

June 14, 2011 CLARIFICATIONS AND AMENDMENTS:

In Part 1, section 1.3, the vendors are invited to submit written inquiries to the Issuing Officer. A number of written inquiries were received by June 14, 2011. The official written responses are set out below. Additional written inquiries have been received and official written responses will be posted on the NHSLC website when they are prepared. The NHSLC appreciates and encourages written inquiries. They provide effective communication among the NHSLC and vendors.

Vendors must respond to each section; do not leave any sections unanswered. Vendors can respond by indicating “understood” which means it agrees that it will meet the requirement. Or, a vendor can respond by indicating “I take an exception” and if a vendor takes an exception, the vendor needs to provide an alternative. If a vendor can’t do it, say you can’t do it, and if you think there is an alternative that will get us to the same place, tell us what that alternative is.

Transportation RFP Answers:

Question: On page 21, third paragraph down, last sentence, regarding co-mingled loads, could you explain the co-mingling process?

Answer: Currently, we have some products/orders that, depending on where they are being shipped, are picked in Concord and shipped to Nashua or vice-versa and they are co-mingled with the same store’s order that has been previously picked. This is done primarily for the North Country in smaller quantities.

Question: On page 37, sub-paragraph “C”, it says that 29 stores accept pallet deliveries, given there are 76 stores in total, I assume that means the remaining 47 stores, the cases are rolled down. There are other sections in the RFP that give volume, but I didn’t see a break out of volume between pallet stores and hand-delivered stores. Could you please provide the volume of the stores which can accept pallet deliveries and which are hand-delivered?

Answer: These numbers change as we move stores and as we change locations. A store could go from roller delivery to pallet delivery, so there is some fluctuation in the numbers of these stores, certainly not significant. For those stores receiving pallet deliveries, here are the numbers:

Pallets received by stores last 12 months

Store	CASES	PALLETS
1	58336	858
7	49503	728
10	42920	631
15	92183	1356
16	16619	244
22	36389	535

23	80183	1179
25	56337	828
27	24267	357
32	48586	715
33	51440	756
34	196963	2897
38	204048	3001
44	14054	207
47	18151	267
48	37373	550
49	83252	1224
50	159435	2345
53	33162	488
54	34518	508
55	64921	955
56	42845	630
59	31928	470
60	106359	1564
66	149573	2200
67	118880	1748
69	117774	1732
73	228287	3357
76	265869	3910

Question: Regarding the section that talks about equipment, which was helpful, maximum and minimums that you expect, it does not give any direction as to trailer. It talks about side doors which I think we all understand that, but it doesn't talk about 48 foot versus 53 foot trailers. It does talk about roll up back doors, but does the Commission have a preference or a requirement for the length of the trailer – 48 versus 53 foot or shorter?

Answer: The NHSLC has no specific preference between 48 or 53 foot trailers. The vendors should consider using tandem trailers at a size allowed in New Hampshire so that the first trailer can be dropped and left at one store while the second trailer is dropped at a second store.

Warehouse RFP Answers:

Question: Define the warehouse section of the RFP– is the warehouse responsible for managing that co-mingling portion or is it the transportation provider’s responsibility to take care of that co-mingling – taking product from two locations and putting it on one truck?

Answer: When a truck arrives at either warehouse, it is the warehouse’s responsibility to add product with their equipment. It is a priority, however, that both the warehouse and transportation vendors coordinate to insure that product is loaded on the trailer in the proper sequence of unloading.

Question: We currently do not have a facility in New Hampshire, but are looking to identify a facility in-state that fits the need. How do we respond to that portion of the RFP?

Answer: In both RFPs, paragraph 1.7.4 contemplates that potential vendors may not be currently engaged in large-scale warehousing or transportation. The vendor must respond to every requirement in the RFP, and if a vendor can not meet the requirement, it has to take an exception. The vendor must indicate that it can not provide a warehouse by May 1, 2012 and give a realistic date for when it will be able to provide a warehouse. At the first level of review, this will not count against the vendor. Ultimately, the state has to have a service provider by May 1st, 2012, but we still want your proposal, and we want the vendor to provide the date when the vendor can meet the requirement. If the date is May 3rd, that is very different than a year from that date.

Question: On page 53, Appendix D, are you looking for a three year rate or can somebody put in a rate for one year, with some escalators – how should one bid on that?

Answer: We are looking for a rate for the period May 1st, 2012 through January 10th, 2015, which is actually a little less than three years. We are looking for a pay rate that will be held for the first term of this contract, years 1 through 3.

Question: How much space is needed? Do you know how many cases per square foot the business is currently being handled in? Would it be possible to tour the current warehouse business?

Answer: Vendors can arrange a tour of the Concord Warehouse by contacting Craig Bulkley by email. A request for a tour of the private warehouse must be directed to Law Warehouses, Inc. in Nashua.

Question: Can you tell me the current number of warehouse managers, clerks and current number of equipment operators used?

Answer: The Concord warehouse, 50,000 square feet, has 2 Managers (Warehouse Supervisor & Warehouse Manager), 3 clerical employees in the office, 13 temporary employees (approximately 25 hours per week for order selection), and 9 full time employees.

Question: How many shifts are used for the current operation?

Answer: Currently the Concord warehouse operates on one shift – Monday through Friday, but that could change in the future to add a weekend shift. The RFP indicates that in the future, the new contract may include weekend deliveries or a second shift in order to accommodate whatever schedule we have established.

Average Daily Shipments by Brand Code – <http://www.nh.gov/liquor/AverageDailyShipments.pdf>

Inventory Snapshot at Law Warehouse – <http://www.nh.gov/liquor/LawWarehouseInventory.pdf>

Inventory Snapshot at Concord Warehouse – <http://www.nh.gov/liquor/ConcordWarehouseInventory.pdf>

Question: How fast can we expect to get paid – for both RFPs?

Answer: Fifteen days after receipt of invoice. Regarding the Warehouse RFP, keep in mind this is not just paid by the State, but also by the suppliers who are storing product in the warehouse.

Question: Regarding the Revised Page 53 Appendix D, there are currently many more charges and there are charges that are scaled based on volume. Are these the only charges that can apply? Are you looking for one flat rate or can these rates be based on volume?

Answer: The revised Page 53 Appendix D requires flat rates. A vendor must provide rates as required by Appendix D. A vendor has the discretion also to provide an alternative rate structure which will benefit the NHSLC.

Question: On Page 29, the last sentence of paragraph 3.0.10 indicates that the NHSLC will take control of warehouse vendor software. Is there a new software package coming in?

Answer: Currently there is an software application that is fairly old, and we are working to revamp the software application to a more automated process.

Question: How would the costs associated with that implementation be addressed? Would it be shared between the Commission and the vendor?

Answer: The costs of implementation, if any, will be negotiated prior to implementation.

Question: On page 31, the first paragraph indicates that secure access and egress to/from the warehouse must be maintained and monitored by competent authority at all times. Does that mean through technology or security staff?

Answer: Secure access is having control over the building relative to access to where our product is stored so that unauthorized people don't have access to that area. At all times a vendor needs to use a security system, electronic or otherwise, to make sure the building is secure.

Question: On page 24, minimum and maximum temperatures are mentioned. Minimum 45 degrees; maximum 85 degrees. Do you know how much space will be required? Do you have any requirements or a certain percentage which needs to be at the minimum and maximum temperatures?

Answer: The minimum and maximum temperature range applies, in general, to all warehouse facilities used by the selected vendor. A not yet identified, smaller warehouse area may require a different temperature range. A vendor must respond to this requirement by agreeing, providing a specific range and area, or taking an exception.

Question: What are your destruction policies? In the past, working for a large wine company, we needed to keep the neck of every bottle for any product destroyed. What do you require?

Answer: The NHSLC has established procedures for the destruction of damaged product. When product is identified as not suitable for sale and needs to be destroyed, the warehouse vendor will contact our Division of Enforcement. The Division of Enforcement will provide guidance, and will, on the day the product is destroyed, provide sworn personnel to witness the destruction. The warehouse personnel involved in the destruction are not required to save any portion of the bottles to be destroyed.

Question: How does the guaranteed bond of \$50,000 work? When we submit the bond with the proposal, if a vendor doesn't make it to the second round, do we get that back, or is that a like an entry fee to participate in the process?

Answer: It is not an entry fee. A vendor has to respond to every section of the RFP. The bond is forfeited if a vendor agrees to an RFP requirement without taking an exception and then reneges on its agreement.

Question: Appendix D, "Revised", where it talks about the storage and allocated inventory of 1-84 days from receipt and the cost is "x" amount, then it spills over to the 85th plus days from receipt...can you explain?

Answer: Please compare Appendix L on page 98 which contains the current pricing schedule with Appendix D. Provide the best rate for the benefit of the NHSLC.

Appendix H – “Historical Shipments from Concord & Law Warehouses” has been revised as set out below:

HISTORICAL SHIPMENTS FROM CONCORD & LAW WAREHOUSES

Month	FY08 Cases			FY09 Cases			FY10 Cases		
	Concord	Law	Total	Concord	Law	Total	Concord	Law	Total
July	113,966	325,241	439,207	138,768	327,136	465,904	132,688	319,899	452,587
August	103,228	324,783	428,011	116,159	295,225	411,384	126,377	309,118	435,495
September	76,738	248,246	324,984	104,550	277,294	381,844	106,701	295,516	402,217
October	95,494	334,512	430,006	107,412	291,095	398,507	102,590	295,346	397,936
November	88,615	329,031	417,646	99,245	286,110	385,355	106,925	311,942	418,867
December	91,999	325,752	417,751	126,927	345,138	472,065	119,978	375,388	495,366
January	66,573	250,342	316,915	73,313	224,998	298,311	69,395	219,650	289,045
February	65,185	233,638	298,823	77,681	231,033	308,714	80,245	246,407	326,652
March	61,962	228,676	290,638	85,742	237,303	323,045	92,117	271,752	363,869
April	81,375	267,231	348,606	165,435	259,191	424,626	93,837	251,778	345,615
May	85,673	280,419	366,092	99,870	264,088	363,958	96,324	266,991	363,315
June	102,049	284,415	386,464	113,829	310,281	424,110	126,861	339,291	466,152
Total	1,032,857	3,432,286	4,465,143	1,308,931	3,348,892	4,657,823	1,254,038	3,503,078	4,757,116