

Medical Marijuana Dispensary Application Drawing
October 6, 2016
Arizona Department of Health Services
Procedures – Revised 10-03-16

1. Definitions: (in the order as they appear)
 - a. Henry & Horne, LLP (CPA)
 - b. Community Health Analysis Area (CHAA)
 - c. Atom Action Bubble Top Bingo Blower (machine)
 - d. White Bingo Balls (balls)
 - e. White Cotton Gloves (gloves)
 - f. Chain of Custody Sealed Bags (bags)

2. Purpose: To ensure fair and random conduct during the drawing of Medical Marijuana Dispensaries for competitive CHAAs throughout Arizona.
3. Responsibility: Division of Licensing and CPA to verify the procedure is followed.
4. The drawing will take place at the State Laboratory, 250 North 17th Avenue, Phoenix, Arizona 85007 on Thursday, October 6, 2016 beginning at 2:00 p.m. and ending approximately at 2:30 p.m.
5. The public will not be able to attend. One (1) principal officer and/or board member representative from each of the applications in the random selection process will be allowed to attend. ADHS ITS will stream a video of the process on a specific URL (<http://www.azdhs.gov/live>) so the public can watch each drawing.
6. Credentialed media will be permitted to attend. They must sign in prior to entering the Laboratory so a permanent record exists of all attendees. The log will contain individual name, company name, company address, telephone number, email address, and time in and out.
7. ADHS individuals will sign in, whether working or observing, so a permanent record exists. The log will include name, department, role, telephone number, and email address.
8. Approximately 49 applications have been determined to be complete and compliant pursuant to A.R.S. Title 36, Chapter 28.1, Arizona Medical Marijuana Act, 36-3804, Registration and certification of nonprofit medical marijuana dispensaries, and there is a tie or a margin of .1% or less in the patient scoring and by rule the winner in the CHAAs where that occurred will be randomly selected.

9. There will be less than ten (10) individual drawings for CHAAs where the winner will be randomly selected.
10. In 2012, as part of the initial random selection of applications for dispensary licenses, ADHS purchased three (3) machines from Kardwell International Inc. On September 26, 2016, the CPA purchased two (2) sets of balls from Kardwell International Inc. Each set contains seventy-five (75) individual balls; B1-15, I16-30, N31-45, G46-60, O61-75.
11. Per a letter received July 13, 2012, from Kardwell International, Inc., the machine randomly selects one ball from balls placed in the machine.
12. The CPA will use the "IDEA" software program to select a random sample to assign a ball number to each application per competitive CHAA. ADHS will provide a report to the CPA by competitive CHAA of the application numbers and the CPA will provide a range of ball numbers assigned to each application.
13. The CPA with the use of "IDEA" will assign a sequential ball number based on the order the random sample was selected. The CPA will maintain in his possession the detailed procedures and processes used to assign a number to the random sample selected using "IDEA".
14. The CPA will provide a report to ADHS for each competitive CHAA with the number of eligible applications, the application number and the assigned ball that will be placed in the machine.
15. The CPA will observe that his staff, wearing gloves, organizes and divides the balls into bags for each competitive CHAA. The bags will be sealed and identified with a label containing the CHAA number for the drawing and number of applications. The balance of the unused balls will be sealed in another bag(s). The bags will be in the custody of the CPA throughout the entire drawing process.
16. On the day of the drawing, the CPA will verify that the bags have not been opened.
17. The ADHS individual will move the machine to the State Laboratory.
18. At approximately 2:00 p.m., ADHS will start the process with the first competitive CHAA. The only individuals handling the lottery machine will be the CPA. The CPA will empty the bag of balls corresponding to the first CHAA for the drawing into the machine.
19. The CPA will place the cap on the top of the funnel from which the ball exits.
20. The CPA will press the button to turn on the machine.
21. The CPA will start a stop watch for at least fifteen (15) seconds so the balls will circulate within the machine. At the end of the fifteen (15) seconds the watch will be stopped and the cap on the funnel of the machine will be removed.

22. The CPA will remove the ball and read out loud the ball number and the corresponding application number.
23. The CPA will turn off the machine after the ball has been removed.
24. The CPA will remove the used balls from the machine, place them into a new bag along with the winning ball and the bag will be sealed.
25. The ball number and application number is recorded in a database by an ADHS program individual.
26. The next CHAA drawing will take place following the same process.
27. ADHS purchased two (2) backup machines. Should there be an issue with the first machine during a drawing; the 1st machine will be turned off. The balls in the hopper will be removed by the CPA. The CPA will remove the 1st machine; replace that machine with the 2nd machine. The CPA will then place the balls removed from machine one (1) into machine two (2). The drawing will then proceed with machine two (2). If machine two (2) has an issue, the CPA will remove the 2nd machine and replace that machine with the 3rd machine.
28. This procedure will be followed for each drawing for eligible CHAA.
29. The CPA will issue a report by October 31, 2016, to ADHS Program summarizing the procedures the CPA performed and that each drawing was conducted in accordance with the procedures established by ADHS.
30. ADHS ITS will record the entire process so that a permanent record exists for future viewing or public record requests.
31. ADHS will publish the random selection results on the www.azhs.gov website.