

STATE OF NEW HAMPSHIRE  
NH LIQUOR COMMISSION RFP 2012-14  
Warehouse Services for Spirits & Wine Product,  
Equipment & Supplies

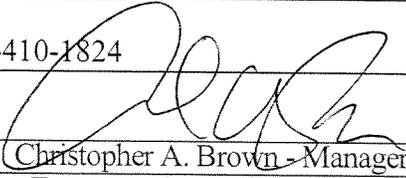
Proposal Offer

The undersigned hereby offers to provide to the New Hampshire State Liquor Commission the services indicated in this Proposal at the pricing quoted herein in complete accordance with all conditions of the Commission's Request For Proposal.

Name: Hat Trick Logistics, LLC

Address: P.O. Box 267  
Concord, NH 03301

Telephone: 603-410-1824

By:   
Christopher A. Brown - Manager  
Type or print name and title

THIS PROPOSAL OFFER IS NOT VALID UNLESS SIGNED BY A  
PERSON AUTHORIZED TO LEGALLY BIND THE VENDOR.

This Proposal offer must be executed by the Vendor and attached to the front of its  
submission. This Proposal is to remain valid for a period of 210 days from the  
Proposal due date.

Execution of Proposal Offer form signifies agreement to enter into a contract with the  
NHSLC  
which contains the General Provisions described in APPENDIX E.

PROPOSAL OF HAT TRICK LOGISTICS, LLC

IN RESPONSE TO NHSLC RFP 2012-14

WAREHOUSE SERVICES FOR WINE AND SPIRITS AND RELATED PRODUCTS

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**SECTION I: EXECUTIVE SUMMARY**

**Introduction:**

Hat Trick Logistics, LLC (“Hat Trick Logistics”) is pleased to provide this response to the New Hampshire State Liquor Commission’s (“NHSLC”) Request for Proposals 2012-14 (“the RFP”) for warehouse services for wine and spirits and related products. Hat Trick Logistics exceeds the minimum standards for NHSLC’s consideration by harnessing the combined alcoholic beverage industry knowledge, financial strength, beverage warehousing experience, and the respected business reputation of three multi-generational New Hampshire-based companies.

In our approach, we recognize the importance of the revenue generated by the sale of wine and spirits (and beer) to the State of New Hampshire. Revenue can be enhanced by increased sales or improved margins and the challenge is to find a balance that can drive both. On the one hand, choice, value and convenience can improve top line growth but go too far, and operational costs increase to a point where margin begins to erode. Conversely, a too-tightly structured operation can deliver excellent margin but at the expense of customer satisfaction and access to the products they desire.

To remain viable long-term, the State system must satisfy consumers and other constituents to a degree that they are content with the current scheme even when presented with other options such as privatized or hybrid systems. Our goal is to have the warehousing portion of the New Hampshire system deliver such balance and satisfaction.

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Hat Trick Logistics understands that NHSLC is seeking a warehouse operator who can maximize state revenues and operational and logistical efficiencies, and provide exceptional customer service to licensees and suppliers. Hat Trick Logistics also understands that the NHSLC desires to minimize costs and inefficiencies to the state, its suppliers, its logistics vendors and its licensees at every point in the supply chain. Hat Trick Logistics' experience and capabilities, as outlined below, will assist the NHSLC in meeting these goals.

**Hat Trick Logistics' Experience and Qualifications:**

Hat Trick Logistics' qualifications and capabilities to provide the requested warehouse and related services can be summed up very simply with the phrase "The Power of Three." The Power of Three experienced, reputable and long-standing alcoholic beverage industry professionals provides the NHSLC with assurances that warehouse and related services will be performed at a very high level. The members of Hat Trick Logistics - New Hampshire Distributors, Inc., Bellavance Beverages and Clarke Distributors - are established leaders in the New Hampshire alcoholic beverage industry with aggregate resources and experience that include:

- 3 Multi-generational families of ownership who live in New Hampshire
- 10 Counties: Intimate familiarity with NH geography, licensees and retail account expectations
- 12 people experienced with working with the NHSLC team; Who understand the high expectations and standards set by this NHSLC team

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- 100s of water, beer, wine suppliers who are local, regional national and global.
- 240 years in the alcoholic beverage sales, warehousing and delivery business
- 250 Employees
- 2,500 NH Licensees serviced at least weekly (if not 2-3-4x per week)
- 5,000 in-bound loads received per year
- 12,000 out-bound trucks loaded per year
- 5,000 beverage SKUs safely and efficiently warehoused
- 120,000 customer orders processed per year
- 150,000+ sf of temperature controlled warehouses in NH
- 1,000,000 Miles driven per year by our delivery trucks
- 9,000,000 cases loaded and delivered annually (cans, bottles, growlers, kegs, boxes and pouches)

The members of Hat Trick Logistics have succeeded in the alcoholic beverage warehouse and delivery industry because they periodically and introspectively and ask themselves tough questions like: ***How can we conduct our operations better, faster, safer and cheaper?***

These questions can only be answered by companies who understand the need to:

***Invest in new IT technology, building and facility infrastructure, employee training and materials movement and handling equipment.***

These investments allow the members to run exceptionally efficient warehouses that

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strive to maximize product delivered, and minimize effort and cost by using state of the art systems. They also require a level of financial strength and stability that is more uncommon among companies. The members leverage their capabilities to capitalize on expansion opportunities that are expected by customers and suppliers to meet their growing needs.

Successful investments can only be made with the support of talented employees and trusted vendor partners. Our partners include professionals from the banking, finance, insurance, heavy trucking manufacturers, warehouse equipment, and technology industries. References from some of them are included with this proposal. In addition, Hat Trick Logistics' member warehouses work with every possible form of trucker under a wide range of circumstances. We fully realized that the warehouse and the transportation pieces must work together like two well-oiled machines.

Hat Trick Logistics values its long-term customer relationships, and strives to provide excellent service. Our employees are integral to this effort and we have weathered many disasters with level-headed thinking and solid contingency plans to ensure minimal business interruptions. We also understand that day to day issues arise constantly when dealing with very large volumes of product, accounts, suppliers and delivery schedules. We solve these all day - every day because it's what we know how to do. We also realize that even though we will solve a problem, it is critical to make sure all constituencies are aware of what has happened (licensee, driver, supplier).

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**Transition Issue:**

We realize that the RFP focuses intently on transitioning from the existing warehouse arrangement to a new one. A seamless transition will be critical to avoiding any disruption to licensees. However, once the transition is complete, the NHSLC and its contractors must forge ahead to meet future challenges as they arise. We believe that the NHSLC will always bring in more SKUs and add new stores. The warehouse vendor must be familiar with this model and plan for the future now. Whether it's planning for more frequent in-bound loads, a brand extension or more frequent deliveries, plans for those events must be underway now. We have been doing such future planning for generations and will continue to operate that way for generations to come.

**Hat Trick Logistics' Financial Stability and Capacity:**

In the fast-paced, dynamic, and increasingly complicated alcoholic beverage industry, the NHSLC is very wise to seek the absolute best vendor partner for its wine and spirits storage and warehousing. The individual and collective strength of the members comprising Hat Trick Logistics amply demonstrates this vendor's financial stability and capacity to provide the services and meet all of the other obligations that the RFP is seeking. In addition, certifications provided by the Rowley Insurance Agency demonstrate Hat Trick Logistics' ability to secure the insurance and bonding required by the RFP.

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**Technical, Service, Project Management and IT:**

On-site IT support is critical to suppliers, licensees and warehouse operations. Hat Trick also brings its own in-house IT resources to every challenge on an as-needed basis. This will be critical to creating long-term solutions or troubleshooting short-term issues.

Warehouse Management Systems (WMS) are common these days. It's important to make sure the WMS used is the best tool for the task at hand, and that is why we are proposing to use the services of Vermont Information Processing (VIP) of Colchester, Vermont. The WMS provided by VIP is a location -based system for receiving, inventorying, picking, loading and verifying all product entering and exiting the building. We understand that the NHSLC has very specific tracking needs. We believe these needs can be met successfully through using VIP so that the state's liquor operations stay current and relevant. We will continue to review our WMS to ensure it remains relevant.

**Overall Solution:**

As requested by the RFP, two pricing proposals have been included in this Response/Proposal: (A) a single warehouse based on the combined volume of the two existing warehouses and (B) two separate warehouses based on the volume currently handled by a private warehouse and the state's warehouse.

In either case, the technology, processes, types of equipment and ingenuity would be the same. Less space and racking would be needed in the two warehouse scenario and adjustments would be made in warehouse rooms #1 and #2 to accommodate these if the NHSLC preferred that scenario.

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Hat Trick Logistics, LLC believes that the best solution is the single warehouse solution. Given the large fixed costs associated with this project, it is the optimal scenario. This would provide sufficient volume and economies of scale to allow for large capital investments necessary to provide the highest service levels and innovation, as well as ongoing operational costs associated with the project. One location would optimize truck loading and scheduling and ensure efficient, timely deliveries of all product.

**Pricing and Innovation:**

Hat Trick Logistics understands the depth and scope of this critical RFP. This Proposal provides solutions that include: competitive pricing, revenue sharing, technology-based efficiencies, future opportunity for single point of contact logistics, and the best and brightest people with long histories of New Hampshire business experience and success.

**Conclusion:**

In short, Hat Trick Logistics is well-positioned to meet all of the requirements of the RFP. We look forward to discussing all of our responses to the RFP with the Executive Committee, especially those that provide innovative solutions that will assist the NHSLC and the State of New Hampshire in maximizing revenues from its liquor and wine sales system.

## **SECTION II: GLOSSARY OF TERMS AND ABBREVIATIONS**

- AS 400: IBM mainframe computer
- Beverage Carts: Used in picking process to facilitate movement of an order through the warehouse
- Box Trucks: Also known as Bobtail; Loaded from rear; not a tractor; typically 6-10 wheelers
- Cycle Count: Physical Inventory of specific items or locations in warehouse
- FIFO: First in - first out
- Football: Individual employee's Voice Picking computer unit
- ISV Interface: Independent Software Vendor capabilities
- RF Scanner: Radio Frequency scan gun
- Layered Inventory: Product warehoused to a specific location by date, receipt and amount
- Live Unload: In-bound load unloaded while the trucker waits
- NHSLC: New Hampshire State Liquor Commission
- PICKCTRL: Program in voice pick used to configure picking for each region
- PICKSTAT: Program in voice pick used to analyze picking efficiency
- R & D: Research and Development
- RF Scanner: Scanning tool used to receive loads into inventory from an in-bound load
- RF Verify: Verification of items with Radio Frequency scan gun

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- SKU: Stock Keeping Unit
- Slip sheet Machine: Equipment used to remove slip sheets from inbound product
- T-5 Motion Lights: State of the art; energy efficient lighting; lights activated by motion
- Totes: Used in product picking process
- U.L.: Underwriter's Laboratory
- Unique Pick Location: Spots dedicated for an individual product package and size;
- VIP: Vermont Information Processing
- Voice Pick System: Wireless system used to allow a picker to select product through a series of voice prompts
- Walkie Rider: Equipment used by selectors used to move product where user rides on the machine when navigating the warehouse
- Wireless environment: Allows warehouse personnel to operate using mobile technology without traditional data connected with WIFI to all peripherals
- WMS: Warehouse Management System
- Zebra Printer Zebra Printer: Industrial caliber barcode, text and graphics printer

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**SECTION III: RESPONSE TO ALL SECTIONS OF RFP 2012-14**

**HAT TRICK LOGISTICS, LLC RESPONDS TO NHSLC RFP 2012-14 AS FOLLOWS:**

**Part 1. GENERAL INSTRUCTIONS TO VENDORS**

Section 1.0 (Definition of Terms) is understood.

Section 1.1 (Purpose) is understood. Further answer: Proposals for both a single warehouse and two separate warehouses is presented in the response to RFP Appendices D and D-1.

Sections 1.2 through 1.5.7 are understood.

Section 1.5.8 is understood with the following exception: Because Hat Trick Logistics, LLC is a newly-formed entity, it does not have audited annual financial statements for the past three years. As an alternative, Hat Trick Logistics, LLC submits the following information as evidence of its solvency and ability to conduct the large-scale operation anticipated by the RFP: The three members comprising Hat Trick Logistics, LLC are wholesale distributors licensed by the NHSLC. They each have met bonding, financial and other obligations required of NHSLC licensees, and are in good standing with the NHSLC. Their individual and collective financial strength, as evidenced by the longevity of their respective companies and their solid business reputations, demonstrates that Hat Trick Logistics, LLC is financially capable of providing the services described in the RFP. In addition, Hat Trick Logistics, LLC has submitted a letter from the Rowley

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Insurance Agency in Section IV, 10 attesting to its familiarity with the Fiscal Year End Financial information of all three members of Hat Trick Logistics, LLCs and concluding that the company “is more than strong enough to offer the State of NH the financial stability and capacity to fund the proposed operation” described NHSLC RFP 2012-14. Lastly, Hat Trick Logistics would be happy to answer NHSLC’s specific questions about Hat Trick Logistics, LLC’s financial capabilities.

Sections 1.6 through 1.7.2 are understood.

Section 1.7.3 (Innovation) is understood. Further response: Please see Appendix R to this Response/Proposal for a list of innovative technologies, operations, sustainability initiatives and value- added services that Hat Trick Logistics, LLC will utilize and/or provide in connection with a contract awarded to it pursuant to the RFP.

Section 1.7.4 (Financing) is understood. Further response:

Hat Trick Logistics, LLC proposes to finance this project through a combination of bank loans and equity contributions. The LLC Members will each contribute equity in the amount of 10% of total funding needs, and the balance will be obtained from Citizens Bank in the form of a working capital line of credit, and term loans for the equipment financing. It is anticipated that the initial total funding needs will be \$3.75 million. Members will contribute 30% in the form of equity, and the balance of 70% will be obtained through bank financing. Details of the estimated costs and terms of financing are below.

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Revolving working capital line of credit.

Terms: \$750,000 availability, at the most competitive interest rate, to fund start-up costs, and provide sufficient liquidity to fund the ongoing operational needs of the warehouse.

Start-up costs include legal, accounting, consulting and financing fees, recruiting and training of new employees, implementation of IT systems, operations.

Capital expenditures.

Terms: \$3 million, 7 year fully amortizing term note, at the most competitive interest rate to fund fit up of warehouse with racking, security cameras, and innovative technologies, and to procure warehouse equipment such as fork lifts, floor washers and pallet jacks required for a professional, efficient, state of the art warehouse.

Hat Trick Logistics, LLC Members have business relationships with a number of financial institutions and will obtain the most favorable financing terms available in order to provide the lowest cost and most favorable fee structure.

Section 1.8 is understood.

Section 1.9 is understood. Further response: Documentation that surety can be furnished is provided in Section IV.

Sections 1.10.1 through 1.10.3 are understood.

Section 1.10.4 (Rate changes) is understood with the following exception: delete from said Section 1.10.4 the words "limited to the CPI for the previous twelve (12) months

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and”.

Sections 1.11 through 1.19 a. are understood.

Section 1.19 b. is understood. Further response: Please see the response to RFP Appendix E as amended by Exhibit C for the terms and conditions that Hat Trick Logistics, LLC wishes to negotiate and/or amend and the additional terms and conditions that it wishes to include in the contract.

Sections 1.20.1 through 1.20.3 are understood.

Sections 1.20.4 and 1.20.5 are understood with following exceptions/additional language noted in italics:

1.20.4 The State shall *immediately* provide Contractor with written notice of any such funding shortfall.

1.20.5 Contractor may cease providing Services to the State for which the State cannot or fails to make payment, and will not be obligated to resume provision of Services to the State if funding for continued payments under the Agreement is not obtained, including without limitation, funding for any arrearages. *Contractor may also pursue any additional legal or equitable remedies for such inability or failure to make payment for Services.*

Section 1.20.6 is understood.

Sections 1.21 (Subcontractor) and 1.21.1 (Conflict of Interest) are understood. Further response: The following is a list of potential subcontractors that may be used by Hat

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Trick Logistics, LLC to assist in meeting its obligations under a contract awarded pursuant to this RFP, as well as statements indicating any contracts each subcontractor currently has with the State of New Hampshire and/or any other parties that may present a conflict of interest:

**ADT Security Services**

18 Clinton Dr.

Hollis, NH 03049

Paul Trappane, Tim McCully

603-594-5953

Fire and burglary security installation and monitoring services.

- ADT currently provides services to the State of New Hampshire including the Department of Health and Human Services and the New Hampshire Supreme Court. Hat Trick Logistics, LLC is unaware of any other contracts held by ADT that may present a conflict of interest.

**One Source Security**

446 DW Highway

Merrimack, NH 03054

Steve Hammes

603-645-5969

Surveillance cameras, FOB access

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- One Source Security currently provides resources to the University System of the State of New Hampshire. Hat Trick Logistics, LLC is unaware of any other contracts held by One Source Security that may present a conflict of interest.

**Century Mechanical, Inc.**

58 Chennel Drive

Concord, NH 03301

Rob Hansen

603-224-3284

HVAC, general plumbing

- Century Mechanical, Inc. has a contract with the State of New Hampshire for the state prison system HVAC maintenance. Hat Trick Logistics, LLC is not aware of any other contracts that Century Mechanical has with any other party that may present a conflict of interest.

**Crown Lift Trucks**

2 Presidential Way

Woburn, MA 01801

Joe Miller

781-933-3366

Racking, conveyors, material handling equipment

- Hat Trick Logistics, LLC knows of no current contracts that Crown Lift Trucks has with the State of New Hampshire or any other party that may present a conflict of interest.

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**Warehouse Owner: NIP, LLC**, a joint venture between Hackman Capital Partners, LLC, Calare Properties, Inc., Oaktree Capital and KBS Realty.

**Warehouse location:** 59 Daniel Webster Highway, Merrimack, NH

- Hat Trick Logistics, LLC knows of no current contracts that NIP, LLC has with the State of New Hampshire or any other party that may present a conflict of interest.

**Vermont Information Processing**

402 Watertower Circle

Colchester, VT 05446

Heather Burnett

802-655-9400

WMS systems, software solutions, ASP computer host

- Hat Trick Logistics, LLC knows of no current contracts that VIP has with the State of New Hampshire or any other party that may present a conflict of interest.

**Control Technologies**

70 Zachary Road

Manchester, NH 03109

Ken Munsey

603-626-6270

HVAC controls and monitoring

- Control Technologies currently has the controls and mechanical contracts for all the NH Courts and the mechanical service contract for the majority of the larger

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State buildings. Hat Trick Logistics, LLC is unaware of any other contracts held by Control Technologies that may present a conflict of interest.

The General Manager of Hat Trick Logistics, LLC will be responsible for overseeing any work performed by potential sub- contractors. It is the intention of Hat Trick Logistics, LLC to perform the necessary warehouse and loading work with its own employees and only use sub-contractors for the purpose of providing equipment, racking, software and monitoring. It is understood that the use of any and all such subcontractors must be approved in advance by the NHSLC. See attached W-9's from potential subcontractors.

Section 1.22 is understood with the following exception/additional language noted in italics:

Each Vendor shall submit a guaranty in the amount of \$50,000 which may be in the form of a bid bond or certified check made payable to the NHSLC. By submitting a Proposal, each Vendor pledges to enter into a contract with the NHSLC on the terms stated in the RFP to the extent the Proposal accepts such terms. If a selected Vendor fails or refuses to enter into such a contract without just cause, the amount of the Proposal guaranty shall be forfeited to the NHSLC as liquidated damages, and not as a penalty. The determination of whether a Vendor has just cause is in the sole discretion of the Chairman of the NHSLC. *If the above-referenced Proposal guaranty is forfeited by the Vendor, the NHSLC shall have no further cause of action against the Vendor for the Vendor's failure or refusal to enter into a contract without just cause.*

Sections 1.23 through 1.25 are understood.

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**PART 2      GENERAL**

Sections 2.1 through 2.2.4 are understood.

**PART 3      TECHNICAL SPECIFICATIONS AND REQUIREMENTS**

Sections 3.0.1 through 3.0.2 are understood.

Section 3.0.3 (Conducting Business with the NHSLC): Exception as follows:

Vendor shall provide data-transfer capability at all times except as reasonably necessary for system and file maintenance. Such down time will be scheduled so as to not disrupt normal business operations and will be communicated in advance.

Vendor acknowledges both the ability and desire to accommodate periodic updates and enhancements to NHSLC and Warehouse computer and software systems. NHSLC and Warehouse will work cooperatively to plan and implement updates, enhancements and transitions. Large scale changes and/or migration to new systems can have significant cost implications for both parties and may necessitate adjustments to the Warehouse fee schedule. NHSLC and Warehouse will work cooperatively identify, fund and implement large scale changes or migrations that will improve the overall operations for both parties.

Section 3.0.4 (Warehouse General Requirements) is understood. Further response:

The warehouse facility is located at 59 Daniel Webster Highway in Merrimack, New Hampshire. General information regarding the warehouse facility, including the major

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lease terms and conditions (exclusive of base rental rate) is submitted in Section IV, 16. A large photograph of the exterior of the warehouse as well as aerial photographs are submitted in Section IV, 17. The warehouse will be kept in excellent operational condition at all times. The management team of Hat Trick logistics, LLC will continuously plan for and implement, when necessary, warehouse upgrades which may include additional storage space, additional cooler space, software and data base and training. All products will be stored at the required temperatures (45 to 85 degrees Fahrenheit), with a possibility of up to 7,500 square feet of chiller space at 55 degrees Fahrenheit based upon supplier demand.

The warehouse will have ample receiving crews and equipment to accommodate inbound loads so that no scheduled load will be stored in unhoused trailers for a period sufficient to allow an unsuitable storage temperature to develop. All inbound product will be unloaded within a 2 hour time frame after arriving on the dock within the window of its scheduled time.

The warehouse will be utilizing a warehouse management system (WMS) provided by Vermont Information Processing (VIP) of Colchester, Vermont which is a location based system for receiving, inventorying, picking, loading and verifying all product entering and exiting the building. The warehouse will be zoned and sectioned into "pick areas" and "bulk storage" areas as well as areas for staging, loading and chilling the product.

Hat Trick Logistics, LLC will ensure that all product is received and loaded using FIFO and all NHSLC product will be depleted first, unless otherwise requested by the NHSLC.

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All receiving, picking loading and verifying will be completed by RF guns in a completely wireless environment. The advantages:

- Receive product effectively
- Put away to maximize outbound efficiency
- Move product with a scanner
- Use directed picking to maximize speed and accuracy
- Drop and run” at delivery

All picking will be done with the Voice Pick System. This hands free, paperless environment allows for maximum efficiency. The advantages:

- Speed
- Accuracy
- Accountability

Loading will be completed with the VIP Truck Loading software component. Loaders will use the RF gun to load pallets onto outbound vehicles in the prescribed method. The advantages:

- Efficiency
- Accuracy
- Accountability

Hours of Operation for the warehouse and its components:

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- Receiving Hours      Monday through Friday      6:00 AM to 9:00 PM
- Picking Hours      Monday through Friday      6:00 AM to 3:00 PM  
3:00 PM to 12:00 Midnight      (If necessary)
- Replenishment Hours Monday through Friday      12:00 Midnight to 6:00 AM  
(If necessary)

**PLUS** weekends and Holidays by appointment and/or special circumstances.

The warehouse will be upgraded on a continuing basis. As new equipment, technology or safety ideas surface, the Company will perform necessary due diligence to incorporate them into the current configuration and implement them if they prove to be more efficient and economical.

The VIP solution will allow for all the necessary data transfer to the NHSLC including daily transmissions of files and inventory information. The management of Hat Trick Logistics, LLC will be constantly be focusing of people, technology and processes for continuous improvement.

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## Prerequisite Equipment

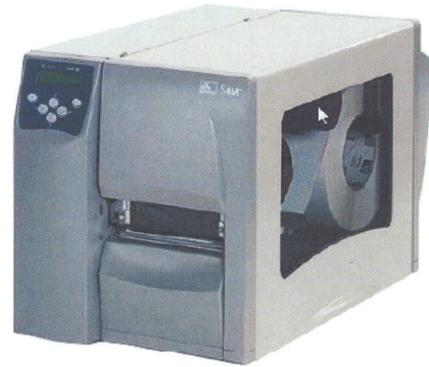
**RF**



**Wireless**



**Zebra Printer**





Section 3.0.4.1 is understood. Further response: It is understood that Hat Trick Logistics, LLC will conduct a full and complete inventory on an annual basis at the time and direction of the NHSLC and will provide an accurate book inventory (data files and reports) coinciding with the State's Fiscal Year end. The WMS and layered inventory control will allow this inventory to be taken as quickly and accurately as possible. Upon

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notice from the NHSLC, Hat Trick Logistics, LLC will prepare for a (weekend) inventory by notifying suppliers, retail outlets and trucking companies. During this inventory time normal receiving, picking and loading should be halted to allow for a static environment to prevent potential miscounts. However; as always, emergency needs can be accommodated with proper notice.

Daily cycle counts via the WMS will be conducted and additional cycle counts will be automatically prompted when product is depleted or short, or deemed necessary by the NHSLC. The warehouse inventory manager will reconcile differences with the NHSLC on a continuing basis and allow for up to date, accurate data and submit to random audits of product by the NHSLC's auditors, or the NHSLC. Furthermore, it is understood that the Warehouse is required to comply with the audit requirements of the NHSLC's auditors to ensure tight control of product and to assure the financial condition of the vendor.

Sections 3.0.5 (Transportation Access), 3.0.5.1 (Road: Incoming and Outgoing Requirements) and 3.0.5.2 (Access) are understood. Further response: The information presented below demonstrates the ability to accommodate a substantial flow of traffic to and from the Warehouse facility.

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The warehouse location is prime high bay industrial / warehouse space on 40.78 acres at 59 Daniel Webster Highway in Merrimack, New Hampshire. This single story, steel frame and brick facility features Guilford Rail access with interior rail car loading capability, 26 tailboard loading docks and 32' clear heights. Interior features also include 40' X 50' column spacing and a wet sprinkler system. The location is conveniently located just off Exit 10 of the F.E. Everett Turnpike in Merrimack, New Hampshire. The site is further enhanced by a secured yard, ample parking area, and municipal water and sewer service.

This 40.78 acre parcel is positioned in Merrimack's Industrial / R&D corridor adjacent to corporate neighbors Anheuser-Busch and BAE Systems.

All entry to and from the facility is on paved roads and all loading bays and truck docks as well as space for trailer storage will be on paved surfaces. Traffic to the facility will be routed through one entrance and traffic leaving the facility will be routed through a second exit.

Section 3.0.5.3 (Dock and approach) is understood. Further response:

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The warehouse facility has 26 docks available for use. Six (6) docks are located in 1<sup>st</sup> section, ten (10) in the 2<sup>nd</sup> section, which is depicted picture below, and an additional ten (10) in the 3<sup>rd</sup> section of the warehouse. The 4<sup>th</sup> section is not equipped with docks. Dock approaches are spacious enough and level enough to allow for safe maneuvering.

Ten of the loading docks (section 2) are equipped with dock locks to ensure the safety of the receiver and equipment during the receiving process and to potentially eliminate theft or vandalism. All docks are standard size and are furnished with outside dock bumpers allowing the trailer to fit tight and snug to the warehouse. This will assist in temperature control and act as deterrent to theft and/or vandalism. Internally, each dock is equipped with a dock leveler, suitable for all in bound trailers and trucks. The dock levelers are in excellent condition.

The south east portion of the building in section 1 has drive-through capabilities suitable for multiple light-trucks, vans and/or automobiles to fully drive and be safely loaded. Hat Trick Logistics, LLC has extensive experience loading cars, vans and small trucks in its current enterprises selling beverages over the counter.

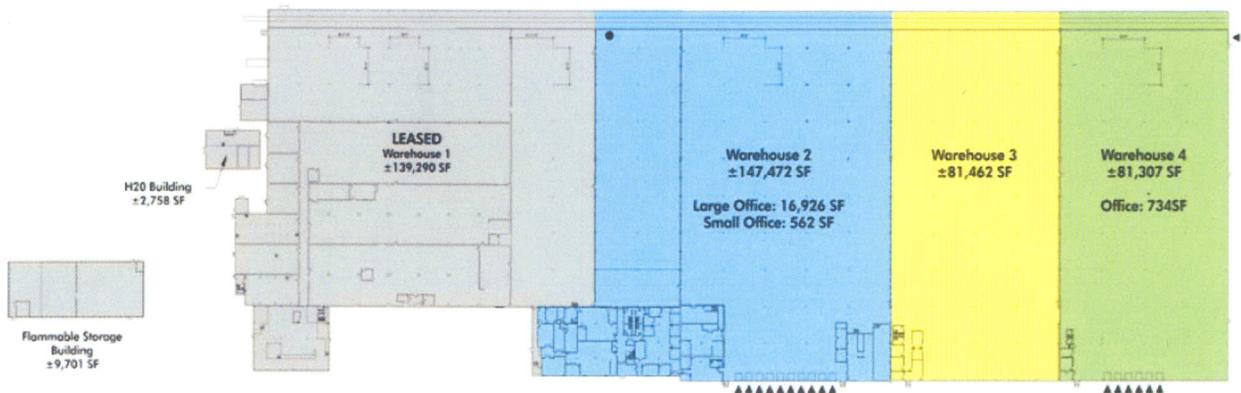
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Sections 3.0.6 (Floor Capacity and Storage Capacity). Understood. Further response:



The warehouse space is comprised of 310,241 square feet and 30,000 additional square feet that can be accessed, if needed. Breakage and damaged product will be isolated and separated from the main inventory in an area of possibly 800 square feet. In addition, ample space is available to secure unstable product and/or carrier returns. Hat Trick Logistics, LLC will make available to the NHSLC or suppliers a customs bonded warehousing area within the time prescribed. A description of how Hat Trick Logistics,

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LLC plans to receive, process, inventory, store and load the volume of product described in this section of the RFP is set forth in Appendix C of this Response/Proposal.

Section 3.0.7 (Floor Movement Capacity) is understood. Further response: The list of major equipment includes fork trucks, electric pallet jacks, manual pallet jacks hand trucks, and beverage carts. In addition, Hat Trick Logistics will work with equipment manufacturers and material handling suppliers to test and try new types of equipment and technology to ensure the safest and most efficient methods are being applied. Please see responses to RFP Appendix C, Sections VII and VIII.

Section 3.0.8 (Product Distribution) is understood. Further response: Please see responses to RFP Appendix C, Sections VII and VIII. Also, please see responses to RFP, Appendices D and D-1 for charges related to the storage and distribution of Product.

Section 3.0.9 is understood. Further response: Please see response to RFP Appendices D and D-1 for costs/charges for additional services.

Section 3.0.10 is understood. Further response: Information concerning computer linkage with the NHSLC is contained in the response to RFP Appendix C, Section VII. 2.

Section 3.0.11 is understood with the following exception/additional language proposed to be inserted into the third paragraph and noted below in italics:

All reasonable costs associated with the transfer of Product and control from the existing Warehouse (s) (“old”) to the Warehouse of the successful Vendor (“new”), including handling and incurred within 150 days from the effective date of the

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contract shall be borne by the NHSLC at its discretion. *Such costs shall not be borne by the new Vendor.* In an effort to avoid charging the NHSLC or Suppliers duplicate storage fees, storage charges for transferred Product shall not accrue until the first day of the month following the end of the transfer.

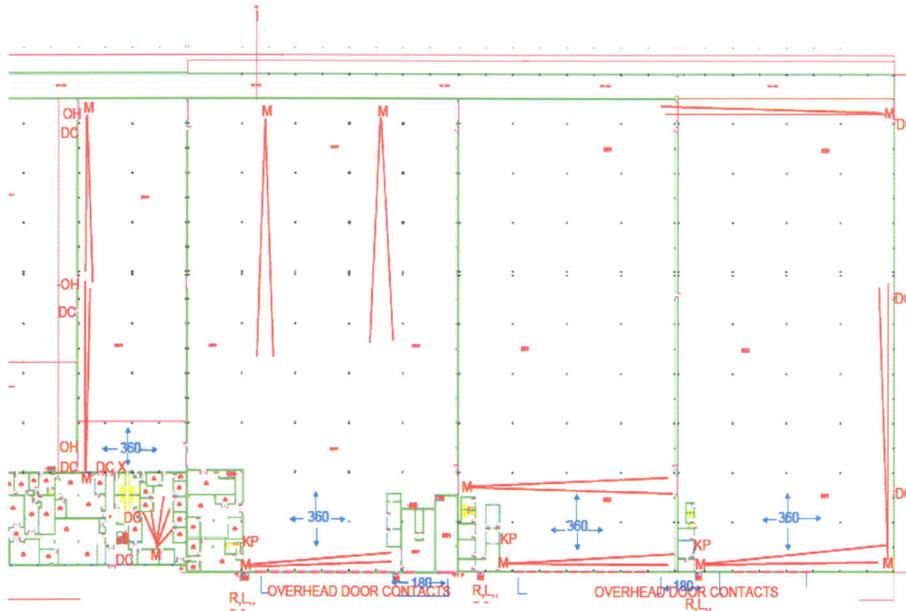
Section 3.0.12 (Warehouse Charges and Rates) is understood. Further response: Please see response to RFP, Appendices D and D-1.

Section 3.0.13 (Security) is understood. Further response: In addition to fire and burglary monitoring by ADT, the following diagram and description further accentuate the security measures that will be in place at the warehouse facilities.

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R = PROXIMITY CARD  
L = ELECTRIC  
DC = DOOR  
OH = OVERHEAD  
M = MOTION  
KP = ALARM SYSTEM  
360 = 360 DEGREE  
180 = 180 DEGREE

59 Daniel Webster Hwy  
Merrimack, NH 03054

**EC**  
Existing Conditions  
Surveys, Inc.  
188 Capen Rd  
Farmington, NH 03042  
Phone: 603-882-8111  
Fax: 603-882-8111  
Email: info@ecsurveys.com  
www.ecsurveys.com

The Best Alternative  
Existing Conditions Surveys, Inc.  
188 Capen Rd  
Farmington, NH 03042

No.    Revision/Issue    Date  
Existing Conditions  
Floor Plans  
First Floor  
Part B

Date: 1/27/14  
Drawn: M/1/2011  
Checked: JMS  
**EX-1**

The proposal encompasses a security system which includes perimeter door protection along with interior motion detection. The interior motion detectors are designed to provide backup against someone cutting through an overhead door as well as to provide basic interior traps spread throughout the facility. In addition to the possibility of someone entering through a doorway, it is also possible for someone to gain entry through an adjacent suite, exterior wall or a skylight. Therefore, the long-range motion detectors are designed to detect someone as they move through the facility. The system has not been designed to cover every aisleway, as that would be very costly. Instead, motion detectors have been placed in strategic positions to aide in detecting someone who attempts to move throughout the warehouse. Overhead door sensors will be grouped

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to have two doors on a single zone. Three keypad locations have been established which would be used as main entry/exit points at the beginning and end of each day. These doors would also be equipped with proximity card readers to allow access into the facility through the use of a proximity fob or card. The system will be controlled via existing Winpak software in Concord at New Hampshire Distributors, Inc.'s facilities, rather than having completely separate software. The alarm system will be monitored from ADT Security Services Underwriter Laboratory listed Central Station in Manchester, NH. The camera system has been designed to provide coverage in dock areas via a 360 degree 20 megapixel camera mounted in the ceiling area directly above each dock loading area. This will allow viewing of the entire dock loading area in addition to viewing back into the aisle areas from that location. Individual aisle way cameras are not proposed, as that would be cost prohibitive. Also proposed are two exterior 180 degree cameras on the front of the building to view the activity coming through the yard. These cameras are designed for general coverage of the area. Exterior lighting is important for these cameras to provide a quality picture in the evening hours. They are day/night cameras, meaning they will be color during the day and black and white at night. All cameras will be recorded on a server located in the building. This is the same software that was recently installed in New Hampshire Distributors, Inc.'s facility in Concord. Therefore, there will be remote access capabilities to view the live and recorded images inside New Hampshire Distributors, Inc.'s existing software. Live viewing can also be accomplished through a smartphone. Recording will only occur when motion is detected in the camera viewing area. This will conserve the hard drive in order to retain longer storage times.

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The server is being proposed to be located in the office area. The system can be expanded at any time by simply adding camera licenses.

Section 3.0.14 (Fire) is understood. Further response: The warehouse will use a combination of fire suppression systems, including Early Suppression Fast Response (ESFR) wet system for fire suppression. Sprinkler specifications for the warehouse facility are contained in Section IV, 9. Because Hat Trick Logistics, LLC does not currently occupy the warehouse, it does not have current certifications for the fire protection systems or permits for the storage of flammable liquids, and therefore takes exception to the RFP request for such certifications and permits. However, should the warehouse contract be awarded to Hat Trick Logistics, LLC, all necessary permits will be obtained and applicable codes, regulations and statutes will be followed. Hat Trick Logistics, LLC will coordinate these activities with the Merrimack Fire Department and other state and local officials and agencies as necessary.

Section 3.0.15 (Insurance, Bond and Registration) is understood.

Section 3.0.16 (Business Continuity) is understood. Further response:

Hat Trick logistics, LLC will have in place a fully capable contingency plan which it will test periodically to ensure it operates as designed and will report to the NHSLC annually as to the status of this plan and test results. The plan includes the following:

IT Operations: Hat Trick Logistics, LLC's primary AS400 terminal and systems will be hosted by Vermont Information Processing (VIP) in Colchester, Vermont. VIP is one of the leaders in providing software to the beverage industry. A redundancy system is

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in place throughout the ASP program which would ensure that all IT, data files and communications will be preserved and maintained.

Warehousing: In the event of a catastrophic incident rendering the warehouse facility inoperable, Hat Trick Logistics, LLC will utilize the spaces available at the locations of the three entities comprising the LLC. These facilities are equipped with the necessary material handling equipment, the VIP software solutions and the manpower vastly experienced in the distribution of alcohol-based products. Tractor trailers and drivers will be provided by Hat Trick Logistics, LLC should the need arise to move product from the primary warehouse to the alternative location.

Equipment: Additional equipment will be provided by Crown Lift Trucks.

Sections 3.1 through 3.17 are understood.

**PART 4 EVALUATION PROCESS**

Sections 4.1 through 4.4 are understood. Further response: Hat Trick Logistics, LLC has decades of experience receiving and putting away product, managing high volumes of SKU's in a safe, clean, efficient warehouse and meeting the ever increasing high demands of delivery. The WMS software that the Company employs tracks inventory in and out, recognizes load scheduling as a time sensitive function and accounts for all breakage, mispicks and errors that may occur through the many different processes. Customer service is a focal point of the Company – whether it be internal or external customers – and the Company will provide full cooperation, efficiency and coordination with the NHSLC's transportation contractors, and other

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entities. The warehouse facility will be able to accommodate the current needs of the NHSLC and the anticipated future growth of both the retail outlets and the number of SKU's and volume that is anticipated. In addition to the 310,000 square feet of space, an additional 30,000 square feet is available to Hat Trick Logistics, LLC should it be needed. The warehouse will be open from 6 AM to 9 PM, or as needed outside of these hours to accommodate operations, 5 days a week plus weekends and holidays as necessary or by appointment. The specific details of the processes and procedures are outlined elsewhere in this Proposal. Additional information concerning Hat Trick Logistics, LLC's experience, qualifications, financial stability and capacity, technical service and project management proposal, overall solution, pricing and innovation is presented above as well as in responses to Appendices C, D and D-1 of the RFP. References are provided in Section IV., 11 of this Proposal. Sections 4.5 through 4.8 are understood.

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**APPENDIX A**

BACKGROUND INFORMATION

Sections A-1 through A-2.3 are understood.

Sections A-3 through A-3.4 are understood. Further response: The documents referenced in these sections are provided in Section IV of this Proposal.

**APPENDIX B**

MINIMUM STANDARDS FOR PROPOSAL CONSIDERATION

The first, unnumbered paragraph of Appendix B, and Sections B-1 through B-3 are understood.

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**APPENDIX C**

**TECHNICAL SPECIFICATIONS, REQUIREMENTS AND DELIVERABLES**

**I. Background:** Understood. Further response: The entities comprising Hat Trick Logistics, LLC have been in the warehousing and delivery of alcohol based products for decades. They possess a comprehensive understanding of the magnitude and resources necessary to provide a warehouse solution, and the creativity and resolve necessary to anticipate and cure unforeseen problems which have the potential to disrupt services. Management has dealt with inclement weather, peaks and valleys in the seasonality of the business and all types of potential distractions without compromising the integrity of the receiving and/or loading processes. Safety concern for employees, suppliers and equipment will be of the utmost concern. Hat Trick Logistics, LLC will employ the identical business philosophy of serving excellence to the customer in this endeavor just as it has in the Members' current beer wholesaling businesses.

Hat Trick Logistics, LLC will have the software capabilities, the schedules, the man power, equipment and the creativity to be responsive to the needs of both on and off premise licensees. The business entities that comprise Hat Trick Logistics, LLC have unequaled success and reputation in dealing with and responding to the retail market. The management of Hat Trick Logistics, LLC has the business sense and creativity to plan and implement for future growth in the retail segment, the state owned outlets and the increase in products and SKUs.

Hat Trick Logistics LLC and its employees will cooperate fully with the

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transportation vendors employed by the HSLC to move product from the warehouse to the retail stores. Hat Trick Logistics, LLC is a customer focused and customer energized business and, as such, extremely liberal operating hours will be established for outbound trucks delivering to the NHSLC retail outlets. The proposed schedule will be Monday through Friday from 6:00 AM to 9:00 PM as well as on weekends and holidays by appointment or special circumstance. Hours will be adjusted and/or increased as the need arises.

**II. General Requirements:**

**A. Technical Plan for Accomplishing Work, Including Real-Time Inventory Information 24/7/365 According to Requirements of RFP Appendix K.** Understood. Further response: The entities comprising Hat Trick Logistics, LLC have been in the warehousing and delivery of alcohol based products businesses for decades. They have a comprehensive understanding of the magnitude and resources necessary to provide a warehouse solution and the creativity and resolve necessary to anticipate and cure unforeseen problems which have the potential for disruption of services. Management has dealt with inclement weather, peaks and valleys in the seasonality of the business and all types of potential distractions without compromising the integrity of the receiving and/or loading processes. In the event of a strike or labor action, Hat Trick Logistics, LLC will provide management personnel from its other entities to complete the job assignments until such labor action or other irregular condition ceases.

Safety concern for employees, suppliers and equipment will be of the utmost concern. Hat Trick Logistics, LLC will employ the identical business philosophy of serving excellence to the customer

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in this endeavor just as it has in its current beer wholesaling businesses.

In addition, running operations on weekends and holidays to fully satisfy the retail outlets will not present a problem for the Company. Details regarding Hat Trick Logistics, LLC's technical plans for accomplishing the work and services required by this RFP are included in the response to RFP Appendix C, Section VIII.

**Security Plan:** Please see response to RFP Section 3.0.13 (Security).

**Warehouse Layout:** Detailed diagrams depicting proposed warehouse layout are submitted in Section IV., 13 of this Response/Proposal.

Room #1

Room #1 has the capacity for 386,460 cases with 1254 floor level pick spots and 6441 total pallets. Approximately 70% of room #1 is racked with 19 rows of single deep selective pallet racking. Pickers using the voice pick system from VIP will maneuver through the aisles on electric walkie riders picking product to pallets. Each pallet represents a particular load/stop. When the pallet is completed it is moved to the staging area to await merging with other pallets and loading onto the outbound vehicle.

Room # 2

Room #2 has the capacity for 370,140 cases with 982 floor level pick spots and 6169 total pallets. Approximately 70% of room #2 is racked with both single deep selective racking and carton flow or case flow racking. An additional 22,848 cases will be achieved using 3264 lanes of this carton flow racking creating 3264 additional pick

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spots. Pickers using the voice pick system from VIP will maneuver through the aisles on electric walkie riders picking product to pallets. Each pallet represents a particular load/stop. When the pallet is completed it is moved to the staging area to await merging with other pallets and loading onto the outbound vehicle.

Room # 3

Room #3 has the capacity for 94,080 case at ground level and 188,160 should a second level be installed. This room contains 442 of the fastest movers. There are 442 lanes of 4-deep pallet flow racking, 1568 total pallet positions and 442 pick spots .Pickers using the voice pick system from VIP will maneuver through the aisles on electric walkie riders picking product to pallets. Each pallet represents a particular load/stop. When the pallet is completed it is moved to the staging area to await merging with other pallets and loading onto the outbound vehicle.

Room # 3 option

An option for room # 3 is a layout the same as above but with incorporating a conveyor system. Instead of picking to pallets on walkie riders, the pickers would pick to the conveyor which would take the product to a forward staging area separated by load/stop and awaiting merging with rest of the load.

Room # 4 contains 17 rows of shelving in bays back to back for single bottle picking. A total of 21,357 cubic feet of storage with 678 total bays of shelving. Pickers make the single bottle picks to carts with the voice pick system, wheel the carts to split bottle pick

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conveyor line which takes them to the main conveyor line in room #3 and merges them with the correct load/stop and awaits loading.

Room # 4 can accommodate up to a 7500 square foot cooler with 70 bays of racking, 126 floor level picks, 420 bulk reserve pallet spots and a capacity of 32760 cases. This cooler would be constructed with insulated panels and able to maintain temperatures of 55 degrees, if necessary, by way of commercial air conditioning units.

Room # 4 also has an area set aside for breakage, carrier returns and unstable product of approximately 500 square feet. There is ample room for expansion in room # 4 should the need arise.

Additional warehouse information is set forth below:

**Size and case capacity:**

- 310,000 square feet of warehouse space encompassing 4 rooms. Total potential case capacity exceeding 970,000 cases. Cooler room - up to 7500 square feet. Breakage and holding room separate from main inventory. Significant area for expansion in current configuration an option for 30,000 additional square feet of warehouse space.

**Temperature and climate control:**

Warehouse will be maintained between the required temperatures of 45 to 85 degrees Fahrenheit. Cooler area, if installed, will be maintained at 55 degrees Fahrenheit as required. This will be achieved by selectively locating temperature sensing and recording

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units throughout the warehouse and cooler section. If needed, large overhead fan units will be installed to move the cold or hot air throughout the building and rooms.

**Security and fire protection:**

- A combination of fire suppression systems, including Early Suppression Fast Response (ESFR) wet system for fire suppression will be used. Sprinkler specifications for the warehouse facility are contained in Section IV, 9.
- City fire hydrant in warehouse lot
- ADT fire and burglary monitoring
- One Source security video surveillance

**Single bottle picking capability, efficiency and technology:**

- The warehouse will have over 21,000 cubic feet of space dedicated to single bottle picking. Pickers will use the Voice Pick System to process single bottle orders and a gravity conveyor system to move the picked items to the staging area in order to merge with case pick items.

**Storage capacity**

- Warehouse has a storage capacity in excess of 970,000 case based on an average pallet count of 60 cases. Significant area for expansion exists as well as an option for 30,000 additional square feet of warehouse space.

**Lighting:**

- Building has/will have T-5 motion sensing lighting throughout the warehouse facility



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**Facility is in suitable operational condition:**

- Warehouse facility is in very good operational condition and was previously

used as a distribution facility. The warehouse will be equipped, if necessary, with a back-up generator capable of providing temporary electricity to the facility should any outage occur. This would ensure the continued operation of services to the NHSLC and the retail market.

**Facility has suitable materials handling equipment:**

- Warehouse facility will be equipped with ample material handling equipment including fork trucks, electric pallet jacks, manual pallet jacks, hand trucks, carts, totes, conveyors, slip sheet machines and layer pickers.

**Facility is able to fulfill the NHSLC's warehousing needs:**

- Warehouse facility will be able to accommodate the current needs of the NHSLC and the anticipated future growth of both the retail outlets and the number of SKU's and volume that is anticipated. In addition to the 310,000 square feet of space, an additional 30,000 square feet is available to Hat Trick Logistics, LLC should it be needed. Site has building expansion capacity.

**Load and unload capacity for road vehicles:**

- The facility is equipped with 26 loading docks, 6 of the loading docks are equipped with dock locks for added safety and security. All 26 loading docks are equipped with standard dock levelers, all in excellent condition, and able to be

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adjusted to meet the demands of over the road vehicles for loading and unloading.

All dock approaches are paved, level and in very good condition.

**Load/unload docking facilities:**

- The warehouse facility has 26 docks available for use. Six (6) docks are located in 1<sup>st</sup> section, ten (10) in the 2<sup>nd</sup> section, and an additional ten (10) in the 3<sup>rd</sup> section of the warehouse. The 4<sup>th</sup> section is not equipped with docks. Dock approaches are spacious enough and level enough to allow for safe maneuvering.
- Ten of the loading docks (section 2) are equipped with dock locks to ensure the safety of the receiver and equipment during the receiving process and to potentially eliminate theft or vandalism. All docks are standard size and are furnished with outside dock bumpers allowing the trailer to fit tight and snug to the warehouse. This will assist in temperature control and act as deterrent to theft and/or vandalism. Internally, each dock is equipped with a dock leveler, suitable for all in bound trailers and trucks. The dock levelers are in excellent condition.

**Trailer storage area:**

- The warehouse facility has 26 docks available for use. Six (6) docks are located in 1<sup>st</sup> section, ten (10) in the 2<sup>nd</sup> section, and an additional ten (10) in the 3<sup>rd</sup> section of the warehouse. The 4<sup>th</sup> section is not equipped with docks. Dock approaches are spacious enough and level enough to allow for safe maneuvering.
- The warehouse lot has ample space for an additional 15 units in a fully paved, secure area. This area is surrounded by 8 foot high chain link fence with razor wire and is secured with video surveillance.

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**Protected trailer area:**

- The entire warehouse lot is surrounded by 8 foot high chain link fence with razor wire. Video surveillance will monitor this area 24/7.

**Dock approaches:**

- Dock approaches are paved, level and in very good condition. Each dock is equipped with dock bumpers for a tight, safe, secure fit of any standard trailer or over the road vehicle.

**B. Vendor Background:** Hat Trick Logistics, LLC is a limited liability company organized under the laws of the State of New Hampshire. It was formed on May 30, 2012 for the primary purpose of warehousing and related activities. It is comprised of three members: New Hampshire Distributors, Inc., J. A. Bellavance & Co. and Clarke Distributors, all of whom have extensive experience in warehousing and delivery of alcohol based products in the State of New Hampshire.

A. Hat Trick Logistics, LLC has no contract with the State of New Hampshire and/or any other parties that may present a conflict of interest.

B. Hat Trick Logistics, LLC and its management and employees understand and agree not to divulge or release any information provided to them by the NHSLC prior to official release date.

C. References from three (3) customers for whom Hat Trick Logistics, LLC's Members have performed services similar in nature to those requested in this RFP, are submitted in Section IV, 11 of this Response/Proposal. Additional references

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are also included in Section IV, 11.

D. Hat Trick Logistics, LLC hereby certifies that neither it nor any of its Members are not currently under suspension or debarment by the State of New Hampshire, any other state, or the federal government. Hat Trick Logistics, LLC also acknowledges that if it is currently under suspension or debarment, its Proposal, in most instances, shall not be accepted or considered.

E. A completed IRS Form W-9 Request for Taxpayer Identification Number and Certification is submitted in Section IV, 14 of this Response/Proposal.

**III. Personnel Data:** Understood. Further Response:

**Key Staff Information :** It is anticipated that in performing the services requested by the RFP, existing personnel and managers listed below will be physically located at their current locations (i.e. Concord, Keene or Nashua).

- Name: Richard W. Clarke
- Current Position: Owner-President Clarke Companies
- Years of Experience: Eighteen years (CDL-B 25 years)
- Education: University of Alabama
  - Executive Education-Business at the University of Virginia
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*

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- Name: Jay Clarke
- Current Position: Clarke Companies Executive Vice President
- Years of Experience: Sixteen Years full-time
- Education: Menlo College BSBA
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*
  
- Name: Kary R. Shumway, CPA
- Current Position: Clarke Distributors, Inc, CFO. Responsible for finance, accounting and tax issues, budgeting and planning, and Information Technology.
- Years of Experience: Nine years
- Education: BS degree in Management Science, Accounting concentration, Bridgewater State College, Bridgewater MA.
  - Certified Public Accountant, November 1998.
  - CPA in public practice for five years. Responsible for financial statement audits, tax return preparation and consulting services to various businesses including beverage warehouse and distribution clients.
  
- Name: Edward Coppola
- Current Position: Clarke Distributors, General Manager
- Years of Experience: Six
- Education: BSBA Boston University

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- Experience Overview: Familiar with all aspects of alcoholic beverage distribution business; Including Sales, product loading, delivery, merchandising, customer service, in-bound load receiving, Inventory Management, Human Resources, Organizational Development, Sustainable energy project implementation, State of NH SLC Regulatory Requirements & Expectations;
  - Previous Experience: Five years Account Manager with Church & Main Advertising; Previous eleven years District Manager with Merrill Lynch
  
- Name: Mark Pearce
  
- Current Position: Clarke Distributors, IT Manager
  
- Years of Experience: Seven Years
  
- Education: Fitchburg State College – Fitchburg, MA Degree Program: Computer Science
  
- Experience Overview: PC & Mac Computer and Network Administration with 17+ years' experience in back-end programming, relational databases and development/maintenance of complex and critical systems with comprehensive experience scheduling conversions and cut-over. Extensive experience monitoring, tracking, and evaluating IT infrastructure incidents. Created and maintained both CMS and WordPress based websites with extensive experience utilizing a wide range of software and development tools. Over 7 years working in the beverage distribution industry, maintaining essential systems related to

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invoicing, order processing, and hand-held sales devices. Well-verse in VIP software systems.

- Name: Joe Bellavance, Jr.

Current Position: Owner-President Bellavance Beverage

- Years of Experience: Six Years
- Education: BA University of Vermont; MBA Boston University

Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*

- Name: Christopher A. Brown
- Current Position: President & COO New Hampshire Distributors
- Years of Experience: 23 years
- Education: University of New Hampshire,
- Degree: AS Business Administration, BA Communications – UNH, Master in Business Southern NH University
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*

- Name: Tyler Kelly

- Current Position: Owner & VP-Marketing, New Hampshire Distributors

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- Years of Experience: 17 years
- Education: University of New Hampshire
- Degree: BS – Kinesiology
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business*
  
- Name: Grant Kelly
- Current Position: Owner & Operations Manager, New Hampshire Distributors
- Years of Experience: 10 years
- Education: Colby-Sawyer College
- Degree: BA
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business*
  
- Name: Tom Painchaud
- Current Position: NH Distributors, General Manager
- Years of Experience: Thirty-one
- Education: BA Colby College; MBA SNHU
- Experience Overview: Familiar with all areas of Beverage Sales, Marketing, Facility Operations

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- Name: Henry Wenta
- Current position: IT Manager 8 years
- Years of experience : 29
- Education: Vermont Technical College, Studies in Electrical and Mechanical Engineering

Saint Michael's College,

Professional development courses in Accounts Payable, General Ledger,

Business Writing, and Human Resource Issues

Automated Training Systems (ATS, Inc.), RPG Programming, Work Station, IBM Hardware, Cabling, Saint Joseph's College, PC Programming, Fundamentals of RPG Programming, DisplayWrite Microsmart Technology Solutions, LLC

Experience: familiar with all aspects of the VIP software solution as well as AS400 mainframe. Responsible for entire network infrastructure, all computer hardware and software, all electronic communications, wireless technology, support and hand held computer for entire sales department with ongoing support and support of all phones. Project implemented in the past several years include warehouse management system, voice pick, truck loading, mobility for all sales personnel.

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- Theodore W. Speas, PE CONSULTANT

President, Iron Lighthouse Corporation: Providing warehouse project management and engineering services for clients nationally in the food and beverage processing and distribution industries.

- EDUCATION Bachelor of Science in Mechanical Engineering

University of Florida, Gainesville, FL

LICENSES

Professional Engineer (PE), Mechanical Discipline

State of Florida, Board of Professional Engineers, No. 51515

PROFESSIONAL ASSOCIATIONS

National Society of Professional Engineers (NSPE)

Florida Engineering Society (FES)

**Proposed Additional Key Staff:** It is anticipated that Hat Trick Logistics, LLC will employ the following personnel to assist in providing the services sought by the RFP, all of whom will be physically located at the warehouse in Merrimack, NH. The staff and full time equivalent positions are identified below.

**Facility Operations Manager (1)** – This person will be the interface between Hat Trick Logistics, LLC and the NHSLC. Hat Trick Logistics intends to hire a Facility Operations Manager who has the requisite experience and knowledge regarding NHSLC operations and an understanding of warehousing, the bailment system, broker network and spirit and wine distribution. Hat Trick Logistics also intends to hire such consultants as may be

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necessary to assist with the implementation of the contract.

**Other Managers – Day/Night Crew**

Day Shift Floor Manager	1.0
Night Shift Floor Manager	1.0

**Warehouse Receiving Crew**

Assumptions/Metrics below	3.5
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**Warehouse Picking Crew**

Assumptions/Metrics below	33.2
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**Administrative Staff**

Office Generalist	1.0
HR Staff – hiring/terminations/safety	1.0
Inventory specialist – counts, control	1.0
IT specialist	0.5

**Maintenance Person**

Building, equipment, etc.	0.5
Total FTEs/	45.6

**Number and positions of non-management employees:** It is estimated that 40 to 45 full time equivalent non-management personnel will be employed to perform services sought by the RFP.

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**Union information:** It is anticipated that additional non-management employees that are hired to perform services sought by the RFP will not be affiliated with any labor organizations.

**Sizes and Configurations of Warehouses Currently Operated by Hat Trick**

**Logistics, LLC's Members:** Please see Section IV., Documents 12 A, B and C of this Proposal.

**IV. Prior Experience – Response:**

**Histories and Experience of Hat Trick Logistics, LLC's**

**Member Companies**

**Clarke Distributors** is the leading multi-brand distributor of premium beer in the New Hampshire markets we serve. Founded in 1949, Clarke Distributors is a third-generation family business rooted in the traditional New England values of hard work, innovation and rock-solid reliability. We have a personal stake in our customers' satisfaction and success. At Clarke Distributors, family values are key to the commitment of the Clarke family, who owns and manages our growing enterprise. The company was founded by Jeffrey's father Richard Clarke.

Clarke Distributors is headquartered in Keene, New Hampshire where the Clarke family has had roots for three generations. The Clarke Distributors territory is 2,100 square miles throughout southwestern New Hampshire. Clarke Distributors is proud to deliver

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the finest beverages to nearly 200 on-premise accounts and 200 off-premise accounts.

The Clarke family also owns White Mountain Distributors, New Hampshire's northern distributor of Anheuser-Busch products.

New brands, labels, and producers are emerging every day. Consumers have more choices than ever before. And both retailers and producers are under increasing pressure to maximize revenues and control costs. We succeed because our customers succeed. The beverage industry has never been more competitive. Clarke Distributors provides beverage retailers, on-premise establishments, and suppliers with the expertise, service, and product delivery they need to maximize their revenue...and seize profitable new opportunities. At Clarke Distributors, we don't just watch for market opportunities...we create them.

**The Clarke Family** also owns and operates a warehouse in another state that was founded in 1983 and distributes beer, wine and juice statewide. The company moved into a 110,000+ square foot, temperature-controlled warehouse in 2010. It carries over 2,000 total sku's from nearly 200 wine suppliers. The company picked, loaded and delivered about 150,000 cases of wine last year to over 1,000 licensees. Accounts can place wine orders for full cases or single bottles.

**New Hampshire Distributors, Inc.** was founded in August of 1946 by James H. Hayes. In 1983, after four expansions at Horseshoe Pond Lane over a twenty-six year

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period, we built a 100,000 square foot state of the art distribution facility at our present location at 65 Regional Drive in Concord.

New Hampshire Distributors, Inc. continues business today with a successful transition to the third generation. Currently, this “family business” has a staff of over 120 fulltime employees. For years, the Company’s portfolio consisted primarily of beer. However, recently New Hampshire Distributors has become more diverse and we now distribute various waters, energy drinks, juices, new age drinks and boutique sodas.

We take pride in our motto that “Making Friends is our Business”. We do business with 1400 accounts in the eastern part of the state, stretching from Concord to Seabrook to North Conway to Lincoln and all towns in between. Servicing their needs on a daily and weekly basis is our top priority. We also take community involvement very seriously and have a lengthy list of local teams and organizations that we sponsor and are involved with.

**J. A. Bellavance Beverage Co.** was founded in 1902 by Joseph A. Bellavance as a saloon and beer, liquor and soda wholesale business at 2-4 Canal Street in Nashua, N.H. The company delivered cases and wooden kegs throughout the city with a horse and wagon team and filled “to go” buckets with beer on the saloon portion of the premises.

With continued growth and many new brands, the Company needed to expand its warehouse and in 2004 opted for a new location on Northwest Boulevard in Nashua. The

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facility incorporates designs and technologies that maximize energy and operational efficiencies and provide flexibility to meet future demands. Currently the Company sells a broad portfolio of beer, cider, flavored alcohol beverages, soda, juice, water, energy and other non-alcoholic beverages representing over 150 brands.

Delivering excellence since 1902, four generations have built the business on a foundation of traditional values and the pursuit of exceeding the ever-changing needs of our customers. As a local business, we actively support the communities we serve through a variety of charities including Greater Nashua Big Brothers Big Sisters, Nashua and Greater Derry Boys and Girls Clubs and Nashua Rotary.

	<u>New Hampshire Distributors</u>	<u>Clarke Distributors</u>	<u>Bellavance</u>
<b>Founded</b>	1946	1949	1902
<b>Years in Business</b>	66	63	110
<b>Territory</b>	Concord, Lakes Region, Seacoast	Southwest & Northern NH	Greater Nashua
<b>Employees</b>	120	60	75
<b>Licensees Served</b>	1,400	400	630
<b>Suppliers</b>	40	50	40
<b>SKUs</b>	1,000	900	900
<b>Annual Case Loaded</b>	4,300,000	1,500,000	3,000,000
<b>Trucks Loaded Annually</b>	5,000	4,000	3,300
<b>Orders Built Annually</b>	56,000	24,000	40,000
<b>Annual Loads Received</b>	2,000	1,500	1,700
<b>Miles Driven Annually</b>	600,000	225,000	200,000

V. **Qualifications** – Understood. Response:

A. Copy of cashier's check the amount of \$50,000 payable to the NHSLC is

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submitted in Section IV., 6 of this Response/Proposal.

- B.** A signed statement on Hat Trick Logistics, LLC's official letterhead indicating the Vendor's intent to comply with all Federal and State laws regarding Fair Employment Practice, the Patriot Act, Nondiscrimination and all applicable laws and regulations, including but not limited to those in Appendix M of the RFP, is submitted in Section IV., 7 of this Response/Proposal.

- VI. Subcontractors.** Understood. Further response: Hat Trick logistics will accept complete responsibility for all services including those services which will be subcontracted. Furthermore, it is the intention of Hat Trick Logistics to perform all basic operations of the business (i.e. warehouse and loading work) with employees of Hat Trick Logistics, LLC, and to use subcontractors for providing equipment, racking, software and monitoring.

**List of Potential Sub-contractors**

**ADT Security Services**

18 Clinton Dr.

Hollis, NH 03049

Paul Trappane, Tim McCully

603 594 5953

Fire and burglary security installation and monitoring

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- ADT currently provides services to the State of New Hampshire including the Department of Health and Human Services and the New Hampshire Supreme Court.

**One Source Security**

446 DW Highway

Merrimack, NH 03054

Steve Hammes

603-645-5969

Surveillance cameras, FOB access

- One Source Security currently provides resources to the university system of the State of New Hampshire

**Century Mechanical, Inc.**

58 Chennel Drive

Concord, NH 03301

Rob Hansen

603-224-3284

HVAC, general plumbing

- Century Mechanical, Inc. has a contract with the State of New Hampshire for the state prison system HVAC maintenance.

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**Crown Lift Trucks**

2 Presidential Way

Woburn, MA 01801

Joe Miller

781-933-3366

Racking, conveyors, material handling equipment

**Warehouse owner:** NIP, LLC, a joint venture between Hackman Capital Partners, LLC, Calare Properties, Inc., Oaktree Capital and KBS Realty.

**Warehouse location:** 59 Daniel Webster Highway, Merrimack, NH

**Vermont Information Processing**

402 Watertower Circle

Colchester, VT 05446

Heather Burnett

802-655-9400

WMS systems, software solutions, ASP computer host

**Control Technologies**

70 Zachary Road

Manchester, NH 03109

Ken Munsey

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603-626-6270

HVAC controls and monitoring

- Control Technologies currently has the controls and mechanical contracts for all the NH Courts and the mechanical service contract for the majority of the larger State buildings.

Hat Trick Logistics, LLC is not aware of any conflicts of interest the potential sub-contractors may have with the State of New Hampshire nor is Hat Trick Logistics, LLC aware of any current contract arrangements between the State of New Hampshire and the potential sub-contractors, other than those identified above. It is the intention of Hat Trick Logistics, LLC to perform the necessary warehouse and loading work with its own employees and only use sub-contractors for the purpose of providing equipment, racking, software and monitoring.

Completed W-9 forms for each subcontractor except the warehouse owner are contained in Section IV, 8 of this proposal.

**VII. Explanation of how tasks in RFP Appendix C, Section VII. 1 -13 will be accomplished:** RFP Appendix C, Section VII., Paragraphs 1-13 are understood. Further response:

1. Hat Trick Logistics LLC and its employees will cooperate fully with the transportation vendors employed by the NHSLC to move product from the warehouse to

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the retail stores. Hat Trick Logistics, LLC is a customer focused and customer energized business and as such extremely liberal operating hours will be established for outbound trucks delivering to the NHSLC retail outlets. The proposed schedule will be Monday through Friday from 6:00 AM to 9:00 PM as well as on weekends and Holidays by appointment or special circumstance. Hours will be adjusted and/or increased as the need arises.

2. Hat Trick Logistics, LLC will provide all of the necessary employees, equipment, software and experience to properly receive, process, inventory, store, and load spirits and wine and related products in the most timely and efficient manner.

All product will be received into inventory using RF Barcode Scanning units. These are hand-held workstations connected to an AS400 computer via a wireless network.

Advantages include:

- quicker and more accurate count,
- paperless (from Warehouse end)
- immediate receipt to floor inventory making e on floor product available for sale more quickly.
- receiving time can be tracked and reviewed to ensure efficiency goals are being met

Listed below are the steps, in order, of the **receiving process**.

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1. Warehouseman receiving the product will ensure that the trailer is properly located at the correct dock and that all safety precautions are in place, including chocking of tires and placement of jack stand, if necessary
2. Warehouseman will verify the paperwork and load before proceeding
3. Pallets will be removed from trailer using the proper equipment; i.e.: fork truck, pallet jack, slip sheet machine and staged in the designated area
4. If unloading "live" driver will be in sight of receiver at all times
5. All pallets will be counted, verified and scanned with RF gun
6. Warehouseman will compare quantities received with quantities ordered and will report any discrepancies to Warehouse Manager immediately
7. Any damaged product will be set aside, documented and photographed
8. Warehouseman will complete paperwork, sign bill of lading and allow driver to leave
9. All pallets will be stickered with specific product information and date of receipt
10. Pallets will be assigned to a warehouse location using the RF gun and moved to that location with the proper equipment.

Additional details on Hat Trick Logistics, LLC's processes is provided in response to RFP Appendix C, Section VIII, below.

Hat Trick Logistics will work with equipment manufacturers and material handling suppliers to test and try new types of equipment and technology to ensure the safest and most efficient methods are being applied. In addition, the implemented WMS and

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associated software will provide the NHSLC with the required data and network files on a daily basis. The following software and services will be used to optimize loading and delivery schedules:

**Routing Services Program**

- ***Software***
  - Access to Web-based version of Roadnet
  - Ongoing Software Upgrades and Annual Map Updates
  - 24/7/365 Roadnet support (excepting routine maintenance)
  - Access to Roadnet Web site
  
- ***Start Up Services***
  - Initial Data setup via ISV Interface (ISV charge may apply)
  - Software setup and testing; setup and testing of ISV interfaces
  - Ongoing training on basic/advanced topics via Live Meeting
  - Fully trained Router and Backup on software via customized one-on-one (remote) training per routing requirements
  - *Territory Planner*: Baseline routing model of sales/delivery routes including:
    - Territory and Call Day Assignments
    - Stop Sequencing
    - Process Times and Time Windows
  - *Roadnet*: Daily Flex routing

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- Create standard routes to be used for Flex routing
- Create Routing Passes for development of nightly routes
- Routing simulations to be run in parallel with current system
- Customized documentation of nightly routing process
- *Fleet Loader*: Truck loading assistance
  - Set up trucks, bays and SKU data
  - Establish system “rules” – loading, stacking, bay preferences for Driver-Friendly or Warehouse-Friendly load building
  - Basic FleetLoader Reports

**Re-Routing/Strategic Planning Consulting**

Complete a full “base case” analysis of current Sales and Service Routes and model alternatives based on current strategy in order to:

- Ensure sufficient Time to Sell (Total, by route and by day of the week)
- Improve the balance of stops, volume and time between the territories
- Improve the balance of stops, volume and time for each day within each territory
- Minimize Geographic Territory and Day Overlap

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- Find efficiencies with Call Frequency and Pro-sell opportunities
- Work with management team to identify potential strategy changes and create “what if” scenarios such as:
  - Peddle/Pre-Sell
  - Pro-Sell routing
  - Routing based on new call frequency standards for D accounts
  - “Hand Selling” strategies
  - Account segmentation
  - Alternative delivery strategies (carts, bulk, night delivery, etc.)

3. The warehouse will be equipped with the appropriate equipment to load all types of vehicles for the outgoing shipments. Ample pieces of equipment will be available to load multiple vehicles simultaneously, if necessary. This list of equipment includes fork trucks, electric pallet jacks, manual pallet jacks hand trucks, and beverage carts. In addition, Hat Trick Logistics will work with equipment manufacturers and material handling suppliers to test and try new types of equipment and technology to ensure the safest and most efficient methods are being applied. Warehouse personnel and management have extensive experience in loading tractor trailers, box trucks, vans and automobiles. The WMS software will accurately select all product, store supplies and

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displays as requested by the NHSLC for the individual retail outlets. Hat Trick Logistics, LLC management specializes in this type of retail focus.

4. The warehouse will be prepared to load outgoing vehicles 5 days a week and on weekends and Holidays by appointment. Attempts will be made to accommodate any reasonable request in the timeliest manner.
5. The warehouse personnel and management have extensive experience in adjusting to and accommodating customers, schedules, orders and the like. Warehouse will be flexible and to any change that does not adversely affect the operation. Employees of Hat Trick logistics specialize in accommodating unforeseen circumstances that result in the need for unscheduled orders.
6. The warehouse will be prepared to load outgoing vehicles 5 days a week and on weekends and Holidays by appointment. Attempts will be made to accommodate any reasonable request in the timeliest manner.
7. It is understood by the warehouse that it shall be liable at all times for any loss or damage to the property of the NHSLC while said property is in the possession of the Warehouse. Appropriate warehousing insurance coverage will be provided to ensure compliance as it pertains to wine, spirits, liquors, related products and alcoholic beverages.
8. It is understood that Hat Trick Logistics, LLC will obtain a “warehousing policy” and will file a certified copy of the insurance policy and endorsements with the NHSLC. This

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policy will meet all the requirements requested by the NHSLC.

9. It is understood that the Warehouse contractor will be responsible for shortages found at stores on sealed trailers from the respective shipping points. It is also understood that once the seal on the trailer or truck is broken the Warehouse contractor cannot be held liable for any shortages.

10. a. It is understood that if Hat Trick Logistics, LLC is the contractor, it will furnish a performance bond or an irrevocable letter of credit in an amount and type satisfactory to the NHSLC.

b. It is expected by Hat Trick Logistics, LLC that all products will be received by it in a timely manner based on warehouse delivery schedules. As stated, the warehouse operations will have ample employees, equipment and schedules to accommodate both scheduled and unscheduled deliveries. In addition, the WMS will ensure product received will be stored in the proper location by product code and date of receipt for easy access and proper depletion.

c. Hat Trick Logistics, LLC is a customer focused business and will have ample people, equipment and schedules to properly pick and load all outbound trucks to ensure established store delivery schedules. Hat Trick Logistics, LLC has extensive experience and success meeting a variety and multitude of complex delivery windows and recognizes the importance.

d. It is understood that Hat Trick Logistics, LLC may be charged liquated damages, not

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penalties, in an amount not to exceed \$10,000 for missed delivery schedules due to picking, loading or other problems caused by the Company.

11. It is understood that all employees engaged in the handling of spirits and Wine must be citizens of the United States and 18 years of age or over. It is understood that all Vendors must have a License and be registered through the office of the Secretary of State to do business, under the laws of the State of New Hampshire. In the event of a statutory change in the minimum age, the above items shall reflect that age.

12. It is understood that an assignment for the benefit of creditors or bankruptcy on the part of the successful Vendor shall be cause for contract termination at a time to be specified by the NHSLC.

13. Hat Trick Logistics, LLC understands the Force Majeure provisions in RFP Appendix C, Section VII, Paragraph 13.

**Policy Statement:**

Hat Trick Logistics, LLC is an Equal Employment Opportunity employer. It is against Hat Trick Logistics, LLC policy for any employee to discriminate against an applicant for employment or another employee on the basis of race, color, and religious creed, sex (including pregnancy), age, marital status, sexual orientation, national origin, or any other classification protected by applicable discrimination laws. Furthermore, no employee of the Company is to discriminate against any applicant or fellow employee on the basis of a disability or status as a disabled veteran or veteran of the Vietnam era. The Company will

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make reasonable accommodations, including modification of Company policies and procedures in appropriate cases for qualified individuals with disabilities, if it can do so without undue hardship.

**VIII. Specific Requirements:** Response to RFP Appendix C, Section VIII., Paragraphs A (1-5), B (1-4), C (1-4) and D (1-4):

Hat Trick Logistics has identified Vermont Information Processing (VIP) of Colchester, Vermont as its preferred IT provider for the warehouse management and reporting system. We are confident that VIP can deliver the required reliability and functionality. However, given additional clarifications needed on certain aspects of the RFP, Hat Trick Logistics reserves the right to select an alternate IT provider or providers that will fully meet the requirements of the RFP.

The work process will be driven by Vermont Information Processing's (VIP) software suite. The software is UNIX based and runs on the IBM AS-400 platform. Our experience with this software and hardware over the past 20+ years has proven this combination to be incredibly reliable. We will utilize an ASP model with VIP hosting our system at their Colchester, VT, facility. VIP currently has 140 customers using their ASP solution. Security and redundancy meet or exceed industry standards. A complete, redundant hosting facility is located 10 miles from their Colchester location. A full failover test was successfully conducted in March 2012 with all ASP customers moved to the backup location, run for a 28 day period on the backup box and then restored to the production box. The backup facility is scheduled to move to the greater Boston

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area in early 2013 to add additional distance from the production site.

Connectivity to the ASP will be through a bonded T1 pair and/or Comcast fiber internet. Backup connectivity will be through the Verizon 4G LTE wireless network. Hat Trick member companies are located in close proximity (Nashua, Concord, Keene) to the warehouse and offer an additional level of connectivity and processing backup.

The inventory, receiving, picking and loading processes are explained elsewhere in this Response/Proposal. Order processing and validation will follow a similar flow as used in current members' warehouse operations. Properly submitted and formatted orders are uploaded – notification of successful upload or rejection is sent to SLC. The assigned staff processes uploaded order data against the required exception standards (authorized to order, scheduled delivery day, credit availability, etc). Final order acceptance confirmation is sent back to SLC. Accepted orders are submitted to the routing and picking module for further processing ending in the generation of a virtual pick “ticket”. The picking process then begins.

**A. 1) Picking and Order Staging**

**VIP Voice Picking (Additional information appears in a document entitled “Intro to Voice Picking” contained in Section IV, 15 of this Response/Proposal).**

Increase efficiency and accuracy with VIP's voice picking. A hands-free and eyes-free system that directs pickers to the correct location, tells them what to pick and gets confirmation from the picker that the item is in hand, all while keeping historical picking statistics.

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Picking product in the warehouse for eventual deliver will be completed using a Voice Pick System. Orders are downloaded into the AS400 electronically or manually, if necessary, and then processed into the Voice Pick data base. The Voice Pick System is integrated into the Warehouse Management System to provide a paperless, hands free environment. Each picker is assigned a head set and a “football” unit that delivers the order information directly to the picker. Pickers use a 95 word vocabulary to communicate with the system’s commands. The system sends the picker to a specific, unique pick location in the warehouse and pickers select product by that location not product id. When the picker gets to the location he relays a check digit to the system to verify that he is in the correct location. The picker moves through the warehouse and picks product on fork truck, walkie rider or other electric handling equipment suitable for the task at hand.

Advantages to using a Voice Pick System include a faster and more accurate order, a paperless environment and minimal training time necessary for pickers. Automatic replenishment can be generated from a picker’s command to reduce out of stocks and down time. The system selects locations and product for picking using the oldest stock

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first (FIFO). Training only takes approximately an hour and a half per user which is extremely beneficial to accommodate an increased workforce during high volume seasonality.

Case picks and single bottle picks will be completed with the Voice Pick System. The single bottle pick area will be separate from the case pick area but orders will be merged during the staging process. The pick process is the same for both case picks and single bottle picks.

Listed below are the steps, in order, of the picking process.

- Pickers verbally sign in to the system via their individual headset and “football” using their unique identifying code
- The system assigns pickers the pallets to build and establishes a picking order
- The system directs pickers to a location and gives them the number of cases or bottles to pick
- Pickers move to the specified location, relay a check digit to the system for location verification, select the product and acknowledge completion of the pick to the system
- The system directs pickers to the next location and so on until the last pick is made
- Pickers move finished pallets to staging area where they are verified for accuracy by weight (scale) or check (count) , shrink wrapped and for prepared for loading

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with account name and address...this is where single bottle picks are merged with case picks

- Pickers take next pallet assignment from system and follow the same process until all orders are completed.
- Pickers sign off

Supervisors and foremen are able to access live picking numbers per hour, shift, man etc. via the Wavestat and Picknit reports off the AS400. This is very beneficial for establishing standards, incentives and an adequate number of pickers.

VIP's voice picking application has brought a lot of clarity to our operations. Clarity around productivity in terms of real-time, system-tracked data both on a team basis and by teammate and clarity around progress through the night and where we need to divert resources. Voice pick has eliminated a lot of the administrative burden for both our picking and managing teammates letting them focus more on getting orders picked accurately and out to the trade."

**2) Loading product with a PC or RF unit**

1. Pickers pick the product using Voice Pick
2. Run LOADSTAT to work with the loads to be loaded.
  - Select a load or wave for loading.
  - Confirm the location where the product for the load or wave is to be loaded.
  - Optionally view the summary and detailed information for a pallet.

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- Select a pallet to move to the new location.
- Optionally print a license plate for the pallet.
- Verify the location where the selected pallet is to be loaded.
- Monitor the progress of loading the load or wave.

As the pallets are being loaded, the status for each pallet is changed to LOADING. When the pallet has been loaded, the status is changed to LOADED.

When all of the pallets for the load or wave have been loaded, the status for the load or wave is changed to LOADED and the load or wave no longer appears on the screen.

Optionally mark the load or wave as closed. Depending on your configuration settings in PICKCTRL, the Driver Check-in Report and PICKOUTS – Out of Stocks Order Adjustments report prints and the orders are updated to reflect:

- Any out-of-stock
- Confirm the location where the product for the load or wave is to be loaded.
- Optionally view the summary and detailed information for a pallet.
- Select a pallet to move to the new location.
- Optionally print a license plate for the pallet. Verify the location where the selected pallet is to be loaded.

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**(3) Hours of Operation**

- Receiving Hours                      Monday through Friday              6:00 AM to 9:00 PM
- Picking Hours                              Monday through Friday              6:00 AM to 3:00 PM
  - 3:00 PM to 12:00 Midnight    (If necessary)
- Replenishment Hours Monday through Friday              12:00 Midnight to 6:00 AM  
(If necessary)

PLUS weekends and Holidays by appointment and/or special circumstances

**(4) Merging of Single-pick Bottle orders**



**Merging wine cases, boxes, and bottles**

- [Picking boxes and bringing them to wine case staging area](#)
- [Picking boxes and bottles and merging them in wine box staging area](#)

If you set up truck loading to consolidate loose wine bottles ordered by an account into

boxes for loading and delivery, you have two options for merging wine boxes and bottles

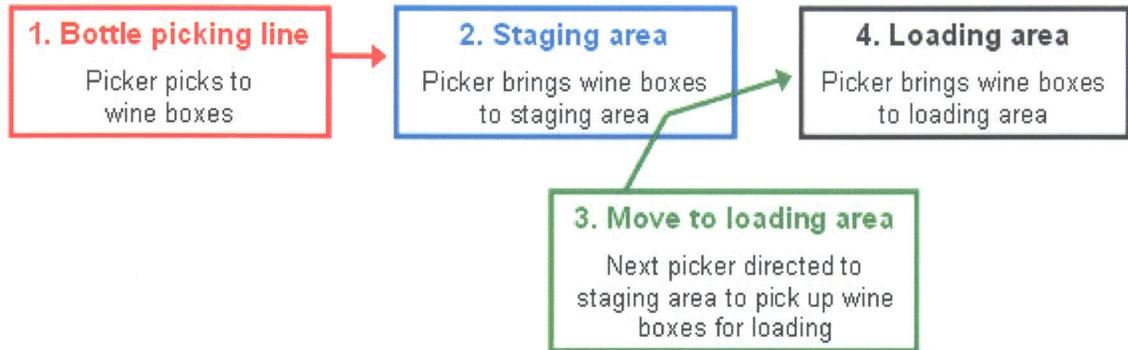
with full cases of beer and wine during picking and loading:

1. Picking the wine boxes, bringing them to the wine case staging area (often called the QC area), and directing the next picker to the wine case staging area to pick up the boxes for loading. The following diagram illustrates how picking and loading typically works with this option:

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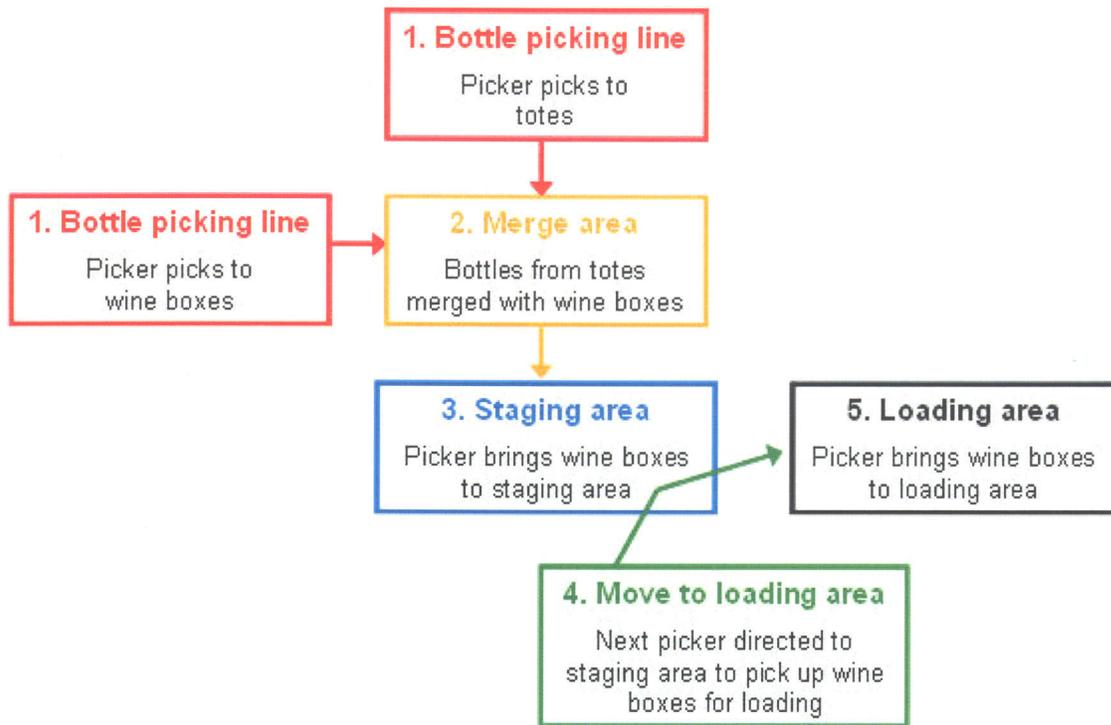


Picking the wine boxes, merging wine bottles picked to tote with wine boxes in the wine box merge area (often called the QC area), bringing the wine box to the wine case staging area, and directing the next picker to the wine case staging area to pick up the boxes for loading. The following diagram illustrates how picking and loading typically works with this option:

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**(5) Temperature Control Procedures:** The warehouse will be maintained between the required temperatures of 45 to 85 degrees Fahrenheit. Cooler area will be maintained at 55 degrees Fahrenheit as required. This will be achieved by selectively locating digital temperature recording units throughout the warehouse and cooler section. These units will feed the temperature information back to the computer and adjustments will be made based on the program specifics with heat or cold air to ensure compliance with the standards required. If needed, large overhead fan units will be installed to move the cold or hot air throughout the building and rooms.

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**B. (1) Timely and efficient damage processing**

Receiving

Immediately set aside any damaged product upon receipt

Notify warehouse supervisor

Document date, time, load, product

Take pictures

Move to secure location and separate broken from unbroken

Notify NHSLC Division of Enforcement and Licensing as required

**Recording Breakage**

After

- Use RF to adjust in and out from breakage. Specify location and code date to keep layers accurate



-RFKEYINV-	
Breakage	
Item, UPC or Pal. ID	72002
CodeDt	10152010
Location	B1
Reason Code	05
Cases	1
RFKEYINV	
F4=List F12=Cancel	
F6=Process	



Picking/warehousing

Immediately set aside any damaged product upon receipt

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Notify warehouse supervisor

Document date, time, load, product

Take pictures

Move to secure location and separate broken from un broken

Notify NHSLC Division of Enforcement and Licensing as required

Warehouse supervisor must file a warehouse incident report and investigate the root cause of incident

Warehouse supervisor to follow-up with additional training, procedure review and/or discipline

RF gun will be used to adjust product in and out from breakage. Location and code date will be specified to maintain proper layered inventory.

**(2) Ensuring proper rotation of stock (FIFO)**

All product will be scanned and received into warehouse by RF gun by date, product code, amount and location

WMS will direct pickers and replenishment crew to the oldest stock first or NHSLC stock to ensure proper rotation and FIFO.

Daily cycle counts by inventory management will verify correct picks

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WMS reporting by code date or receipt date to ensure/verify correct picking

WMS reporting procedures to alert warehouse of possible product movement issues

**(3) Merchandise validations including action to correct problems discovered**

Daily cycle counts will verify the FIFO method

WMS reporting by code date or receipt date to ensure/verify correct picking

WMS reporting procedures to alert warehouse of possible product movement issues

If problem is discovered warehouse inventory manager will

File an incident report if FIFO or NHSLC stock issue is in violation of requirements

Notify warehouse supervisor/general manager follow-up

Review procedures and training...apply discipline, if necessary

**(4) Use of re-labeling process:** The Warehouse computer system is capable of printing itemized delivery pallet tags such as Appendix O

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seems to show - a listing by account of each SKU and its quantity (plus the other product and account information) contained on the pallet. All necessary detail will be provided but in a visually different layout. Additional clarification is needed if the "re-labeling process" is something other than itemized pallet tagging as just described.

**C. (1) Accommodating anticipated and unanticipated deliveries**

The warehouse operation will have enough employees and shifts to properly receive all inbound shipments within 2 hours of physical arrival at the warehouse during normal business hours.

Arriving freight will be logged in upon load being situated on dock and logged out when unloading process completed

Any deviation from the 2 hour window will be noted and reported to warehouse supervisor for review

Warehouse supervisor will determine the root cause for the delay and take appropriate action to prevent future deviations

Repeated offenses by warehouse employees will result job retraining, relocation or discipline

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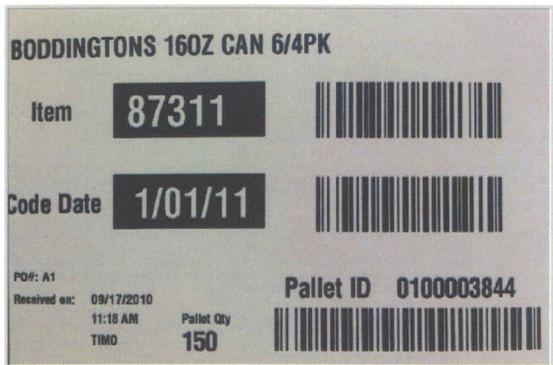
**(2) Receipting and put away accuracy**

Receiving product and putting away product by RF gun is more efficient, accurate and greatly increases the efficiency and maximization of outbound traffic. Receivers will stage all inbound orders, verify count, sticker pallets and move pallets to put away zones via the RF gun. Inventory Manager or Warehouse Supervisor can verify put away with daily cycle counts.

## Receiving Product at the Door

■ Pallet License Plate Identifier

After



1500 cases received @ 150 cs/pallet = 10 license plate stickers





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- RFVPVERIFY compares the count or weight to the quantities **picked**.
  - Reflects the quantities spoken by the picker and any out-of-stocks noted during picking.
- Earlier options: PKVERIFY and RFPKVERIFY.
  - Verify the count or weight against the quantities **ordered**.

- Two options for verifying pallet:
  - Blind count
    - Count products on the order.
    - Compare ordered and pick quantities with the blind count.
  - Weight
    - Weigh the pallet and compare to the weight calculated by computer.

RFVPVERIFY – Weight

The screenshot shows three panels of the RFVPVERIFY - Weight interface. The first panel on the left shows Warehouse 1, Employee GEOFFH, and a menu with 'Verify Pallet' highlighted. The middle panel shows Pallet # 0001259, Board Type 2, and a 'Weight' section with 'Scale ...: 99991899' highlighted. The third panel on the right shows Pallet # 0001259, Scale ...: 1800.00, Computer: 1720.00, Diff ...: 80.00, and a 'Weight' section with 'Scale ...: 1800.00', 'Computer: 1720.00', and 'Diff ...: 80.00' highlighted. Other options like 'Check Items', 'NEXT Pallet', 'Rekey Weight', and 'Outside Tolerance' are also visible.

RFVPVERIFY

The screenshot shows the RFVPVERIFY interface with a list of items and a verification table. The list includes items like 01100 BUDWEISER, 2/12 LNDR, 01218 BUD, 1CE 18 CAN, 22234 MILLER, MILLER 30 PAC, 08144 BUDWEISER, 24-12LV, 01128 BUDWEISER, and BMLNG PN 16ZB. The verification table has columns for ORDER, PICK, and VERIFIED, with rows for 22234 MILLER and MILLER 30 PAC. The 'VERIFIED' column shows '00022' and '00022'. A 'DO YOU WISH TO UPDATE THIS ORDER?' prompt is shown with 'YES' highlighted. The 'Pick Location' is A001.

In addition, supervisors have access to “live” picking numbers by each member of the crew and can set standards by the hour or shift and utilize this information for incentive or training purposes.

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## PICKSTAT – Employee Summary

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 ANY BEVERAGE, INC. --PICKSTAT - Picking Statistics-- PAGE 1

Date: 9/15/08 to 9/19/08  
 Shift: NIGHT

Employee Name	ID	Shift	Hours	Pick	Meal	Break	Net	Net	Case	Units/	Picks/	Units/							
				Hours	Hours	Hours	Shift	Pick	Cube	Cases	Kegs	Btl's	Pa'll	Layers	Equivs	Picks	Hour	Hour	ShiftHr
Jeremy Smith	0095	34.00	34.90	1.59	1.37	31.04	31.94	6621	7287	0	0	0	0	0	7312.64	2238	228.15	70.07	234.76
Richard Hardy	2922	34.00	34.93	.46	.43	33.11	34.04	6779	7507	0	0	0	0	0	7486.45	2310	220.53	67.86	226.73
James Burks	3386	34.00	34.75	.00	.00	34.00	34.75	5442	5928	0	0	0	0	0	5982.82	1932	170.35	55.60	174.35
Brian Daniels	3757	34.00	34.74	.00	.00	34.00	34.74	7443	8192	0	0	0	0	0	8117.43	2238	234.95	64.42	240.00
Jeff Letcher	5840	34.00	34.55	.00	.00	34.00	34.55	6237	7039	0	0	0	0	0	7009.81	2070	203.73	59.91	207.03
Ed Walsh	5974	34.00	34.95	.00	.00	34.00	34.95	6121	6807	0	0	0	0	0	6846.66	2122	194.76	60.72	200.21
Brian Marlow	7905	34.00	35.22	.00	.00	34.00	35.22	8200	8993	0	0	0	0	0	9145.39	2436	255.34	69.17	264.50
Danny Davis	8269	34.00	35.29	.00	.00	34.00	35.29	7002	7636	0	0	0	0	0	7677.14	1937	216.38	54.89	224.59
Derrick Wicker	9818	34.00	35.07	.00	.00	34.00	35.07	7222	8045	0	0	0	0	0	8059.10	2536	229.40	72.31	236.62
<b>Totals</b>		<b>306.00</b>	<b>314.40</b>	<b>2.05</b>	<b>1.80</b>	<b>302.15</b>	<b>310.55</b>	<b>61059</b>	<b>67404</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67597.44</b>	<b>19819</b>	<b>217.05</b>	<b>63.82</b>	<b>223.08</b>

**C. (4) Meeting load schedule:** VIP truck loading software will enable the warehouse to achieve the high demands of the retail and properly load all outbound vehicles on schedule. The warehouse hours will be sufficient to handle the high demands of the retail outlets and staffing will be sufficient to avoid delays and meet the ever changing demands placed on the warehouse. Weekend and holiday hours will be available if necessary to accommodate any and all needs.

**D. Management and Staffing Plans:** Please see response to RFP Appendix C, Section III – Personnel Data.

**D. 1. Specific Management/Staff Assignments:** Please see response to RFP Appendix C, Section III – Personnel Data.

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**D. 2. Previous Individual Experience:** Please see response to RFP Appendix C, Section III – Personnel Data.

**D. 3. Training plans to ensure readiness at start-up.**

Hat Trick Logistics, LLC will have people in place, ready to go well before the start of the contract date. Approximately two weeks will be necessary to properly train and test employees on the processes, procedures, equipment and reporting functions required to fulfill this contract.

To allow for smooth transition, Hat Trick Logistics, LLC will consider managers and employees from the current vendor for employment in all job categories. Managers and supervisors will be hired first and trained on all aspects of warehousing and loading procedures. In addition, managers and supervisors will be instructed on the specific details and requirements of the contract with the NHSLC. Special emphasis will be placed on bailment procedures for the inventory manager so that he/she properly understand the implications and ramifications. Pickers, loaders, receivers, maintenance will be hired second and trained in all aspects of the job categories so that they might be interchanged to accommodate fluctuations in receiving, order picking and loading. Hat Trick logistics, LLC will solicit the help of safety experts to review and train employees with regard to powered industrial trucks, OSHA regulations, general safety requirements and all specific safety sensitive functions of the warehouse job categories.

Training staff from Vermont Information processing will train and test employees on every aspect of the WMS, picking, loading, receiving and reporting capabilities. Below is

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an estimated time table for training:

Company Info, Policies	½ day
OSHA regulations	½ day
Powered Industrial trucks	½ day
WMS and RF guns	2 days
Receiving process	1 day
Voice pick	½ day
Loading	½ day
Reporting	1 day
Testing, Adjusting	3 + days

**D. 4. Approximate number of additional seasonal order selectors, truck drivers, Warehousemen, etc., to meet seasonal build-up levels:** Hat Trick Logistics, LLC has extensive experience meeting and exceeding the demands of seasonal build-up and anticipating other unexpected/unplanned events that may cause a need for additional staffing. First and foremost, the plan would be to utilize approximately 8-10 additional employees on various schedules to accommodate the increased demand. Additionally, selective use of overtime will balance any possible shortfall. As previously mentioned,

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pickers, receivers and loaders will be cross-trained so that all job-specific functions can be handled timely and efficiently by any employee.

**IX. Rate and Price Analysis:** Response: Rate and Pricing Information is Provided Separately in Accordance with Appendices D and D-1 of the RFP.

- 1. Description of Value Added Services.** Value Added services are described in Appendix R of the Response/Proposal. However, Hat Trick Logistics, LLC is not charging separately for these items in the pricing schedules contained in Appendices D and D-1.
  
- 2. Expected or Required Computer Processing and/or Electronic Communications Support Requested from NHSLC.** Hat Trick Logistics, LLC will require NHSLC time and assistance on the interface between the NHSLC Web Ordering system and web reporting system and its own system. As indicated in various responses elsewhere in this document, additional clarification is needed in several process and reporting areas. Hat Trick Logistics will also require NHSLC time to review alternative reporting and document solutions for acceptability and/or improved functionality over current practices.

**X. Description of how Hat Trick Logistics, LLC will plan for and provide a smooth transition form the current NHSLC Warehouse Vendor to Hat Trick Logistics, LLC's proposed operation such that NHSLC's operations are minimally**

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**impacted:** Hat Trick Logistics, LLC will plan for and provide a smooth transition from the current NHSLC warehouse vendor and its operation to minimize any potential impact. Hat Trick Logistics, LLC will have its management team in place and its warehouse receiving team well before the actual contract date. If approved by the NHSLC, suppliers will be able to ship new product to the warehouse where it will be received and put away by date, receipt, amount and location. In addition, Hat Trick Logistics, LLC will work with the current warehouse vendor to transfer excess product to the new location ahead of the contract expiration. The last of the bulk storage and pick locations will be transferred last to ensure FIFO of all products. The VIP software programs and data from the NHSLC will allow a smooth transition. Hat Trick Logistics, LLC has experience and success in this type of cooperation and transfer of product with In Bev beer brands.

**XI.** It is understood that loads may be commingled with NHSLC and Licensee product.

**XII.** The contracting requirement is understood. Further response: Please see Appendix E of this response/proposal for contract terms. Please see response to RFP Section 1.7.4, above, for a description of Hat Trick Logistics, LLC's plan to finance warehouse services. It is understood that failure to submit bids in the proper dollar and cents format may disqualify the bid. Section IV., 1 of this Response/Proposal contains a statement from a licensed insurance agent indicating Hat Trick Logistics, LLC's ability to obtain insurance coverage as required by the RFP.

PROPOSAL OF HAT TRICK LOGISTICS, LLC

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**XIII. Business Continuity Plan.**

**PREFACE:** The purpose of this plan is to define the recovery process developed to restore Hat Trick Logistics, LLC's critical business functions in the event of disaster or interruption. The plan components detail Hat Trick Logistics, LLC's procedures for responding to an emergency situation, which affects Hat Trick Logistics, LLC's ability to deliver core services to our customers and our ability to meet regulatory requirements.

**Objectives of the Plan**

- Facilitate timely recovery of core business functions
- Protect the well-being of our employees, their families and our customers
- Minimize loss of revenue/customers
- Maintain public image and reputation
- Minimize loss of data
- Minimize the critical decisions to be made in a time of crisis

Hat Trick Logistics, LLC understands its obligations and commitments to the NHSLC as well as the many retail outlets and suppliers that it serves. The Company will make every attempt to minimize any down time in its operations that may adversely affect the receiving, warehousing, loading and transmitting of data as required.

**BUSINESS CONTINUITY PLANNING TEAM:**

The following individuals are designated plan coordinators for their respective departments and are responsible for the execution of this plan in a qualified disaster.

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