



News Release

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Lynn Granger, communications director, CDOR
303-866-5303 | 720-305-8687 (c) | lynn.granger@state.co.us

Shannon Gray, marijuana communications specialist, CDOR
303-866-4815 | 720-607-0386 (c) | shannon.gray@state.co.us

Department of Revenue's new contract award for marijuana inventory tracking system continues to emphasize public safety and maintains industry stability
METRC (owned by Franwell, Inc.) will remain the state's seed-to-sale tracking system

DENVER, Colo. Wednesday, January 24, 2018 — The Colorado Department of Revenue (CDOR) intends to award a contract for ongoing support, licensing and hosting services for CDOR's current marijuana inventory tracking system, Marijuana Enforcement Tracking Reporting Compliance (METRC), to Franwell, Inc. The Department has elected to issue separate no-cost contracts for goods and services, including RFID tags/provisioning and industry training/support, which are currently provided to and paid for by marijuana businesses licensed by CDOR's Marijuana Enforcement Division (MED).

"As the primary regulators of the licensed, commercial marijuana industry, public safety and health is always our number-one concern," said Mike Hartman, CDOR Executive Director. "The insights and analyses that METRC's seed-to-sale tracking system allow us to create have made the system a key piece of our regulatory scheme. It is critical we maintain the current standard of comprehensive marijuana inventory tracking that METRC provides, particularly in light of the software implementation challenges some of the other adult-use states have faced in recent months."

METRC and its Radio Frequency Identification (RFID) tag provisioning system were developed specifically to comply with Colorado's unique statutes and regulations. MED staff have worked closely with METRC over the last four years to get the system to work effectively. Collaborative efforts between MED, Franwell, industry members representing each license type and third-party vendors have resulted in METRC enhancements that encourage voluntary industry compliance with regulations while providing efficiencies for businesses and an evolving system that's constantly improving in its functionality and sophistication.

It is CDOR's decision to sole-source this contract because Franwell, Inc. is the only vendor able to provide ongoing maintenance and support of its own proprietary system, in addition to ongoing licensing and hosting services. METRC is currently in use by every licensee in the licensed, commercial marijuana industry across the state.

The Colorado Procurement Code does not apply to the contracts for industry training/support or RFID tag/provisioning, because no public funds are being expended. These goods and services will continue to be provided to and paid for directly by MED licensed businesses. The existing Franwell, Inc. contract expires in October 2018.

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The new contract would be an initial three-year term with five one-year renewals. Structuring the contract in this way gives the state flexibility to adapt to a constantly-evolving industry and emerging technologies without interrupting inventory tracking transparency and security. The estimate of state funds for the contract's first three years is \$213,000.00, and \$71,000.00 for each renewal year following. The total amount of state funds paid under the current and previous METRC contracts from 2011-present is \$898,863.00.

The Colorado Department of Revenue is dedicated to providing quality service to our customers in fulfillment of our fiduciary and statutory responsibilities, while instilling public confidence through professional and responsive employees.

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