenda that may have been issued during the submission period.

The undersigned, having read these RFP documents and being fully aware of the RFP Particulars listed in Appendix D of this RFP, hereby agrees to the provision of services for the pick-up, transportation and delivery of recreational cannabis primarily to residential addresses including handling of exceptions due to non-delivery.

Cannabis Home Delivery Pricing Submission

Proponents must submit both a paper copy and an electronic copy using a USB drive. This rate sheet must be completed using Microsoft excel. Proponents are required to provide a delivery price for each zone, while acknowledging that deliveries to each zone will come from a **centralized online sales fulfillment centre in Charlottetown, PEI.**

Proponents are also required to also provide an accurate description of additional delivery-related costs where applicable, and hold-for-pickup costs, where applicable, inherent in the proponent’s terminal network. Proponents are required to provide pricing for all zones in order to be considered. Proponents are requested to provide a base price per shipment and note any additional surcharges that are anticipated to ensure home delivery of cannabis is managed in compliance to the regulatory framework governing its such as fuel surcharge (where applicable) separately. More than one carrier may be assigned per zone.

Zone 1 - Prince County

Postal Codes	Base Delivery Rate
C0B, C1N	

Zone 2 - Queens County

Postal Codes	Base Delivery Rate
C1A, C1B, C1C, C1E, C0A	

Zone 3 – Kings County

Postal Codes	Base Delivery Rate
C0A	



Additional Surcharges:

Any proponent who, while understanding the scope of the RFP deliverables (Appendix D), proposes additional delivery surcharges (e.g. fuel surcharge, etc.) that will be added to the costs of base delivery, transportation, and delivery of recreational cannabis, including handling of exceptions due to non-delivery, must list them in this section.

Surcharge Description

Note: Any proponent, who proposes a “Fuel Surcharge” fuel adjustment factor, must adhere to the following:

- Frequency of adjustment will be monthly; and
- Effective date will be on the first Monday of the month.

Any adjustment factor submitted will be weighed in assessing the overall response. Any proponent who chooses to provide for a ‘Fuel Surcharge’ price adjustment must request such adjustment in writing to 102173 P.E.I. Inc. prior to the first Monday of the month.

APPENDIX D – RFP PARTICULARS

D.1 The Deliverables

D.1.1 Invitation

102173 P.E.I. Inc. invites qualified transportation providers to submit proposals for the provision of services for the pick-up, transportation, delivery of recreational cannabis, primarily to residential addresses, as well as the handling of delivery exceptions and hold-for-pick-up requirements caused by receivers not being home at time of delivery, beginning August, 2018.

Submissions will be evaluated not only on the submitted price, but also on the proponent's terminal network within Prince Edward Island, service delivery performance history, availability of delivery networks minimizing agents, customer service capacity and the capacity of the respondent to meet the requirements of the RFP as stated in the RFP.

The award may be to a single carrier per delivery zone or to more than one. The proposal with the lowest quoted price will not necessarily be selected. While price is an important element in the selection process, it is to be clearly understood that there are other factors that 102173 P.E.I. Inc. will consider in examining Proposals.

D.1.2 Volume of Business

Many factors influence the volume of business and because the recreational cannabis industry is new to Prince Edward Island, only estimates of volume for home deliveries in year one (1) can be provided. It is estimated that home deliveries may average 100-200 deliveries per day in 2018. In no event shall 102173 P.E.I. be liable to the successful proponent for accuracy or changes in volume estimates from any cause whatsoever, including without limitation, changes in consumer demand and pricing. The award may be to a single carrier per delivery zone or to more than one. Carriers are also required to provide acceptable shipping envelopes or packages for their proposed volume.

D.1.3 Operations, Equipment and Personnel

This section describes in detail the service contract for the transportation and delivery of recreational cannabis. This section also provides proponents with an appreciation of the distribution characteristics and service 102173 P.E.I. Inc. wishes to maintain throughout the contract period. It will be the responsibility of the proponents to ensure all specifications can be accommodated and that all the laws of Canada, Prince Edward Island, along with any applicable regulations pertaining to recreational cannabis distribution are met. The successful proponent will have to show all applicable permits and licenses within thirty (30) days of the RFP award and prior to commencement of work.

102173 P.E.I. Inc. wishes to partner with service providers who can assist 102173 P.E.I. Inc. in efficiently and cost effectively executing the pick-up, transportation, delivery to primarily residential addresses in five (3) delivery zones, as well as the handling of delivery exceptions and hold-for-pick-up requirements caused by receivers not being home at time of delivery. Pick-up and delivery services must operate 5 days a week, Monday to Friday excluding statutory holidays. Successful carriers may deliver additional days at their discretion if the delivery customer is willing to accept delivery at such times. The centralized fulfillment centre in Charlottetown, PE will arrange for a daily pick up after 3PM. Packages picked up at the fulfillment centre must be scanned into the carriers track and trace system at time of pick up. Deliveries will be

scheduled for delivery in the morning, afternoon and evenings or held for pick up according to customer specifications noted on the order. Deliveries must be delivered within 2 days of time of receipt from the pick and pack facility and deliveries to rural areas must be delivered within 3 days. 102173 P.E.I. Inc. expects that most deliveries will be performed overnight but is allowing an extra day to allow for better route planning efficiencies and better pricing due to volume.

Delivery drivers must confirm that the person receiving the shipment is of legal age (19 years of age) by verifying a government issued picture identification card.

Door knockers are to be left for any undeliverable orders and packages are not to be left without proof of age as described above. Undeliverable orders are to be brought back to the nearest terminal location and held in a secure location while arrangements are made for re-delivery or pick-up by the customer. Shipments can be picked up at a terminal location for no additional charge; however should a re-delivery be requested it is the proponent's discretion and responsibility to charge and collect any additional re-delivery fee.

The successful proponent will be required to provide vehicles in quantity and quality that is satisfactory to 102173 P.E.I. Inc.. This requirement includes fluctuations in demands throughout the term of the contract and the successful proponent must be in a position to provide sufficient equipment, vehicles and personnel in order to respond to the needs of 102173 P.E.I. Inc.. Submissions that do not have this equipment available to 102173 P.E.I. Inc. may be rejected without prejudice. The equipment and vehicles operated by the successful proponent must be maintained in a manner that will permit safe and reliable service and conform to any inspection and safety standards as specified by law and regulation that are in place in Prince Edward Island. 102173 P.E.I. Inc. reserves the right to reject a response if in its opinion, the equipment, vehicles, and personnel indicated by the proponent will not support the volume of business to the satisfaction of 102173 P.E.I. Inc..

The successful proponent shall not use any subcontractor unless it has obtained 102173 P.E.I. Inc.'s prior written consent. Where a proponent intends to have a third party perform any of its obligations under a contract awarded by 102173 P.E.I. Inc., the proponent will be required to disclose the details in its response and at any time during the contract and be solely responsible for ensuring that all requirements of this RFP and of the contract are carried out by the third party. 102173 P.E.I. Inc. will only accept invoices for services by the successful proponent and the successful proponent will be responsible to pay for any third party services.

D.1.4 Term of Contract

102173 P.E.I. Inc. requires such services for an initial one (1) year period beginning on August 1, 2018. 102173 P.E.I. Inc. reserves the right to renew the contract awarded under this RFP for up to five (5) additional periods of one (1) year each which may be exercised upon agreement of both parties and upon sixty (60) days prior written notice to the successful proponent(s). Proponents must submit quotations for the initial term of one (1) year and these rates must remain constant for this initial one (1) year period. For each of the five (5) one year optional periods, the successful proponent and 102173 P.E.I. Inc. will negotiate, in good faith, the rates for the upcoming one year period. These negotiations will begin ninety (90) days prior to the end of the initial term. These rates may remain the same, increase or decrease depending on market conditions at the time of negotiation. If the renewal rates submitted are deemed unacceptable to the 102173 P.E.I. Inc., 102173 P.E.I. Inc. reserves the right at its sole discretion to not renew for the additional period. Should 102173 P.E.I. Inc. decide not to renew with the successful proponent (s), 102173 P.E.I. Inc. reserves the right to negotiate rates with other proponents to this RFP. 102173 P.E.I. Inc. at its sole discretion may also decide to issue a new Request for Proposal.

D.1.5 Proponent Contact

102173 P.E.I. Inc. will require a single point of contact to be identified by each proponent to manage the day to day requirements of this project.

D.1.6 Data Monitoring/Gathering/Reporting and Communication

102173 P.E.I. Inc. will require the successful proponent to provide regular detailed tracking, data gathering, reporting and communication of on time performance and security performance to:

- Maximize customer satisfaction.
- Prevent cannabis from being diverted to an illicit market or activity therein; and
- Prevent illicit cannabis from being a source of supply of cannabis in the legal market.

Proponents are requested to submit a sample of a potential customer service and security report.

D.1.7 Supply Chain Security / Loss Prevention

102173 P.E.I. Inc. acknowledges that security is a core business function and as such is moving towards the integration of supply chain security and robust loss prevention programs into all supply chain activities. Proponents are required to demonstrate that it has an effective and detailed loss prevention plan/framework in place. This plan shall be enacted at the time of the awarding of a contract and such plan shall be flexible and able to adjust to the requirements of 102173 P.E.I. Inc.. The implementation of any adjustments or enhancements to the plan will be determined based on an agreed upon timeline. The plan will encompass the collective measures taken by the proponent to mitigate against potential losses.

D.1.8 Proactive Risk

Measures must be in place and include areas such as; internal and external threats, security system design and integration, physical security standards, internal controls, compliance auditing and business continuity. Submissions will also include Occupational Health and Safety standards for the protection of all employees as well as compliance with all provincial health and safety guidelines as stipulated by the Province of Prince Edward Island. Proponents will maintain adequate basic security controls and procedures as described below.

D.1.9 Physical Security

Facilities must be protected against unauthorized access including but not limited to cargo handling and storage facilities which shall have physical security deterrents. All entry and exit points for vehicles and personnel shall be controlled. Secure all external and internal windows, gates and doors through which unauthorized personnel could access the facility or cargo storage areas with locking devices. Provide adequate lighting inside and outside facilities to prevent unauthorized access. Prevent unauthorized entry into facilities using access controls which may include but are not limited to badge readers, locks, key cards or guards. Maintain adequate controls for the issuance and removal of employee, visitor and vendor identification badges, if utilized.

D.1.10 Employee Security and Verification

Screen prospective employees consistent with local regulations. Verify employment application information prior to employment.

D.1.11 Shipment Seals

Ensure shipping containers seal is secure at the point of loading and throughout the system until delivery.

D.1.12 Information Technology (IT) Security

Maintain IT security measures to ensure all automated systems are protected from unauthorized access. Use individually assigned accounts that require a periodic change of password for all automated systems. Maintain a system to identify the abuse of IT resources including but not limited to improper access, tampering or altering of business data.

D.1.13 Procedural Security

Maintain, document, implement and communicate the following security procedures to ensure the security measures in this clause are followed and must include:

- Procedures for the issuance, removal and changing of access devices;
- Procedures to identify and challenge unauthorized or unidentified persons;
- Procedures to remove identification, facility and system access for terminated employees;
- Procedures for IT security and standards;
- Procedures to verify application information for potential employees;
- Procedures for employees to report security incidents and/or suspicious behavior;
- Procedures for the inspection of shipments prior to loading;
- Proponent shall be subject to periodic site visits by 102173 P.E.I. Inc. staff during normal operation hours, to confirm compliance with the terms contained within this RFP; and
- Immediately notify 102173 P.E.I. Inc. of any actual or suspected breach of security involving its shipments

D.1.14 Liability and Claims

The successful proponent will be responsible for any damage to the shipment and to the contents within and for any missing shipments while such shipment is in the care, custody or control of the successful proponent. Notwithstanding all shipments will be at the risk and responsibility of the successful proponent from the time the shipment is taken into the successful proponent's possession to the time the shipment is delivered. In the event the shipment is damaged or is missing, the successful proponent will reimburse 102173 P.E.I. Inc., upon written demand being made by 102173 P.E.I. INC. or its surrogates, for the shipment missing or damaged.

The charge for missing, or undelivered shipment will be determined as:

- The costs for such shipment; plus
- The freight costs incurred by 102173 P.E.I. Inc. with respect to transporting of such shipment from the Shipping Point to the destination;

And:

The successful proponent shall promptly pay all claims submitted by 102173 P.E.I. Inc. for any shipments that are damaged or lost. Any claims must be resolved within thirty (30) days. 102173 P.E.I. Inc. shall be entitled to deduct any outstanding claims it has against the successful proponent under the contract against any other amounts it may owe the successful proponent under the contract.

D.1.15 Workplace Safety and Insurance

The successful proponent shall ensure they follow all Occupational Health and Safety standards as stipulated by federal and provincial legislation in Prince Edward Island. This is for the protection of all employees as well as compliance with all provincial health and safety guidelines as stipulated by the Province of Prince Edward Island.

D.1.16 No Lien

The successful proponent shall not have any right, title, interest or ownership or claim in cargo picked up, stored or transported under the contract. The successful proponent will not in any way encumber or otherwise impair 102173 P.E.I. Inc.'s possession of/and ownership interest in the cargo, including, but not limited to, asserting any lien or withholding any cargo on account of any disputes as to rates and charges due to the successful proponent, including any alleged failure by the 102173 P.E.I. Inc. to pay same, except as to those charges that the 102173 P.E.I. Inc. has acknowledged responsibility and liability to pay. The successful proponent will waive and release any lien or right to any lien(s) that the successful proponent may have as to the cargo transported and stored hereunder.

D.1.17 Liability and Insurance

The successful proponent shall carry such insurance as may be required by 102173 P.E.I. Inc., and shall furnish satisfactory proof thereof when required by 102173 P.E.I. Inc. within ten (10) days from the date of request. The successful proponent shall maintain at its sole cost and expense, the following insurance coverage with financially sound and reputable insurance companies:

Comprehensive General Liability Insurance in the amount of at least \$5,000,000, that protects the successful proponent and its employees and agents, from all claims, demands, actions, and causes of action that may be taken or made against the successful proponent for any loss of or damage to property, or personal injury including bodily injury or death, that may arise with respect to the successful proponent's performance of work as set out in the agreement. This policy must also include contractual liability, completed operations coverage as well as a cross liability clause. This policy must add 102173 P.E.I. Inc. as an additional insured but only with respect to and during the successful proponent's performance of its obligations as set out in the contract.

Cargo Insurance being subject to limits of not less than \$500,000 inclusive, including temporary storage, per occurrence. These policies will be endorsed to include 102173 P.E.I. Inc. as additional insured; they must provide 102173 P.E.I. Inc. with thirty (30) days' notice of cancellation or material change. Certificate(s) of insurance evidencing the insurance coverage required above, must be submitted within ten (10) days of a contract award. The insuring company must originally sign the Certificate(s). The insurance policies must be maintained in full force and be effective at all times throughout the term of a contract and must be sent to 102173 P.E.I. Inc. after each successive term. Administration fees may be applicable if certificates are not provided in a timely manner.

D.1.18 Disclosure of Legal Action

102173 P.E.I. Inc. may, at its absolute discretion, reject a proponent's response if the proponent, or any officer or director of the proponent, is or has been engaged, either directly or indirectly through another corporation, in a legal action against 102173 P.E.I. Inc. or the PEILCC, its elected or appointed officers and employees, in relation to any other contract for works or services, or any matter arising from the 102173 P.E.I. Inc.'s exercise of their powers, duties, or functions, within five (5) years of the date of this RFP. Kindly state any legal action against 102173 P.E.I. Inc. to which the proponent, its officers and/or directors have been party during such five (5) year period.

D.1.19 Payment

102173 P.E.I. Inc. will pay the successful proponent on the basis of written invoices issued within thirty (30) days of proponent's invoice date. The total charges and a detailed explanation of how the charges have been allocated must form part of the backup documentation for the invoices to 102173 P.E.I. Inc.. The successful proponent will provide 102173 P.E.I. Inc. with weekly billing in accordance with the rate schedule submitted as part of the submission. No duplication of invoice numbers is permitted.

D.1.20 Performance Bond

A.2 Each successful proponent will be required to furnish to 102173 P.E.I. Inc., as security of performance of its obligations under the Contract, a letter of credit from a Canadian Chartered Bank in the favour of 102173 P.E.I. Inc. irrevocably guaranteeing the successful proponent's obligations under the Contract. This security must be in the amount of \$50,000. This security must be furnished to 102173 P.E.I. Inc. before the Commencement Date of the Contract and must be valid for the full term of the Contract. Should 102173 P.E.I. Inc. opt to renew the Contract for the option period, the successful proponent must provide 102173 P.E.I. Inc. with new security in the same form and amount to secure performance of its obligation during the option period.

A.3 The letter of credit for the Contract term must expire not earlier than six (6) months after the Expiry Date of the Contract, and in the event of the 102173 P.E.I. Inc. opting to renew the Contract for the option period(s), must expire not earlier than six (6) months beyond the expiration of such option period(s). 102173 P.E.I. Inc. may, without prejudice to any other right or remedy that 102173 P.E.I. Inc. may have, draw upon the letter of credit where the successful proponent is in default of any of its obligations under the Contract.

A.4 This includes without limitation, where the successful proponent fails to honour the prices quoted in its response or does not carry out the provisions of the Contract or does not pay any amount demanded by 102173 P.E.I. Inc. in accordance with the provisions of the Contract. Where any successful proponent uses a third party to perform any part of the services hereunder, the successful proponent must provide 102173 P.E.I. Inc. with satisfactory evidence that the third party has been paid. Failure to pay such third party and failure to provide evidence within the time required by 102173 P.E.I. Inc. will be considered a default entitling 102173 P.E.I. Inc., without prejudice to any other right or remedy 102173 P.E.I. Inc. may have, to draw on the letter of credit.

D.1.1 Contract

The successful Proponent will be required to enter into and duly execute a written Contract with 102173 P.E.I. Inc. for the services proposed in this RFP within sixty (60) days of the award. The terms of this

document will form part of a Service Contract to be entered into with the successful proponent prior to commencement of the Service Contract. The Service Contract will expand and add to the terms and conditions described herein. 102173 P.E.I. Inc. reserves the right to terminate the contract at any time with thirty (30) days written notice.

REQUIREMENTS CONFIRMATION SHEET

All sections of these specification/confirmation sheets must be completed and returned in the submission envelope.

NOTE: Please indicate whether the specification will be met by indicating either YES or NO in the "Confirmation" space provided. If any Yes or No confirmations are not completed, they shall be reviewed as No.

D.2 Mandatory Requirements.

Proposals must include the following with their submission:

Requirements

Line	Description	Confirmation
	Minimum Requirement	"YES" / "NO"
1	Section A – Company General Information	
2	Section B – Terminal and Distribution Network	
3	Section C – Customer Service Performance	
4	Section D – Information and Communications Technology	
5	Section E – Local Management Team	
6	Section F - References	