

Section V – Cost Proposal

Appendices D, D-1, D-2 and D-3

BID PRICING WORKSHEETS

(Including alternative proposals)

RATE PER CASE

(All Inclusive Pricing)

Pursuant to RFP guidelines, referring to i.) Part 2 General., Par. 2.5 Separate Second Proposal, pg 18, ii.) Part 4 Evaluation Process Section, Par. 4.2 Pricing., pg 34 and iii.) Appendix C. Specific Requirements: par. 3, pg 34, applicant now provides the completed main proposal (Appendix D), and alternative proposal Appendices D-1, D-2 and D-3 under one (1) primary and three (3)) alternate proposal scenarios. Vendor applicant respectfully submits the following fee schedule proposals:

D: Main (Primary) Proposal For Statewide W & S State Store Distribution as Advertised

- **PROPOSAL D: .75 PER CASE ALL IN: HAVING APPLICATION TO ALL DELIVERY AND HANDLING METHODOLOGIES, AND/OR ALL CATEGORIES OF CASE LOT DELIVERY SERVICE, INCLUDING “LIFT GATE” AND “HAND UNLOAD” SERVICES. RATE APPLIES AS TO ALL DAYS, WEEKENDS AND/OR HOLIDAYS FALLING WITHIN THE MEANING AND INTENT OF THE TOTAL TRANSPORTATION SERVICES REQUIRED UNDER THE RFP. THE NHSLC IS PRESENTED WITH AN OPPORTUNITY TO ENTER INTO ITS FUTURE TRANSPORTATION BUDGET(S) BY WAY OF AN ENTIRELY TRANSPARENT, UNAMBIGUOUS AND DECISEVELY LOWER AVERAGE DELIVERY COST PER CASE FOR THE TERM OF THE CONTRACT.**
- **FIRST ALTERNATIVE PROPOSAL D-1: .70 PER CASE all in: having application to all state stores under all the delivery categories listed under Proposal D (above), provided, however, that licensee deliveries be added to the NHSLC contract, that is, the rate per case offered to the NHSLC is inclusive of all licensee deliveries moving via prepaid terms of sale by the state, subject to a minimum tender to provider of not less than 500K licensee cs per annum. Simply re-stated, the NHSLC adopts a re-structured licensee distribution - POS system where under the state pays your transportation provider**

directly for licensee deliveries at the exceptional rate of .70 (70 cents) per case all in, applicable to state stores and licensees alike.

Still differently presented, the NHSLC holds the option of a.) assessing licensees a transportation administrative fee potentially above .70 per case in consideration of the whole handling and end delivery single-source service provider consolidation, and/or b.) the NHSLC assumes a pass-through role in the event the NHSLC agrees that a licensee delivery rate placed at not less than 35% under the otherwise prevailing "A & J" rate per case would translate into growing the NHSLC wholesale and direct licensee business. Under either a "mark up" framework or other new point of sales construct, the Rateliner end of the bargain brings an upgrade in supply chain efficiency- directly linked with the smaller volume delivery priority Rateliner model.

EITHER OF THE ABOVE RATE PROPOSALS (D AND D-1) WAIVE THE OTHERWISE ADOPTED NHSLC FUEL SURCHARGE SCHEDULE, EXCEPT FOR, OR IF FUEL PRICES REACH \$4.50 PER GALLON. APPLY THE NHSLC FSC SCHEDULE ONLY TO FUEL PURCHASES TAKING EFFECT AT \$4.50/GAL AND ABOVE. ALL PROPOSALS INCLUDE A "PALLET SEAL" OF INTEGRITY PROGRAM. EACH PALLET SIGNED FOR AT BOW OR CONCORD BY TRANSPORTATION VENDOR'S DRIVER IS SECURED WITH A PALLET INTEGRITY SEAL SYSTEM VS. THE TRADITIONAL FTL TRAILER SEAL.

NEXT LEVEL OF ALTERNATIVE PRICING PROPOSAL(S) D-2 and D-3: SUMMARY OVERVIEW:

Applicant's lower cost equipment model supports a simple and straightforward alternative proposal discussion centered on the afore described separations of delivery equipment, equipment designed to improve on smaller shipment demands and price effectiveness. Meaning and intending that applicant conditionally seeks an exception to the current NHSLC standard which advertises for strictly one (1) statewide proposals, and more so eluding to the one (1) statewide transportation provider guidelines (the all or nothing deal) as opposed to other contract proposal (BID) means and ways available to the NHSLC, such as allowed and promoted by the NHSLC in past NHSLC transportation proposal arenas (past RFPs). For example, the NHSLC has formerly advertised in BID guideline requests for four (4) delivery zones encompassing the entire state. The point is made that if the NHSLC were to resume the practice of zone bids today by re-bid or under other current RFP heading: the state would stand to realize closer to a seven (7) figure in aggravated total annual savings vs. the single provider bid framework, supporting documentation available upon request.

Subjective **ALTERNATIVE** Pricing Proposal(s).

BACKGROUND FOR D-2 AND D-3 ALTERNATIVE PROPOSALS: it is the strong opinion of your applicant that a two (2) fold contract approach acting essentially on the FTL (volume store dels) opposite the LTL – "stop-off" (smaller volume store dels) does three (3) things beyond the NHSLC goal of lowering costs to just the lesser volume store or statewide delivery costs fashioned after the Rateliner model:

- ONE: a purely FTL (truckload) provider by way of RFP *re-bid*, if not under the current RFP framework, holds the key to lowering its purely FTL price per case delivery tradition in having shed the upward costs associated with lower volume rural stores and/or non-dock delivery stores. The NHSLC stands to realize a lower cost as it applies to the highly condensed volume store delivery lanes by way of ridding the FTL provider of the more cost intensive and greater cpm and greater mileage deliveries.
- TWO: An operating model specializing in the lower volume “hand-off” and/or “lift gate” deliveries and other higher cost deliveries crafts a still lower price based on shedding the heavy lifting of the “TT” equipment capitalization. The NHSLC, by allowing the lower cost equipment model to separately enter the picture also stands to realize beyond lower price points more proficient delivery service through more energy effective equipment and mobility means and ways.
- THREE: at the end of the day the two (2) provider approach supports an aggregate total distribution plan at budget level estimated to reach \$1M less than the current budget, supporting documentation available. Your FTL bidder becomes more competitive in the lower mileage, but higher volume delivery FTL lanes - and your smaller venue (rural type) MC provider does just the same in its opposite specialty (smaller shipment zone deliveries).

D-2: Second Alternative Proposal

ALL STORES IN CARROLL, COOS, BELKNAP, SULLIVAN, STRAFFORD, GRAFTON AND CHESHIRE COUNTIES SET FORTH BY EXHIBIT D-2 HERETO

- .65 per case *all-in.*

D-3: Third Alternative Proposal

ALL STORE SERVICES INCORPORATED UNDER THE D-2 EXHIBIT REFERENCED ABOVE, PLUS CERTAIN NON-DOCK PERIPHERY DELIVERY STORES IN HILLSBOROUGH, MERRIMACK AND ROCKINGHAM COUNTIES SET FORTH BY D-3 EXHIBIT HERETO:

- .60 per case *all-in.*

D-2 and D-3 rates are all inclusive of fuel surcharges, subject to a maximum fuel purchase cost of \$4.50 per gallon; apply the NHSLC schedule at \$4.50 per gallon purchases and over. Pursuant to the RFP, all price points as set forth above are fixed for the initial 63 months of the transportation contract. D, D-1, D-2 and D-3 proposals include the “pallet seal” integrity system as afore described.

