

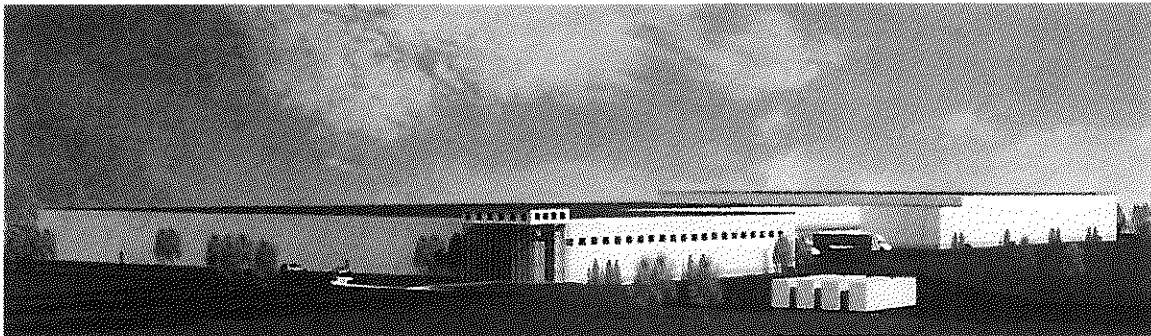
Exhibit O

Rate and Price – RFP 2012-14
for
**Warehouse Services for Wine and Spirits
and Related Products**

**Appendices D, D-1 and
D-2: Alternative Price Proposal**

Dated: June 7, 2012

In Response to RFP 2012-14



New 334,000 sq. ft. Facility

Submitted by:

Distributech LLC

**One Capital Plaza
Concord, NH 03302-1500**

APPENDIX D - Required Form --Fees charged to Suppliers

BASIC BAILMENT CHARGES:

Law Rates	Law Rates	Distributech, LLC
Pre-May	2013	
2012	2013	

INBOUND HANDLING:

Covers the ordinary labor and duties incident to the unitized (slipsheet, pallet, or clamp) unloading of cases; verifying case quantities against a proper packing slip and carrier bill of lading; placing into storage, administrative receiving. Handling is charged upon receipt of goods and calculated on a "per code per receipt" basis.

Codes of 1 – 180 cases per case	\$1.15	\$1.40	\$1.15
Codes of 181 – 299 cases per case	\$1.00	\$1.20	\$1.00
Codes of 300 – 669 cases per case	\$0.90	\$1.05	\$0.90
Codes of 670+ cases per case	\$0.80	\$0.95	\$0.80
Pallet packs per pallet	\$6.35	\$7.60	\$6.35
Cases received uncoded or other unsaleable status --per line item surcharge	\$5.00	\$6.00	\$0.00 no surcharge

STORAGE:

Storage is calculated on an anniversary basis and initially charged upon receipt. For each 14-calendar day from date of receipt, the number of cases in storage is charged according to the table below on a "per code per receipt" basis.

Cases in inventory 1 - 84 days from receipt	/Cs/14days	\$0.09	\$0.11	\$0.09
Cases in inventory 85 -182 days from receipt	/Cs/14days	\$0.24	\$0.29	\$0.24
Cases in inventory 183 - 365 days from receipt	/Cs/14days	\$0.67	\$0.80	\$0.67
Cases in inventory 366+ days from receipt	/Cs/14days	\$1.18	\$1.40	\$1.18

Allocated inventory 1 - 84 days from receipt	/Cs/14days	\$0.09	\$0.11	\$0.07
Allocated inventory 85+ days from receipt	/Cs/14days	\$0.24	\$0.29	\$0.14

(Special Rates apply to selected wines only)

Definition of Allocated Inventory - wines that are generally available in small quantities and may be in high demand by consumers. Allocated wines must meet certain criteria to qualify for the program and as an incentive for suppliers to allocate these highly sought after wines a special reduced storage rate is offered.

Any case, 0-365 days, on an unsaleable status	/Cs/14days	\$0.67	\$0.80	\$0.00 no surcharge
Any case, 366+ days, on an unsaleable status	/Cs/14days	\$1.18	\$1.40	\$0.00 no surcharge

Pallet packs in inventory 1 –84 days from receipt	/PLT/14days	\$4.00	\$5.00	\$4.50
Pallet packs in inventory 85 -182 days from receipt	/PLT/14days	\$10.75	\$12.90	\$5.50
Pallet packs in inventory 183 -365 days from receipt	/PLT/14days	\$30.00	\$36.00	\$6.50
Pallet packs in inventory 366+ days from receipt	/PLT/14days	\$52.50	\$63.00	\$6.50

Pallet pack, 0-365 days, on an unsaleable status	/PLT/14days	\$30.00	\$36.00	\$0.00 no surcharge
Pallet pack, 366+ days, on an unsaleable status	/PLT/14days	\$52.50	\$63.00	\$0.00 no surcharge

Note: To qualify for this rate the pallet is considered to be one unit. (Received as one unit and shipped out as received in)

(New Service) Refrigerated Storage	\$0.28 /cs/14days
Refrigerated Storage	/PLT/14days

APPENDIX D (Continued) - OUTBOUND ORDER PROCESSING / REPORTING:

Consists of creating a packing slip, permanent adhesive labels for each in-state liquor store and licensee shipment, electronic shipping orders provided daily to suppliers summarizing the quantities of each product shipped.

Distributech waives all of the RFP's miscellaneous fees to the SLC and the Suppliers--except as specifically noted below. Additionally Distributech includes all integration and advanced reporting between the warehouse, the SLC servers as well as broker/supplier reports. Note: any/all Distributech fees/charges are transparently reported from warehouse to the SLC in digital formats defined by the SLC and then passed-through to the suppliers by the SLC... or marked-up by the SLC before being received by the Suppliers.

Normal order processing per case	\$0.12	\$0.15	0.60
Manual Non-Auto Orders per case	\$0.16	\$0.25	0.60
Minimum minimum	\$25.00	\$25.00	\$0.00 no surcharge

ACCESSORIAL SERVICE CHARGES:

ADVERTISING MATERIAL

Handling (small carton) per carton	\$0.80	\$1.00	\$0.00 no surcharge
Handling (large carton) per carton	\$2.15	\$2.50	\$0.00 no surcharge
Storage (small carton) per carton	\$0.55	\$1.00	\$0.00 no surcharge
Storage (large carton) per carton	\$3.85	\$4.50	\$0.00 no surcharge
Outbound Advertising Order Fee per order	\$25.00		\$0.00 no surcharge

BLANKETS

Handling /BLKT	\$27.50	\$37.75	\$0.00 no surcharge
Storage /BLKT/MO	\$7.00	\$8.50	\$0.00 no surcharge

EXTRA WAREHOUSE LABOR

Labor used for handling services not included in the normal processing of a receipt or shipment, nor listed separately

Regular /person/HR	\$38.50	\$46.20	\$0.00 no surcharge
Overtime /person/HR	\$57.75	\$69.25	\$35.00 /person/HR
Sunday/Holiday /person/HR	\$69.50	\$103.88	\$50.00 /person/HR

EXTRA WAREHOUSE LABOR & EQUIPMENT (must be pre-approved)

Labor and equipment used for handling services not included in the normal processing of a receipt or shipment, nor listed

Regular Time /person/HR	\$73.25	\$88.20	\$0.00 no surcharge
Overtime /person/HR	\$89.50	\$107.40	\$35.00 /person/HR
Sunday /Holiday /person/HR	\$99.00	\$161.10	\$50.00 /person/HR

OFFICE SERVICE CHARGE (must be pre-approved)

Labor used for office services and other unusual office or data information services not included in the normal administration of receipts, shipments or inventory.

Regular Time /person/HR	\$38.50	\$46.20	\$0.00 no surcharge
Overtime /person/HR	\$57.75	\$69.25	\$35.00 /person/HR
Sunday /Holiday /person/HR	\$69.50	\$103.88	\$50.00 /person/HR

APPENDIX D (Continued) - ANNUAL PHYSICAL INVENTORY

	per case	\$0.10	\$0.18	\$0.00 no surcharge
	per bottle	\$0.10	\$0.18	\$0.00 no surcharge

SPECIAL REQUEST DOCUMENTATION RUNS

For the printing and forwarding of reports and/or invoices available electronically

	per run	\$30.00	\$36.00	\$0.00 no surcharge
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FACSIMILE CHARGE

	per page	\$1.00	\$1.25	\$0.00 no surcharge
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DESTRUCTION OF INVENTORY

Rate subject to change based on disposal fees and transportation costs.

	(0-55 cases) per case	\$4.25	\$5.00	\$0.75 +per case
	(56+ cases) per case	\$3.35	\$3.85	\$0.75 +per case

LABELING:

Labor and materials used to apply SLC code labels to uncoded cases.

	<56 cases per code	\$2.70	\$3.10	\$0 /case if broker rep assisted, if not then...
	56-99 cases per code per case	\$2.15	\$2.50	\$0.75 per case
	100-299 cases per code per case	\$1.35	\$1.55	\$0.75 per case
	300+ cases per code per case	\$0.80	\$0.90	\$0.75 per case
	Minimum per code per case	\$15.00	\$30.00	\$0.75 per case
	Min/Code			

RELABELING:

	per case	\$1.20	\$1.75	\$0.75 per case
	Minimum per code per case	\$15.00	\$30.00	\$0.00 no surcharge
	Min/Code			

MISSED APPOINTMENTS:

Charged after the third missed appointment in a rolling 12-mo period

	per appointment		\$250.00	\$0.00 back of line
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PALLET CHARGE:

	per pallet	\$10.00	\$12.00	\$0.00 if exchanged
				\$12.00 per pallet

LIABILITY AND LIMITATION OF DAMAGES:

For cases in its possession, the warehouseman shall be liable for loss or damage only when caused by his failure to exercise such care for them as a reasonably careful person would exercise, but, he shall not be liable for any loss or damage to the goods which could not have been avoided by the exercise of such care.

Acknowledged by
Distributech

The amount of damages that depositor may recover from the warehouseman for lost or damaged goods is limited to \$90.00 per case unless there has been a catastrophic loss, which is defined as any combined loss across suppliers and all products of \$5,000,000 or more, in which case the total amount of damages that depositor may recover from the warehouseman is equal to a formula the denominator of which is total loss across all suppliers and the numerator of which is the value of the supplier's loss at cost multiplied by \$5,000,000. In no event shall the warehouseman's combined liability to all depositors in the event of a catastrophic loss exceed \$5,000,000 for that loss.

Acknowledged by
Distributech

INVOICE TERMS:

Net Due, Finance Charges apply at an annual rate of 18% for uncollected funds at the end of each calendar month.

END OF APPENDIX D ...[Fees Charged to Suppliers]

APPENDIX D1 -Required Form --Fees charged to the NHSLC

BASIC BAILMENT CHARGES:

Law Rates Pre-May 2012	Law Rates 2013	Distributech, LLC
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INBOUND HANDLING:

Covers the ordinary labor and duties incident to the unitized (slipsheet, pallet, or clamp) unloading of cases; verifying case quantities against a proper packing slip and carrier bill of lading; placing into storage, administrative receiving. Handling is charged upon receipt of goods and calculated on a "per code per receipt" basis.

Codes of 1 – 180 cases per case	\$1.15	\$1.40	\$1.15
Codes of 181 – 299 cases per case	\$1.00	\$1.20	\$1.00
Codes of 300 – 669 cases per case	\$0.90	\$1.05	\$0.90
Codes of 670+ cases per case	\$0.80	\$0.95	\$0.90
Pallet packs per pallet	\$6.35	\$7.60	\$6.25

Cases received uncoded or other unsaleable status --per line item surcharge \$5.00 \$6.00 \$0.00 no surcharge

RETURNS

Licensee/Liquor Stores Returns per case	\$2.50	\$5.00	\$1.00 per case
Licensee/Liquor Stores Returns per bottle	\$0.50	\$1.00	\$0.50 per bottle
Licensee/Liquor Stores Returns per pallet	\$12.00	\$15.00	\$12.00 per pallet

STORAGE:

Storage for NHSLC product shall be calculated as follows:

No charge for the first 35,000 cases for 90 days (from date of receipt) \$0.00 per case
 For cases above 35,000 and beyond 90 days \$.25/case/14 days \$0.25 /Cs/14days

No charge for Pallet Packs for the first 20 Pallet Packs for 90 days (from date of receipt) \$0.00 per pallet
 For Pallet Packs above 20 and beyond 90 days \$4.50 per pallet per 14 days \$4.50 /PLT/14days
To qualify for this rate the pallet is considered to be one unit. (Received as one unit and shipped out as received in)

OUTBOUND ORDER PROCESSING/REPORTING:

Consists of creating a packing slip, permanent adhesive labels for each in-state liquor store, licensee shipment or customer order; electronic shipping orders provided daily to suppliers summarizing the quantities of each product shipped.

Normal order processing per case	\$0.12	\$0.15	\$0.00 SLC no charge
Sub-pack 'Less than Full-Case' for Licensees per subpack	\$0.54	\$0.65	\$0.50 per sub-pack

(New Service)

Preparation of products for shipment via UPS or FEDEX to fulfill customer orders SLC provides "SLC Cartons"
 \$ ____ for 1st bottle \$ ____ for 2nd bottle \$ ____ for 3rd bottle \$0.50 per sub-pack
 \$ ____ for 4th bottle \$ ____ for 5th bottle \$ ____ for 6th bottle
 \$ ____ for 7th bottle \$ ____ for 8th bottle \$ ____ for 9th bottle
 \$ ____ for 11th bottle \$ ____ for 12th bottle
 \$ ____ for full case of same product no surcharge

APPENDIX D1 (Continued) - SINGLE PICK TO NHSLC LIQUOR & WINE OUTLETS:

(Shipped with regular case orders) per bottle **\$0.50**

ACCESSORIAL SERVICE CHARGES AFTER PRE-APPROVAL BY NHSLC:

EXTRA WAREHOUSE LABOR

Labor used for handling services not included in the normal processing of a receipt or shipment, nor listed separately.

Regular /person/HR	\$38.50	\$46.20	\$0.00 no surcharge
Overtime /person/HR	\$57.75	\$69.25	\$35.00 /person/HR
Sunday/Holiday /person/HR	\$69.50	\$103.88	\$50.00 /person/HR

EXTRA WAREHOUSE LABOR & EQUIPMENT

Labor and equipment used for handling services not included in the normal processing of a receipt or shipment, nor listed separately below

Regular /person/HR	\$73.25	\$88.20	\$0.00 no surcharge
Overtime /person/HR	\$89.50	\$107.40	\$35.00 /person/HR
Sunday/Holiday /person/HR	\$99.00	\$161.10	\$50.00 /person/HR

ANNUAL PHYSICAL INVENTORY

per case	\$0.10	\$0.18	\$0.00 no surcharge
per bottle	\$0.10	\$0.18	\$0.00 no surcharge

DESTRUCTION OF INVENTORY

Rate subject to change based on disposal fees and transportation costs.

			Waste Management direct pass-thru +
(0-55 cases) per case	\$4.25	\$5.00	\$0.75 per case
(56+ cases) per case	\$3.35	\$3.85	\$0.75 per case

LABELING:

Labor and materials used to apply SLC code labels to uncoded cases.

<56 cases per code per case	\$2.70	\$3.10	\$0.75 per case
56-99 cases per code per case	\$2.15	\$2.50	\$0.75 per case
100-299 cases per code per case	\$1.35	\$1.55	\$0.75 per case
300+ cases per code per case	\$0.80	\$0.90	\$0.75 per case
Minimum per code Minimum	\$15.00	\$30.00	\$0.00 no surcharge

RELABELING:

Labor and materials used to apply SLC code labels to coded cases.

			\$0 /case If broker rep assisted, if not then...
per case	\$1.20	\$1.75	\$0.00 no surcharge
<u>Minimum</u>	<u>\$15.00</u>	<u>\$30.00</u>	\$0.00 no surcharge

DUPLICATE LABELS:

Labor and materials used to create labels that were

not needed. per label	\$0.35	\$1.00	\$0.00 no surcharge
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PALLET CHARGE

per pallet	\$10.00	\$12.00	\$0.00 per pallet
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END OF APPENDIX D-1 [Fees Charged to the SLC]

DISTRIBUTECH, LLC
NHSLC RFP 2012-14 PROPOSAL
ALTERNATIVE PRICE PROPOSAL

Distributech offers as an alternative price proposal the following:

- (i) a flat service fee of \$2.00 per full case; plus**
- (ii) \$0.50 per bottle for mixed-case shipments; plus**
- (iii) \$0.01 per day per case storage fee (\$0.02 for refrigerated), with 35,000 cases of free storage for NHSLC-owned inventory, with no time limits.**

We have derived this rate by assuming that the combined warehouse case volumes are equal to 5.2 million annually at the commencement of the contract. Our proposal is designed to support the costs of Distributech's operations for the first 30 months of the NHSLC/Distributech warehouse agreement.

We propose to provide the NHSLC with detailed daily, weekly, monthly supplier purchase order data so that the NHSLC will be able to efficiently invoice warehouse service costs to the suppliers in whatever manner the NHSLC wishes to adopt. This will empower the NHSLC and provide it with the flexibility to develop and present bailment invoices to the respective suppliers, including the ability to mark-up the fee or sub-fees for bailment operations.

We intend to set-up our facility and operate with the ability to accurately track individual SKU velocities. As a by-product of tracking all product rankings, **the NHSLC will be able, if desirable, to provide discounts for the "Top Selling" items and/or to raise the appropriate average cost per case for other products.**

With the NHSLC controlling how the fees are ultimately assessed, the warehouse will merely seek to maintain its service fees set out in the first paragraph of this proposal while providing the supporting data that NHSLC Finance requires for its invoicing purposes.

We have attached an Excel entitled "AppendixD_D1AlternativePriceModels". The two worksheet alternatives are included only as a means to demonstrate the latitude that will be available to the NHSLC. The following set out a "weighted" and "unweighted" alternative as examples.

EXAMPLE 1: "Unweighted" pricing schedule that the NHSLC can adopt.

- (1) Inbound/Management Fee: \$1.00/case**
- (2) Storage/Activity Fee: \$0.01/case/day**
- (2b) Storage/Activity Fee: Refrigerated/High-Value items: \$0.02/case/day**
- (3) Outbound/Reporting Fee: \$1.00/case**

EXAMPLE 2: "Weighted" pricing schedule that the NHSLC can adopt.

- (1) Inbound/Management Fee: \$.90/case for the Top 200 Fastest Moving Items, \$1.20/case for the remaining items**
- (2) Storage/Activity Fee: \$0.01/case/day**
- (2b) Storage/Activity Fee: Refrigerated/High-Value items: \$0.02/case/day**
- (3) Outbound/Reporting Fee: \$.90/case for the Top 200 Fastest Moving Items, \$1.20/case for the remaining items.**

Distributech Alternative Price Proposal

" Unweighted Example of Streamlined Warehousing Rates"

Bailment Fees		Per Case
1	Receiving/Storage/Tracking	\$1.00 1-time fee
2	Handling/Management	\$1.00 1-time fee
3	Storage/Day/Case	\$0.010 per case per day
4	Single Bottle Pick Fee	\$0.50 per bottle
5	Refrigerated Storage Fee	\$0.02 per case per day

Explanation:

These fees are all-inclusive for all normal bailment operations, with no extra fees like labeling fees, no physical inventory fees, no surcharges.

- ➔ #1 is assessed at the end of the calendar month.
 - ➔ #2 is assessed after the month that cases were sold/shipped.
 - ➔ All cases (except for 35,000 SLC-owned stock) cost \$.01/day [equals about \$0.30 month]
 - ➔ Unusual operations such as destruction of product have a \$0.75/case fee and only direct pass-through of costs from Waste Management
 - ➔ Items like pallets exchanges will produce fees to truckers that do not swap usable pallets; mixed case cartons rely upon the use of recycled cartons or NHSLC shipping cartons when the FedEx and UPS consumer system is developed
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Exceptions:

- ★ The NHSLC will receive free storage for 35,000 cases, with no time limits
 - ★ Unless otherwise directed, the default for Wines with a retail bottle value > \$24.99 could automatically enter the refrigerated zone; others could be stored there optionally.
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Calculation: Actual Cost/Case (all fees)

Total Cost per Case	Standard Item
	\$2.00
+ \$0.01/Case/Day	

Distributech Alternative Pricing "STREAMLINED MODEL" ---Analysis

Cases	Supplier Cost
5,000,000 Annual throughput	Per Case
Receiving/Storage/Tracking	\$1.00
Handling/Management	\$1.00
805,000 Storage/Case/Day	\$0.01 \$8,050 365

\$5,000,000 Invoiced by NHSLC to each Vendor of Record
 \$5,000,000 Invoiced by NHSLC to each Vendor of Record
 \$2,938,250 Invoiced by NHSLC to each Vendor of Record

\$12,938,250 Total Warehouse Cost for Cases

925,000 Bottles (Mixing Fee for Split Cases) \$0.50

\$462,500 Paid by NHSLC passed onto end-user Customers in Price

ASSUMPTIONS -and- SPECIAL EXCEPTIONS:

This model provides a Fixed Flat Rates --with simple "In and Out Fees"

- 1) NHSLC-Owned Inventory, 35,000 Free Storage with no time limits;
- 2) NHSLC-Owned Inventory, the handling fees do apply
- 4) Refrigerated items -charged \$0.02/case/day from 1st day of storage.
- 5) TOP Movers can be given "Discounts" by the NHSLC, while raising the appropriate average cost per case for the other product segments.
- 6) The assumed annual growth factor in case volume / throughput is @3%

REFERENCE:		
FY 2011 --to June 30 2011		
Annual Cases	Total Cases Shipped 10,050 SKUs/Items	Total Volume Cases/MO %
1,438,930	Top 100 SKUs	119,911 30%
2,009,617	Top 200 SKUs	167,468 42%
2,221,308	Top 250 SKUs	185,109 46%
2,894,920	Top 500 SKUs	241,243 60%
3,313,970	Top 750 SKUs	276,164 69%
3,615,632	Top 1000 SKUs	301,303 75%