



# **New York Social Equity Cannabis Investment Fund**

## **Request for Proposal RFP #7585**

**Date: May 12, 2022**

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## **Section 1 - General Information:**

### **1.1 Introduction**

New York Social Equity Cannabis Investment Fund, LP, a to-be-formed New York limited partnership (the “Partnership” or the “Fund”), is intended to be a social impact investment fund exclusively dedicated to financing the establishment, development, leasing, and initial build out of storefront conditional adult-use retail cannabis dispensaries (“Dispensaries”) in New York State for operation by social equity licensees (“Social Equity Licensees”) selected by New York State Office of Cannabis Management (“OCM”) and the Cannabis Control Board (“CCB”), as contemplated by Chapter 7-A of the Consolidated Laws (2021-2022 Regular Sessions) (the “NY Cannabis Law”). The business and affairs of the Partnership will be established and managed by its to-be-identified fund sponsor, general partner and fund manager (collectively, the “Fund Operators”) pursuant to the terms of an investment management agreement (the “IMA”) and the Limited Partnership Agreement (the “Limited Partnership Agreement”) entered into by and between the Partnership and the Dormitory Authority of the State of New York (“DASNY”) or a subsidiary thereof. Pursuant to Chapter 58 of the Laws of 2022 (Part II), DASNY has been authorized to coordinate the creation of the Fund in consultation with the OCM.

This Request for Proposals (“RFP”) is designed to identify the entity that is being proposed to serve collectively as the Fund Operators for the Partnership for purposes of assessing and selecting the most qualified Fund Operators for the Fund. This procurement seeks a Respondent that can either directly, or through affiliated entities, serve in all three capacities as fund sponsor, general partner and fund manager to the Fund.

In this RFP, “Respondent” refers to the organization (which may be comprised of a group of affiliated entities) submitting a response to this RFP for consideration to be selected as the Fund Operators. Where questions refer to “Respondent,” please provide the requested information for each constituent entity within your organization being proposed as a Fund Operator with the capabilities/experience that is the subject of the question.

In this RFP, “Fund Operators” refers to the Respondent (which may be a group of affiliated organizations) once selected and engaged as discussed above.

### **1.2 Introduction to OCM**

On March 31, 2021, New York State legalized adult-use cannabis (also known as marijuana, or recreational marijuana) by passing the Marijuana Regulation & Taxation Act (“MRTA”). This law sets out a framework for the comprehensive regulation of legal, adult use recreational cannabis in New York State in a manner that will protect public health and safety, while promoting social equity and economic development. The MRTA also created the Office of Cannabis Management, which is governed by the Cannabis Control Board (“CCB”) (collectively referred to as “OCM”) to oversee and implement the MRTA. The OCM is authorized to issue licenses and develop regulations for the cultivation, processing, manufacture, distribution, transportation, and sale of medical cannabis, adult-use or “retail” cannabis and cannabinoid hemp in New York State. The OCM also oversees the State’s existing Medical Marijuana Program and Cannabinoid Hemp Program, previously regulated by the Department of Health and licenses cultivators, processors, distributors, and dispensaries to grow and sell cannabis in New York.

### **1.3 Introduction to DASNY**

The Dormitory Authority State of New York (the “Authority” or “DASNY”) is a public benefit corporation of the State of New York empowered by Titles 4 and 4-B of the Public Authorities Law (the “Act”), to provide design and project management services, and to issue bonds, notes and other obligations, for a wide variety of public purposes. Under the Act, the Authority provides a multitude of services in various forms in connection with the design, construction and financing of capital facilities for State University of New York, including dormitories and educational facilities; City University of New York Senior Colleges; Community Colleges; Boards of Cooperative Educational Services; cities and counties with respect to court facilities and combined occupancy structures, as defined by law; the Department of Education of the State of New York with respect to certain facilities under its jurisdiction; other State and local governmental entities; independent colleges and

universities; facilities for the aged; certain not-for-profit hospitals and nursing homes, as well as a wide variety of other not-for-profit organizations specifically described in the Act.

Pursuant to recent amendment to Public Authority Law (PAL) § 1676(2)(b) and PAL §1680(1), the Authority was granted the requisite authority to provide construction and other services to OCM and the Fund, as agent, and by recent addition of PAL § 1678(32), the Authority was granted the power to select a private debt or equity fund formed for the sole purpose of funding the capital costs, including closely related ancillary and administrative costs, associated with establishing conditional adult-use cannabis dispensaries for social equity licensees deemed to be eligible by OCM for financing through such Fund. The Partnership Agreement between the Fund and the Authority shall be subject to written approval or resolution of the CCB, the board of the Authority and the Director of the Division of Budget. The selection of the general partner of the Fund shall be made in consultation with OCM. The selection of the Fund Operators under this RFP is being done under the authority granted to the Authority under PAL §1678(32).

All references herein to “DASNY” shall mean, as appropriate and as the context requires, the Authority or any subsidiary thereof (the “DASNY Subsidiary”).

**1.4 Key Events and Dates**

Provided below is a schedule of milestones for this RFP. DASNY reserves the right to change any or all of these dates as it deems necessary or convenient in its sole discretion. In the event of a change, such modifications will be posted on DASNY’s website at [www.dasny.org](http://www.dasny.org). **Respondents responding to this RFP shall be solely responsible for periodically checking the website throughout the RFP process for such changes or updates, and no individualized notices shall be provided.**

<u>Event</u>	<u>Date</u>
RFP Release	5/12/2022
Deadline for RFP Questions*	5/19/2022 (3:00 PM)
Post Responses to RFP Questions	5/23/2022
Proposal Due Date	6/8/2022 (3:00 PM)
Virtual Interviews (not earlier than)	6/13/2022
Notice of Award (not earlier than)	6/20/2022

\*RFP questions are to be submitted through the Authority’s NY Social Equity Cannabis Investment Fund SharePoint site using the Q&A Tracker provided as an attachment to this RFP. Respondents are to enter questions in the Q&A Tracker excel file provided, save file as: Q&A Tracker-respondent name-date, and “Upload” or drag and drop into the folder titled ‘Question Submissions’. Including the date within the file name will allow Respondents to submit more than one Q&A Tracker if needed. The submitted document will remain private and will not be visible to the other Respondents throughout the procurement process. Respondents are to request access to the SharePoint site in advance to enter questions. Instructions for accessing the SharePoint site are included in Section 7 - Submission of Proposals. Responses to questions will be posted on the SharePoint site and the DASNY Website during the Q&A period for review by proposing Respondents. A final record of the questions and associated responses will be posted to the DASNY website on 5/23/2022.

**Section 2 - Engagement Requirements:**

**2.1 Background**

Social Equity Licensees, unless provided access to capital, would generally lack the means to take on the significant initial fixed capital costs associated with the build, equipping, and leasing of their Dispensaries. The goal of the State, as articulated in the NY Cannabis Law, is to provide social equity and restorative justice for the benefit of communities and persons that have been disproportionately impacted by the enforcement of past laws punishing the use of cannabis. This goal is advanced through the provision of financing and other related services to Social Equity Licensees that will enable them to establish their Dispensaries. The Fund, in which the State (through an investment by DASNY) will maintain a minority investment, will

serve to advance this public policy goal, in part, by providing the financing for the construction, equipping and leasing of Dispensaries for operation by Social Equity Licensees.

Please see the Term Sheet, attached as Attachment I, for an outline of the material terms regarding the structure, investment strategy, nature of investments and liabilities and governance of the Partnership and the role and responsibilities of the Fund Operators. As covered in greater detail in the Term Sheet, the Fund will be responsible, in addition to funding the costs of construction and equipping of the Dispensaries, for contracting, through use of DASNY or subsidiary thereof as its agent, the construction and equipping of each of the Dispensaries and the leasing of each of the Dispensaries and the further sub-leasing of these facilities to the selected social equity licensees. The suggested financial terms for provision of services by the Partnership and the Fund Operators are all subject to negotiation.

Nothing in this RFP creates, or is intended to create, any legal rights of or reliance by a Respondent.

## **2.2 Formation of the Fund and Investment Expectations**

The General Partner is anticipated to either be able to make, or to raise from one or more private investors, a seed money investment in the Fund shortly after its formation (“Initial Private Seed Money Investment”) and before the official launch of the Fund. DASNY also anticipates making a seed money investment in the Fund at such time (“Initial DASNY Seed Money Investment”) that would provide sufficient capital to the Fund for the build-out and equipping of up to 5 Dispensaries before the Fund has initiated its first general capital call to all limited partners (the “Launch Date”). The Initial DASNY Seed Money Investment and a portion of the Initial Private Seed Money Investment shall be the first monies used by the Fund to finance the capital costs related to the build out and equipping of Dispensaries before the remainder of the Initial Private Seed Money Investment amount is used. Upon receipt of the funds from the Launch Date capital call, DASNY and the party(ies) who made the Initial Private Seed Money Investment shall be reimbursed for the excess, if any, between their seed money investment and aggregate amount of their respective initial call commitments (See Term Sheet for further details).

It is anticipated that for the launch of the Fund that the General Partner will be able to secure by September 1, 2022 investment commitments of up to \$150 million from several private investors meeting the qualifications set out in the Term Sheet. The DASNY investment, which would be up to \$50 million in size, will be structured to receive a nominal return and will be subordinate in order of priority on payment of distributions by the Fund to its private investors (“DASNY’s Subordinate Investment”).

The Fund shall be a private fund that is both privately managed and controlled but, pursuant to PAL § 1678(32)(a)(ii)(1), will be required to establish a public policy committee, the members of which shall consist of the Chair of the CCB, the Executive Director of the OCM, and the President of DASNY (or their respective representatives). The public policy committee will guide the decisions of the Fund to achieve the public policy goals and will be responsible for the following:

- Review and approve of the Fund's investment policy statement and any changes thereto;
- Review and approve any changes to the use and distribution of the Fund's investment funds;
- Monitor the Fund's risk profile, investment activity, and performance;
- Review and approve the Fund's strategic plan, particularly those matters therein pertaining to the Fund's investor base and the establishment, management, and liquidation of investments by the Fund;
- Approve the maximum amount of projected return on investment to the Limited Partners (“LPs”) and the management fees and other compensation to the General Partner;
- Review and approve any changes or amendments to the Fund's organizational structure, the Partnership Agreement, and Fund's agreements with its Fund Operators/Investment Adviser and other service providers to the Fund to ensure that any such changes are consistent with the Fund's public purpose;

- Take reasonable steps, at the direction of the office of OCM, to provide geographic equity and representation in establishing the Dispensaries for operation by Social Equity Licensees, to the extent practicable, in support of the public purpose of the Fund and, at the direction of the OCM, that the site selection for such Dispensaries comports with all applicable state laws and related rules and regulations governing the location of the Dispensaries; and
- Confirm that any real property leases and loan agreements issued by or on behalf of the Fund shall be provided to social equity licensees, duly licensed pursuant to article two of the Cannabis Law.

### **2.3 Fund Rate of Return, Management Fees and Fund Objectives**

Private sector investors are anticipated to receive a preferred rate of return of at least 8% during the term of the Fund, which is anticipated to be ten (10) years after all Dispensaries have been fully funded. DASNY is anticipated to receive a subordinated rate of return of no more than 0.25% during the term of the Fund. The return paid to investors is derived from, and contingent upon, the repayment by the Social Equity Licensees of the loans representing the capital loaned to them by the Fund for the construction and equipping of their Dispensaries as set out in the attached Term Sheet. These loans are capped by law currently at a maximum rate of Prime + 8% and will be made on a non-recourse loans to the Social Equity Licensees that can be pre-paid by such licensee without penalty (except a make-whole amount reimbursement) after four (4) years. Please refer to the Term Sheet for a description of the “make-whole” provision.

All the Fund Operators shall all be compensated through the payment of a management fee to the General Partner equal to a percentage of the total Fund commitments made and funded which is anticipated to be no greater than 2%.

Respondents should be mindful that the Fund’s primary objectives relate to social impact and community development, with an investment constraint targeting the ultimate return of invested capital to Fund investors. The Fund Operators will be restricted to making investments that promote the public policy goals of this program and accordingly investment returns to all private investors will be at risk if losses accrue from the Fund’s investments that exceed DASNY’s Subordinate Investment.

### **2.4 Role of the Fund Operators and each of the Parties**

The Fund Operators will raise capital principally from the private market for required investment in the construction and build out of each of the Dispensaries. Additionally, the Fund Operators will enter into and assume on behalf of the Fund all contracts and agreements relating to the sourcing, construction, equipping and leasing of Dispensaries. The Fund Operators shall retain DASNY as its agent to perform related services to facilitate the Fund’s performance of these functions, which will include servicing the loans made, and providing property management services, to each of the Social Equity Licensees.

### **2.5 Scope of Work**

The scope of work for the Fund Operators is to act as management company, investment manager, and general partner and provide management services to the Partnership in connection with all of its investment and other activities, as outlined in Attachment I. In addition, the Respondent selected to serve as Fund Operators is expected to play an important role in completing the formation of the Partnership and establishing and managing the relationships required to ensure a successful roll-out of the program, including but not limited to:

1. Identifying private sector investors in the Fund to permit the Fund to raise up to \$150 million in private sector commitments.
2. Meeting and participating in conference calls with representatives of DASNY and DASNY’s professional consultants and others as directed to complete formation of the Partnership.
3. Meeting and participating in conference calls with potential private sector investors.

4. Developing marketing and private placement offering materials, including a private placement memorandum and related subscription materials.
5. Proposing, reviewing, commenting on and negotiating documents needed for formation of the Partnership, including the Limited Partnership Agreement and the IMA.
6. Assisting in the initial and each subsequent capital call closing, including coordination of legal/documentation process, and in any post-closing work related to the Partnership formation.
7. Working with DASNY to develop a comprehensive strategy meant to emphasize, promote, and embody principles of diversity, equity, and inclusion across all levels of the Partnership and the Dispensaries in which the Partnership invests.
8. Retaining DASNY to provide lease servicing, property management and loan servicing for each of the Dispensaries.
9. Procuring design and construction services, through DASNY as its agent, for the build out of each of the Dispensaries.
10. Procuring the services of real estate professionals, through DASNY as its agent, to help with the sourcing of potential locations for Dispensaries.
11. Reviewing and entering on behalf of the Fund, through DASNY as its agent, into lease and sublease agreements for each Dispensary.

## **2.6 Fund Operators Preferred Qualifications**

- a. The Respondent has principals, or employees who will be a part of the team, with at least 10 years of capital raising and investment management experience.
- b. The Respondent has principals, or employees who will be a part of the team, who currently provide or have provided capital raising and asset management services.
- c. The Respondent has principals, or employees who will be a part of the team, who currently manage, or have experience managing, assets in excess of \$100 million.

The Respondent has principals, or employees who will be a part of the team, with current experience making or managing cannabis related investments.

## **Section 3 - Content of Technical Proposal:**

### **3.1 Information to be Provided by Proposers**

The following is a list of information required to be provided by the Respondent. All RFP responses must be provided in the same order in which requested. The technical proposal must contain sufficient information to assure DASNY of its accuracy.

**Failure to meet or to provide the required information in this Section 3 and in Section 4 below may result in a proposal being rejected and a Respondent disqualified from further consideration.**

**Tab 1. Cover Letter**

Include a **cover letter** with the following items:

- a. The name, title, telephone number, fax number and email address of the individual within your firm who will be DASNY's primary contact concerning this RFP.
- b. The primary contacts name, title, telephone number, fax number and email address of each party who will perform work as a Fund Operator.
- c. The identities and resumes of the primary staff proposed to provide services relating to this RFP.
- d. A statement to the effect that Respondent is willing to perform and has the capability to perform all services identified in Section 2.4 above and will abide by the terms of the RFP, including all attachments.
- e. The cover letter must be signed by the individual(s) authorized to bind Respondent contractually. Indicate the title or position that the signer holds within your firm. DASNY reserves the right to reject a technical proposal that contains an unsigned cover letter. Anyone signing the proposal as an agent shall file with it, legal evidence of his or her authority to execute such proposal.

**Tab 2. Organization/Management**

- a. Provide an organizational chart demonstrating the Respondent's ownership and management structure (if a Respondent organization is or is owned by a public company, the ownership structure shown may stop at the public company level), the names and backgrounds of employees and principals of Respondent who would be responsible for the delivery of services by the Fund, and a description of the means by which the structure will afford DASNY with optimal levels of management, accountability and compliance with the terms of the Term Sheet.

**Tab 3. Experience**

- a. Provide a description of the Respondent's experience providing similar services to those outlined under Section 2.5, Scope of Work and discuss the Respondent's ability and competitive advantage to provide the scope of work in the RFP. Please note, if any, relevant experience making and managing investments in the cannabis industry.
- b. Provide a detailed outline of the Respondent's capital raising and fund management experience, including the size of each fund managed (noting the smallest and largest) and whether such management was performed solely by Respondent or in partnership or association with another entity.
- c. Please describe the Respondent's investment philosophy and the rationale for the Respondent's decision to participate in this RFP.
- d. Please describe any other unique capabilities or experience possessed by the Respondent that the Respondent believes would aid in the evaluation of the Respondent and the services being considered in this RFP.

**Tab 4. Capacity**

- a. Does the Respondent anticipate subcontracting, partnering or otherwise adding other organizations to have the capacity and capabilities needed to serve as Fund Operators? If so, what are those additional areas of capacity or capabilities, and has the Respondent identified other organizations to fill those roles?



- b. What is the minimum LP account size that the Respondent is willing to accept as Fund Operators? Has the Respondent contemplated minimum and maximum investment size for the limited partners to the Fund?
- c. Is the Respondent willing to co-invest by making an equity investment in the Fund and, if so, how much? A commitment funded in whole or in part via a management fee offset will be considered in appropriate circumstances.
- d. What is the Respondent's current compensation policies and practices of fund operators?

**Tab 5. Controls**

- a. Describe generally your internal compliance and legal framework and whether it has experience advising on cannabis related matters.
- b. Describe your account opening policies and procedures with particular emphasis on controls in place, or to be put in place, to ensure compliance with "Know Your Customer", Office of Foreign Assets Control (OFAC) and other relevant legal or regulatory restrictions.
- c. Describe the internal accounting for other funds managed by the Respondent currently or within the last five years.
  - What accounting principles did the funds operate under?
  - Has the Respondent established an internal audit function?
  - If so, how often are internal control audits performed?
  - Have any major control weaknesses been identified from the audits (or otherwise)?
  - If so, what is the Respondent doing to resolve the identified weaknesses.
- d. Please provide Data Privacy and Cybersecurity policy(ies).
- e. Please provide Business Continuity Plan.
- f. List and describe any software that the Respondent uses for business functions like portfolio management, trade order management, administration and risk.

**Tab 6. Approach**

- a. Provide a detailed description of The Respondent's approach to providing the requested scope of services. Describe how as Fund Operators, you will monitor performance of work to achieve an efficient administration of the engagement.
- b. Describe the approach Respondent would anticipate taking in raising the Initial Private Seed Money Investment and subsequently the private sector capital commitments required to launch the Fund, with particular focus on timeline for raising this capital.

**Tab 7. License/Certification Requirements**

- a. Provide DASNY with a list and description of (or public filings listing or describing) any proceedings pending or contemplated by any governmental authority against any of the Fund Operators, including but not limited to, any pending or anticipated proceedings or rule or order relating to a violation or alleged violation by any of the Fund Operators of any federal or state statute or regulation pertaining to the purchase or sale of securities, the management of investment securities, the provision of investment advisory services or the issuance of securities.

- b. Provide a list of all sanctions and/or fines imposed on the Respondent during the last 5 years in connection with any proceeding of the type described in the preceding sentence.
- c. Provide DASNY with a list and description of any pending or anticipated proceedings by private parties against any of the Fund Operators (individually or in the aggregate) that you have determined may have a material adverse impact on the current financial status or operations of any of the Fund Operators.
- d. Provide DASNY with a certification that all entities comprising the Respondent have or will have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Respondent is engaged.
- e. Provide DASNY with a certification that the Respondent has, or will have at the time of engagement, a company policy and practice of equal employment opportunity, nondiscrimination and commitment to Diversity, Equality and Inclusion.
- f. Provide DASNY with a certification that the Respondent has, or will have at the time of engagement, procedures and redundancy capabilities to assure continued business continuity and resiliency.
- g. Provide DASNY with a certification that the Respondent has, or will have at the time of engagement, policies and procedures regarding data protection and security, including cyber security.
- h. Provide DASNY with a certification that the Respondent has, or will have at the time of engagement, insurance coverage customary in the marketplace relating to appropriate risks being undertaken which will include:
  - Workers' Compensation Insurance;
  - Disability Insurance;
  - Crime Insurance covering theft of property by employees or third parties; naming Fund as Loss Payee with minimum limits of \$10M;
  - Cyber Insurance with minimum limits of \$5M;
  - General Partners Liability Insurance with \$10M limit; and
  - Commercial General and Umbrella/Excess Liability - limits of not less than \$5M per occurrence and \$10M aggregate.

**Tab 8. Approach to M/WBE and SDVOB Utilization and Commitment to Diversity**

DASNY is committed to diversity and equal employment opportunities among its contractors, consultants and vendors. It is the policy of DASNY to maximize opportunities for the participation of Minority-Owned, Women-Owned (M/WBE), and Service-Disabled Veteran-Owned Businesses (SDVOB) firms as bidders, subcontractors and suppliers on projects. Although no goals for participation in the work by certified M/WBE and SDVOB firms have been established for this program, the selected Respondent shall use good faith effort to provide for meaningful participation by M/WBE and SDVOB firms in the work where feasible. Please provide the following:

- a. A description of how the Respondent anticipates approaching M/WBE and SDVOB utilization and any programs your firm has implemented to promote the use of M/WBE and SDVOB firms.
- b. A narrative explaining the Respondent's approach and commitment to diversity within the work environment.
- c. An overview of the Respondent's current programs in diversity/inclusion.
- d. A copy of the Respondent's equal employment opportunity policy statement to DASNY.

DASNY is committed to diversity and equal employment opportunities among its contractors and consultants. This procurement is conducted in accordance with Article 15-A and 17-B of the Executive Laws. It is the policy of DASNY to maximize opportunities for the participation of MWBE/SDVOBs as bidders, subcontractors, subconsultants, and suppliers on projects.

It is the goal of DASNY to utilize qualified vendors that have a demonstrated history of hiring, training, developing, promoting, and retaining minority and women staff.

By responding to this RFP, each Respondent acknowledges that:

- The Proposer will not discriminate against any employee or applicant for employment because of race, creed, color, sex, religion, national origin, military status, sexual orientation, age, disability, genetic disposition or carrier status, domestic violence victim status, or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and will make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on contracts with DASNY.
- The Proposer will state in all solicitations or advertisements for employees that, in the performance of the requirements outlined in the Term Sheet, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, sex, religion, national origin, military status, sexual orientation, age, disability, genetic disposition or carrier status, domestic violence victim status, or marital status.

**Tab 10. Additional Information**

The Respondent must also provide written statements regarding the following:

- a. Agree to provide DASNY with pre- and post-audit access to documents, personnel and other information necessary to conduct audits on request during the term of the Fund and for six years thereafter.
- b. Agree to allow access to the Office of the State Comptroller, or the comptroller's legally authorized representatives, to access, examine, or audit the accounts and books of the fund, including its receipts, disbursements, contracts, investments, and any other items directly relating to its financial standing and cooperate with any such financial examination or financial audit on an annual basis solely as it relates to the State's investment.
- c. Agree that, at the time of audit, key officers of the Fund will be made available to discuss the Fund and the partnership and its activities in relation to the state's investment.
- d. Disclose any potential conflicts of interest (refer to the "Code of Business Ethics - Certification" attached).
- e. Provide a minimum of three (3) references excluding DASNY employees and a summary of the services provided. Information shall include the names, titles and phone numbers of references.

**Section 4 – Financial Information**

**4.1 Information to be Provided by Respondents**

The following is a list of required information that must be provided by the Respondent. Provide your response in the same order in which it is requested using numbered side tabs that correspond with each of the numbered tabs below. Your responses below must contain sufficient information to assure DASNY of its accuracy.

**Tab 1. Financial Strength**

- a. Provide a completed Financial Viability Risk Assessment form for a three (3) year period for the General Partner if it is an existing entity and if the General Partner will be newly formed entity provide information to evidence its financial strength and capabilities.
- b. Provide evidence of current and past financial strength and capabilities of the General Partner if it is an existing entity, including, without limitation, references from banking institutions and accounting firms.
- c. Provide three (3) years of financial statements, preferably audited, or a copy of the last three (3) years of tax returns, of the General Partner, if it is an existing entity.

**Tab 2. Term Sheet**

- a. Identify any questions, comments, and objections to the Scope of Services outlined herein or any terms described in Attachment I.

**Tab 3. Vendor Responsibility**

- a. Submit for each entity proposed to comprise the Respondent a Vendor Responsibility Questionnaire (“VRQ”) in accordance with Section 9 of this RFP. DASNY requires vendors to file the VRQ online via the New York State VendRep System (the “System”). Respondents must provide a copy of the certification page to DASNY. To enroll in and use the System, see the System Instructions at [http://www.osc.state.ny.us/vendrep/vendor\\_index.htm](http://www.osc.state.ny.us/vendrep/vendor_index.htm) or go directly to the VendRep System online at <https://portal.osc.state.ny.us>.

**Section 5 – Content of Administrative Proposal:**

The following is a list of required information that must be provided by the firm **as separate, individual electronic files**. The forms must contain sufficient information to assure DASNY of its accuracy.

- a. A completed Omnibus Certification form included in this RFP as an attachment for each entity proposed to comprise the Respondent.
- b. Provide a completed W-9 Form, included in this RFP as an attachment for each entity proposed to comprise the Respondent.

**Section 6 - Evaluation of Proposals:**

The selection process will begin with the review and evaluation of each of the written proposals. The purpose of this evaluation process is twofold: (1) to examine the responses for compliance with this RFP; (2) to identify the complying Respondents that have the highest probability of satisfactorily performing the scope of services. The evaluation process will be conducted in a comprehensive and impartial manner. The evaluation will be conducted as set forth herein.

**6.1 Preliminary Review**

DASNY reserves the right to reject and return to the Respondent all proposals received after the RFP due date and time. All proposals will be reviewed to determine if they contain all required submittals specified in Sections 3 and 4. Incomplete proposals may be rejected.

## **6.2 Preliminary Evaluation**

Proposals will undergo a preliminary evaluation process conducted by a committee selected by DASNY which may include representatives of OCM. The Committee will evaluate the proposals based upon the criteria for selection set forth below. Respondents will be selected to meet the anticipated business needs of DASNY. At the conclusion of the preliminary review, the Committee will determine those Respondent's qualified to participate in the interview process. It is anticipated that no less than the top three Respondents will be invited to participate in the interview process. Additional Respondent's may be interviewed at DASNY's sole discretion. Selection of the top three Respondents shall be based upon Proposer's response to the RFP and the Criteria for Selection as set forth below. Further description of the interview process is defined in Section 6.4 of this RFP.

## **6.3 Criteria for Selection**

Each Proposal will be evaluated for competency, completeness and responsiveness based on the Respondent's expertise, the technical and financial qualifications of the Respondent, the responsibility of the Respondent, and the other evaluation criteria established by this RFP, including the ability to meet or exceed the criteria set forth below. This will be a qualification-based selection. The Proposal that is in the overall best interests of DASNY and/or the public, as determined by DASNY in its sole and absolute discretion, will be selected.

DASNY shall consider the following evaluation criteria for each entity proposed to constitute the Respondent:

### **6.3.1 Organization/Management (10%)**

- a. Organizational and management structure of the Respondent's organization, and Respondent's explanation of the means by which the structure will afford DASNY with optimal levels of management, accountability and compliance with the terms of the Term Sheet.
- b. A sufficient number of professional and other personnel to perform the Work. Identified key personnel assigned have demonstrated experience and strengths to successfully complete the Work.

### **6.3.2 Experience (15%)**

- a. The Respondent's experience raising capital for and managing investments in private debt/equity funds or similar funds.
- b. The Respondent's experience managing private debt/equity capital of \$200 million or greater.
- c. The Respondent's unique capabilities or experience anticipated to provide additional value in the performance of the work required.
- d. The Respondent's satisfaction of the Fund Operators Preferred Qualifications specified in Section 2.6, a, b, and c above.
- e. The Respondent's satisfaction of the Fund Operators Preferred Qualifications specified in Section 2.6, d above.

### **6.3.3 Capacity (15%)**

- a. The Respondent's capabilities to handle the responsibilities of Fund Operators for the Fund.

**6.3.4 Controls (15%)**

- a. The Respondent's quality of legal and compliance controls.
- b. The Respondent's quality of auditing and reporting controls.
- c. The Respondent's quality of data privacy, cyber security, and business continuity controls.

**6.3.5 Approach (20%)**

- a. The Respondent's approach to providing and managing required services and the ability to provide the requested services in a timely manner. This includes the Respondent's plan for monitoring performance of work to achieve efficient administration of the engagement.
- b. Respondent's anticipated approach to raising the Initial Private Seed Money Investment and subsequently the private sector capital commitments required to launch the Fund, with particular focus on timeline for raising this capital.

**6.3.6 License/Certification Requirements (5%)**

- a. Respondent's ability to provide all certifications requested in Section 3, Tab 7.

**6.3.7 Approach to MBE, WBE, SDVOB, Diversity and Equal Employment Opportunities (5%)**

- a. The Respondent's approach to M/WBE and SDVOB utilization and implemented programs to promote the use of M/WBE and SDVOB firms was complete and of the highest quality.
- b. The Respondent's approach and demonstrated commitment to diversity within the work environment.

**6.3.8 Financial Strength (5%)**

- a. The General Partner's demonstrated financial strength to undertake the responsibilities outlined in the Scope of Work and Term Sheet.

**6.3.9 Term Sheet (10%)**

- a. The nature, extent and commercial reasonableness of the Respondent's objections or exceptions, if any, to the terms set forth in the Term Sheet.

DASNY will also consider the past performance of the selected Respondent and its sub-licensees, individuals or entities as applicable on other licenses or contracts with DASNY or other entities in terms of quality of work and compliance with performance schedules. DASNY may solicit from departments of the State or City, other government agencies or any other available sources, relevant information concerning the selected Respondent's record of past performance.

**6.4 Interviews**

DASNY reserves the right to determine whether interviews will be necessary and to make a selection of the Respondents it chooses to interview. If interviews are conducted, they will proceed either virtually or in-person. The purpose of the interview is to further document the firm's ability to provide the required services and to impart to the Committee an understanding of how specific services will be furnished. The Respondent's proposed lead, as well all other key personnel

proposed to provide the services must be present and participate in the interview. No information other than the information included in the Respondent's response to the RFP, or as may be requested by DASNY, will be the subject of discussion at the interview. Upon the conclusion of interviews, the Committee will finalize their evaluation.

## 6.5 Final Evaluation

Upon conclusion of the evaluation process, the highest scoring Respondent will receive an award.

## **Section 7 - Submission of Proposals:**

### 7.1 Submission of Technical, Financial Information and Administrative Proposal

DASNY will be accepting electronic proposals only. Proposals will be accepted electronically on or before 3:00 pm on June 8, 2022. Follow the directions below to upload your proposal electronically. Any technical issues or questions should be directed to the Designated Representative for the procurement via email prior to the due date of the RFP. **It is strongly encouraged to request access to the site before the due date.** DASNY may not be able to assist Respondents with troubleshooting errors if submissions are not made in a timely manner.

**Please submit a Technical Proposal responsive to requirements listed in Section 3, Tabs 1-10 above, Financial Information responsive to requirements listed in Section 4, Tabs 1-3 above, and an Administrative Proposal responsive to requirements outlined in Section 5. The portion of your Technical Proposal addressing requirements listed in Section 3, Tabs 1-6 above shall not exceed thirty (30) pages (any pages submitted in excess of this limit will not be read and evaluated).**

1. Email [UpstateRFPCoordinator@dasny.org](mailto:UpstateRFPCoordinator@dasny.org) with the subject line: "NY Social Equity Cannabis Investment Fund RFP 7585 Request Access-Firm Name."
  - a. Provide the name and email address of any additional contacts (if any) from your firm that may require access to submit the RFP responses through the SharePoint site.
  - b. Please request access at a minimum of 24 hours in advance and ensure access to the site works correctly.
  - c. Please note that an expression of interest does not qualify as a request for access. Please ensure that your firm explicitly requests access using the described procedure.
2. You will receive an email from [UpstateRFPCoordinator@dasny.org](mailto:UpstateRFPCoordinator@dasny.org) with a link to a Microsoft SharePoint site: "NY Social Equity Cannabis Investment Fund RFP 7585."
  - a. Please confirm receipt of this email and ability to access the SharePoint site.
3. Click on the link.
  - a. If you have an existing Microsoft account, you will be asked to login and then you will be routed directly to the NY Social Equity Cannabis Investment Fund RFP 7585 "Documents" page.
  - b. If you do not have a Microsoft account, you will need to register for a Microsoft account before you can access the link.
4. Upload the following documents to the folder titled "Proposal Submissions":
  - a. Technical Proposal
  - b. Financial Information
  - c. Administrative Proposal (provided as two (2) separate files)
    - i. Omnibus Certification
    - ii. W-9

5. All documents must be saved in PDF format and labeled as directed below:
  - a. Technical Proposal:
    - i. Save file as: Technical Proposal-Respondent name
    - ii. Click “Upload” or drag and drop
  - b. Financial Information:
    - i. Save file as: Financial Information-Respondent name
    - ii. Click “Upload” or drag and drop
  - c. Administrative Proposal (provided as two (2) separate files):
    - i. Save second file as: Omnibus-Respondent name
    - ii. Click “Upload” or drag and drop
    - iii. Save third file as W-9-Respondent name
    - iv. Click “Upload” or drag and drop
6. Once your documents are uploaded, DO NOT OPEN. The document submitted must be your final submission and cannot be modified.
  - a. If you open your documents after they are submitted, the system will show the file as “modified”.
  - b. The submitted document will remain private and will not be visible to the other firms throughout the procurement process.
7. The NY Social Equity Cannabis Investment Fund RFP 7585 SharePoint site will close at 3:01 PM on June 8, 2022. Any questions or issues on submitting must be addressed to the Designated Representative for the engagement before that time using the email address in Bullet 1. Please provide enough time to upload all required files.

## **Section 8 - Important Information Affecting Proposers:**

### **8.1 Proposal Requirements**

1. All inquiries regarding this RFP must be submitted in writing to the designated representative by email, utilizing the attached Questions and Answers Tracker (Attachment IV) Tracker located on the NY Social Equity Cannabis Investment Fund RFP 7585 SharePoint site. **Verbal and telephonic inquiries are prohibited.** Answers to all questions of a substantive nature will be posted on the DASNY website [www.dasny.org](http://www.dasny.org) All inquiries regarding this RFP should be solely addressed to the following Designated Representative:

Ame Breheny

Email: [UpstateRFPCoordinator@dasny.org](mailto:UpstateRFPCoordinator@dasny.org)

All questions must be submitted by entering into the Q&A. **Respondents should note that all clarifications and exceptions, including those related to the terms and conditions of the Term Sheet are to be resolved prior to the submission of a proposal.** A list of all substantive inquiries received with relevant responses will be posted on DASNY’s website, [www.dasny.org](http://www.dasny.org).

**A Respondent which is considering submitting a proposal or which has submitted a proposal shall not contact, whether directly or indirectly, any DASNY, OCM or CCB employee, officer or board member other than the contact person listed above during the period of the RFP about any matters related to the RFP or any proposals submitted in response to this RFP. Such contact may result in disqualification, termination, debarment and/or a determination of non-responsibility under applicable law.**



2. A Respondent may withdraw a proposal any time prior to the final due date and time by written notification, signed by an authorized agent, to the contact person identified in Section 8.1.1 above. The proposal may thereafter be resubmitted, but not after the final due date and time. Modifications offered in any other manner, oral or written, will not be considered.
3. If a Respondent discovers an ambiguity, conflict, discrepancy, omission or other error in this RFP, the Respondent should immediately notify the contact person identified in Section 8.1.1 above. Notice of such error or omission should be submitted prior to the final due date and time for submission of proposals. Modifications shall be made by addenda to this RFP. Such clarifications will be given by written notice to all parties who have received this RFP.
4. If a Respondent fails, prior to the final due date and time for submission of proposals, to notify DASNY of a known error or an error that reasonably should have been known, the firm shall assume the risk of proposing. If selected as the Fund Operators, the Respondent shall not be entitled to additional compensation or time by reason of the error or its late correction.
5. A Respondent indicates its acceptance of the provisions and conditions enumerated in this RFP by submitting a proposal.

## **8.2 DASNY Requirements**

1. By submitting a proposal, the Respondent covenants that the Respondent will not make any claims for or have any right to damages because of any misinterpretation or misunderstanding of the specifications or because of lack of information.
2. DASNY shall not be liable for any cost incurred by the Respondent in proposal preparation or in activities related to the review of this RFP or any interview costs.
3. Other than the contact person identified in Section 8.1.1 above, or their designee(s), prospective Respondents shall not contact DASNY employees during the period of this RFP process about any matters related to this RFP or any proposals submitted pursuant thereto.

## **8.3 DASNY Rights and Prerogatives**

DASNY reserves the right to exercise the following prerogatives:

1. To accept or reject any or all proposals and amend, modify or withdraw this RFP.
2. To correct any arithmetic errors in the proposals.
3. To change the final due date and time for proposals.
4. To accept or reject any of the Respondent's employees or proposed sub-consultants assigned to provide services on a project assignment and to require their replacement at any time. The Respondent shall obtain the written approval of DASNY of changes to the technical proposal after it is submitted, including any changes with respect to sub-consultants. DASNY shall have the right to reject any proposed change to the Respondent's technical proposal.
5. To waive or modify any irregularities in proposals received after prior notification to the Respondent. This will in no way modify the RFP documents or excuse the Respondent from full compliance with its requirements.

6. To accept a proposal for the engagement that may not be the lowest cost proposal.
7. To interview some or all of the Respondents prior to selection.
8. To reject any proposal containing false or misleading statements or that provides references that do not support an attribute or condition claimed by the Respondent.
9. To begin negotiations with the next most responsive Respondent to this RFP should DASNY be unsuccessful in negotiating terms with the selected Respondent within a reasonable time frame.

#### **8.4 Agreement Requirements**

##### 1. Agreements

- a. By submitting a proposal, the successful Respondent agrees to reference the RFP as part the Limited Partnership Agreement and any other contract with DASNY relating to this program.
- b. Any Agreement or amendments thereto will be considered effective only after approval by the appropriate DASNY authorities.

##### 2. Interpretation

- a. Any Agreements with DASNY shall be construed and interpreted in accordance with the laws of New York State. New York State shall also be the forum for disputes.

##### 3. Public Announcements

- a. Upon selection of the successful Respondent and contract execution, public announcements or news releases pertaining to the contract shall not be made without prior written consent of DASNY.

#### **Section 9 – Negotiation:**

After completion of the selection process, DASNY will commence negotiation of the Partnership Agreement and related agreements on the basis of terms set out in the Term Sheet

#### **Section 10 – Notification:**

Upon completion of the selection process, DASNY will notify all Respondents of its decision. Notification will be sent to the primary contact only. Shortly after notification the selected Respondent will be posted on DASNY’s website.

#### **Section 11 – Vendor Integrity:**

As a public entity, DASNY may only contract with entities that are determined to be responsive and responsible and said entities are required to maintain responsibility throughout the term of the services being provided. Respondents shall submit a Vendor Responsibility Questionnaire (“VRQ”) which is designed to provide information to assess a proposed vendor’s responsibility to conduct business in New York State. All VRQs shall be reviewed in accordance with applicable law, policy, rules, regulations and guidelines, including without limitation Executive Order Nos. 125, 170.1 and 192.

DASNY requires vendors to file the VRQ online via the New York State VendRep System (the “System”). To enroll in and use the System, see the System Instructions at [http://www.osc.state.ny.us/vendrep/vendor\\_index.htm](http://www.osc.state.ny.us/vendrep/vendor_index.htm) or go directly to the VendRep System online at <https://portal.osc.state.ny.us>. Respondents must provide their New York State Vendor Identification Number when enrolling. To request assignment of a Vendor ID or for System assistance, contact the Office

of the State Comptroller's ("OSC") Help Desk at 866-370-4672 or 518- 408-4672 or by email at [ciohelpdesk@osc.state.ny.us](mailto:ciohelpdesk@osc.state.ny.us).

In addition to completing the VRQ, Respondents must provide the following information:

1. Describe any past criminal or administrative proceedings or investigations against the Respondent, its affiliated entities and/or its current and former Respondent personnel, including investment professionals and senior non-investment professionals that left the Respondent in the last ten years ("Team Members"; note this term, which is used subsequently in this RFP, includes both current and former team members).
2. Describe any past investigations, censures, remedial proceedings and enforcement actions by an industry regulatory body of the Respondent, its affiliated entities and/or its Team Members in the last ten years.
3. Describe any pending threatened or ongoing litigation/investigation against the Respondent, its affiliated entities and/or its Team Members.
4. Describe any accusation and/or conviction of fraud or misrepresentation against any of the Respondent's Team Members in the last ten years.
5. Provide a copy of Respondent's most recent Financial Industry Regulatory Authority (FINRA) report, if available.

**Section 12 – Freedom of Information Law and Public Disclosure:**

This RFP and all information submitted in response to this RFP constitute "records" subject to disclosure pursuant to the New York State's Freedom of Information Law (Public Officers Law, Article 6, § 84-90, the "FOIL Law" or "FOIL"). FOIL reaffirms the public's right to know how government operates and requires that DASNY make its records available for public inspection or copying, except to the extent that records or portions thereof fall within one or more grounds for denial set forth in the §87(2) of the FOIL Law.

Should you feel your firm's proposal contains any such trade secrets, other confidential or proprietary information or is otherwise exempt from disclosure pursuant to FOIL, you must submit a request to exclude such information from disclosure. Such request must be in writing, must detail the information that should be exempt from disclosure, and must state the reasons why such information should be excepted from disclosure. DASNY will not honor any attempt, by a Respondent, to omit its entire proposal from disclosure.