

April 6, 2012 CLARIFICATIONS AND AMENDMENTS:

Question 1:

Will you provide the aggregate dollars paid the private contractor currently delivering the aforesaid services for the 2011 year which coincides with the sales and inventory data presented in the appendix's H and J.

Answer: The current warehouse contractor bills vendors that utilize the facility (Law Warehouses) directly for the services provided. The NHSLC does not have the requested information.

Question 2:

Can you clarify the current agreement, appendix L? It is difficult to determine whether the schedule for inbound handling DOES include the costs for all outbound shipping. Differentiate between order processing and order fulfillment. Schedule D has contrary wording to Schedule L which may be your intention. Any clarification would be appreciated.

Answer: There are no charges for the preparation of outbound shipments. Transportation costs are paid by the Licensee and orders to Liquor and Wine Outlets are paid by the NHSLC. Please note that Appendix L combines both supplier costs and NHSLC costs. There are two appendices dealing with charges – Appendix D (Charges to Suppliers) and Appendix D-1 (Charges to NHSLC). If this does not answer Question 2, please email more specific questions.

Question 3:

Can you provide detailed historical data on receipts and shipments by sku so that we can equate the frequency and code quantities to the proposed response form?

Answer: Historical data for Calendar Year 2011 is available by request. Due to the large volume of material, special arrangements will be necessary in order to transfer this information to a potential bidder(s).

April 18, 2012 CLARIFICATIONS AND AMENDMENTS:

In Part 1, section 1.3, the vendors are invited to submit written inquiries to the Issuing Officer. A number of written inquiries were received by April 16, 2012, as well as questions raised during the vendor's conference. The official written responses are set out below. The NHSLC appreciates and encourages written inquiries. They provide effective communication among the NHSLC and vendors.

The NHSLC has extended the vendor inquiry period from Thursday, April 19, 2012 to Monday, April 23, 2012. The NHSLC is also extending the Final Response Deadline from Friday, April 27, 2012 to Tuesday, May 1, 2012. All other deadlines remain the same.

Clarification: Paragraph 1.9 Contract Performance Bond on Page 10-11 of the RFP identifies two performance bonds. The second performance bond is described in the last paragraph of 1.9 on Page 11. The first sentence in this paragraph is stricken and the following is added in its place:

"The successful vendor shall also be required to submit a separate performance bond or performance guarantee acceptable to the NHSLC. This bond or guarantee shall cover any and all costs related to the transition from the contract in force at the time to the new contract because the successful vendor is unable to perform duties under the contract as of November 1, 2013."

Question 1: Does the vendor's warehouse need to be physically located in the State of New Hampshire?

Answer: Yes. The vendor may have multiple locations, but they all must be in New Hampshire. See RFP, Section 3.0.1.

Question 2: What is the history of free warehouse storage for NHSLC product?

Answer: The current extension of the NHSLC contract with Law Warehouses (ending on April 30, 2012) calls for free storage of 25,000 cases per month for up to 28 days. Prior extensions of this same contract with Law Warehouses called for free storage of 20,000 cases for up to 28 days. The new 18-month contract with Law Warehouses starting on May 1, 2012 and ending on October 31, 2013 allows for free storage of 35,000 cases for 56 days.

Question 3: What is the cost to run the Concord warehouse?

Answer: In the most recent fiscal year ended June 30, 2011:

Concord Warehouse revenues (bailment)	\$1,719,743
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April 19, 2012 CLARIFICATIONS AND AMENDMENTS:

Clarification:

On page 48, the Roman Numerals are repeated in error. The page begins with XIII. The second to last paragraph is changed to XX, the last paragraph is changed to XXI. On page 49, the paragraphs are changed to XXII and XXIII.

Appendix C, paragraph XXII is deleted and the following is substituted:

XXII. The NHSLC will receive free storage for product owned by the NHSLC up to 35,000 cases for 90 days but will pay for inbound handling. See Appendix D-1 and Question 10 from April 18, 2012 answers.

Question 1: Part 1, Section 1.1, page 4, Paragraph (A) and (B). Please clarify what the differences are between these two requirements.

Answer: See April 18, 2012 Clarifications and Amendments

Question 2: Part 1, Section 1.2, page 5. The RFP states that the new warehouse operations must be functioning "on or before October 31, 2013." Part 1, Section 1.25, page 17 states that the NHSLC will "select a period during a time of slow sales (such as January-March)...for the transfer of all product from the "old" to the "new" Warehouse." Please clarify the time frame differences.

Answer: The timeframes are different because they apply to two different events. Part 1, Section 1.2, page 5 contains the requirement that the warehouse be functioning on or before October 31, 2013.

Part 1, Section 1.25, page 17 applies after the contract has been awarded. It describes the transition that can occur at the end of the contract or in the event that the contract is terminated.

There is also a transition contained in Part 3, Section 3.0.11, page 25. This transition applies to the beginning of the new contract. The new warehouse must be fully stocked and functioning on October 31, 2013. The product in the new warehouse as of October 31, 2013 will arrive directly from suppliers. After the new warehouse is operational, the remaining inventory will be moved from the old to the new warehouse.

Question 3: Part 1, Section 1.14, page 13. If a proposer needs to submit a redacted version of its Proposal, how many copies of the redacted version are needed? Is the redacted version a paper copy or an electronic copy or both?

May 1, 2012 CLARIFICATIONS AND AMENDMENTS:

The Vendors' attention is drawn to Sections 1.7.1, 1.7.2 and 1.7.3. Read in conjunction, these sections should be understood as described below.

The proposal must contain a written response to all portions of the RFP and appendices. The response shall at least be "understood," which means that the Vendor agrees and takes no exception to that portion of the RFP. Even where the RFP "requires" that a particular task be accomplished, the Vendor may take a clearly described exception and, if possible, suggest an alternative. The NHSLC may waive mandatory requirements and accept alternatives deemed to be in the best interest of the NHSLC. The Vendor should make every effort to agree to the requirements of the RFP to the greatest extent possible in order for the Evaluation Committee to be able to compare similar proposals.

In the answers to the questions previously submitted and to the questions contained in this document, the Evaluation Committee has provided as much clarity as possible regarding the requirements of the RFP. The overarching desire of the NHSLC is for the Vendors to propose a system that will provide the highest possible efficiencies at the lowest possible cost.

Statutory interpretation for the executive branch is in the provenance of the attorney general. None of the following answers constitute an attorney general opinion.

Correction:

In Appendix H, on Page 78, there is an error in the monthly and total case shipments from Law Warehouses for FY11. Those numbers should read:

	<u>FY 11 Cases</u>		
	Concord	Law	Total
July	123,761	321,605	445,366
August	126,782	341,539	468,321
September	109,441	297,487	406,928
October	98,018	299,335	397,353
November	106,676	356,349	463,025
December	110,352	372,867	483,219
January	70,212	242,452	312,664
February	69,810	245,093	314,903
March	85,462	261,567	347,029
April	81,768	266,291	348,059
May	94,269	287,897	382,166
June	<u>119,272</u>	<u>344,709</u>	<u>463,981</u>
Total	1,195,823	3,637,191	4,833,014

May 8, 2012 CLARIFICATION REGARDING QUESTION #3 OF MAY 1, 2012
CLARIFICATIONS AND AMENDMENTS:

The Evaluation Committee is examining the May 1, 2012 answer to Question #3. We believe the answer is accurate as far as it goes. The question also raises the issue of cross-ownership. We are considering whether it is necessary to provide a more detailed answer focused on this issue. We plan to issue a clarification, if any, by Monday, May 14, 2012.

Further Clarification of Question #3 from May 1, 2012 CLARIFICATIONS AND AMENDMENTS:

The Evaluation Committee has had an opportunity to reflect on the answer to Question 3, May 1, 2012 Answers, and in the interest of further guidance adds the following:

Please note that the product stored in a licensed warehouse must belong to a retailer, vendor, wholesale distributor or manufacturer licensed in this state. RSA 178:11, I. A warehouse shall not sell any liquor, wine, or beverage stored on the warehouse's premises. RSA 178:11, III. A reasonable interpretation of this statute is that the warehouse cannot own or sell Product.

Question 3 raises the issue of cross ownership. The original answer accurately described the process used to apply for a license. If a Bidder is not a Vendor or already has a Warehouse license, the question is moot.

This is not, however, the answer to the entire question. The issue that remains is whether an entity that is a Vendor or is eligible to have an NHSLC license to own or to sell product can meet the criteria of RSA 178:3 and RSA 178:11. The answer to this question turns on the nature of the entity. RSA 178:3 contains very subjective requirements. Taken alone, it is probable that the NHSLC will not use its discretion to allow an entity that is licensed as a vendor or eligible to sell or own product to obtain a warehouse's license. As stated previously, an entity that is not a Vendor or eligible to be a Vendor, all other requirements being met, will probably be able to obtain a warehouse's license under the discretion of the NHSLC. These are the two ends of the spectrum. There is room between these ends for an entity to obtain a warehouse's license and to have some relationship with another entity that is or is eligible to be a Vendor. Ultimately, the NHSLC will have to decide where the line is drawn. Any Bidder that has another NHSLC license should take this into consideration in constructing its proposal. When proposals are received, the Evaluation Committee and the Commissioners will review the nature of the entity submitting the proposal. The EC and/or the Commissioners reserve the right to request that the entity be modified.

July 23, 2012 CLARIFICATIONS AND AMENDMENTS:

AMENDMENT:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion.

The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 - August 1, 2012 to June 7, 2012 – **August 10, 2012.**

July 27, 2012 CLARIFICATIONS AND AMENDMENTS TO LONG-TERM WAREHOUSE RFP:

The Evaluation Committee provides the following clarification to Appendix E, Exhibit C, Paragraph 26, **Contract Transition Period**, Page 67. Paragraph 26 provides for a transition period at the end of or during the contract that will go into effect on November 1, 2013. It contemplates two different scenarios. In one scenario, the Vendor has successfully completed the contract but a new Vendor has been awarded the contract that will begin in 2033. In that event, as Paragraph 26 currently reads, the NHSLC shall bear the cost associated with transfer of product and control from the old warehouse to the new warehouse. The second scenario is when the Vendor who has been awarded the contract that begins in 2013 has defaulted as provided in Paragraph 8. In that event, as paragraph 26 currently reads, the defaulted Vendor may bear some or all of the costs associated with the transfer of product and control from the old warehouse to the new warehouse.

In Section 1.5.3, Page 8 of the RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion. The NHSLC has made the following amendments:

1. The NHSLC is willing to allow a vendor to take an exception to Section 1.5.4 of the RFP, Page 8, Assignment Provision. In the event of an exception, the section will be deleted. The same option is available for Appendix E, Exhibit C, Paragraph 27, Page 68 of the RFP, Assignment Provision. There is no requirement that an exception be taken.
2. The NHSLC hereby amends Appendix A, 3.4, Warehouse License, Page 39, by striking the last sentence. In its place, the following is inserted: "A Vendor who has a NH Warehouse license shall submit a copy of the current license. A Vendor who does not have a NH Warehouse license shall be prepared to provide such a license upon demand by the NHSLC." For example, the requirement in Exhibit C, Paragraph 1.14.1.6, Page 66, is a requirement that will need to be met in the future. The same is true for similar requirements in the RFP including, but not limited to, Exhibit C, Paragraph 2, Page 63, and Appendix C, VII, Paragraph 11, Page 46.
3. The NHSLC will not allow any amendment or exception to Appendix E, Paragraph 13, **INDEMNIFICATION**.

August 8, 2012 CLARIFICATIONS AND AMENDMENTS:

AMENDMENT:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion. The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 - August 1, 2012 to June 7, 2012 – **August 17, 2012.**

August 14, 2012 – CLARIFICATIONS AND AMENDMENTS:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion. The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 - August 1, 2012 to June 7, 2012 – **September 12, 2012.**

This date is well within the requirement that the proposals remain valid for a period of 210 days from the proposal due date (June 7, 2012). The Evaluation Committee will continue to work as quickly as possible to allow the NHSLC to reach contract award. Vendors may be asked for additional oral and/or written presentations in NHSLC's continuing effort to identify the proposal most advantageous to the State of New Hampshire.

If you have any questions or comments, please direct them via email to me, Craig W. Bulkley, as the issuing officer.

September 12, 2012 – CLARIFICATIONS AND AMENDMENTS:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion. The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 – September 12, 2012 to June 7, 2012 to a **date to be announced shortly**.

This date will be well within the requirement that the proposals remain valid for a period of 210 days from the proposal due date (June 7, 2012). The Evaluation Committee will continue to work as quickly as possible to allow the NHSLC to reach contract award. Vendors may be asked for additional oral and/or written presentations in NHSLC's continuing effort to identify the proposal most advantageous to the State of New Hampshire.

If you have any questions or comments, please direct them via email to me, Craig W. Bulkley, as the issuing officer.

September 14, 2012 – CLARIFICATIONS AND AMENDMENTS:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion. The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 – September 12, 2012 to June 7, 2012 to a **date on or before Wednesday, November 14, 2012.**

The NHSLC intends to award a contract within the 210-day period reserved in the RFP. The review of the proposals by the Evaluation Committee continues; no vendor has been selected at this time. The NHSLC plans to award a contract on or before November 14, 2012.

If you have any questions or comments, please direct them via email to me, Craig W. Bulkley, as the issuing officer.

November 13, 2012 – CLARIFICATIONS AND AMENDMENTS:

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion.

The NHSLC hereby amends Section 3.0.1, Page 19 of the Warehouse Services RFP, by adding a new sentence at the end of the section. “A Vendor may change the proposed location of its warehouse, provided however, that no such change shall be allowed once a Best and Final Offer (BAFO) has been requested.”

Pursuant to Section 1.2, Page 4, the NHSLC has sole discretion to change the Schedule of Events including binding deadlines. The Schedule of Events contained in Section 1.2, is amended to change “on or before September 1, 2013,” to “on or before October 31, 2013.” Strike in its entirety, the sentence “September 1 – October 31, 2013 – Period reserved, if necessary, for contingencies.”

November 14, 2012 – CLARIFICATIONS AND AMENDMENTS

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion.

Pursuant to Section 1.2, Page 4, the NHSLC has sole discretion to change the Schedule of Events including binding deadlines. The Schedule of Events contained in Section 1.2 is amended to change “June 7, 2012 to a date on or before Wednesday, November 14, 2012” to “June 7, 2012 to a date on or before Friday, November 16, 2012.”

November 16, 2012 – CLARIFICATIONS AND AMENDMENTS

Pursuant to Section 1.5.3, Page 8 of the Warehouse Services RFP, the NHSLC has the authority to amend the RFP at any time and at its sole discretion.

Pursuant to Section 1.2, Page 4, the NHSLC has sole discretion to change the Schedule of Events including binding deadlines. The Schedule of Events contained in Section 1.2 is amended to change “June 7, 2012 to a date on or before Friday, November 16, 2012” to **“June 7, 2012 to a date on or before Wednesday, November 21, 2012.”**