

before the equipment is removed. We will have the DES involved. Our strategy will be to engage Mr. Bergeron to work with DES just prior to doing the Phase Two study in an effort to expedite the process.

- Confirmation there are no Indian burial grounds Based upon the historic use of the site, which was an operating gravel pit, and as a result of the site having been already significantly disturbed, this will not be a problem.
- Confirmation we are not impacting the wetlands Based on physical observation and from a wetlands survey performed approximately 10 years ago when the gravel pit was formed, we will not impact wetlands located east of the site.
- Confirmation there are no town impact fees such as improvements to intersections We will need to do a Traffic Study. Given the combined daily truck traffic (63 trucks total inbound and outbound), there is reason to believe we have a strong case to argue that we will not have traffic impacts which will require mitigation. As a worst case, we may need a left turn pocket and a deceleration lane as the project expands.
- Who is your environmental consultant? Our environmental consultant is Miller Engineering and Testing located in Manchester, NH.
- Have you begun the process of a Phase I site investigation? Phase I site investigation is underway.
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From: Fred Takavitz (Exel US)
Sent: Friday, August 24, 2012 9:56 AM
To: 'Craig W. Bulkley'
Cc: Scott Lyons (EXEL CA)
Subject: NHSLC - Additional Information Requested

Craig,

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Sent: Thursday, August 23, 2012 3:52 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Additional Information Requested

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In addition, please refer to our email of August 21, 2012 requesting information regarding your site. We continue to need this information as soon as possible. Thank you.



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Craig W. Bulkley
Director

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NH State Liquor Commission
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Exel's Solution

→ Mechanization review

1. Conventional solution
 - Utilize double pallet jacks and voice units pick locations
2. Laser truck
 - Unmanned laser guided truck automatically moves empty pallet to the picker, along the picker and to staging
 - Results in less travel time for the picker



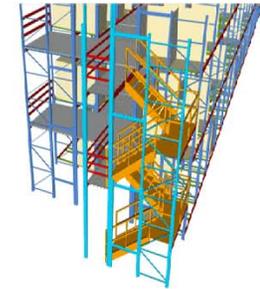


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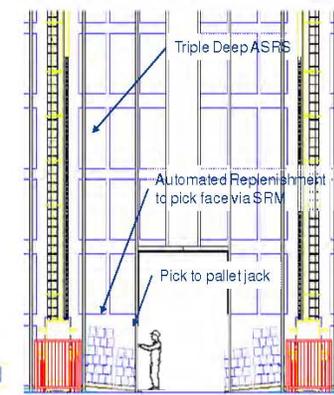
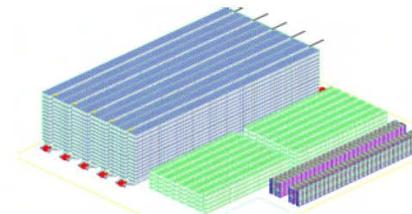
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- Automated putaway and replenishment





Exel's Automation Simple Payback

- The simple payback analysis was presented on July 24th and does not take into account updates since then
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- Laser Truck option was chosen as the recommended solution, since:
 - Provides the **best payback** period
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Exel's Automation Simple Payback

→ The simple payback analysis presented on July 24th

All-in Cost per FTE	\$	
All-in Cost per Supervisor	\$	
All-in Cost per Mechanic	\$	
Annual cost per SF	\$	9
Term (years)		10
Mech Annual Maintenance %		%

	Conventional (base)	Laser Truck	Pick to Belt	ASRS
Direct FTE	62	54	58	48
Direct Labor CPH				
Supervisors	5	4	4	3
Mechanics	-	-	3	3
MHE	\$			
Mech				
Rack	\$			
Total CAPEX	\$ 2,170,000			
Annual Labor Cost	\$			
Annual Real Estate Cost	\$ 1,710,000	\$ 1,710,000	\$ 2,412,000	\$ 1,350,000
Mech Maintenance		\$		
Total Annual Cost	\$ 5,360,442	\$ 4,918,178	\$ 6,356,441	\$ 4,542,949
Change over Conventional		\$ (442,264)	\$ 995,999	\$ (817,493)
Simple payback (years)		5.1	No payback	11.3



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MHE	\$			
Mech				
Rack	\$			
Total CAPEX	\$ 2			
Annual Labor Cost	\$			
Annual Real Estate Cost	\$ 1,710,000	\$ 1,710,000	\$ 2,412,000	\$ 1,350,000
Mech Maintenance		\$		
Total Annual Cost	\$ 6,351,851	\$ 5,778,225	\$ 7,271,780	\$ 5,306,757
Change over Conventional		\$ (573,626)	\$ 919,929	\$ (1,045,093)
Simple payback (years)		4.0	No payback	8.8



Automation for Bottle Picking

- The bottle picking process is calculated to require [REDACTED] FTEs at [REDACTED] bottles/hour
- The highest picking rate could be achieved with any automation is [REDACTED] bottles/hour, which would result in labor reduction of 1.7 FTEs
- At \$[REDACTED]K per year per FTE (worst case), this saving translates into \$[REDACTED]k per year
- With any automation for bottle picking (eg, pick-to-belt or MiniLoad) the investment would be over \$[REDACTED]M, which will not have a favorable payback at \$[REDACTED]K savings per year

		20 Year Rates			
		1-Nov-13	1-Nov-18	1-Nov-23	1-Nov-28
		Rates: Suppliers			
INBOUND HANDLING SUMMARY:					
1 180 cases per code		\$ 1.38	\$ 1.45	\$ 1.52	\$ 1.61
181 299 cases per code		\$ 1.18	\$ 1.24	\$ 1.30	\$ 1.37
300 670 cases per code		\$ 1.04	\$ 1.09	\$ 1.15	\$ 1.20
670+ cases per code		\$ 0.93	\$ 0.98	\$ 1.03	\$ 1.08
Pa e Packs		\$ 7.60	\$ 7.98	\$ 8.38	\$ 8.80
Cases uncoded or unsealed		\$ 6.00	\$ 6.30	\$ 6.62	\$ 6.95
Case Returns		\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
Pa e Returns		\$ 15.00	\$ 15.75	\$ 16.54	\$ 17.36
Bo e Returns		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
TOTAL INBOUND HANDLING:		\$ -			
STORAGE SUMMARY:					
Cases 1 84 Days		\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13
Cases 85 182 Days		\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.34
Cases 183 365 Days		\$ 0.80	\$ 0.84	\$ 0.88	\$ 0.93
Cases 365+ Days		\$ 1.40	\$ 1.47	\$ 1.54	\$ 1.62
Cases on Hold Status <365		\$ 0.80	\$ 0.84	\$ 0.88	\$ 0.93
Cases on Hold Status >365		\$ 1.40	\$ 1.47	\$ 1.54	\$ 1.62
Allocated products <84		\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13
Allocated products >85		\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.34
Pa e Packs 1 84		\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
Pa e Packs 85 182		\$ 12.90	\$ 13.55	\$ 14.22	\$ 14.93
Pa e Packs 183 365		\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Pa e Packs 365+		\$ 63.00	\$ 66.15	\$ 69.46	\$ 72.93
Pa es on Hold Status <365		\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Pa es on Hold Status >365		\$ 63.00	\$ 66.15	\$ 69.46	\$ 72.93
TOTAL STORAGE:					
OUTBOUND SUMMARY:					
Single Box		\$ -			
Automatic Orders (Cases)		\$ -			
Non Automatic Orders (Cases)		\$ -			
Automatic Orders (Cases) out of state		\$ 0.75	\$ 0.79	\$ 0.83	\$ 0.87
TOTAL OUTBOUND:		\$ -			
ACCESSORIAL SUMMARY:					
Advertising Material					
HNDLG PER CASE SMALL		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
HNDLG PER CASE LARGE		\$ 2.50	\$ 2.63	\$ 2.76	\$ 2.89
STRG PER CASE SMALL		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
STRG PER CASE LARGE		\$ 4.50	\$ 4.73	\$ 4.96	\$ 5.21
REC STRG PER CASE SMALL		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
REC STRG PER CASE LARGE		\$ 4.50	\$ 4.73	\$ 4.96	\$ 5.21
NON AUTO MIN UPCHARGE		\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Blankets					
HANDLING / BLANKET		\$ 37.75	\$ 39.64	\$ 41.62	\$ 43.70
STORAGE / BLANKET		\$ 8.50	\$ 8.93	\$ 9.37	\$ 9.84
Extra Labor & Equipment					
W/H LABOR REG		\$ 46.20	\$ 48.51	\$ 50.94	\$ 53.48
W/H LABOR OT		\$ 69.25	\$ 72.71	\$ 76.35	\$ 80.17
W/H MAN & EQUIP REG		\$ 88.20	\$ 92.61	\$ 97.24	\$ 102.10
W/H MAN & EQUIP OT		\$ 107.40	\$ 112.77	\$ 118.41	\$ 124.33
OFFICE REG		\$ 46.20	\$ 48.51	\$ 50.94	\$ 53.48
OFFICE OT		\$ 69.25	\$ 72.71	\$ 76.35	\$ 80.17
Physical Inventory					
Cases SUPPLIERS		\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
Bo e Charge		\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
Case Charge NHLSC		\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
Special Reports					
PER REPORT/LIST		\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Destruction					
PER CASE (0 to 55)		\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
PER CASE 56+		\$ 3.85	\$ 4.04	\$ 4.24	\$ 4.46
Labeling					
Cases (0 to 55)		\$ 3.10	\$ 3.26	\$ 3.42	\$ 3.59
Cases (56 to 99)		\$ 2.50	\$ 2.63	\$ 2.76	\$ 2.89
Cases (100 to 299)		\$ 1.55	\$ 1.63	\$ 1.71	\$ 1.79
Cases (300+)		\$ 0.90	\$ 0.95	\$ 0.99	\$ 1.04
Minimum (upcharge)		\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Relabeling					
Cases re-labeled		\$ 1.75	\$ 1.84	\$ 1.93	\$ 2.03
Minimum (upcharge)		\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Duplicate Labels					
Duplicate labels		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
Min Invoice Chg					
Minimum Invoice Upcharges		\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73

SUPPLIER	Cost/Case	\$	2.27	\$	2.39	\$	2.51	\$	2.64
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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Friday, August 24, 2012 2:02 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); George P. Tsiopras
Subject: Exel - NHSLC - Additional Information Requested
Attachments: NHSLC Payback Update v03.pptx; Exel Proposal - NHSLC 20 Year Rate Summary.pdf

Craig,

Here is the additional information that was requested by 2:00p today. We stand ready to answer any questions that you or others may have at any time. Thank you.

1. The headcount that we see with varying degrees of mechanization, and the rationale that we used to develop the solution that we proposed to the NHSLC. **Please refer to the attachment above which contains information previously provided on July 24 along with several new points**
2. Confirmation and restatement of Exel's 20 year rate proposal. **Please see the attachment above**
3. Confirmation that the \$28,000,000 figure applies without asset backing, and that the \$25,500,000 figure is available if Exel receive asset backing.

Here is the question posed to us on August 13:

Using the template from your BAFO, indicate whether you can reduce your Grand Total to \$25,500,000. You may not change any other financial terms. You do not need to recalculate each rate that will support this number.

Here is the answer we provided on August 13:

We can reduce our Grand Total to \$25,500,000, assuming that we together find a mutually satisfactory solution to Exel's request for the backing of certain assets by the new provider in the event of an early termination. Alternatively, we offer a Grand Total of \$28,000,000 if the State is not able to back certain assets or to contractually commit to having the new provider assume certain assets.

4. Related to Exel's proposed real estate solution:
 - Confirmation that we will be organizing a meeting with Michael Bergeron regarding economic incentives and steering our site through the approval process. **We have had a teleconference with Mr. Bergeron. He has offered to assist us with specifically two state agencies, Dept. of Environmental Services and Dept. of Transportation. We will coordinate all communication through him for any items that will be under the purview of these agencies.**
 - Confirmation that we do not need a DES permit to move the equipment on site (i.e. it is not solid waste) **We do not believe we need a permit to move the equipment from the proposed site to another location; however this becomes a moot point because it will be addressed in our environmental study(ies). If the Phase One study recommends "no further action", the issue goes away. However, we expect the Phase One will recommend further study, in the form of a Phase Two, which will be done before the equipment is removed. We will have the DES involved. Our strategy will be to engage Mr. Bergeron to work with DES just prior to doing the Phase Two study in an effort to expedite the process.**
 - Confirmation there are no Indian burial grounds **Based upon the historic use of the site, which was an operating gravel pit, and as a result of the site having been already significantly disturbed, this will not be a problem.**

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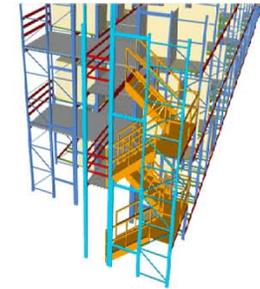


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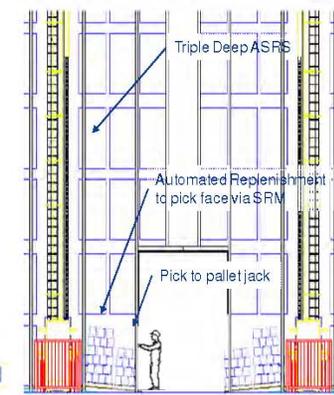
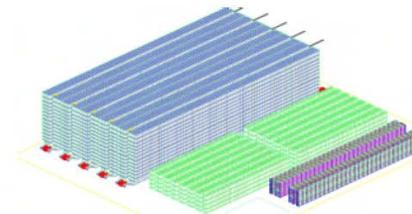
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Mechanics	-	-	3	3
MHE	\$			
Mech				
Rack	\$			
Total CAPEX	\$ 2			
Annual Labor Cost	\$			
Annual Real Estate Cost	\$ 1,710,000	\$ 1,710,000	\$ 2,412,000	\$ 1,350,000
Mech Maintenance		\$		
Total Annual Cost	\$ 6,351,851	\$ 5,778,225	\$ 7,271,780	\$ 5,306,757
Change over Conventional		\$ (573,626)	\$ 919,929	\$ (1,045,093)
Simple payback (years)		4.0	No payback	8.8



Automation for Bottle Picking

- The bottle picking process is calculated to require [REDACTED] FTEs at [REDACTED] bottles/hour
- The highest picking rate could be achieved with any automation is [REDACTED] bottles/hour, which would result in labor reduction of 1.7 FTEs
- At \$[REDACTED]K per year per FTE (worst case), this saving translates into \$[REDACTED]k per year
- With any automation for bottle picking (eg, pick-to-belt or MiniLoad) the investment would be over \$[REDACTED]M, which will not have a favorable payback at \$[REDACTED]K savings per year

		20 Year Rates			
		1-Nov-13	1-Nov-18	1-Nov-23	1-Nov-28
		Rates: Suppliers			
INBOUND HANDLING SUMMARY:					
1 180 cases per code		\$ 1.38	\$ 1.45	\$ 1.52	\$ 1.61
181 299 cases per code		\$ 1.18	\$ 1.24	\$ 1.30	\$ 1.37
300 670 cases per code		\$ 1.04	\$ 1.09	\$ 1.15	\$ 1.20
670+ cases per code		\$ 0.93	\$ 0.98	\$ 1.03	\$ 1.08
Pa e Packs		\$ 7.60	\$ 7.98	\$ 8.38	\$ 8.80
Cases uncoded or unsaveable		\$ 6.00	\$ 6.30	\$ 6.62	\$ 6.95
Case Returns		\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
Pa e Returns		\$ 15.00	\$ 15.75	\$ 16.54	\$ 17.36
Bo e Returns		\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
TOTAL INBOUND HANDLING:		\$ -			
STORAGE SUMMARY:					
Cases 1 84 Days		\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13
Cases 85 182 Days		\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.34
Cases 183 365 Days		\$ 0.80	\$ 0.84	\$ 0.88	\$ 0.93
Cases 365+ Days		\$ 1.40	\$ 1.47	\$ 1.54	\$ 1.62
Cases on Hold Status <365		\$ 0.80	\$ 0.84	\$ 0.88	\$ 0.93
Cases on Hold Status >365		\$ 1.40	\$ 1.47	\$ 1.54	\$ 1.62
Allocated products <84		\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.13
Allocated products >85		\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.34
Pa e Packs 1 84		\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
Pa e Packs 85 182		\$ 12.90	\$ 13.55	\$ 14.22	\$ 14.93
Pa e Packs 183 365		\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Pa e Packs 365+		\$ 63.00	\$ 66.15	\$ 69.46	\$ 72.93
Pa es on Hold Status <365		\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Pa es on Hold Status >365		\$ 63.00	\$ 66.15	\$ 69.46	\$ 72.93
TOTAL STORAGE:					
OUTBOUND SUMMARY:					
Single Box		\$ -			
Automatic Orders (Cases)		\$ -			
Non Automatic Orders (Cases)		\$ -			
Automatic Orders (Cases) out of state		\$ 0.75	\$ 0.79	\$ 0.83	\$ 0.87
TOTAL OUTBOUND:		\$ -			
ACCESSORIAL SUMMARY:					
Advertising Material	HNDLG PER CASE SMALL	\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
	HNDLG PER CASE LARGE	\$ 2.50	\$ 2.63	\$ 2.76	\$ 2.89
	STRG PER CASE SMALL	\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
	STRG PER CASE LARGE	\$ 4.50	\$ 4.73	\$ 4.96	\$ 5.21
	REC STRG PER CASE SMALL	\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
	REC STRG PER CASE LARGE	\$ 4.50	\$ 4.73	\$ 4.96	\$ 5.21
	NON AUTO MIN UPCHARGE	\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Blankets	HANDLING / BLANKET	\$ 37.75	\$ 39.64	\$ 41.62	\$ 43.70
	STORAGE / BLANKET	\$ 8.50	\$ 8.93	\$ 9.37	\$ 9.84
Extra Labor & Equipment	W/H LABOR REG	\$ 46.20	\$ 48.51	\$ 50.94	\$ 53.48
	W/H LABOR OT	\$ 69.25	\$ 72.71	\$ 76.35	\$ 80.17
	W/H MAN & EQUIP REG	\$ 88.20	\$ 92.61	\$ 97.24	\$ 102.10
	W/H MAN & EQUIP OT	\$ 107.40	\$ 112.77	\$ 118.41	\$ 124.33
	OFFICE REG	\$ 46.20	\$ 48.51	\$ 50.94	\$ 53.48
	OFFICE OT	\$ 69.25	\$ 72.71	\$ 76.35	\$ 80.17
Physical Inventory	Cases SUPPLIERS	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
	Bo e Charge	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
	Case Charge NHLSC	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
Special Reports	PER REPORT/LIST	\$ 36.00	\$ 37.80	\$ 39.69	\$ 41.67
Destruction	PER CASE (0 to 55)	\$ 5.00	\$ 5.25	\$ 5.51	\$ 5.79
	PER CASE 56+	\$ 3.85	\$ 4.04	\$ 4.24	\$ 4.46
Labeling	Cases (0 to 55)	\$ 3.10	\$ 3.26	\$ 3.42	\$ 3.59
	Cases (56 to 99)	\$ 2.50	\$ 2.63	\$ 2.76	\$ 2.89
	Cases (100 to 299)	\$ 1.55	\$ 1.63	\$ 1.71	\$ 1.79
	Cases (300+)	\$ 0.90	\$ 0.95	\$ 0.99	\$ 1.04
	Minimum (upcharge)	\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Relabeling	Cases re-labeled	\$ 1.75	\$ 1.84	\$ 1.93	\$ 2.03
	Minimum (upcharge)	\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73
Duplicate Labels	Duplicate labels	\$ 1.00	\$ 1.05	\$ 1.10	\$ 1.16
Min Invoice Chg	Minimum Invoice Upcharges	\$ 30.00	\$ 31.50	\$ 33.08	\$ 34.73

SUPPLIER	Cost/Case	\$	2.27	\$	2.39	\$	2.51	\$	2.64
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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Friday, August 24, 2012 9:56 AM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA)
Subject: NHSLC - Additional Information Requested

Craig,

Can I confirm with you the information we will provide to you by 2:00p today? Thank you.

1. The headcount that we see with varying degrees of mechanization, and the rationale that we used to develop the solution that we proposed to the NHSLC
2. Confirmation and restatement of Exel's 20 year rate proposal
3. Confirmation that the \$28,000,000 figure applies without asset backing, and that the \$25,500,000 figure is available if Exel receive asset backing. Please note that this was included in our BAFO dated August 13, 2012
4. Related to Exel's proposed real estate solution
 - Confirmation that we will be organizing a meeting with Michael Bergeron regarding economic incentives and steering our site through the approval process
 - Confirmation that we do not need a DES permit to move the equipment on site (i.e. it is not solid waste)
 - Confirmation there are no Indian burial grounds
 - Confirmation we are not impacting the wetlands
 - Confirmation there are no town impact fees such as improvements to intersections
 - Who is your environmental consultant?
 - Have you begun the process of a Phase I site investigation?
 - Has there been a wetland survey?
 - What steps have you taken to obtain an Alteration of Terrain permit?
 - What is the specific plan to remove items (trucks, tankers, etc.) from the site, especially items that may have an environmental impact?
 - In the event that your new facility is not completed on time, what are your contingency plans for an alternative site in NH that can be used to assure the seamless flow of product?

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, August 23, 2012 3:52 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Additional Information Requested

Scott:

Thank you for a very thorough presentation to the commissioners this afternoon. The additional data requested during the meeting should get to me by 2 PM tomorrow, 8/24.

In addition, please refer to our email of August 21, 2012 requesting information regarding your site. We continue to need this information as soon as possible. Thank you.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 23, 2012 9:43 PM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve; Fred Takavitz (Exel US)
Subject: RE: Additional Information Requested

Just a reminder to please copy Fred Takavitz for the next week as I am now off on holidays.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, August 23, 2012 3:52 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Additional Information Requested

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 23, 2012 5:11 PM
To: Craig W. Bulkley
Cc: Stephen J. Judge; sjudge@wadleighlaw.com
Subject: Re: Additional Information Requested

Thank-you for organizing it. We will be back to you by 2pm tomorrow.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 24, 2012 03:51 AM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge <stephen.j.judge@liquor.state.nh.us>; Judge, Steve <sjudge@wadleighlaw.com>
Subject: Additional Information Requested

Scott:

Thank you for a very thorough presentation to the commissioners this afternoon. The additional data requested during the meeting should get to me by 2 PM tomorrow, 8/24.

In addition, please refer to our email of August 21, 2012 requesting information regarding your site. We continue to need this information as soon as possible. Thank you.



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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 22, 2012 4:53 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Meeting on 8/23 - Exel

Yes



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, August 22, 2012 4:14 PM
To: Craig W. Bulkley
Subject: Re: Meeting on 8/23

One last item - will there be a stand (tripod) available for flip charts?

Thanks,

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, August 23, 2012 01:25 AM
To: Scott Lyons (EXEL CA)
Subject: RE: Meeting on 8/23

Received; thank you



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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FAX (603) 271-3897
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, August 22, 2012 11:03 AM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve
Subject: RE: Meeting on 8/23

Our participants will include:

- Jim Gehr
- Fred Takavitz
- Scott Lyons
- Steve Hess
- Robert Maclellan
- Becky Ross

You have meet all of us at the last presentation.

Cheers,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 21, 2012 2:49 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Meeting on 8/23

Scott:

This will confirm your meeting with the Commissioners and evaluation committee on Thursday, August 23, 2012 at 1 PM. When you have a complete list of Exel participants, please forward it to me. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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Subject: Re: Meeting on 8/23

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Thanks,

Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, August 23, 2012 01:25 AM
To: Scott Lyons (EXEL CA)
Subject: RE: Meeting on 8/23

Received; thank you



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, August 22, 2012 11:03 AM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve
Subject: RE: Meeting on 8/23

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- Jim Gehr
- Fred Takavitz
- Scott Lyons
- Steve Hess
- Robert Maclellan
- Becky Ross

You have meet all of us at the last presentation.

Cheers,
Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]

Sent: Tuesday, August 21, 2012 2:49 PM

To: Scott Lyons (EXEL CA)

Cc: Stephen J. Judge; Judge, Steve

Subject: Meeting on 8/23

Scott:

This will confirm your meeting with the Commissioners and evaluation committee on Thursday, August 23, 2012 at 1 PM. When you have a complete list of Exel participants, please forward it to me. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley

Director

Division of Administration

NH State Liquor Commission

 (603) 230-7008

FAX (603) 271-3897

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 22, 2012 1:31 PM
To: Scott Lyons (EXEL CA)
Cc: mbergeron@dred.state.nh.us
Subject: RE: Warehouse Services RFP 2012-14 - Exel

Scott:

You are welcome to speak with Michael Bergeron if he is available. Mike is the person with whom you want to speak – Commissioner Bald would probably not be available on such short notice.

Michael's number is 603-271-2591 x 117.



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Craig W. Bulkley
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Division of Administration
NH State Liquor Commission
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, August 22, 2012 11:10 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Warehouse Services RFP 2012-14

As we are in New Hampshire tomorrow would it be acceptable for us to reach out to Michael Bergeron and George Bald?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 14, 2012 12:01 PM
To: Scott Lyons (EXEL CA)
Subject: Warehouse Services RFP 2012-14

Scott:

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

The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 - August 1, 2012 to June 7, 2012 – **September 12, 2012.**

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

We are arranging a meeting with Michael Bergeron, Business Development Manager, Division of Economic Development, Department of Resources & Economic Development. Neither he nor we will serve as an advocate, however, we will serve as a conduit with local and state agencies to expedite the transition to the facility you have proposed. We will be in contact next week with proposed dates.

Please provide us with all documents you have received pursuant to Articles IV and V of your Purchase & Sale agreement. If you have not received all the documents you requested from the seller, please explain why.

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



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Craig W. Bulkley
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Division of Administration
NH State Liquor Commission
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 5:48 PM
To: Nicholas K. Holmes
Subject: Exel Emails - Part XIV
Attachments: RE: Meeting on 8/23; RE: Meeting on 8/23; Exel Warehouse Vendor Meeting w/ Commissioners; Site Issues - Exel; Meeting on 8/23; RE: Exel Meeting w/ Commissioners; Exel Meeting w/ Commissioners

Categories: Green Category



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Craig W. Bulkley
Chief of Administration
NH State Liquor Commission
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 22, 2012 1:25 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Meeting on 8/23

Received; thank you



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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, August 22, 2012 11:03 AM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve
Subject: RE: Meeting on 8/23

Our participants will include:

- Jim Gehr
- Fred Takavitz
- Scott Lyons
- Steve Hess
- Robert Maclellan
- Becky Ross

You have meet all of us at the last presentation.

Cheers,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 21, 2012 2:49 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Meeting on 8/23

Scott:

This will confirm your meeting with the Commissioners and evaluation committee on Thursday, August 23, 2012 at 1 PM. When you have a complete list of Exel participants, please forward it to me. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Wednesday, August 22, 2012 11:03 AM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve
Subject: RE: Meeting on 8/23

Our participants will include:

- Jim Gehr
- Fred Takavitz
- Scott Lyons
- Steve Hess
- Robert Maclellan
- Becky Ross

You have meet all of us at the last presentation.

Cheers,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 21, 2012 2:49 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: Meeting on 8/23

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Subject: Exel Warehouse Vendor Meeting w/ Commissioners
Location: HQ Conference Room

Start: Thu 8/23/2012 1:00 PM
End: Thu 8/23/2012 2:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Craig W. Bulkley

Importance: High

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Tuesday, August 21, 2012 3:02 PM
To: Scott.Lyons@exel.com
Subject: Site Issues - Exel

Scott:

Please provide us with all the information you have available in regard to the items listed below. At your meeting on Thursday, your team should be ready to discuss the following:

- Who is your environmental consultant?
- Have you begun the process of a Phase I site investigation?
- Has there been a wetland survey?
- What steps have you taken to obtain an Alteration of Terrain permit?
- What is the specific plan to remove items (trucks, tankers, etc.) from the site, especially items that may have an environmental impact?
- In the event that your new facility is not completed on time, what are your contingency plans for an alternative site in NH that can be used to assure the seamless flow of product?

We will be able to have a more informed discussion if you can provide us with the materials requested in our email to you dated August 14, 2012 and your response on August 17, 2012.

Thanks and look forward to seeing you on Thursday.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
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Cc: Stephen J. Judge; Judge, Steve
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, August 21, 2012 1:50 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Exel Meeting w/ Commissioners

We will be there on the 23rd.

Would 1 pm be a possibility? I am not asking for 1 pm yet, but just wondering if there is this flexibility to support one or two potential participants.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 21, 2012 12:13 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel Meeting w/ Commissioners

Scott – per our discussion a few minutes ago, the Commissioners would like to change the meeting from 8/31 to 8/23 at 11 AM. Please let me know if this works for you. Thanks.



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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Monday, August 20, 2012 4:28 PM
To: Craig W. Bulkley

Cc: Fred Takavitz (Exel US)
Subject: Re: Exel Meeting w/ Commissioners

Thank-you for this opportunity. We will be back to you shortly with our participant list.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 21, 2012 04:20 AM
To: Scott Lyons (EXEL CA)
Subject: Exel Meeting w/ Commissioners

Scott:

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, August 21, 2012 12:19 PM
To: Craig W. Bulkley
Subject: RE: Exel Meeting w/ Commissioners

We will get back to you shortly.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

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Cc: Fred Takavitz (Exel US)
Subject: Re: Exel Meeting w/ Commissioners

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Telephone: 905 366-7691

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www.exel.com

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Sent: Tuesday, August 21, 2012 04:20 AM

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Subject: Exel Meeting w/ Commissioners

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 5:48 PM
To: Nicholas K. Holmes
Subject: Exel Emails - Part XV
Attachments: RE: Exel - Warehouse Services RFP 2012-14; RE: Warehouse Services RFP 2012-14; Exel - Warehouse Services RFP 2012-14; Exel BAFO Follow-Up Errata - Part III; RE: Exel BAFO Follow-Up ; Extension Requested; RE: Today's Request for Volume History; Exel - Today's Request for Volume History; Exel BAFO Follow-Up Errata - Part II; BAFO Follow-Up Errata exel

Categories: Green Category



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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, August 17, 2012 11:44 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); Steve Hess (EXEL US); proy@proconinc.com
Subject: RE: Exel - Warehouse Services RFP 2012-14

I received the following comment from Steve Hess regarding the documents received pursuant to Articles IV and V:
“The escrow is officially open and Seller has 5 days (from Wednesday) to forward all materials on hand identified in articles IV and V. We have communicated lawyer to lawyer, and buyer to seller that we need the documents ASAP. We will continue to push all involved on the Seller side. It is not uncommon for some of the documents to lag a few days. We will be ordering a title report today.”

We would be happy to meet with Michael. If possible we would like to have George Bald at the meeting as well.

In terms of scheduling, Tuesday next week will work well for Fred and myself. I will be going on holidays as of Thursday and returning the following Friday (31st). The process does not need to wait for me. If Tuesday is not convenient, Fred is available to the following week. Also, I would ask that you copy Fred on any emails you send to me for the next two weeks.

A final thought is that when we come to meet with Michael we would appreciate the opportunity to meet with the evaluation committee or a sub-set of them. We would be interested in discussing any questions you may have on our solution, and discussing some of the key commercial points.

Please let us know if Tuesday will work.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 14, 2012 12:01 PM
To: Scott Lyons (EXEL CA)
Subject: Warehouse Services RFP 2012-14

Scott:

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

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

We are arranging a meeting with Michael Bergeron, Business Development Manager, Division of Economic Development, Department of Resources & Economic Development. Neither he nor we will serve as an advocate, however, we will serve as a conduit with local and state agencies to expedite the transition to the facility you have proposed. We will be in contact next week with proposed dates.

Please provide us with all documents you have received pursuant to Articles IV and V of your Purchase & Sale agreement. If you have not received all the documents you requested from the seller, please explain why.

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



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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, August 14, 2012 4:52 PM
To: Craig W. Bulkley
Subject: RE: Warehouse Services RFP 2012-14

Received – Thanks!

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, August 14, 2012 12:01 PM
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The NHSLC hereby amends Section 1.2, Schedule of Events on Page 5 of the RFP from June 7, 2012 - August 1, 2012 to June 7, 2012 – **September 12, 2012.**

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

We are arranging a meeting with Michael Bergeron, Business Development Manager, Division of Economic Development, Department of Resources & Economic Development. Neither he nor we will serve as an advocate, however, we will serve as a conduit with local and state agencies to expedite the transition to the facility you have proposed. We will be in contact next week with proposed dates.

Please provide us with all documents you have received pursuant to Articles IV and V of your Purchase & Sale agreement. If you have not received all the documents you requested from the seller, please explain why.

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



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Monday, August 13, 2012 2:08 PM
To: Scott.Lyons@exel.com
Subject: Exel BAFO Follow-Up Errata - Part III

Scott:

WE EXTEND THE DEADLINE TO RESPOND TO THE BAFO FOLLOW-UP TO 3 PM TODAY.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Monday, August 13, 2012 1:09 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA)
Subject: RE: Exel BAFO Follow-Up
Attachments: Fine Tuning of Best and Final Offer to NHSLC for RFP 2012-14 v2 Aug 13 2012 (2)
(3).docx

Craig,

Here is our latest response based on our work over the past few days and our conversation with you and Steve this morning. Please confirm that you have received this response. Thanks.

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

From: Scott Lyons (EXEL CA)
Sent: Monday, August 13, 2012 10:09 AM
To: Fred Takavitz (Exel US)
Subject: FW: BAFO Follow-Up Errata

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 13, 2012 10:07 AM
To: Scott Lyons (EXEL CA)
Subject: BAFO Follow-Up Errata

Scott:

In Section 1 of the BAFO Follow-Up email, we asked whether you can reduce your grand total to \$25.5 million. That is the number the NHSLC wants to see, however, if you can not make that reduction, provide us with the lowest possible number that you can provide.

In the document dated August 10, 2012 we inserted a list of sections that have been clarified. The following should have been included in the list:

- The NHSLC is willing to allow a vendor to take an exception to Section 1.5.4 of the RFP, Page 8, Assignment Provision. In the event of an exception, the section will be deleted. The same option is available for Appendix E, Exhibit C, Paragraph 27, Page 68 of the RFP, Assignment Provision. There is no requirement that an exception be taken.

We also want to clarify the rate structure for the contract transition period contained in Paragraph 1.25, RFP, Page 17 and Appendix E, Exhibit C, Paragraph 26, Page 67. Paragraph 1.25 is modified to be consistent with Paragraph 26, Page 67, the rates for the contract transition period will be “at prices to be negotiated by the parties.”

We are also considering a modification of Exhibit E, Appendix C, Paragraph 26, Page 67, the last paragraph, to clear up how net overages and shortages will be determined.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 [REDACTED]
www.exel.com

August 13, 2012

Mr. Craig W. Bulkley
Director Division of Administration
NH State Liquor Commission
P.O. Box 503
Concord, NH, 03302-0503

VIA Email: cbulkley@liquor.state.nh.us

Reference: RFP 2012-14 – Warehouse Services for Spirits & Wine Product

Dear Mr. Buckley,

Below please find Exel's response to the NHSLC's request to fine tune its Best and Final Offer (BAFO).

1. Financial

Question:

Using the template from your BAFO, indicate whether you can reduce your Grand Total to \$25,500,000. You may not change any other financial terms. You do not need to recalculate each rate that will support this number.

Answer:

We can reduce our Grand Total to \$25,500,000, assuming that we together find a mutually satisfactory solution to Exel's request for the backing of certain assets by the new provider in the event of an early termination.

Alternatively, we offer a Grand Total of \$28,000,000 if the State is not able to back certain assets or to contractually commit to having the new provider assume certain assets.

2. RFP / Standard Contract

Comment:

In consultation with the Office of the Attorney General, the Commission makes the following clarifications. All other exceptions are rejected.

Response:

We confirmed on our call today that if successful we have exclusivity for warehousing all liquor and wine products in New Hampshire except for product owned by the state or vendor-owned product produced by a vendor with a NH manufacturing license.



In the Contract Negotiation phase of this RFP process, we will look to determine the conditions under which we are responsible for indirect and consequential damages and associated limits to our liability.

If you have any questions regarding this our fine tuning of our Best and Final Offer, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lyons".

Scott Lyons
Senior Director

From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Monday, August 13, 2012 12:52 PM
To: Craig W. Bulkley
Subject: Extension Requested

Craig, can we have an extension for our BAFO response today? We would request an extension until 3:00pm ET. Thanks

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, August 13, 2012 11:42 AM
To: Craig W. Bulkley
Subject: RE: Today's Request for Volume History

Thanks.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 13, 2012 11:31 AM
To: Scott Lyons (EXEL CA)
Subject: Today's Request for Volume History

Scott:

You can find historical data here:

<http://ice.liquor.nh.gov/warehouse/>



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Monday, August 13, 2012 11:31 AM
To: Scott.Lyons@exel.com
Subject: Exel - Today's Request for Volume History

Scott:

You can find historical data here:

<http://ice.liquor.nh.gov/warehouse/>



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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Cell: (603) 490-1559
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Monday, August 13, 2012 11:13 AM
To: Scott.Lyons@exel.com
Subject: Exel BAFO Follow-Up Errata - Part II
Attachments: Exhibit C Par 26 - corrected language.docx

Scott:

As we described in the first errata this morning, we have attached a draft of the language in the last sub-paragraph of paragraph 26, page 67.

WE EXTEND THE DEADLINE TO RESPOND TO THE BAFO FOLLOW-UP TO 1 PM TODAY.

Please acknowledge receipt.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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As Product is depleted or transferred from the “old” Warehouse, Product ~~overs~~ overages and ~~shorts~~ shortages shall be reconciled to determine a net financial obligation among ~~between~~ the NHSLC, the “old” Warehouse and the ~~“new” Warehouse~~ Product Vendor. The NHSLC shall observe and audit the transfer proceedings. Overages will be transferred to the “new” Warehouse as normal inventory or to the Product Vendor if the code is no longer a bailment item. Overages and Shortages shall be resolved between the Warehouse and the Product Vendor, or NHSLC if the Product is owned by the NHSLC, at cost upon invoicing.

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Monday, August 13, 2012 10:07 AM
To: Scott.Lyons@exel.com
Subject: BAFO Follow-Up Errata exel

Scott:

In Section 1 of the BAFO Follow-Up email, we asked whether you can reduce your grand total to \$25.5 million. That is the number the NHSLC wants to see, however, if you can not make that reduction, provide us with the lowest possible number that you can provide.

In the document dated August 10, 2012 we inserted a list of sections that have been clarified. The following should have been included in the list:

- The NHSLC is willing to allow a vendor to take an exception to Section 1.5.4 of the RFP, Page 8, Assignment Provision. In the event of an exception, the section will be deleted. The same option is available for Appendix E, Exhibit C, Paragraph 27, Page 68 of the RFP, Assignment Provision. There is no requirement that an exception be taken.

We also want to clarify the rate structure for the contract transition period contained in Paragraph 1.25, RFP, Page 17 and Appendix E, Exhibit C, Paragraph 26, Page 67. Paragraph 1.25 is modified to be consistent with Paragraph 26, Page 67, the rates for the contract transition period will be “at prices to be negotiated by the parties.”

We are also considering a modification of Exhibit E, Appendix C, Paragraph 26, Page 67, the last paragraph, to clear up how net overages and shortages will be determined.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, August 13, 2012 9:13 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: Historical volumes

We have data for 2011 in the RFP, could you please provide the volumes for the previous three years. Ideally, with the same level of detail, but at a minimum at least the case volume.

Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, August 13, 2012 8:08 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: Best & Final Offer Follow-up

Fred and I would like to accept your invitation to discuss the clarifications and rejected exceptions with yourself and Steve at 10:00 AM this morning.

Let's use this conference line: 1-877-777-1345. Press 1, then the passcode 65064697 followed by #. It will prompt you to state your name after the tone and then press #

In particular, we wish to discuss

- Section 3.0.2 – Location of Product – Page 19 of the RFP.
- Exhibit A – Contract Services - Paragraph 3 (exclusivity) – Page 9 of the Law Warehouse Contract
- Exhibit A – Contract Services - Paragraph 8 (limitation of liability) – Page 10 of the Law Warehouse Contract
- Appendix E – General Standards and Requirements – Paragraph 10 (termination) – Page 60

Please confirm receipt and we look forward to speaking to you at 10.

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 10, 2012 2:58 PM
To: Scott.Lyons@exel.com
Subject: Exel - Best & Final Offer Follow-Up

Scott:

The following is the NHSLC's effort to fine tune the proposals in order to identify the proposal(s) that best meet the needs of the State. **Your response is due by noon, Monday, August 13, 2012.**

1. Financial

Using the template from your BAFO, indicate whether you can reduce your Grand Total to \$25,500,000. You may not change any other financial terms. You do not need to recalculate each rate that will support this number.

2. RFP / Standard Contract

We have resolved issues regarding the Transition Bond, the Performance Bond, and IT issues in Appendix K. We understand your proposal regarding Section 1.10.4 – Rate Changes – Page 11 and, during the next phase, Contract Negotiation, are prepared to negotiate that item. We are also prepared, during that phase, to discuss the requirements in Appendix E, Section 14.3 – Insurance – in regard to the requirement that the insurer provide notice no less than ten days prior to cancellation or modification of the policy.

In consultation with the Office of the Attorney General, the Commission makes the following clarifications. All other exceptions are rejected.

- Section 1.9 – Contract Performance Bond – Page 10 – The NHSLC understands that the proposed rates are based on a \$1 million performance bond. If the NHSLC requires a higher bond, the NHSLC will engage in a good-faith negotiation of the proposed rates.
- Section 3.0.2 – Location of Product – Vendor-owned product produced by a vendor with a NH manufacturing license shall be stored at the Concord warehouse
- Appendix E – Exhibit C – Paragraph 14.1.2 and 14.1.3 – Insurance – The NHSLC will allow the equivalent of \$2 million coverage of 100% of acquisition cost for all liquor and wine product owned by the NHSLC for all risks and, fire and extended coverage.
- Appendix E – Paragraph 16 – Waiver of Breach – The phrase “Event of Default” where it occurs in this paragraph is amended to read “Material Breach.”
- Appendix E – Exhibit C – Paragraph 26 – In sub-paragraph 4, (which begins “All costs associated...”) strike the phrase “...as provided in Paragraph 8.”

You may discuss these clarifications and rejected exceptions by telephone with Steve Judge and Craig Bulkley at **10:00 AM**, Monday, August 13, 2012. If you wish to have a discussion, at least ½ hour prior to that time, please provide us with a contact phone number and email Mr. Bulkley a list of the sections of the RFP that you wish to discuss including the page numbers. This will be an opportunity for you to understand why the Commission has made this decision. It is **not** an opportunity to argue about the wisdom of the Commission's decision.



Please consider the environment before printing this e-mail.

Craig W. Butkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, August 10, 2012 1:41 PM
To: Craig W. Bulkley
Subject: RE: BAFO Follow-Up

Great – we will get ready.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 10, 2012 1:16 PM
To: Scott Lyons (EXEL CA)
Subject: BAFO Follow-Up

Scott:

You will be receiving an email from me this afternoon with a BAFO follow-up. Please anticipate its arrival.

Your response will be due by noon on Monday, August 13, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 10, 2012 1:18 PM
To: Scott Lyons (EXEL CA)
Subject: Exel - RE: Best & Final Offers

It is just a formality and something we had to do at our end. Don't worry about it.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, August 10, 2012 12:29 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Best & Final Offers

Sorry, but I am not following the purpose of this note telling us the BAFO deadline is extended to 7pm last Friday.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 10, 2012 12:19 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Best & Final Offers

No, I just sent it out a few minutes ago.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, August 10, 2012 12:17 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Best & Final Offers

I just received this email note. I believe it is from last week.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 10, 2012 12:14 PM
To: Scott Lyons (EXEL CA)
Subject: Best & Final Offers

You may recall that you received an email from me on 8/2/12 at 1:53 PM stating:

“Due to some confusion over the time that your BAFO is due, we are informing you that the BAFO will be due by 4 PM on Friday, August 3, 2012.”

This is to inform you that the deadline has been extended to 7 PM, Friday, August 3, 2012



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 10, 2012 1:16 PM
To: Scott.Lyons@exel.com
Subject: Exel - BAFO Follow-Up

Scott:

You will be receiving an email from me this afternoon with a BAFO follow-up. Please anticipate its arrival.

Your response will be due by noon on Monday, August 13, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 10, 2012 12:19 PM
To: Scott Lyons (EXEL CA)
Subject: Exel - RE: Best & Final Offers

No, I just sent it out a few minutes ago.



Please consider the environment before printing this e-mail.

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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, August 10, 2012 12:17 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Best & Final Offers

I just received this email note. I believe it is from last week.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

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Subject: Best & Final Offers

You may recall that you received an email from me on 8/2/12 at 1:53 PM stating:

“Due to some confusion over the time that your BAFO is due, we are informing you that the BAFO will be due by 4 PM on Friday, August 3, 2012.”

This is to inform you that the deadline has been extended to 7 PM, Friday, August 3, 2012



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, August 10, 2012 12:17 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: RE: Best & Final Offers

I just received this email note. I believe it is from last week.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 10, 2012 12:14 PM
To: Scott Lyons (EXEL CA)
Subject: Best & Final Offers

You may recall that you received an email from me on 8/2/12 at 1:53 PM stating:

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 10, 2012 12:14 PM
To: Scott.Lyons@exel.com
Subject: Exel - Best & Final Offers

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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Thursday, August 09, 2012 5:05 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Scott Lyons (EXEL CA)
Subject: RE: Exel BAFO Clarification
Attachments: NH BFO Summary v4 - Aug 8 2012 (3).xls

As referenced below, attached is the revised rate sheet reflecting the equivalent of \$2.02 per case. Please confirm receipt. Thank you.

From: Scott Lyons (EXEL CA)
Sent: Wednesday, August 08, 2012 5:39 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); George P. Tsiopras
Subject: RE: Exel BAFO Clarification

We withdraw our qualification that the rates will remain constant for 30 months.

Our BAFO will now be \$2.02 on an aggregate cost per case basis (previously \$1.98).

We will submit a revised rate sheet tomorrow with updated rates for each service that will aggregate to \$2.02.

Please confirm receipt.

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From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
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By 10 AM tomorrow, please withdraw your qualification that the rates will remain constant for 30 months.



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INBOUND HANDLING SUMMARY:

1 - 180 cases per code	6,123,246	40,000
181 - 299 cases per code	1,599,321	
300 - 670 cases per code	3,204,562	
670+ cases per code	2,976,765	
Pallet Packs	4,910	
Cases uncodded or unsaleable	6,929	
Case Returns	4,535	50
Pallet Returns	14	
Bottle Returns	392	
TOTAL INBOUND HANDLING:	13,920,674	40,050

STORAGE SUMMARY:

Cases 1 - 84 Days	50,450,604	12,000
Cases 85 - 182 Days	8,116,185	11,000
Cases 183 - 365 Days	2,906,996	12,000
Cases 366+ Days	1,650,772	
Cases on Hold Status <365	558,688	
Cases on Hold Status >365	72,603	
Allocated products <84	66,904	
Allocated products >85	35,451	
Pallet Packs 1-84	19,587	
Pallet Packs 85-182	6,948	
Pallet Packs 183-365	3,515	
Pallet Packs 366+	2,101	
Pallets on Hold Status <365	1,136	
Pallets on Hold Status >365	14	
TOTAL STORAGE:	63,891,505	35,000

OUTBOUND SUMMARY:

Single Bottle	1,479,298	1,479,298
Automatic Orders (Cases)	13,705,006	13,705,006
Non-Automatic Orders (Cases)	62,653	62,653
Automatic Orders (Cases) - out of state	85,449	
TOTAL OUTBOUND:	13,853,108	15,246,957

ACCESSORIAL SUMMARY:

Advertising Material		
HNDLG PER CASE - SMALL	132	
HNDLG PER CASE - LARGE	477	
STRG PER CASE - SMALL	132	
STRG PER CASE - LARGE	477	
REC STRG PER CASE - SMALL	132	
REC STRG PER CASE - LARGE	6,413	
NON-AUTO MIN UPCHARGE	85	
HANDLING / BLANKET	1,152	
STORAGE / BLANKET	1,916	
Extra Labor & Equipment		
WH LABOR - REG	910	
WH LABOR - OT	-	
WH MAN & EQUIP - REG	22	
WH MAN & EQUIP - OT	-	
OFFICE - REG	11	
OFFICE - OT	-	
Physical Inventory		
Cases - SUPPLIERS	2,085,541	
Bottle Charge	38,015	
Case Charge - NHSLC	42,989	see column L
PER REPORT/LIST	44	
Destruction		
PER CASE (0 to 55)	3,816	
PER CASE 56+	15,269	
Labeling		
Cases (0 to 55)	27,861	
Cases (56 to 99)	31,321	
Cases (100 to 299)	56,480	
Cases (300+)	47,064	
Minimum (upcharge)	1,152	
Cases relabeled	46,339	
Relabeling		
Minimum (upcharge)	52	
Duplicate labels	731	
Duplicate Labels		
Min Invoice Chg	185	

ONE WAREHOUSE

APPENDIX-D APPENDIX-D-1

Total Est. Volume (1st 30 Months)	Total Est. Volume (1st 30 Months)
6,123,246	40,000
1,599,321	
3,204,562	
2,976,765	
4,910	
6,929	
4,535	50
14	
392	
13,920,674	40,050

CONTRACT RATES

Jan 1, 2013 - October 31, 2013	
SUPPLIER COSTS	NHSLC COSTS
1.40 8,572,544	1.40 56,000
1.20 1,919,185	-
1.05 3,364,790	-
0.95 2,827,927	-
7.60 37,319	-
6.00 41,572	-
5.00 22,677	5.00 250
15.00 207	-
1.00 352	-
\$ 16,786,614	\$ 56,250

EXCEL

SUPPLIER COSTS	NHSLC COSTS
0.11 5,949,566	0.11 1,320
0.29 2,353,694	0.29 3,190
0.80 2,325,597	0.80 9,600
1.40 2,311,081	-
0.80 446,950	-
1.40 101,645	-
0.11 7,359	-
0.29 10,281	-
5.00 97,933	-
12.90 89,629	-
36.00 126,552	-
63.00 132,359	-
36.00 40,894	-
63.00 868	-
\$ 13,594,408	\$ 14,110

EXCEL

Proposed Contract Rates	Total Estimated Cost
0.19 1,163,417	
0.19 303,871	
0.19 608,867	
0.19 565,585	
7.40 36,337	
5.50 38,108	
-	-
-	-
-	-
\$ 2,716,185	\$ -

SUPPLIER COSTS	NHSLC COSTS
0.09 4,540,554	
0.25 2,029,046	
0.65 1,889,548	
1.15 1,896,388	
0.65 363,147	
1.15 83,494	
0.09 6,021	
0.25 8,863	
4.25 83,243	
11.00 76,428	
30.00 105,460	
52.00 109,248	
30.00 34,078	
52.00 717	
\$ 11,228,235	\$ -

EXCEL

Proposed Contract Rates	Total Estimated Cost
0.96 13,164,525	
1.01 63,315	
0.96 82,079	
\$ 13,309,918	\$ -

EXCEL

SUPPLIER COSTS	NHSLC COSTS
0.74 98	
1.94 925	
0.50 66	
3.50 1,669	
0.50 66	
3.50 22,446	
15.00 1,282	
24.75 28,524	
6.50 12,455	
34.65 31,526	
52.00 -	
66.00 1,456	
81.00 -	
34.65 382	
52.00 -	
0.13 291,976	
0.09 3,421	
0.13 5,589	
25.00 1,103	
3.80 14,500	
3.00 45,807	
2.50 69,652	
2.00 62,642	
1.25 70,600	
0.75 35,298	
13.50 15,558	
1.00 46,339	
15.00 786	
1.00 731	
15.00 2,771	
\$ 736,066	\$ -

EXCEL

SUPPLIER COSTS	NHSLC COSTS
0.75 1,109,474	
0.15 2,055,751	
0.25 15,663	
0.75 64,087	
\$ 3,180,888	\$ -

EXCEL

SUPPLIER COSTS - APP D NHSLC COSTS - APP D1

Proposed Contract Rates	Total Estimated Cost
0.19 1,163,417	
0.19 303,871	
0.19 608,867	
0.19 565,585	
7.40 36,337	
5.50 38,108	
-	-
-	-
-	-
\$ 2,716,185	\$ -

EXCEL

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15.00 786	
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15.00 2,771	
\$ 736,066	\$ -

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EXCEL

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0.50 66	
3.50 1,669	
0.50 66	
3.50 22,446	
15.00 1,282	
24.75 28,524	
6.50 12,455	
34.65 31,526	
52.00 -	
66.00 1,456	
81.00 -	
34.65 382	
52.00 -	
0.13 291,976	
0.09 3,421	
0.13 5,589	
25.00 1,103	
3.80 14,500	
3.00 45,807	
2.50 69,652	
2.00 62,642	
1.25 70,600	
0.75 35,298	
13.50 15,558	
1.00 46,339	
15.00 786	
1.00 731	
15.00 2,771	
\$ 739,157	\$ -

EXCEL

SUPPLIER COSTS	NHSLC COSTS
0.75 1,109,474	
0.15 2,055,751	
0.25 15,663	
0.75 64,087	
\$ 3,180,888	\$ -

EXCEL

Revised Rates: Suppliers

\$ 1.07 \$ 6,551,873	\$ 0.33 \$ 2,020,671
\$ 1.07 \$ 1,711,274	\$ 0.13 \$ 207,912
\$ 1.07 \$ 3,428,881	\$ (0.02) \$ (64,091)
\$ 1.07 \$ 3,185,139	\$ (0.12) \$ (357,212)
\$ 10.00 \$ 49,104	\$ (2.40) \$ (11,785)
\$ 5.50 \$ 38,108	\$ 0.50 \$ 3,464
\$ 4.50 \$ 20,410	\$ 0.50 \$ 2,268
\$ 10.00 \$ 138	\$ 5.00 \$ 69
\$ 1.00 \$ 392	\$ - \$ -
\$ 14,985,318	\$ 1,801,296

EXCEL

\$ 0.100 \$ 5,045,060	\$ 0.01 \$ 504,506
\$ 0.280 \$ 2,272,532	\$ 0.01 \$ 81,162
\$ 0.70 \$ 2,034,897	\$ 0.10 \$ 290,700
\$ 1.20 \$ 1,980,926	\$ 0.20 \$ 330,154
\$ 0.70 \$ 391,081	\$ 0.10 \$ 55,869
\$ 1.20 \$ 87,124	\$ 0.20 \$ 14,521
\$ 0.100 \$ 6,690	\$ 0.01 \$ 669
\$ 0.280 \$ 9,926	\$ 0.01 \$ 355
\$ 4.25 \$ 83,243	\$ 0.75 \$ 14,690
\$ 11.00 \$ 76,428	\$ 1.90 \$ 13,201
\$ 30.00 \$ 105,460	\$ 6.00 \$ 21,092
\$ 52.00 \$ 109,248	\$ 11.00 \$ 23,110
\$ 30.00 \$ 34,078	\$ 6.00 \$ 6,816
\$ 52.00 \$ 717	\$ 11.00 \$ 152
\$ 12,237,413	\$ 1,356,996

EXCEL

\$ -	\$ 0.75 \$ 1,109,473
\$ -	\$ 0.15 \$ 2,055,751
\$ -	\$ 0.25 \$ 15,663
\$ 1.00 \$ 85,449	\$ (0.25) \$ (21,362)
\$ 85,449	\$ 3,159,525

EXCEL

\$ 0.74 \$ 98	\$ 0.26 \$ 34
\$ 1.94 \$ 925	\$ 0.56 \$ 267
\$ 0.50 \$ 66	\$ 0.50

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, August 09, 2012 7:44 AM
To: Scott Lyons (EXEL CA)
Subject: RE: Transition Bond BAFO Clarification - Exel

received



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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Sent: Wednesday, August 08, 2012 5:39 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); George P. Tsiopras
Subject: RE: Transition Bond BAFO Clarification - Exel

We confirm we are responsible for the costs of a reasonable transition bond.

Please confirm receipt.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Wednesday, August 08, 2012 4:30 PM
To: Scott Lyons (EXEL CA)
Cc: Fred Takavitz (Exel US)
Subject: Transition Bond BAFO Clarification

The BAFO asked you to confirm that you will provide a transition bond for the completion of all necessary items to make the facility fully operational on or before October 31, 2013. This bond will cover any and all costs related to the transition from the contract in force on October 31, 2013 to the new contract because the successful vendor is unable to perform duties under the contract as of November 1, 2013 (April 18, 2012 Clarifications and Amendments, p. 1.) The commission anticipates that the amount will be arrived at by mutual agreement. If there is no agreement, the commission may move on to a different vendor.

So that there is no misunderstanding, please confirm that you will be responsible for the costs of a reasonable transition bond.

Please provide your response by 10 AM, Thursday August 9, 2012.



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✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Wednesday, August 08, 2012 5:39 PM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); George P. Tsiopras
Subject: RE: Transition Bond BAFO Clarification - Exel

We confirm we are responsible for the costs of a reasonable transition bond.

Please confirm receipt.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Wednesday, August 08, 2012 4:30 PM
To: Scott Lyons (EXEL CA)
Cc: Fred Takavitz (Exel US)
Subject: Transition Bond BAFO Clarification

The BAFO asked you to confirm that you will provide a transition bond for the completion of all necessary items to make the facility fully operational on or before October 31, 2013. This bond will cover any and all costs related to the transition from the contract in force on October 31, 2013 to the new contract because the successful vendor is unable to perform duties under the contract as of November 1, 2013 (April 18, 2012 Clarifications and Amendments, p. 1.) The commission anticipates that the amount will be arrived at by mutual agreement. If there is no agreement, the commission may move on to a different vendor.

So that there is no misunderstanding, please confirm that you will be responsible for the costs of a reasonable transition bond.

Please provide your response by 10 AM, Thursday August 9, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 08, 2012 4:30 PM
To: Scott.Lyons@exel.com
Cc: Fred Takavitz (Exel US)
Subject: Exel - Transition Bond BAFO Clarification

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 08, 2012 4:23 PM
To: Scott.Lyons@exel.com
Cc: Fred Takavitz (Exel US)
Subject: Exel - Warehouse RFP Schedule of Events Amendment

You will note on our website that the Schedule of Events on Page 5 has been amended so as to end on August 17, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
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NH State Liquor Commission
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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Wednesday, August 08, 2012 4:14 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA)
Subject: RE: Exel BAFO Clarification

He and I both have this. Thanks Craig.

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Wednesday, August 08, 2012 3:41 PM
To: Fred Takavitz (Exel US)
Subject: FW: Exel BAFO Clarification

Fred – this email was sent to Scott a few minutes ago. Please pass to him. Thanks.

From: Craig W. Bulkley
Sent: Wednesday, August 08, 2012 3:33 PM
To: Scott Lyons (EXEL CA) (Scott.Lyons@exel.com)
Subject: Exel BAFO Clarification

Scott:

The Evaluation Committee has tried to be clear that it wants the rates for the first 30 months to remain constant. When we asked you to confirm this issue in the BAFO, you stated that your rates will not change. Consistent with your prior positions, you then qualified this statement by suggesting that either party should have the opportunity to request a review of rates if the actual volumes or profile of work vary by 10% from the data provided by the NHSLC in the RFP.

The data provided by the NHSLC has always been identified as estimates. Even if we could agree on some workable review process, the NHSLC does not want to take the risk that volumes will decrease below the estimates. The NHSLC appreciates your point that it could enhance its revenue if volumes are greater than the estimates. Nevertheless, it does not want to take the risk.

By 10 AM tomorrow, please withdraw your qualification that the rates will remain constant for 30 months.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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To: Scott.Lyons@exel.com
Subject: Exel BAFO Clarification

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From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Wednesday, August 08, 2012 3:16 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Steve Hess (EXEL US)
Subject: Fully Executed Sale and Purchase Agreement - Exel
Attachments: Fully Executed REPA Bow NH (00020391).pdf

Craig,

Scott and I are traveling today; I have connectivity and he does not. Here is the fully executed Sale and Purchase agreement between Exel and the owner of the property in Bow, NH. Thanks.

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

REAL ESTATE PURCHASE AGREEMENT

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December 26, 2012

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Wednesday, August 08, 2012 1:29 PM
To: Craig W. Bulkley
Subject: Re: RFP Process

The update is much appreciated.

Thanks,

Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, August 09, 2012 01:20 AM
To: Scott Lyons (EXEL CA)
Subject: RFP Process

Scott:

The Evaluation Committee has received BAFOs. Thank you for your cooperation. There may be some follow up questions today or tomorrow. If so, the time allowed to respond will be quite tight.

The Evaluation Committee will submit a recommendation to the commissioners. The commissioners have a great deal of discretion (RFP 4.6 p. 35). It is expected that the commissioners will select one or more Vendor(s) for contract negotiation (RFP 4.6.1 p. 35). The selected Vendor(s) will be notified in writing by email. Contract negotiations may begin as soon as Friday of this week. Notice may not be received until Thursday late afternoon.

These times are approximate. Do not read anything into a lack of a receipt of notice. This is particularly true because the noticed Vendor(s) may not reach agreement with the NHSLC in which case negotiations will shift to another Vendor, including a Vendor who did not receive an initial notice.

Once a contract has been successfully negotiated, the Vendor will be notified and the contract will be executed at a public meeting of the NHSLC. The original RFP set August 1, 2012 as the date for contract award. That date has been extended to August 10, 2012. It is likely that there will be another short extension.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008

FAX (603) 271-3897

Cell: (603) 490-1559

✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, August 08, 2012 1:20 PM
To: Scott.Lyons@exel.com
Subject: RFP Process - Exel

Scott:

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, August 07, 2012 10:01 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US); Fred Takavitz (Exel US); Steve Hess (EXEL US)
Subject: FW: Exel Signed Agreement to Purchase Land
Attachments: Bow PS.PDF

Further to Fred's note below, here is a scanned copy of the Agreement to purchase the land. This has been signed off by Seller and we will counter sign in the morning when our signatory is in the office.

We are all set to get started constructing our facility on behalf of the NHSLC!

Please confirm receipt of this email.

Also, in terms of next steps could you please let us know where you are in the process. We recognize that you wish to have a contract in place by Friday and want to ensure we do our part to reach this goal.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Fred Takavitz (Exel US)
Sent: Monday, August 06, 2012 5:53 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Steve Hess (EXEL US)
Subject: Signed Agreement to Purchase Land

Craig,
Related to the voice mail that I left for you earlier this afternoon, we can now confirm that we have a signed purchase agreement with the owner of the property at 675 Route 3A, Bow, New Hampshire. The agreement is for 23 acres on which we intend to build a distribution center to handle business on behalf of the NHSLC.

We will have the signed agreement in our possession tomorrow. Please let me know that you have received this message. Thank you.

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 06, 2012 3:44 PM

To: Scott Lyons (EXEL CA)
Cc: Fred Takavitz (Exel US)
Subject: RE: Exel's Best and Final Offer

Received; we will review and contact you if there are any questions



Please consider the environment before printing this e-mail.

Craig W. Bulkley
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From: Scott Lyons (EXEL CA) [mailto:Scott.Lyons@exel.com]
Sent: Monday, August 06, 2012 12:35 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US); Fred Takavitz (Exel US)
Subject: RE: Exel's Best and Final Offer

Craig,

Further to my note sent to you last Friday afternoon, there is an error in the prices sent for the 20 year rates. Please ignore columns AE – AG in our spreadsheet.

Our goal with the 20 year rates is to receive a aggregate revenue per case of \$2.27 from Product Suppliers in the first year, and then have 5% increases in this aggregate revenue per case every 5 years. Thus, the aggregate revenue per case from Product Suppliers would be as follows:

- 2013 – 2017: \$2.27
- 2018 – 2022: \$2.39
- 2023 - 2027: \$2.51
- 2028 – 2032: \$2.64

If the state is interested in our proposal for the 20 year rates, we would be happy to complete the work necessary to propose rates per service that will result in the aggregate revenue per case figures listed above.

We would appreciate the opportunity to discuss our BAFO either in person or by phone.

Sorry for the inconvenience.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 06, 2012 7:46 AM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel's Best and Final Offer

received



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, August 03, 2012 4:32 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Patrick Bennett (EXEL US); Robert Rujevcan (EXEL US)
Subject: RE: Exel's Best and Final Offer

Two quick comments.

First, as stated in our letter - if possible we would appreciate the opportunity to discuss our BAFO either in person or by phone.

Second, regarding our twenty-year rates. We indicated that the rates will rise by 5% every 5 years and showed what the 5% increase would represent across 3 time periods. As we stated in our letter we would like to discuss migrating the rates to something more consistent with costs. We are concerned that if rates rise by 5% total revenues might rise by more than 5% which is not our intent. We only want total revenues to rise by 5% in line with what we expect with costs. We would look for the total revenue per case to follow a progression from \$2.27 to \$2.39 to \$2.51 to \$2.64. If in analyzing our numbers you find the total revenue per case not following this progression then we would appreciate the opportunity to discuss. In the meantime, we will continue our analysis of the figures.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 03, 2012 4:12 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel's Best and Final Offer

Received; thank you



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, August 03, 2012 4:07 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US)
Subject: Exel's Best and Final Offer

Attached please find a number of files.

The file titled Best and Final Offer to NHSLC for RFP 2012-14 Final Aug 3, 2012 provides the response to the questions posed in your email note.

The Exel file lists our rates referred to in our response.

The remaining word and power point slides are the Bios and resumes of our team members who will be delivering our solution if we are successful.

Thank-you for your consideration.

Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

REAL ESTATE PURCHASE AGREEMENT

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December 26, 2012

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December 26, 2012

Exel 001199

From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Monday, August 06, 2012 5:53 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Steve Hess (EXEL US)
Subject: Signed Agreement to Purchase Land

Craig,

Related to the voice mail that I left for you earlier this afternoon, we can now confirm that we have a signed purchase agreement with the owner of the property at 675 Route 3A, Bow, New Hampshire. The agreement is for 23 acres on which we intend to build a distribution center to handle business on behalf of the NHSLC.

We will have the signed agreement in our possession tomorrow. Please let me know that you have received this message. Thank you.

Fred Takavitz
Exel
Office (614) 865 8392
Mobile (614) [REDACTED]
fred.takavitz@dhl.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 06, 2012 3:44 PM
To: Scott Lyons (EXEL CA)
Cc: Fred Takavitz (Exel US)
Subject: RE: Exel's Best and Final Offer

Received; we will review and contact you if there are any questions



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Monday, August 06, 2012 12:35 PM

To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US); Fred Takavitz (EXEL US)
Subject: RE: Exel's Best and Final Offer

Craig,

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- 2018 – 2022: \$2.39
- 2023 - 2027: \$2.51
- 2028 – 2032: \$2.64

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We would appreciate the opportunity to discuss our BAFO either in person or by phone.

Sorry for the inconvenience.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, August 06, 2012 7:46 AM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel's Best and Final Offer

received



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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Sent: Friday, August 03, 2012 4:32 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Patrick Bennett (EXEL US); Robert Rujevcan (EXEL US)
Subject: RE: Exel's Best and Final Offer

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Canada

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Mobile: 416 [REDACTED]

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To: Craig W. Bulkley
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Subject: Exel's Best and Final Offer
Attachments: Robert MacLellan.doc; Becky Ross.doc; CREA - Our Team.12.pdf; John Flanagan.pptx; Laurie Parent Bio.docx; Michael Hecker Profile.docx; Mike Shea.doc; Norm Hollingsworth.doc; Paul Ledger.doc; Profile - Omer Rashid (Jul 2011).docx; Resume Marc Belanger.doc; NH BAFO Summary Final - Aug 3 2012.xlsx; Best and Final Offer to NHSLC for RFP 2012-14 Final Aug 3, 2012.docx

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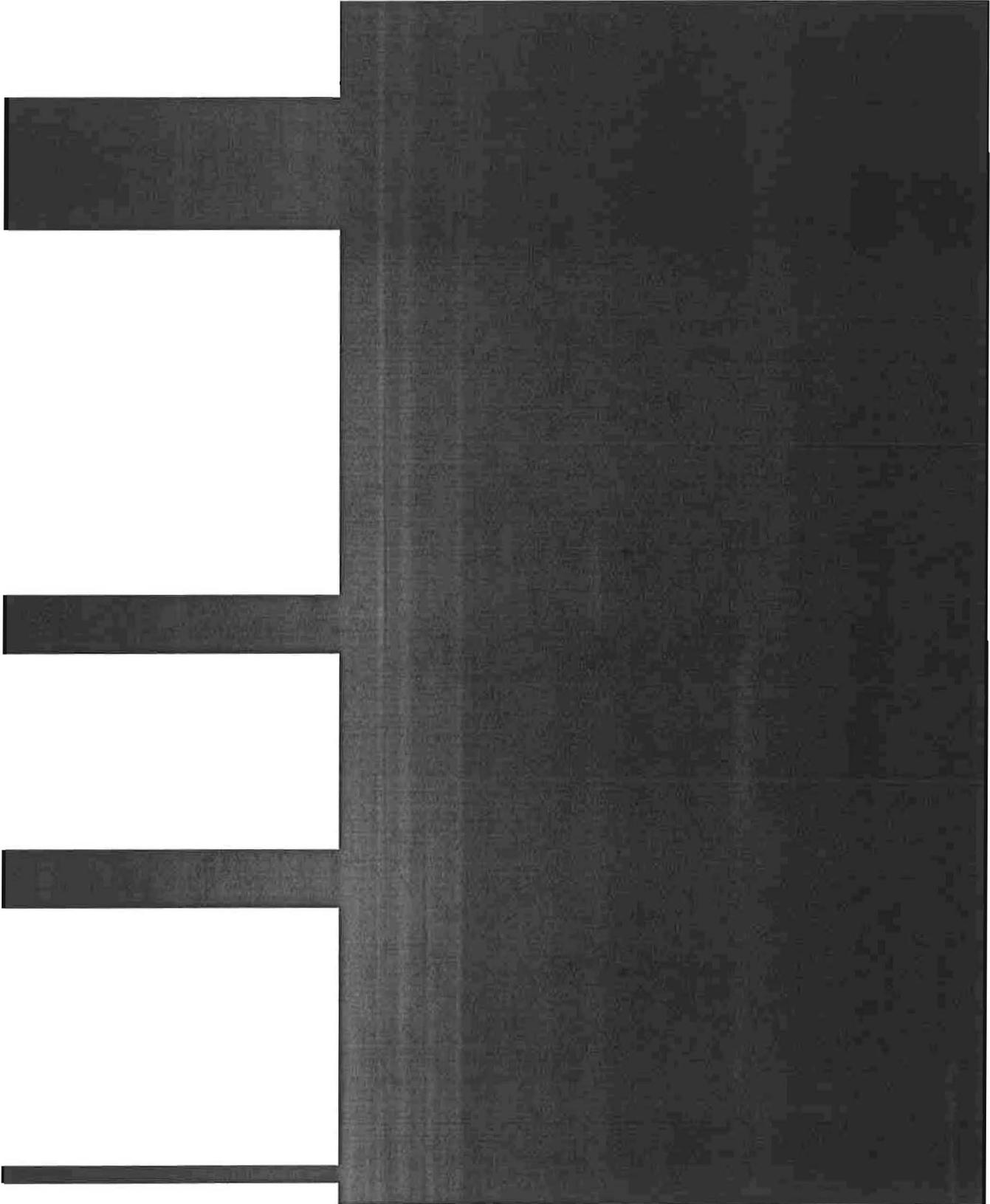
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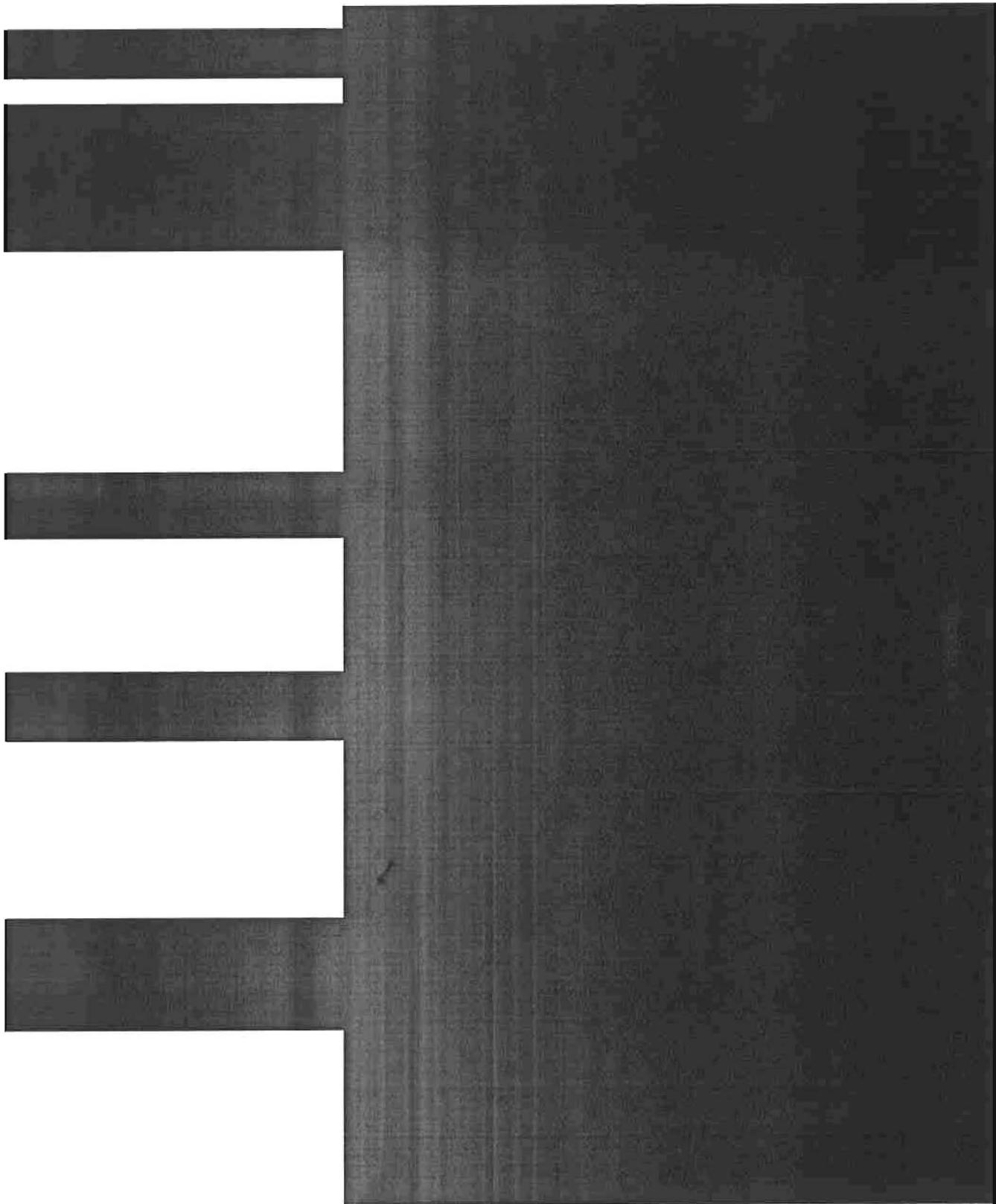
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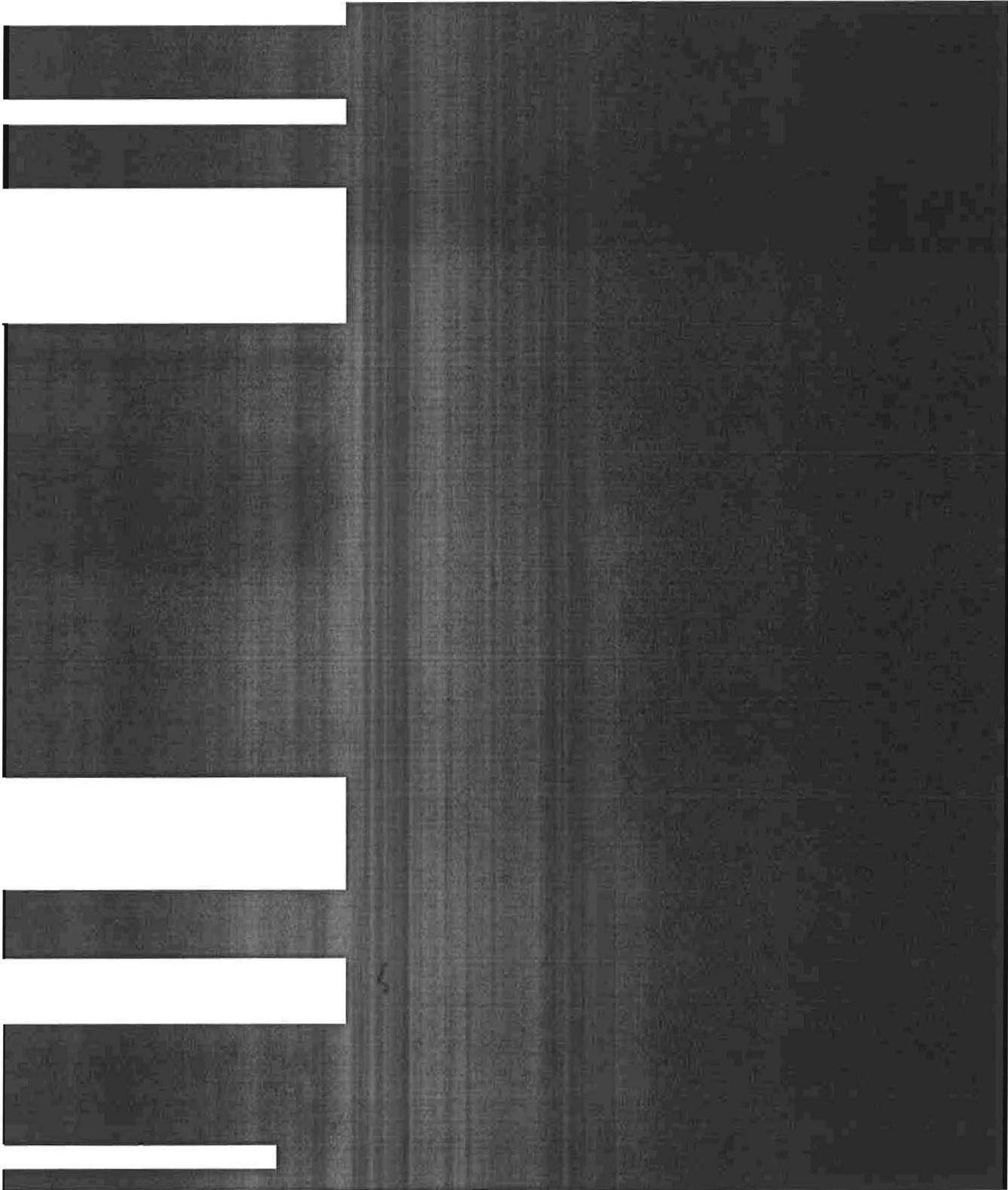
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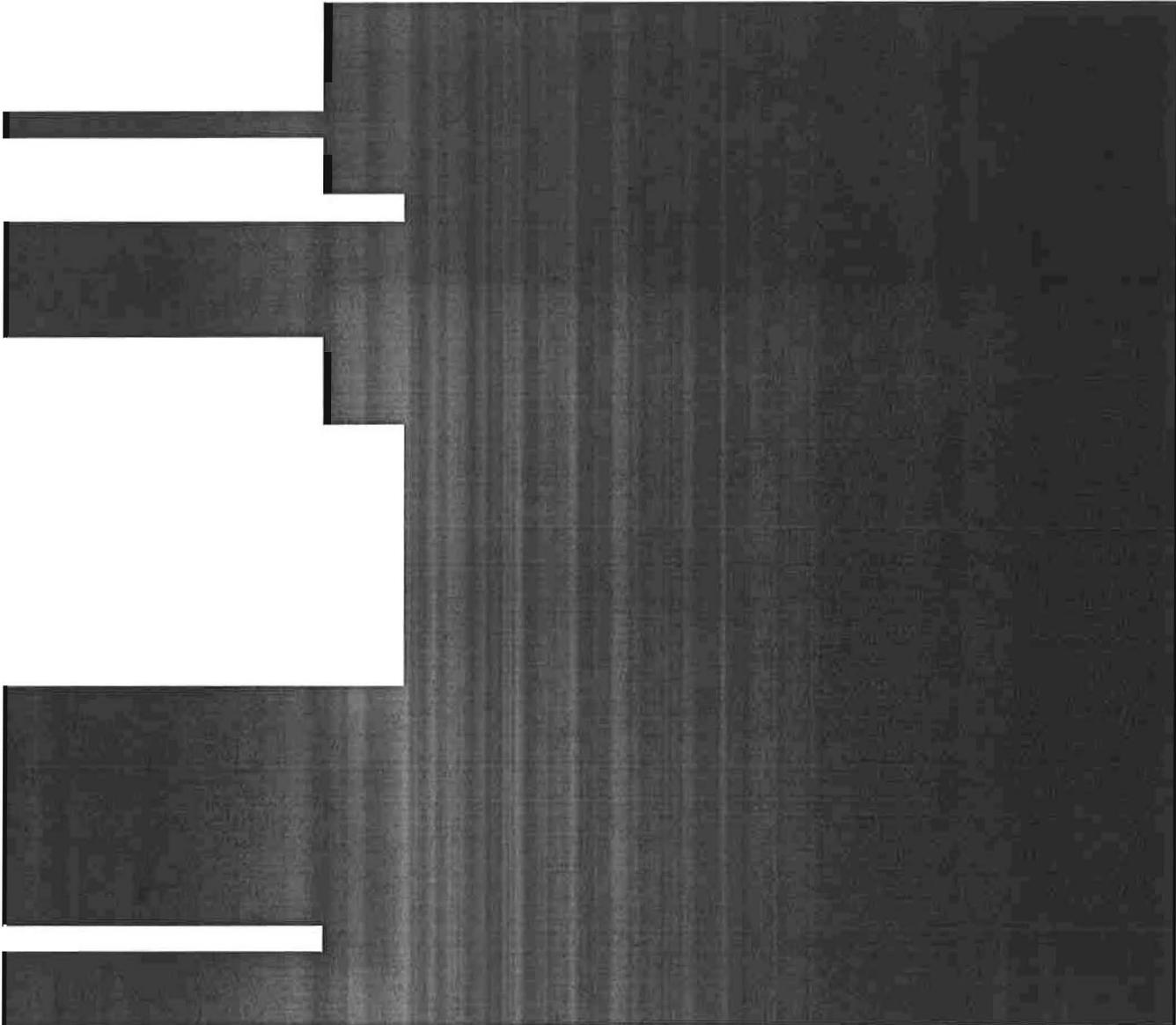
Robert







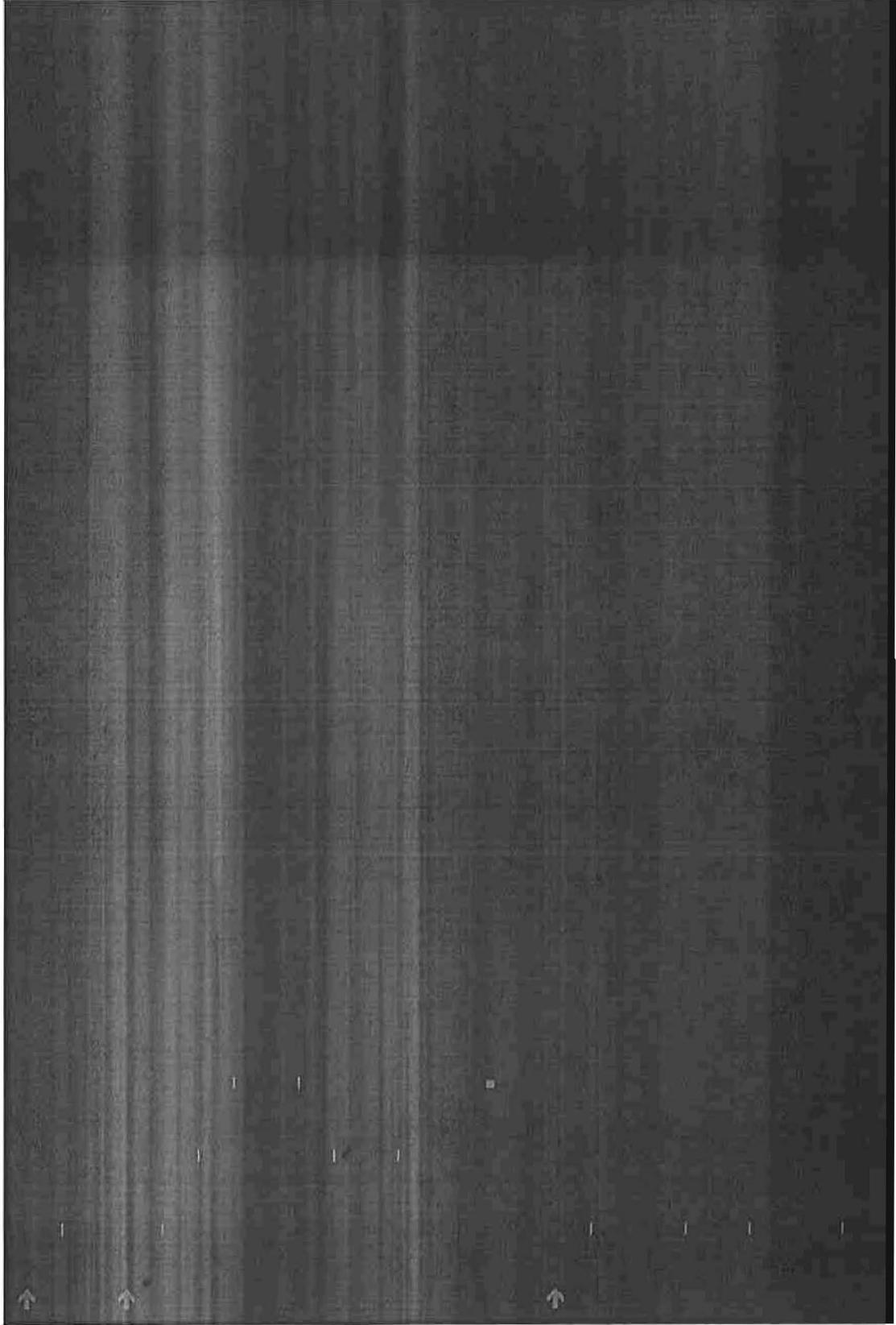




John

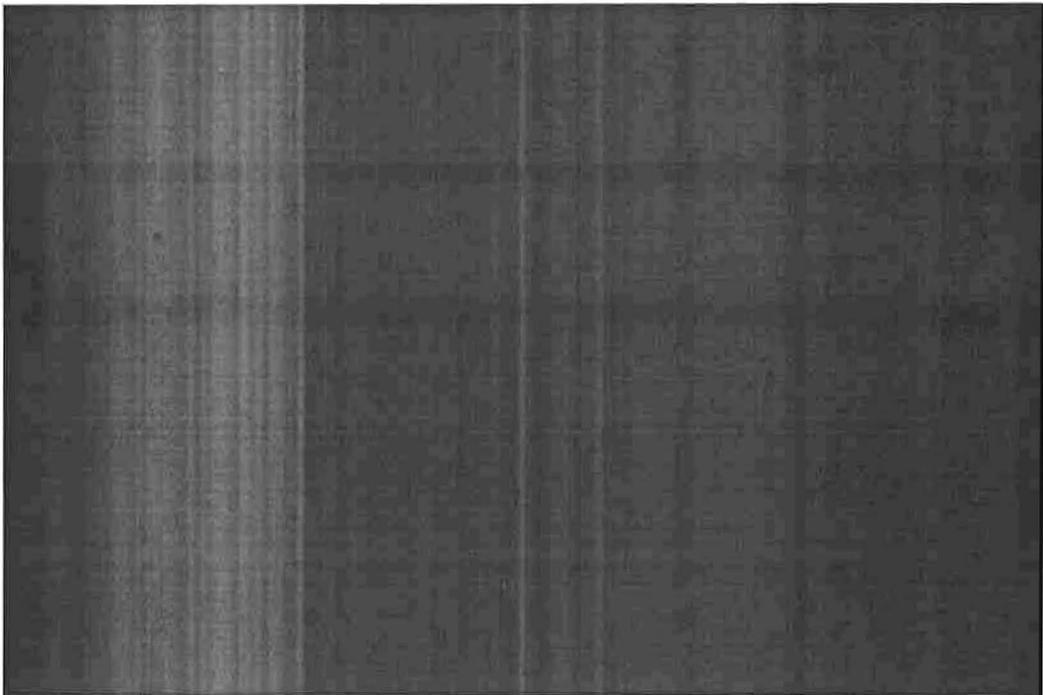
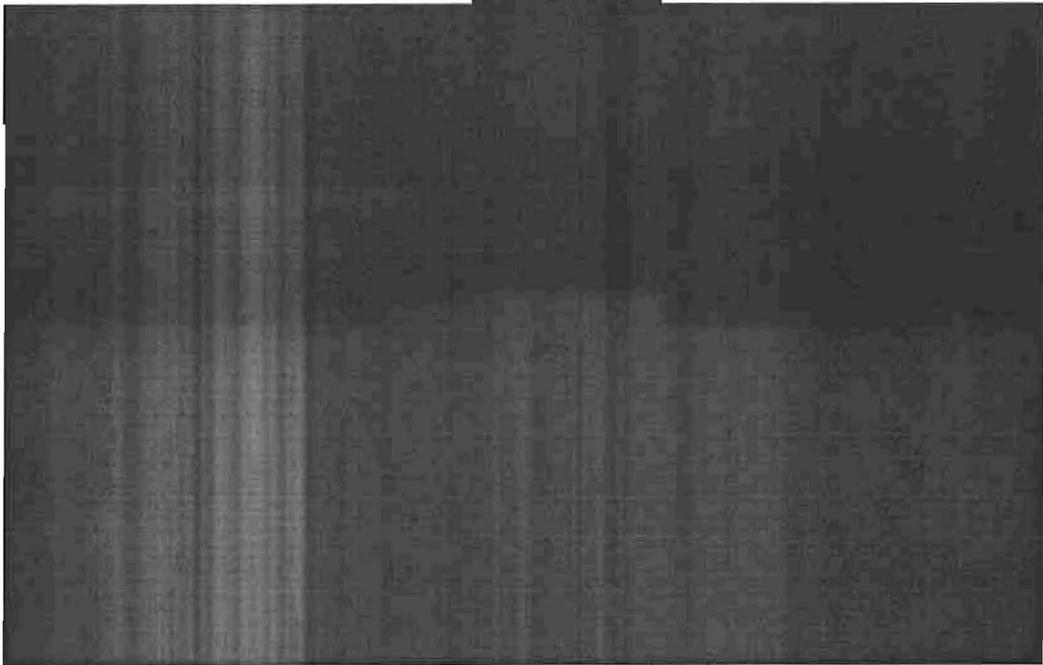


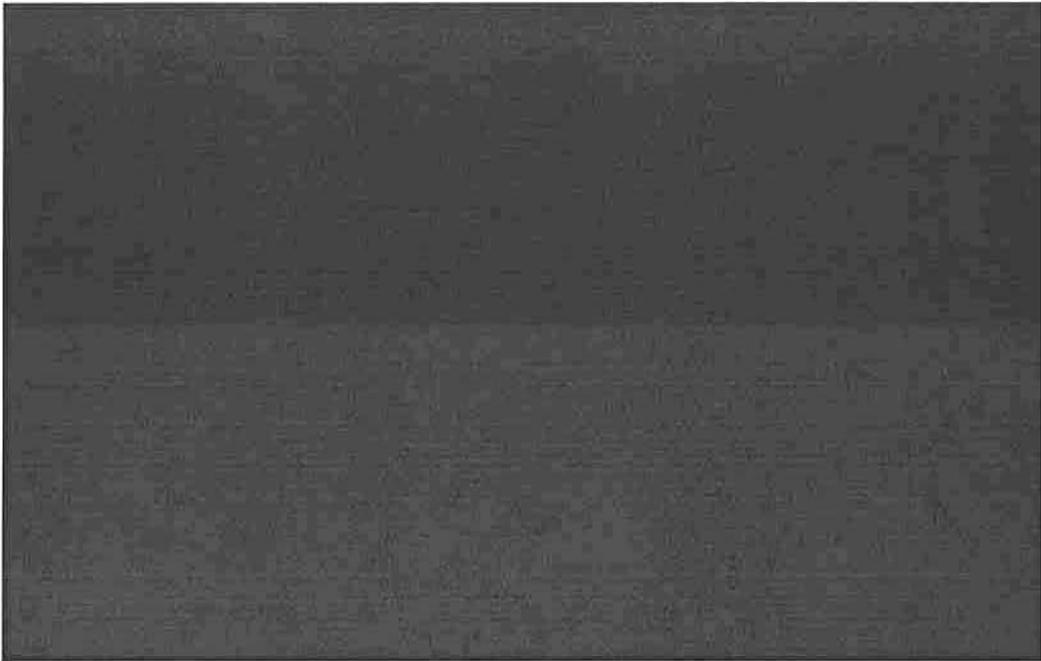
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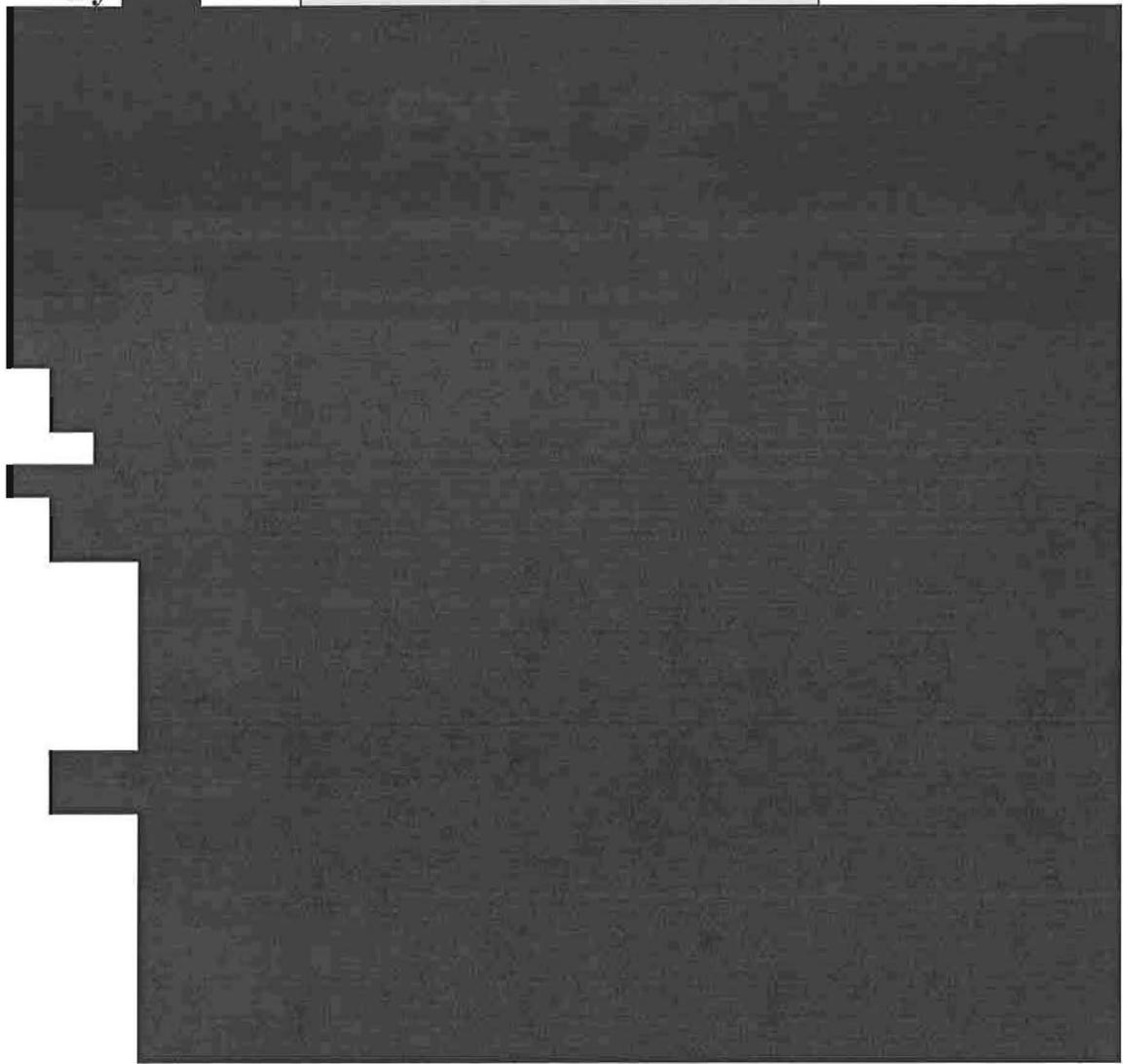






Becky

Confidential information redacted



Confidential information redacted

Laurie [REDACTED]



PAUL [REDACTED]

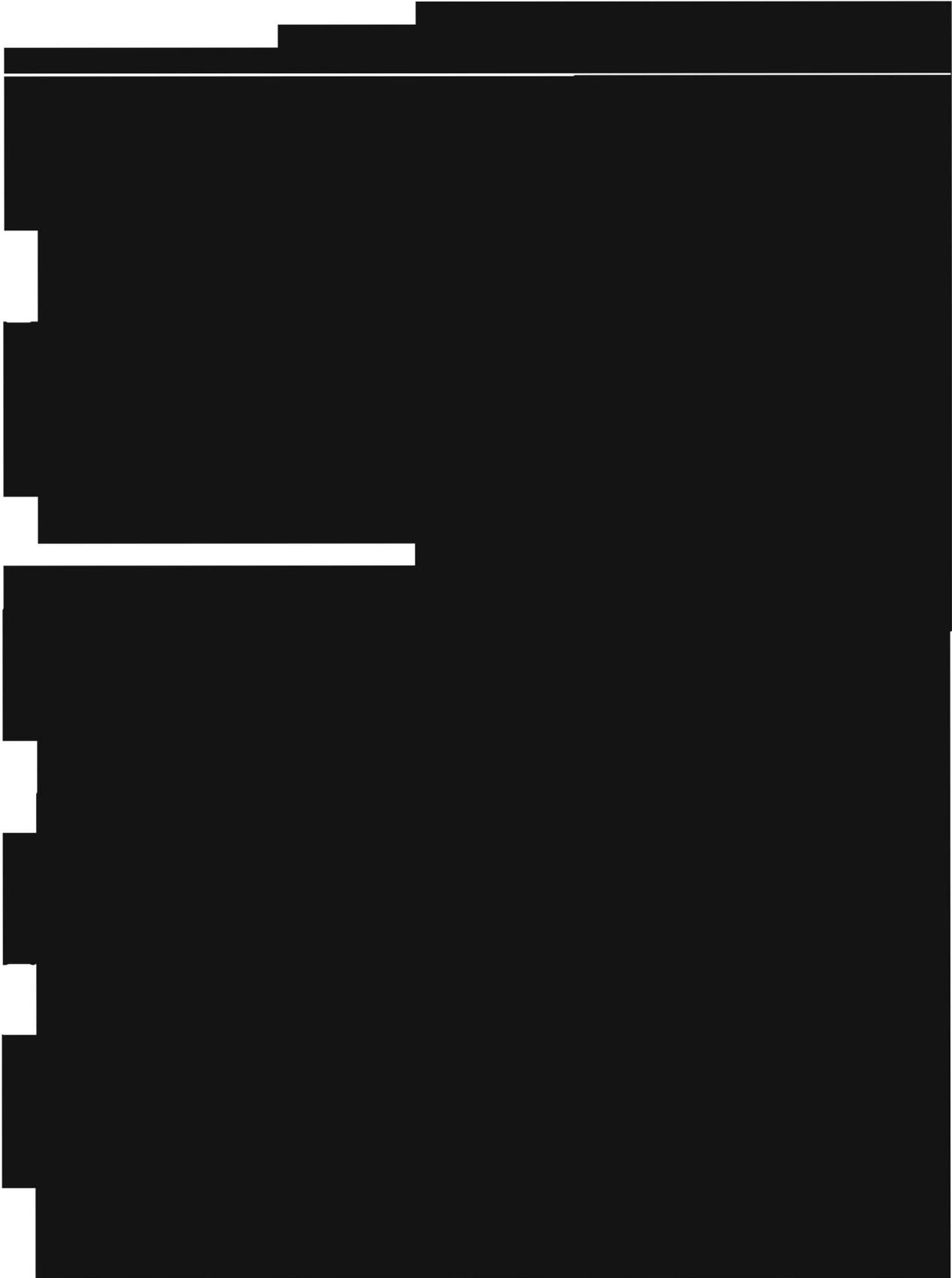
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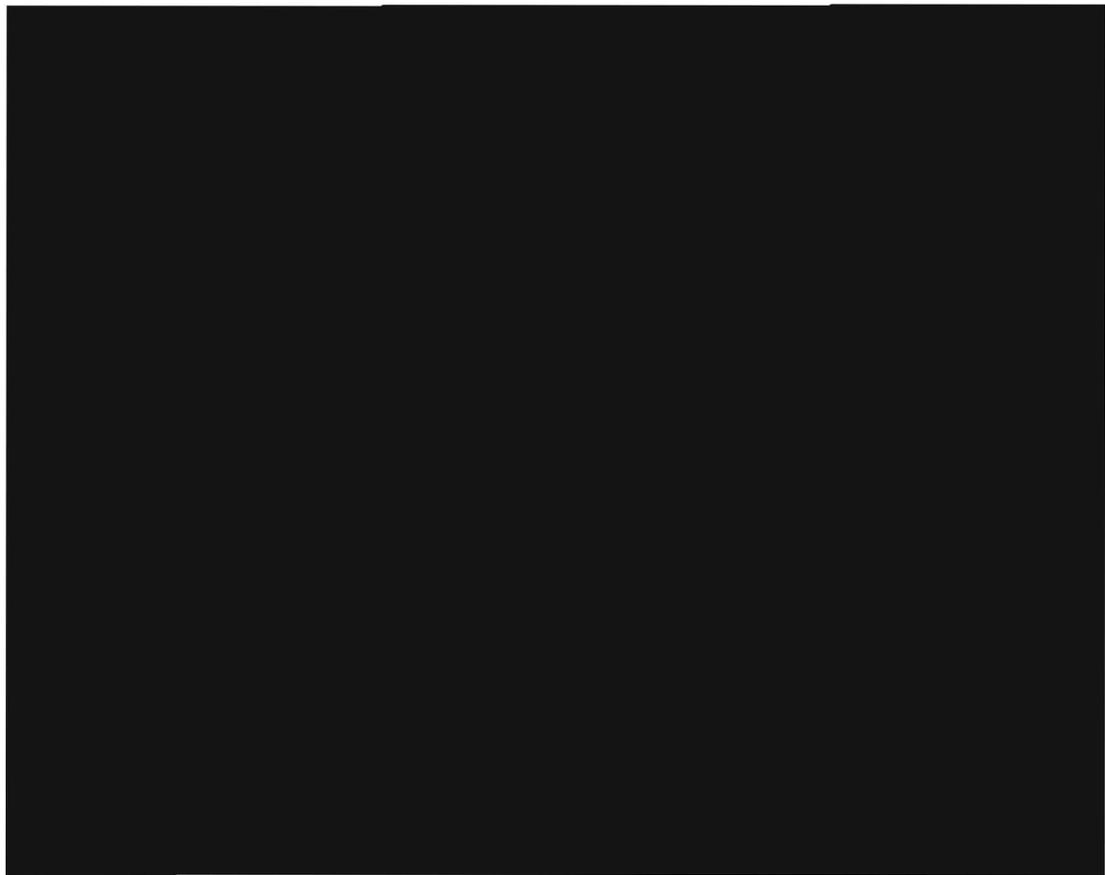


Our Team



Confidential information redacted

Michael [REDACTED]



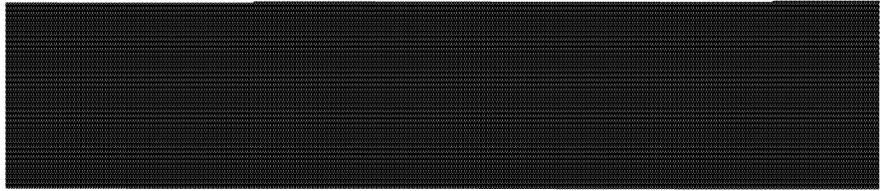
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Omer [redacted]
Email: [redacted]

[redacted]

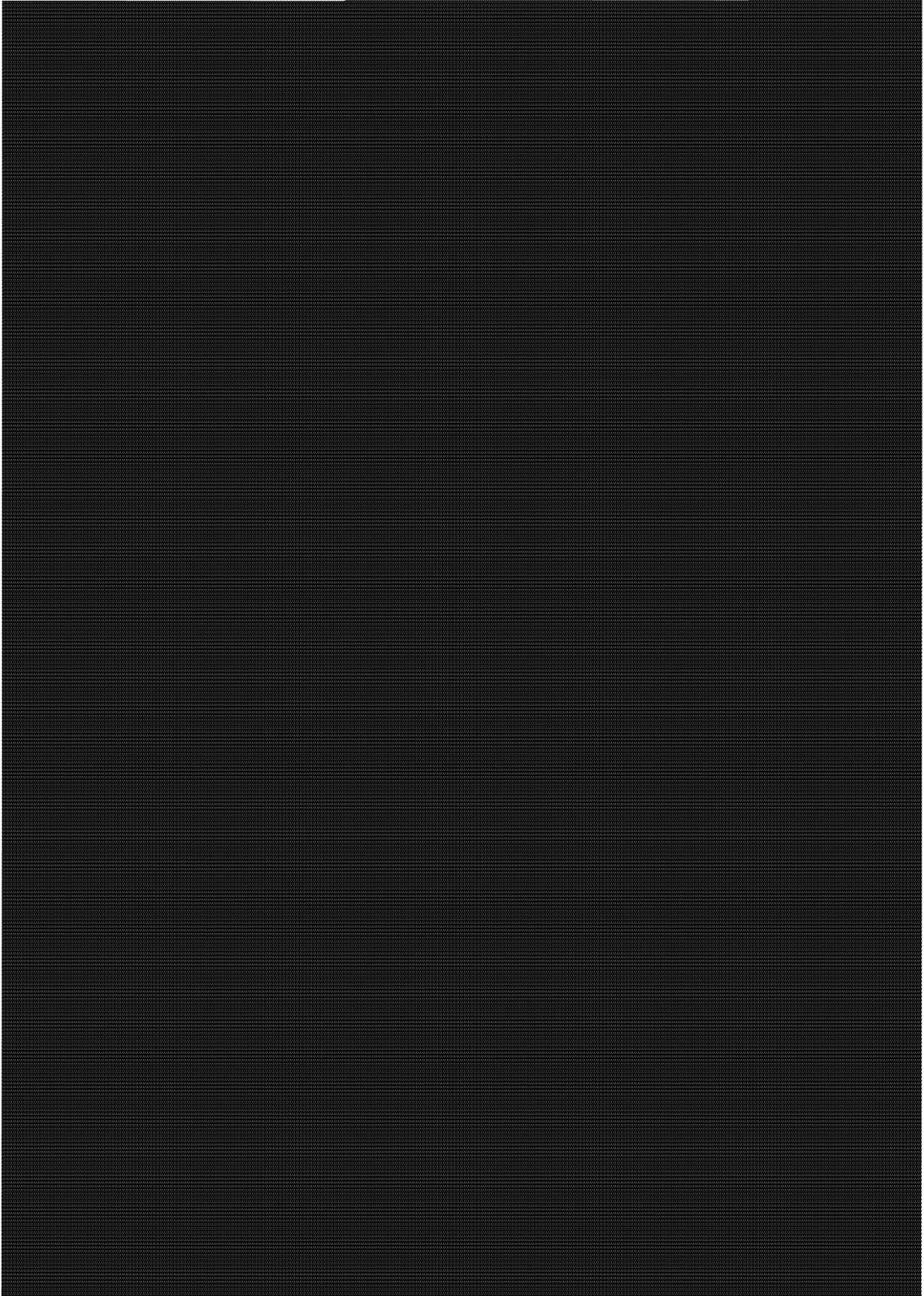


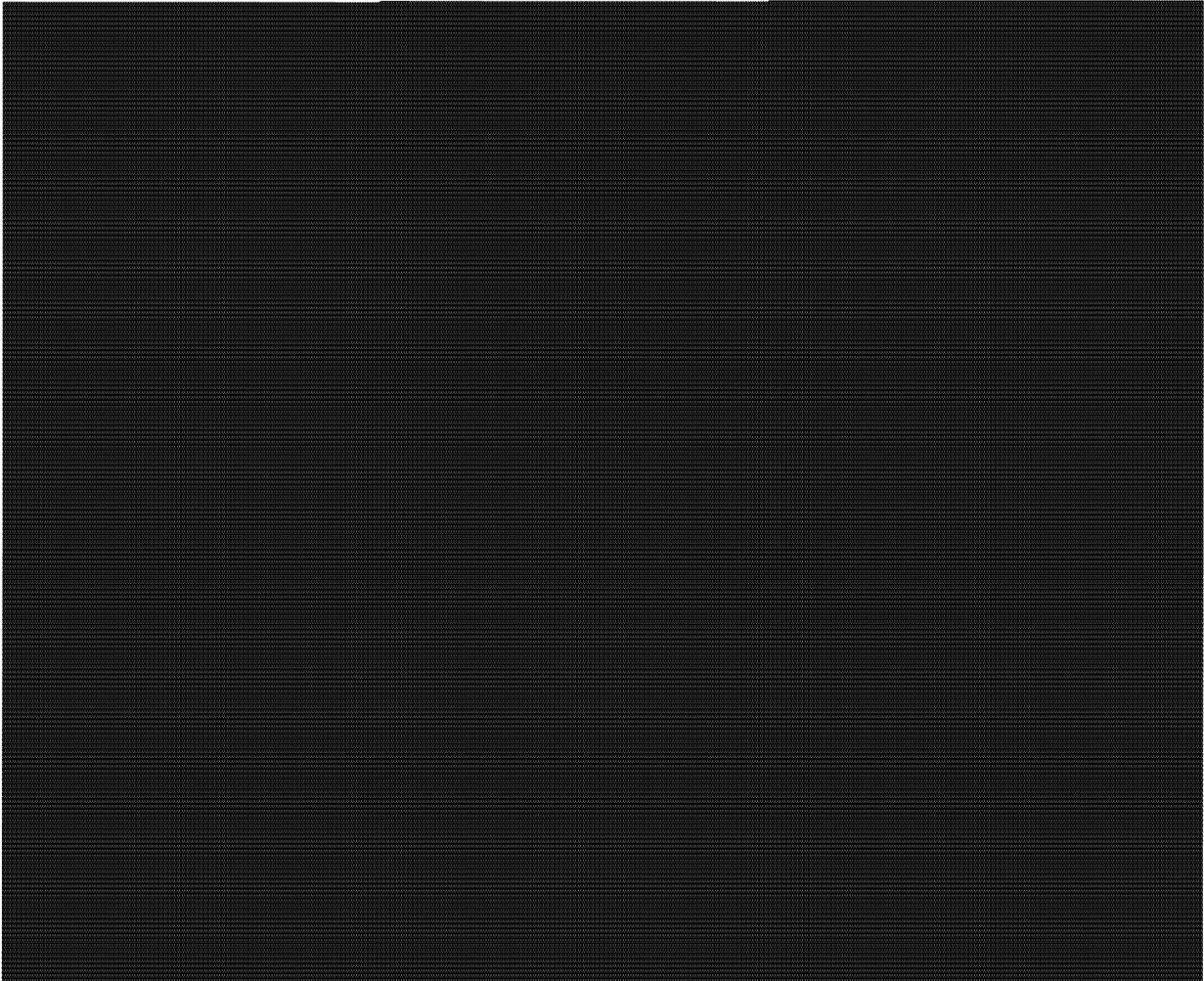
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Confidential information redacted

Marc







570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 [REDACTED]
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August 3, 2012

Mr. Craig W. Bulkley
Director Division of Administration
NH State Liquor Commission
P.O. Box 503
Concord, NH, 03302-0503

VIA Email: cbulkley@liquor.state.nh.us

Reference: RFP 2012-14 – Warehouse Services for Spirits & Wine Product

Dear Mr. Buckley,

Below please find Exel's Best and Final Offer (BAFO) and response to the questions on the several areas where the Commission is specifically focused. We would appreciate the opportunity to present our Best and Final Offer as we believe our commercial model is unique, and we believe there will still be questions even though we have done our best to explain it below.

I. Financial

Question:

Using the template reviewed at your phase II presentation, please provide your lowest possible rates.

Answer:

It is our proposal that the cost of warehousing should be fully funded by the Product Suppliers. Therefore, there are no rates for the NHSLC under our proposal. To minimize change we recommend maintaining the categories of services that are in place today. Only the rates for each service will change.

Under our proposal warehousing will become a profit center for the NHSLC. The Commission will set the Warehouse Service Charges for the Product Suppliers. Exel will pay the NHSLC the difference between the revenues collected from Product Suppliers, and the rates listed in Column Y of the attached spreadsheet "NH BAFO Summary Final - Aug 3 2012".

According to the Exel Financial Analysis Confirmation spreadsheet provided by the NHSLC, the Commission will save \$3.1 M over the initial 30 month term compared to the rates that will be coming into effect on January 1, 2013.

Again utilizing the Exel Financial Analysis Confirmation spreadsheet provided by the NHSLC, the Commission could generate as much as \$4.0 M in additional net income over the initial 30 month term. This assumes the NHSLC maintains the rates coming into effect on January 1, 2013 for Product Suppliers. It would be our recommendation that the NHSLC roll back some of the planned 14% increase in rates to the Product Suppliers. In any event, our rates represent a reduction in cost to the industry of \$7.1 M, and depending on the NHSLC a potential total improvement to its net income of \$7.1 M.

Question:

December 26, 2012

Exel 001233



Please confirm that those rates will not change for the first 30 months of the contract.

Answer:

We can confirm that our rates will not change over the first 30 months of the contract. Consistent with the answer provided to question 22 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS, if the actual volumes or profile of work vary materially from the data provided by the NHSLC in the RFP process then either party should have the opportunity to request a review of the rates. Exel proposes that materially is greater than 10%.

Question:

If possible, please submit an alternative rate structure that provides for rates over the entire twenty-year contract

Answer:

Our proposal for rates over the entire twenty-year contract is that we maintain the Warehouse Service Charges for Product Suppliers scheduled to come into effect on January 1, 2013. Every five years these rates will rise by 5%. Please see the rates listed in Columns AE - AG of the attached spreadsheet "NH BAFO Summary Final - Aug 3 2012". We would like the opportunity to discuss these rates as over the twenty years it would make sense to have them more representative of the costs incurred to deliver the services.

Again, our proposal is that there are no costs for the NHSLC. The commission will save \$26 M over the contract life of 20 years, and Product Suppliers will have certainty of costs over the term of our agreement. Similar, to the 30 month rates, the NHSLC could choose to set up the warehouse as a profit center.

Question:

Please confirm that the twenty-year rates will not change.

Answer:

We can confirm that our rates will not change other than the scheduled increases over the entire twenty-year contract. Consistent with the answer provided to question 22 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS, if the actual volumes or profile of work vary materially from the data provided by the NHSLC in the RFP process then either party should have the opportunity to request a review of the rates. Exel proposes that materially is greater than 10%. Also, our commitment is contingent on inflation staying at historic (last 15 year) levels.

II. Transition

Question:

Please confirm that the facility in your proposal and the solution for providing all services required by the RFP will be fully operational on or before October 31, 2013.

Answer:

We confirm that the facility in our proposal and the solution for providing all services required by the RFP will be fully operational on or before October 31, 2013.

As stated in Exhibit C, paragraph 26 to Appendix E, p.67, all costs associated with the transfer of Product and control... shall be borne by the NHSLC... As a result, we have not



included these costs in our rates. We respectfully point out that the cost of transition includes duplicated fixed costs while the new facility ramps up to handling all products and shipments to all stores, and the old facilities similarly ramp down.

Question:

Please confirm the identity of those individuals who will be located in New Hampshire during the construction of or transition to the proposed facility (Appendix C, III p.43).

Answer:

The following individuals will be on the ground in New Hampshire to support the construction and transition. We attached bios for the majority of them.

Account Management Role: Paul Ledger

General Contractor role:

- Paul Roy from Pro Con Construction
- There will also be a full time site supervisor from Pro Con Construction

Exel Real Estate:

- Steve Hess
- Larry Wright

Exel Construction: Mike Hecker

- This role ensures that the building design and improvements are exactly suitable for operational functions. They represent operations with the General Contractor and the Real Estate team

Project Management: John Flanagan

IT Systems: Becky Ross

Industrial Engineering: Omer Rashid

Question:

If you have constructed or transitioned to a facility similar to the facility in your proposal please identify the project and provide contact information for your client (Appendix C, II page 43 of the RFP)

Answer:

We have extensive experience with both constructing new facilities, and transitioning into existing facilities.

In terms of constructing new facilities we offer the following projects

LION INDUSTRIAL TRUST

We have developed over 3 million square feet of distribution facilities partnering with Lion Industrial Trust, based in Dallas, Texas.

- A pair of 250,000 square foot buildings known as Hardy Distribution Center, located in Houston, TX
- Three buildings in the Carlisle Distribution Center (575,000 square feet, 800,000 square feet, and 310,000 square feet) located in Carlisle, PA
- A 736,000 square foot building at Laraway Distribution Center, in Joliet, IL
- A 700,000 square foot building in Byhalia, MS occupied by Carrier Corporation

Mr. Jim Hendricks
214-647-4902

In terms of transitioning into new facilities we offer the following projects



Since 2007, Exel transitioned into 7 facilities, and out of 3 facilities in order to maintain services during an economic boom in the province of Alberta

Mr. Alain Maisonneuve
Director, Liquor and Strategic Services
alain.maisonneuve@aglc.ca
780-447-8731

Question:

Please confirm that you will provide a transition bond for completion of all necessary items to make the facility fully operational on or before October 31, 2013.

Answer:

We will provide a transition bond for completion of all necessary items to make the facility fully operational on or before October 31, 2013. It is our perspective that the transition bond covers situations where we are at fault for the facility not being fully operational on or before October 31, 2013.

III. Contract performance bond

Comment:

A contract performance bond is required by Section 1.9, page 11 of the RFP. \$1,000,000 was provided as an example of the amount of the contract performance bond. The amount of the bond will be discussed with any vendor that is selected for contract negotiations.

Response:

Acknowledged and understood.

IV. Final Contract

Question:



Even if you have done so before, please identify and explain every exception that you intend to take.

Answer:

The following are the paragraphs we wish to discuss with the NHSLC and the reasoning for wanting to make a change. As per your guidance these paragraph references relate to Exhibit C of the P-37

Paragraph 5.2

As per the answer to question 18 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS this clause needs to be amended to conform to Sections 1.10.3 and 1.10.4 of the RFP.

As per the answer to question 22 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS this clause needs to be amended to enable the parties to review rates if the actual volumes or profile of work change materially over the contract life. As our rates for the first 30 month period are based on the data provided by the NHSLC though the RFP process, if the actual volumes or profile of work vary materially from the data provided by the NHSLC in the RFP process then either party should have the opportunity to request a review of the rates. Exel proposes that materially is greater than 10%.

Paragraph 14.1.2

As further clarified in the answer to question 33 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS the NHSLC requires the maximum coverage from all perils to its product. This answer further invites vendors to propose an alternative to using all perils property insurance fire and extended coverage insurance to achieve maximum coverage. Exel will provide coverage through its warehouse legal liability policy. This policy is designed to meet the unique needs of all our clients across North America. As such, our warehouse legal liability insurance is written to provide whatever level of coverage is listed in our contract with our client. Therefore, if our contract states Exel is liable for all risks for 100% of the acquisition cost of any and all liquor and wine products owned by the NHSLC up to a total of two million dollars (\$2,000,000), that is what the policy will cover. In this case, all risks include fire and floods; therefore a separate fire and extended coverage policy would not be required. Please note that we believe the NHSLC inventory value to be \$6,000,000. This includes the inventory in the Concord warehouse and the private provider warehouse. If this is the case our insurance policy will cover the \$6,000,000 figure.

Paragraph 14.1.3

As stated in the paragraph above Exel will provide coverage through its warehouse legal liability policy, not a property policy. As a warehouse legal liability insurance policy it covers Exel's liability for loss or damage to the goods. In the event of loss or damage to the goods, the NHSLC would make a claim to Exel and Exel would pay that claim to the Commission. Exel would then recover from its insurance company. The benefit for the NHSLC is that it does not have to deal with Exel's insurance company. This also negates the need to have the NHSLC named as a loss payee

Paragraph 14.1.4

We would like to add a sentence clarifying that the performance bond can be drawn upon in the event of a material breach for the amount of damages owed.

Paragraph 14.3



This paragraph requires the insurer to endeavor to provide the NHSLC written notice of cancellation or modified of the policy. This paragraph is inconsistent with Appendix C, VII, 8, page 45. Additionally, in accordance with the new Accord standards insurance companies no longer provide this type of notice. The insurance company will only provide notice to Exel. As suggested in the answer to question 36 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS Exel would like to recommend that that upon receiving notice from its insurance company Exel will in turn to provide notice to the NHSLC. The notice period from our insurance company is 30 days.

Paragraph 16

We believe that the references to "Event of Default" should read "material breach". This is merely a tidying up of the agreement language and is needed to mesh with the changes in Paragraph 8 of Exhibit C.

New Paragraph

It is our perspective that we should have a mutual exclusion of indirect and consequential damages. These are not an insurable item, and committing to cover these damages is not a good business practice. Unless a vendor is large enough it is likely they could not stand behind this commitment. If we cannot completely exclude these damages we would like to agree on the events that trigger these types of damages and maximum liability levels.

New Paragraph

As we discussed in our presentation, the NHSLC should have security and continuity in its business. To ensure this the NHSLC or a new provider should be able to continue operations in the facility, and after purchasing appropriate licenses utilize the IT systems integrated with the NHSLC's IT systems.

To this end we wish to add a paragraph outlining that in the case of early termination the NHSLC has the obligation to take an assignment of the lease, and purchase assets tied to the building (e.g. racking), and IT interface development costs at their net book value. Exel will redeploy all material handling equipment and other mobile assets or make them available to the NHSLC at their Net Book Value. Further, upon the contract expiring all the assets will be available to the NHSLC free of charge.

V. Performance of contract

Question:

Please confirm that you and your employees will submit to reasonable background checks

Answer:

We confirm that our employees working on this account will submit to reasonable background checks.

Question:

Please confirm the identity of the persons who will be located in New Hampshire to run the proposed facility for the first 30 months

Answer:



The following individuals will lead the operation in New Hampshire.

Director of Operations: Robert Maclellan

Account Director Role: Paul Ledger

General Manager: Marc Belanger

Operations Manager: Norm Hollingsworth

Operations Manager: Frank Ayala

Warehouse Supervisor: Mike Shay

Warehouse Supervisor: Juan Rivera

Human Resources Support Role: Laurie Parent

Question:

Please identify your redundant warehouse site

Answer:

It is very expensive to have vacant warehouse space, idle material handling equipment, and dormant IT infrastructure. Thus, it is our perspective that it is unrealistic to have a truly redundant warehouse site. We do have clients in the pharmaceutical industry that maintain duplicate inventory in the same building on either side of a fire wall, but that is the extent of what we see in terms of permanent redundancy.

What we recommend is having a target list of sites that are temporarily vacant that may be utilized on short notice until the permanent site is repaired or a suitable permanent alternative is found. It is too early to identify redundant warehouse space. The operation does not go live for another 15 months. Too much will change regarding vacant space in this timeframe.

Through our Business Continuity Planning (BCP) process we will identify multiple sites as potential redundant warehouses. Our BCP for this operation will be completed before the first case is received as part of the start-up phase of the operation. Then as part of our BCP we will review and update our list of candidate sites for redundancy on a quarterly basis.

In preparation to respond to this question we completed a market survey of New Hampshire and found 14 sites with between 50,000 and 200,000 square feet available. Though not suitable as permanent sites for this operation many of them could be suitable in the case of a disaster.

At this point in time, we would identify this site as a good candidate to be a redundant site: 59 Daniel Webster Highway, Merrimack, NH 03054.

- We considered this site as a permanent option, but when we toured it we found it demised multiple times.
- 280,000 square feet are available
- Most of it is 32 feet clear
- 26 dock doors
- Centrally located in New Hampshire

Exel is in a unique position to provide redundancy options. We have a very capable real estate team, and given our credit worthiness we can act very quickly. We have a very large client base in the North Eastern United states. A number of these sites may be options for



redundancy. As these sites are in operation they have IT systems, material handling equipment, and established management and team members. For example currently we have,

- 3 sites in Albany NY
- 11 site in Boston MA
- 26 sites in North Eastern PA
- 9 sites in New York NY
- 2 sites in Rochester NY

VI. Current & Future Data Requirements

Question:

Please confirm that you will be responsible for your costs to make modifications and updates to your environment to stay current with the future system.

Answer:

We can confirm that we are responsible for our costs to make modifications and updates to our environment to stay current with future system at the NHSLC. Consistent with the answer provided to question 22 from the May 1, 2012 CLARIFICATIONS AND AMENDMENTS.

If you have any questions regarding this Best and Final Offer, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lyons".

Scott Lyons
Senior Director

ONE WAREHOUSE		APPENDIX-D		APPENDIX-D1		EXEL		EXEL		30 Month Rates		Savings / Net Income Potential		20 Year Rates								
		CONTRACT RATES		SUPPLIER COSTS - APP D		NHSCL COSTS - APP D1		BAFO Rates: Suppliers		B/W/Than Jan 1, 2013 Rates		BAFO Rates: Suppliers										
		Total Est. Volume (1st 30 Months)	Total Est. Volume (1st 30 Months)	CONTRACT RATES Jan 1, 2013 - October 31, 2013		Proposed Contract Rates	Total Estimated Cost	Proposed Contract Rates	Total Estimated Cost			1-Nov-13	1-Nov-18	1-Nov-23								
		SUPPLIER COSTS	NHSCL COSTS																			
INBOUND HANDLING SUMMARY:																						
1 - 180 cases per code	6,123,246	40,000	1.40	8,572,544	1.40	56,000	0.19	1,183,417	\$	1.03	\$	6,306,943	\$	0.37	\$	2,265,601	\$	1.40	\$	1.47	\$	1.54
181 - 299 cases per code	1,599,321		1.20	1,919,185			0.19	303,871	\$	1.03	\$	1,647,301	\$	0.17	\$	271,885	\$	1.03	\$	1.02	\$	1.14
300 - 670 cases per code	3,204,562		1.05	3,364,790			0.19	608,867	\$	1.03	\$	3,300,699	\$	0.02	\$	64,091	\$	1.03	\$	1.02	\$	1.14
670+ cases per code	2,976,765		0.95	2,827,927			0.19	565,585	\$	1.03	\$	3,066,068	\$	(0.08)	\$	(238,141)	\$	1.03	\$	1.02	\$	1.14
Pallet Packs	4,910		7.60	37,319			7.40	36,337	\$	10.00	\$	49,104	\$	(2.40)	\$	(11,785)	\$	10.00	\$	10.50	\$	11.03
Cases uncodod or unsealeable	6,929		6.00	41,572			5.50	38,108	\$	5.50	\$	38,103	\$	0.50	\$	3,464	\$	5.50	\$	5.78	\$	6.06
Case Returns	4,535	50	5.00	22,677	5.00	250	-	-	\$	10.00	\$	20,410	\$	0.50	\$	2,268	\$	4.50	\$	4.73	\$	4.96
Pallet Returns	14		15.00	207			-	-	\$	10.00	\$	133	\$	5.00	\$	69	\$	10.00	\$	10.50	\$	11.03
Bottle Returns	392		1.00	392			-	-	\$	1.00	\$	392	\$	-	\$	-	\$	1.00	\$	1.05	\$	1.10
TOTAL INBOUND HANDLING:	13,920,674	40,050		\$ 16,786,614		\$ 96,250		\$ 2,716,185				\$ 14,429,162				\$ 2,357,451						
STORAGE SUMMARY:																						
Cases 1 - 84 Days	50,450,604	12,000	0.11	5,549,566	0.11	1,320	0.09	4,540,554	\$	0.100	\$	5,045,040	\$	0.01	\$	504,506	\$	0.100	\$	0.11	\$	0.11
Cases 85 - 182 Days	8,116,185	11,000	0.29	2,353,694	0.29	3,290	0.25	2,029,046	\$	0.280	\$	2,272,532	\$	0.01	\$	81,362	\$	0.280	\$	0.29	\$	0.31
Cases 183 - 365 Days	2,906,996	12,000	0.80	2,325,597	0.80	9,600	0.65	1,889,548	\$	0.70	\$	2,634,897	\$	0.30	\$	290,700	\$	0.70	\$	0.74	\$	0.77
Cases 365+ Days	1,650,772		1.40	2,311,081			1.15	1,898,388	\$	1.20	\$	1,980,936	\$	0.20	\$	330,154	\$	1.20	\$	1.26	\$	1.32
Cases on Hold Status <365	558,688		0.80	446,950			0.65	383,147	\$	0.70	\$	391,031	\$	0.30	\$	55,869	\$	0.70	\$	0.74	\$	0.77
Cases on Hold Status >365	72,603		1.40	101,645			1.15	83,494	\$	1.20	\$	87,124	\$	0.20	\$	14,521	\$	1.20	\$	1.26	\$	1.32
Allocated products <84	66,904		0.11	7,359			0.09	6,021	\$	0.100	\$	6,690	\$	0.01	\$	669	\$	0.100	\$	0.11	\$	0.11
Allocated products >85	35,451		0.29	10,281			0.25	8,863	\$	0.280	\$	9,926	\$	0.01	\$	355	\$	0.280	\$	0.29	\$	0.31
Pallet Packs 1-84	19,587		5.00	97,933			4.25	83,243	\$	4.25	\$	83,243	\$	0.75	\$	14,690	\$	4.25	\$	4.46	\$	4.69
Pallet Packs 85-182	6,948		12.90	89,629			11.00	76,428	\$	11.00	\$	76,428	\$	1.90	\$	13,201	\$	11.00	\$	11.55	\$	12.13
Pallet Packs 183-365	3,515		36.00	126,552			30.00	105,480	\$	30.00	\$	105,480	\$	6.00	\$	21,092	\$	30.00	\$	31.50	\$	33.02
Pallet Packs 365+	2,101		69.00	182,359			52.00	109,248	\$	52.00	\$	109,248	\$	11.00	\$	23,110	\$	52.00	\$	54.60	\$	57.33
Pallets on Hold Status <365	1,138		36.00	40,894			30.00	34,078	\$	30.00	\$	34,078	\$	6.00	\$	6,816	\$	30.00	\$	31.50	\$	33.02
Pallets on Hold Status >365	14		69.00	968			52.00	717	\$	52.00	\$	717	\$	11.00	\$	153	\$	52.00	\$	54.60	\$	57.33
TOTAL STORAGE:	63,891,505	35,000		\$ 13,594,408		\$ 14,110		\$ 11,228,235				\$ 12,337,413				\$ 1,356,596						
OUTBOUND SUMMARY:																						
Single Bottle	1,479,298	1,479,298	-	-	0.75	1,109,474	-	-	\$	-		-	\$	0.75	\$	1,109,473	\$	-				
Automatic Orders (Cases)	13,705,006	13,705,006	-	-	0.15	2,055,751	0.96	13,164,525	\$	-		-	\$	0.15	\$	2,055,751	\$	-				
Non-Automatic Orders (Cases)	62,653	62,653	-	-	0.25	15,663	1.01	63,315	\$	-		-	\$	0.25	\$	15,663	\$	-				
Automatic Orders (Cases) - out of state	85,449	-	0.75	64,037	-	-	0.96	82,079	\$	1.00	\$	85,449	\$	(0.25)	\$	(21,362)	\$	1.00	\$	1.05	\$	1.10
TOTAL OUTBOUND:	13,853,106	15,248,957		\$ 64,687		\$ 3,180,888		\$ 13,309,910				\$ 35,449				\$ 3,159,525						
ACCESSORIAL SUMMARY:																						
Advertising Material	132		1.00	132			0.74	98	\$	0.74	\$	98	\$	0.26	\$	34	\$	0.74	\$	0.78	\$	0.82
	477		2.50	1,192			1.94	925	\$	1.94	\$	925	\$	0.56	\$	267	\$	1.94	\$	2.04	\$	2.14
	132		1.00	132			0.50	86	\$	0.50	\$	86	\$	0.50	\$	86	\$	0.50	\$	0.53	\$	0.55
	477		4.50	2,146			3.50	1,869	\$	3.50	\$	1,669	\$	1.00	\$	477	\$	3.50	\$	3.68	\$	3.86
	132		1.00	132			-	-	\$	0.50	\$	66	\$	0.50	\$	66	\$	0.50	\$	0.53	\$	0.55
	6,413		4.50	28,659			-	-	\$	3.50	\$	22,446	\$	1.00	\$	6,413	\$	3.50	\$	3.68	\$	3.86
	85		30.00	2,564			15.00	1,282	\$	15.00	\$	1,282	\$	15.00	\$	1,282	\$	15.00	\$	15.75	\$	16.54
Blankets	1,152		37.75	43,506			24.75	28,524	\$	24.75	\$	28,524	\$	13.00	\$	14,982	\$	24.75	\$	25.99	\$	27.25
Extra Labor & Equipment	1,916		8.50	16,288			6.50	12,455	\$	6.50	\$	12,455	\$	2.00	\$	3,832	\$	6.50	\$	6.83	\$	7.17
	910		46.20	42,035			34.65	31,526	\$	34.65	\$	31,526	\$	11.55	\$	10,509	\$	34.65	\$	36.38	\$	38.20
			89.25	-			52.00	-	\$	52.00	-	-	\$	17.25	-	-	\$	52.00	\$	54.60	\$	57.33
	22		88.20	1,945			66.00	1,456	\$	66.00	\$	1,456	\$	22.20	\$	490	\$	66.00	\$	69.30	\$	72.77
			107.40	-			81.00	-	\$	81.00	-	-	\$	26.40	-	-	\$	81.00	\$	85.05	\$	89.30
	11		46.20	510			34.65	382	\$	34.65	\$	382	\$	11.55	\$	127	\$	34.65	\$	36.38	\$	38.20
			89.25	-			52.00	-	\$	52.00	-	-	\$	17.25	-	-	\$	52.00	\$	54.60	\$	57.33
Physical Inventory	2,085,541		0.18	375,397			0.14	291,976	\$	0.13	\$	263,464	\$	0.05	\$	111,933	\$	0.13	\$	0.13	\$	0.14
	38,015		0.18	6,957			0.09	3,421	\$	0.09	\$	3,421	\$	0.09	\$	3,535	\$	0.09	\$	0.09	\$	0.10
	42,989	see column L	0.18	7,738			-	-	\$	0.13	\$	5,589	\$	0.05	\$	2,349	\$	0.13	\$	0.14	\$	0.14
Special Reports	44		36.00	1,588			25.00	1,103	\$	25.00	\$	1,103	\$	11.00	\$	485	\$	25.00	\$	26.25	\$	27.56
Destruction	3,816		5.00	19,079			3.80	14,500	\$	3.80	\$	14,500	\$	1.20	\$	4,579	\$	3.80	\$	3.99	\$	4.19
	15,269		3.85	58,786			3.00	45,807	\$	3.00	\$	45,807	\$	0.85	\$	12,979	\$	3.00	\$	3.15	\$	3.31
Labeling	27,861		3.10	86,368			2.50	69,652	\$	2.50	\$	69,652	\$	0.60	\$	16,716	\$	2.50	\$	2.63	\$	2.76
	31,321		2.10	78,302			2.00	62,642	\$	2.00	\$	62,642	\$	0.50	\$	15,660	\$	2.00	\$	2.10	\$	2.21
	56,480		1.55	87,544			1.25	70,600	\$	1.25	\$	70,600	\$	0.30	\$	16,944	\$	1.25	\$	1.31	\$	1.38
	47,064		0.90	42,558			0.75	35,298	\$	0.75	\$	35,298	\$	0.15	\$	7,060	\$	0.75	\$	0.79	\$	0.83
Relabeling	1,152		30.00	34,574			13.50	15,558	\$	13.50	\$	15,558	\$	16.50	\$	19,016	\$	13.50	\$	14.18	\$	14.88
	46,339		1.75	81,093			1.00	46,339	\$	1.00	\$	46,339	\$	0.75	\$	34,754	\$	1.00	\$	1.05	\$	1.10
	52		30.00	1,572																		

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, August 03, 2012 3:10 PM
To: Craig W. Bulkley
Subject: RE: Questions Posed by Vendors

Received - Thanks

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 03, 2012 10:20 AM
To: Scott Lyons (EXEL CA)
Subject: Questions Posed by Vendors

In response to the BAFO, the following questions were posed yesterday and this morning by vendors:

Question #1:

Can the NHSLC tell us if each vintage (year of production) is currently tracked as a separate SKU? If so, are these SKUs included in the approx. 10,000 SKUs in the data supplied? If not, can you tell us how many SKU's have multiple vintages associated with a single SKU and the total number of vintages across those SKUs?

Answer:

Yes, however, the State only tracks the basic SKU/state code. There are approximately 300 SKUs that are tracked by the warehouse by SKU/vintage by adding a vintage identifier to the SKU. For example, SKU/state code 4800 may become 4800-2008. These are typically the high-priced wines.

Question #2:

Please confirm that the state places orders with suppliers for product and as such has the ability to manage the risk of too much inventory on hand. This would be in comparison to a vendor managed inventory model where the Product Suppliers determine the level of inventory.

Answer:

We can not confirm your statement. The NHSLC tracks the sale of product. At the end of the month, the NHSLC finalizes a report that is put online and available to the suppliers. The suppliers use the report to charge the NHSLC for the sale of product. It may also be used by the suppliers to calculate the amount of product which will be sent to the warehouse by the suppliers. Note that there is a legal requirement that a 30-day supply of each product be available in the warehouse. At Concord, the minimum is a case. At the new warehouse, which will be able to perform single-bottle picks, the minimum requirement for a very slow-moving product may be less than a case. Typically, the warehouse

receives advanced notice of a shipment. Because of the bailment system, there is a disincentive for a supplier to send excess product to either warehouse.

Question #3:

The RFP references a bond of \$1,000,000. As we finalize our best and final offer we are basing our financials on a realistic range of the bond around that figure. Last week Steve Judge referenced a \$20,000,000 Bond.....was this figure real or inflated?

Answer:

The \$20 million number was chosen to drive home the point that the cost of failure is enormous. Your financials should be based on the \$1 million bond. As we stated in the BAFO sent to you on July 31, 2012, the amount of the bond will be discussed with a Vendor(s) selected for contract negotiations.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, August 03, 2012 1:30 PM
To: Craig W. Bulkley
Subject: RE: Background Check

Thanks for the clarification.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 03, 2012 11:13 AM
To: Scott Lyons (EXEL CA)
Subject: Background Check

We have received a question from a Vendor regarding the background check requirement in the BAFO for employees of the warehouse vendor and the vendor's parent. A form was attached as an example. The form, on its face, applies to state employees. The form that will be used will be modified to require a reasonable background check. The request for confirmation in the BAFO is amended to read:

Please confirm that you and your employees will submit to a reasonable background check.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 5:51 PM
To: Nicholas K. Holmes
Subject: Exel Emails - Part XIX
Attachments: Exel - Background Check; Exel - Questions Posed by Vendors; Exel - Current & Future Data Requirements; Re: BAFO Due Date & Time; Exel - BAFO Due Date & Time; RE: Best & Final Offer; Question regarding ordering products; Question regarding Vintages; RE: Best & Final Offer; Best & Final Offer (Exel)

Categories: Green Category

 Please consider the environment before printing this e-mail.

Craig W. Bulkley
Chief of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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Sent: Friday, August 03, 2012 11:13 AM
To: Scott.Lyons@exel.com
Subject: Exel - Background Check

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Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, August 03, 2012 10:20 AM
To: Scott Lyons (EXEL CA)
Subject: Exel - Questions Posed by Vendors

In response to the BAFO, the following questions were posed yesterday and this morning by vendors:

Question #1:

Can the NHSLC tell us if each vintage (year of production) is currently tracked as a separate SKU? If so, are these SKUs included in the approx. 10,000 SKUs in the data supplied? If not, can you tell us how many SKU's have multiple vintages associated with a single SKU and the total number of vintages across those SKUs?

Answer:

Yes, however, the State only tracks the basic SKU/state code. There are approximately 300 SKUs that are tracked by the warehouse by SKU/vintage by adding a vintage identifier to the SKU. For example, SKU/state code 4800 may become 4800-2008. These are typically the high-priced wines.

Question #2:

Please confirm that the state places orders with suppliers for product and as such has the ability to manage the risk of too much inventory on hand. This would be in comparison to a vendor managed inventory model where the Product Suppliers determine the level of inventory.

Answer:

We can not confirm your statement. The NHSLC tracks the sale of product. At the end of the month, the NHSLC finalizes a report that is put online and available to the suppliers. The suppliers use the report to charge the NHSLC for the sale of product. It may also be used by the suppliers to calculate the amount of product which will be sent to the warehouse by the suppliers. Note that there is a legal requirement that a 30-day supply of each product be available in the warehouse. At Concord, the minimum is a case. At the new warehouse, which will be able to perform single-bottle picks, the minimum requirement for a very slow-moving product may be less than a case. Typically, the warehouse receives advanced notice of a shipment. Because of the bailment system, there is a disincentive for a supplier to send excess product to either warehouse.

Question #3:

The RFP references a bond of \$1,000,000. As we finalize our best and final offer we are basing our financials on a realistic range of the bond around that figure. Last week Steve Judge referenced a \$20,000,000 Bond.....was this figure real or inflated?

Answer:

The \$20 million number was chosen to drive home the point that the cost of failure is enormous. Your financials should be based on the \$1 million bond. As we stated in the BAFO sent to you on July 31, 2012, the amount of the bond will be discussed with a Vendor(s) selected for contract negotiations.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, August 02, 2012 2:16 PM
To: Scott.Lyons@exel.com
Subject: Exel - Current & Future Data Requirements

Scott:

The NHSLC draws your attention to the April 19, 2012 Clarifications and Amendments, Questions 12-14 pp.3-4. To quote Question 13, in material part, The warehouse vendor will be required to provide their own WMS to interface their WMS with the current **and future systems** described in Question 12.(emphasis added).

As technology advances, the New Hampshire liquor commission will need to migrate from its current infrastructure to a more automated and supportable environment. This will be done to improve communications with its vendors, suppliers and most importantly, its customers. The chosen vendor will need to make modifications and updates to their environment to stay current. As the State of New Hampshire will be using open data formats, it will be relatively easy and consistent to maintain normal communications with outside systems that do the same.

The New Hampshire Liquor Commission will incur its own cost of maintenance and upgrades of its system and the chosen vendor will responsible for its costs to do the same as a normal part of the cost of doing business.

There will have to be a change process in place to allow for notification of change, testing, acceptance and migration into production of any changes made to any systems that affect system functionality.

Please confirm that you will be responsible for your costs to make modifications and updates to your environment to stay current with the future system.

Please respond by 4 PM on Friday August 3, 2012.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897

Cell: (603) 490-1559

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 02, 2012 1:55 PM
To: Craig W. Bulkley
Subject: Re: BAFO Due Date & Time

Wonderful - thank-you.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, August 03, 2012 01:53 AM
To: Scott Lyons (EXEL CA)
Subject: BAFO Due Date & Time

Scott:

Due to some confusion over the time that your BAFO is due, we are informing you that the BAFO will be due by 4 PM on Friday, August 3, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, August 02, 2012 1:53 PM
To: Scott.Lyons@exel.com
Subject: Exel - BAFO Due Date & Time

Scott:

Due to some confusion over the time that your BAFO is due, we are informing you that the BAFO will be due by 4 PM on Friday, August 3, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 02, 2012 1:47 PM
To: Craig W. Bulkley
Subject: RE: Best & Final Offer

Can you confirm the time the Best & Final Offer is due.

Steve's note indicated noon.

This note seems to suggest end of business.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]
Sent: Tuesday, July 31, 2012 3:43 PM
To: Scott Lyons (EXEL CA)
Subject: Best & Final Offer

Dear Scott:

As you were previously informed, the NHSLC Commissioners have selected you to participate in the Best and Final Offer (BAFO) phase of the RFP. The Evaluation Committee is authorized to enter into pre-selection discussions (RFP Section 4.7 a. 1. p. 36). This phase will begin with a written request. **This request may be the only opportunity to improve your proposal.** You may revise your proposal as a result of this request (RFP page 36).

We must receive written answers by **Friday, August 3, 2012.**

You are encouraged to review your entire proposal and improve it to the advantage of the State. There are several areas on which we are specifically focused in order to identify the Proposal that is the most advantageous to the State of New Hampshire.

I. Financial

This issue is highlighted in the Vendor pricing and Innovation Criterion, an area valued at 40 points. The desired end result is that Product will be available in a timely manner and in the necessary amount at every state store and for every Licensee. RFP p. 34. It is also a portion of the Vendor Overall Solution criterion in the requirement that the solution be, among other things, cost effective.

Using the template reviewed at your Phase II presentation, please provide your lowest possible rates.

Please confirm that those rates will not change for the first 30 months of the contract.

If possible, please submit an alternative rate structure that provides for rates over the entire twenty-year contract.

Please confirm that the twenty-year rates will not change.

II. Transition

This issue is highlighted in the Vendor Experience & Qualifications/Transition Criterion, an area valued at 20 points. It is also a portion of the Vendor Overall Solution in the requirement that the Vendor demonstrate suitable financial strength, stability and capacity to undertake a sophisticated and capital intensive Warehouse operation with a very high degree of performance and in a timely manner.

Please confirm that the facility in your proposal and the solution for providing all services required by the RFP will be fully operational on or before October 31, 2013.

Please confirm the identity of those individuals who will be located in New Hampshire during the construction of or transition to the proposed facility (Appendix C, III, p. 43).

If you have constructed or transitioned to a facility similar to the facility in your proposal please identify the project and provide contact information for your client (Appendix C, II, page 43 of the RFP).

The RFP requires a separate transition bond to cover any and all costs related to the transition. (RFP Section, 1.9, p. 10 as clarified by the April 18, 2012 clarifications).

Please confirm that you will provide a transition bond for completion of all necessary items to make the facility fully operational on or before October 31, 2013.

The amount of the bond will be discussed with any Vendor that is selected for contract negotiations.

III Contract performance bond

A contract performance bond is required by Section 1.9, page 11 of the RFP. \$1,000,000 was provided as an example of the amount of the contract performance bond. The amount of the bond will be discussed with any vendor that is selected for contract negotiations.

IV. Final Contract

The General Criterion provides for a review of whether the Vendor's exceptions to the RFP are acceptable to the NHSLC. Section 1.19 provides for cancellation of selection for contract award based on a failure to reach agreement on contractual terms, etc. The NHSLC wants to move as quickly as possible to contract award. To that end, a rather full description of the final contract is set out below. The current short-term warehouse services contract is attached to this email. Because it is a short-term contract, the State agreed to certain terms that it may not agree to in a long-term contract. The point is that the fewer exceptions that have been taken to either the RFP or the standard state contract, the more quickly a final document can be executed.

The Standard State Contract is contained in Exhibit E of the RFP. It is more frequently identified as Form P-37 and we will refer to it as such throughout this item but it is the same document that is contained in RFP Exhibit E. The P-37 cannot be changed on its face. At the end of this process, a P-37 will be signed by the parties. It will contain Exhibits A-F.

If you look at Paragraph 2 of the P-37, you will see that Exhibit A is required to contain a particular description of the work to be performed by the Vendor. Exhibit A will incorporate by reference the RFP and the Proposal. The fewer exceptions taken to the RFP, the easier it will be to craft Exhibit A. Paragraph 5 of the P-37 requires Exhibit B to describe the method of payment and terms of payment. It will incorporate the template that best suits the needs of the NHSLC. [This template will be contained in Exhibit F.]

Paragraph 22 of the P-37 allows changes to the P-37 if they are set forth in Exhibit C. That is why Appendix E in the RFP is modified by Exhibit C. Perhaps our effort to be consistent with the final product has caused more confusion than clarity.

Other documents required by the RFP will be part of the contract such as certificates of insurance, the transition bond, the performance bond, a certificate of vote, a certificate of good standing, and a warehouse license.

Exhibit D will be the RFP with all amendments and clarifications.

Exhibit E will be the winning proposal.

Exhibit F will be the price template.

Even if you have done so before, please identify and explain every exception that you intend to take.

V Performance of contract

Any Vendor selected for contract discussions will be required to submit to a standard background check performed by Liberty Screening Services, LTD. A sample form is attached. The background check will be performed for all the individuals who will participate in the transition phase as well as the first 30 months of operation. It will also be performed for parent organizations, if you are a new entity.

Please confirm that you and your employees will submit to the background check

Appendix C, III. P. 43 of the RFP requested the physical location of each person during the time they will be working on the project.

Please confirm the identity of the persons who will be located in New Hampshire to run the proposed facility for the first 30 months.

The Vendor is required to identify a redundant warehouse site in the event of natural or man-made disasters (RFP APP C XIII, P.48)

Please identify your redundant warehouse site.

If you have any questions regarding this email, please contact me. Thank you.



Please consider the environment before printing this e-mail.

Craig W. Bulkley

Director

Division of Administration

NH State Liquor Commission

☎ (603) 230-7008

FAX (603) 271-3897

Cell: (603) 490-1559

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 02, 2012 11:09 AM
To: Craig W. Bulkley
Subject: Question regarding ordering products

Hi Craig,

One further question to assist us with our B&FO.

We just want to confirm that the state place orders with suppliers for product and as such has the ability to manage the risk of too much inventory on hand. This would be in comparison to a vendor managed inventory model where the Product Suppliers determine the level of inventory.

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, August 02, 2012 11:04 AM
To: Craig W. Bulkley
Subject: Question regarding Vintages

Hi Craig,

Can the NHSLC answer the following question regarding Vintages for us. We are following up on a question raised in our presentation.

“Can the NHSLC tell us if each vintage (year of production) is currently tracked as a separate SKU? If so, are these SKU’s included in the approx. 10,000 SKU’s in the data supplied? If not, can you tell us how many SKU’s have multiple vintages associated with a single SKU and the total number of vintages across those SKU’s.”

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Wednesday, August 01, 2012 9:23 AM
To: Craig W. Bulkley
Subject: RE: Best & Final Offer

We received your email.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]
Sent: Tuesday, July 31, 2012 3:43 PM
To: Scott Lyons (EXEL CA)
Subject: Best & Final Offer

Dear Scott:

As you were previously informed, the NHSLC Commissioners have selected you to participate in the Best and Final Offer (BAFO) phase of the RFP. The Evaluation Committee is authorized to enter into pre-selection discussions (RFP Section 4.7 a. 1. p. 36). This phase will begin with a written request. **This request may be the only opportunity to improve your proposal.** You may revise your proposal as a result of this request (RFP page 36).

We must receive written answers by **Friday, August 3, 2012.**

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I. Financial

This issue is highlighted in the Vendor pricing and Innovation Criterion, an area valued at 40 points. The desired end result is that Product will be available in a timely manner and in the necessary amount at every state store and for every Licensee. RFP p. 34. It is also a portion of the Vendor Overall Solution criterion in the requirement that the solution be, among other things, cost effective.

Using the template reviewed at your Phase II presentation, please provide your lowest possible rates.

Please confirm that those rates will not change for the first 30 months of the contract.

If possible, please submit an alternative rate structure that provides for rates over the entire twenty-year contract.

Please confirm that the twenty-year rates will not change.

II. Transition

This issue is highlighted in the Vendor Experience & Qualifications/Transition Criterion, an area valued at 20 points. It is also a portion of the Vendor Overall Solution in the requirement that the Vendor demonstrate suitable financial strength, stability and capacity to undertake a sophisticated and capital intensive Warehouse operation with a very high degree of performance and in a timely manner.

Please confirm that the facility in your proposal and the solution for providing all services required by the RFP will be fully operational on or before October 31, 2013.

Please confirm the identity of those individuals who will be located in New Hampshire during the construction of or transition to the proposed facility (Appendix C, III, p. 43).

If you have constructed or transitioned to a facility similar to the facility in your proposal please identify the project and provide contact information for your client (Appendix C, II, page 43 of the RFP).

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Please confirm that you will provide a transition bond for completion of all necessary items to make the facility fully operational on or before October 31, 2013.

The amount of the bond will be discussed with any Vendor that is selected for contract negotiations.

III Contract performance bond

A contract performance bond is required by Section 1.9, page 11 of the RFP. \$1,000,000 was provided as an example of the amount of the contract performance bond. The amount of the bond will be discussed with any vendor that is selected for contract negotiations.

IV. Final Contract

The General Criterion provides for a review of whether the Vendor's exceptions to the RFP are acceptable to the NHSLC. Section 1.19 provides for cancellation of selection for contract award based on a failure to reach agreement on contractual terms, etc. The NHSLC wants to move as quickly as possible to contract award. To that end, a rather full description of the final contract is set out below. The current short-term warehouse services contract is attached to this email. Because it is a short-term contract, the State agreed to certain terms that it may not agree to in a long-term contract. The point is that the fewer exceptions that have been taken to either the RFP or the standard state contract, the more quickly a final document can be executed.

The Standard State Contract is contained in Exhibit E of the RFP. It is more frequently identified as Form P-37 and we will refer to it as such throughout this item but it is the same document that is contained in RFP Exhibit E. The P-37 cannot be changed on its face. At the end of this process, a P-37 will be signed by the parties. It will contain Exhibits A-F.

If you look at Paragraph 2 of the P-37, you will see that Exhibit A is required to contain a particular description of the work to be performed by the Vendor. Exhibit A will incorporate by reference the RFP and the Proposal. The fewer exceptions taken to the RFP, the easier it will be to craft Exhibit A. Paragraph 5 of the P-37 requires Exhibit B to describe the method of payment and terms of payment. It will incorporate the template that best suits the needs of the NHSLC. [This template will be contained in Exhibit F.]

Paragraph 22 of the P-37 allows changes to the P-37 if they are set forth in Exhibit C. That is why Appendix E in the RFP is modified by Exhibit C. Perhaps our effort to be consistent with the final product has caused more confusion than clarity.

Other documents required by the RFP will be part of the contract such as certificates of insurance, the transition bond, the performance bond, a certificate of vote, a certificate of good standing, and a warehouse license.

Exhibit D will be the RFP with all amendments and clarifications.

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V Performance of contract

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Please confirm that you and your employees will submit to the background check

Appendix C, III. P. 43 of the RFP requested the physical location of each person during the time they will be working on the project.

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The Vendor is required to identify a redundant warehouse site in the event of natural or man-made disasters (RFP APP C XIII, P.48)

Please identify your redundant warehouse site.

If you have any questions regarding this email, please contact me. Thank you.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission

 (603) 230-7008

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Tuesday, July 31, 2012 3:43 PM
To: Scott.Lyons@exel.com
Subject: Best & Final Offer (Exel)
Attachments: nhlc background check.doc; Clean Law Warehouse Contract Eff 5-1-12.pdf

Dear Scott:

As you were previously informed, the NHSLC Commissioners have selected you to participate in the Best and Final Offer (BAFO) phase of the RFP. The Evaluation Committee is authorized to enter into pre-selection discussions (RFP Section 4.7 a. 1. p. 36). This phase will begin with a written request. **This request may be the only opportunity to improve your proposal.** You may revise your proposal as a result of this request (RFP page 36).

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✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, July 31, 2012 2:31 PM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Judge, Steve; Kathleen Davies (DHL US); Maria Tzagournis (EXEL US); Fred Takavitz (Exel US)
Subject: RE: Exel Conference call: Insurance

I sent out the meeting invitation with the call in number and password. Here they are as well: 877.777.1345 or 617.614.3333 / Passcode 65064697 (you will need to press 1 to tell the system you wish to join the conference, enter the passcode and then press # after the passcode for the system to recognize it)

Also, please forward the invite to Rebecca as I do not have her email address or send me her email address and I will add her to the invite list.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, July 31, 2012 2:12 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge; Judge, Steve
Subject: FW: Exel Conference call: Insurance

Scott:

As you can see below, we are expecting to conduct a conference call regarding insurance issues on Thursday, 8/2 at 1 PM. Since folks at our end will be at different locations, can you set up a conference call with a toll-free number and password so we can all access? Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited and may be subject to criminal prosecution. If you have received this e-mail in error, please destroy and immediately notify me by telephone at (603)230-7008.

From: Stephen J. Judge
Sent: Tuesday, July 31, 2012 1:32 PM
To: Craig W. Bulkley
Subject: Exel Conference call: Insurance

Thursday at 1PM our time. Rebecca White and I will participate. You are welcome to join us. Can you let Scott know and get him to provide the contact info.

Stephen J. Judge
AG Legal Consultant for NHS Liquor Commission
Wadleigh, Starr & Peters, PLLC
95 Market Street
Manchester, New Hampshire 03101
Tel: 603-669-4140
Fax: 603-669-6018
Web: www.wadleighlaw.com
E-mail: sjudge@wadleighlaw.com
E-mail: stephen.j.judge@liquor.state.nh.us

Please do not print this email unless necessary

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Tuesday, July 31, 2012 2:12 PM
To: Scott.Lyons@exel.com
Cc: Stephen J. Judge; Judge, Steve
Subject: FW: Exel Conference call: Insurance

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95 Market Street
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Tel: 603-669-4140
Fax: 603-669-6018
Web: www.wadleighlaw.com
E-mail: sjudge@wadleighlaw.com
E-mail: stephen.j.judge@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, July 31, 2012 12:40 PM
To: Craig W. Bulkley
Cc: Stephen J. Judge; Maria Tzagournis (EXEL US)
Subject: Re: Draft Agreement

Sorry - I did not catch the intent of paragraph 22 properly.

We will suggest our changes through Exhibit C.

Is there an Exhibit A, and B that we can review at this point?

Thanks,

Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Wednesday, August 01, 2012 12:31 AM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge <stephen.j.judge@liquor.state.nh.us>
Subject: RE: Draft Agreement

Scott:

The standard state contract contained in Appendix E cannot be changed in any way on its face. Instead, pursuant to Paragraph 22 of the standard state contract, all changes are contained in Exhibit C. If you want to propose changes, please do so by redlining Exhibit C.



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Craig W. Bulkley
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Tuesday, July 31, 2012 9:11 AM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US); Fred Takavitz (EXEL US); Maria Tzagournis (EXEL US)
Subject: Draft Agreement

I know we are getting ahead of ourselves, but in order to hit the August 10th contract execution timeframe we need to get started on the contract discussions.

As a first step, we attempted to merge together Appendix E and its Exhibit C into one document. This would be the base document from which we would recommend any changes – which will be few.

Can you have Steve confirm that we completed this task correctly. I redlined all the changes made in merging the Appendix and the Exhibit. If he could just accept them or make corrections and send us back the document in its final form that would be quite helpful.

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Tuesday, July 31, 2012 12:32 PM
To: Scott Lyons (EXEL CA)
Cc: Stephen J. Judge
Subject: RE: Draft Agreement - Exel

Scott:

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Division of Administration
NH State Liquor Commission
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Thanks,
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Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, July 31, 2012 7:16 AM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US); Kathleen Davies (DHL US)
Subject: RE: Insurance questions

Kathleen Davies, Vice President, Insurance and Risk Management is our key person to discuss the insurance questions.

She can be reached at 614.865.8596. Her email address is Kathleen.Davies@dhl.com.

Please have your insurance expert contact her. They can organize a time to discuss the contract terms. Kathleen will work to include Maria Tzagournis and myself on the call if possible. We will just be listening, but since Maria and I have responsibility to manage any recommended changes to the contract language our participation on the call will facilitate the contracting process.

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 26, 2012 10:28 AM
To: Scott Lyons (EXEL CA)
Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)
Subject: RE: Insurance questions

Scott:

Please give us the contact information for your insurance expert and we will have our insurance expert contact that person. Thanks.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]

Sent: Thursday, July 26, 2012 9:03 AM

To: Craig W. Bulkley

Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)

Subject: Insurance questions

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It is my experience that the insurance industry has its own vocabulary and I have had good success in resolving insurance questions by putting together our insurance experts with our client's insurance experts. I spoke with Stephen after the meeting, and suggested that such a meeting would quickly clear up any of the insurance questions. He said that it might be a good idea.

Would it be acceptable for me to set up such a conversation through Stephen?

Thanks,
Scott Lyons

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90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, July 27, 2012 12:18 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)
Subject: RE: Insurance questions

Our risk subject matter expert is traveling back from brazil today. It will be Monday before we are able to brief them, and we will send their information over at that time.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 26, 2012 10:28 AM
To: Scott Lyons (EXEL CA)
Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)
Subject: RE: Insurance questions

Scott:

Please give us the contact information for your insurance expert and we will have our insurance expert contact that person. Thanks.



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Craig W. Bulkley
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Sent: Thursday, July 26, 2012 9:03 AM
To: Craig W. Bulkley

Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)

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Would it be acceptable for me to set up such a conversation through Stephen?

Thanks,
Scott Lyons

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90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, July 27, 2012 12:09 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US); Fred Takavitz (Exel US); Steve Hess (EXEL US)
Subject: Purchase and sale agreement
Attachments: Real Estate Purchase Agreement (00019984).DOC

Hi Craig,

Please treat this confidentially.

We wanted to forward you this copy of the purchase agreement for the site we visited earlier this week. We delivered it to the owner yesterday to begin negotiations.

We will keep you apprised of our progress in securing this site.

Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

REAL ESTATE PURCHASE AGREEMENT

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December 26, 2012

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December 26, 2012

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December 26, 2012

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00019984-1

December 26, 2012

Exel 001298

From: Becky Ross (EXEL US) <Becky.Ross@exel.com>
Sent: Thursday, July 26, 2012 12:03 PM
To: Hastings, Peter
Cc: Craig W. Bulkley
Subject: RE: Out of state data

Thanks Peter, great meeting you as well! First time we talk it is from across the room, second time via email. Hopefully one day we will progress to one-on-one over the phone!!

I did want to reach out to see if you have had any progress on the requirements for the Right to Know legislation. I am working with my team to design the on-site network, in case this does in fact become a reality, but wanted to check in to see if any update was available. Can I please confirm my understanding as to the assumed requirements ... any data that resides on the server must be in NH. So, for example, our WMS and OMS would be on site. However, in the case where we transmit data through our integration platform DHL Link, that could still reside outside of the state as long as we do not store the records on the server. We use it solely as a translation then delivery mechanism. Is that correct?

Is there any additional information I can provide to you as well based on our discussion on Tuesday? If so, please do not hesitate to reach out as you are permitted.

Thanks Peter.

becky

From: Hastings, Peter [<mailto:Peter.Hastings@doit.nh.gov>]
Sent: Thursday, July 26, 2012 11:46 AM
To: Becky Ross (EXEL US)
Cc: Craig W. Bulkley
Subject: RE: Out of state data

Hello Becky,

It was great to meet you the other day. I look forward to answering any questions that I may.

Peter

Peter C. Hastings

Director - Agency Software Division
Department of Information Technology

64 South St.
Concord, NH 03301

603-230-3456 (Office)
603-545-5988 (cell)

www.nh.gov/doit

-----Original Message-----

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 26, 2012 7:50 AM
To: Scott Lyons (EXEL CA)
Cc: Becky Ross (EXEL US); George P. Tsiopras; Hastings, Peter
Subject: RE: Out of state data

Scott:

Becky can contact Peter directly by email. I have copied him so his email address is included.

P Please consider the environment before printing this e-mail.

Craig W. Bulkley

Director
Division of Administration
NH State Liquor Commission
* (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
* cbulkley@liquor.state.nh.us

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-----Original Message-----

From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Wednesday, July 25, 2012 3:33 PM
To: Craig W. Bulkley
Cc: Becky Ross (EXEL US); George P. Tsiopras
Subject: Out of state data

Would it be acceptable for our IT subject matter expert (Becky Ross) to speak with Peter regarding the potential requirement to house your data in New Hampshire. We are working through the possible options and have some technical questions.

Assuming so could you provide peter's email address. We will copy you on any correspondence.

Thanks,

Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

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Cc: George P. Tsiopras; Maria Tzagournis (EXEL US); Fred Takavitz (Exel US); Greg Foreman (EXEL US)
Subject: RE: Insurance questions

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Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 5:53 PM
To: Nicholas K. Holmes
Subject: Exel Emails - Part XXI
Attachments: FW: Proposal Presentation - Exel; RE: Proposal Presentation - Exel; Exel Agenda; RE: Exel Financial Analysis Confirmation; RE: Exel Presentation for Tuesday; RE: Site Visit - Exel Financial Analysis Confirmation; RE: Exel Financial Analysis Confirmation; Re: Exel Financial Analysis Confirmation; Exel Financial Analysis Confirmation; Re: Warehouse Site Visit

Categories: Green Category



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Chief of Administration
NH State Liquor Commission
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Monday, July 23, 2012 8:46 AM
To: Scott.Lyons@exel.com
Subject: FW: Proposal Presentation - Exel

Correction – hopefully, there will be five of us this afternoon.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley
Sent: Monday, July 23, 2012 8:39 AM
To: 'Scott Lyons (EXEL CA)'
Subject: RE: Proposal Presentation

We expect the four of us to attend



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Friday, July 20, 2012 3:24 PM
To: Craig W. Bulkley; George P. Tsiopras
Cc: Greg Foreman (EXEL US)
Subject: RE: Proposal Presentation

Will all these folks be at our site tour on Monday?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, July 16, 2012 2:59 PM
To: Scott Lyons (EXEL CA); George P. Tsiopras
Cc: Greg Foreman (EXEL US)
Subject: RE: Proposal Presentation

Scott:

Our Warehouse RFP Evaluation Committee will be present:

- George Tsiopras
- John Bunnell
- Peter Hastings
- Craig Bulkley

The committee's legal counsel, Steve Judge, will also be present.



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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Monday, July 16, 2012 12:44 PM

To: George P. Tsiopras; Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Proposal Presentation

That is fine. We will take the afternoon timeslot.

Can you please confirm the attendees from the Commission for me. I assume the following, but at there others?

- Craig Bulkley
- George Tsiopras
- John Bunnell
- Stephen Judge

Thanks and we look forward to see you again
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: George P. Tsiopras [<mailto:george.tsiopras@liquor.state.nh.us>]
Sent: Monday, July 09, 2012 4:08 PM
To: Scott Lyons (EXEL CA); Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Proposal Presentation

Sorry Scott the morning timeslot is not available.

George P. Tsiopras

Chief Financial Officer
New Hampshire State Liquor Commission
50 Storrs Street, Concord NH 03301
Tel: 603.230.7017 Fax: 603.271.3897

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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Sunday, July 08, 2012 11:47 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: RE: Proposal Presentation

Thank-you.

We would like to confirm our attendance at this presentation on the 24th of July. We wish to ask if a morning timeslot might be possible. If not will attend the time of 1:30 – 3:30 pm (EST). Please let us know if this might be an option.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, July 06, 2012 9:08 AM
To: Scott Lyons (EXEL CA)
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: Proposal Presentation

Scott:

We are scheduling time during the week of July 23rd for an opportunity for your team to present any additional information to the Evaluation Committee. Please be prepared to discuss the specifics of your proposal as well as to discuss the most recent rate template information. The committee may have additional questions at this time.

We would like your Exel team to join us on Tuesday, July 24th from 1:30 – 3:30 PM (EDT) at our headquarters at 50 Storrs Street, Concord. Please acknowledge and confirm your attendance, and **please copy George Tsiopras** when you email me. Thank you.



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Craig W. Bulkley
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Thursday, July 05, 2012 11:35 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Tentative Schedule

We will respond to the Commission's latest questions by Monday afternoon.

In the meantime, we would like to schedule our first opportunity to meet during the week of July 16th. Are there particular dates and times you are considering?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 26, 2012 1:27 PM
To: Scott Lyons (EXEL CA)
Subject: Tentative Schedule

Scott:

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We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

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From: Stephen J. Judge <stephen.j.judge@liquor.state.nh.us>
Sent: Friday, July 20, 2012 3:55 PM
To: Scott Lyons (EXEL CA)
Cc: Craig W. Bulkley
Subject: Exel Agenda

Scott,

Craig is out of the office today and he asked me to respond to your email regarding the agenda. Please Reply to All and Craig will pick up the thread on Monday.
You may bring all the people you have listed in your email. You may bring additional people or substitute individuals. The only restriction is the size of the room. It has 18 chairs and could hold a few more. There will be 5 of us. I went to law school to avoid having to do math, you can figure it out.
In terms of your agenda, you can skip to Solution in Detail. We will be interested in whether the spreadsheet is correct and whether there are any variables that will change the rates. We will also be interested in whether you can have an appropriate facility up and running in time. Are there any terms in the RFP and proposed contract to which you have taken an exception and why?
I am sure there will be specific substantive questions.

Steve

Stephen J. Judge
AG Legal Consultant for NHS Liquor Commission
Wadleigh, Starr & Peters, PLLC
95 Market Street
Manchester, New Hampshire 03101
Tel: 603-669-4140
Fax: 603-669-6018
Web: www.wadleighlaw.com
E-mail: sjudge@wadleighlaw.com
E-mail: stephen.j.judge@liquor.state.nh.us

Please do not print this email unless necessary

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From: George P. Tsiopras <george.tsiopras@liquor.state.nh.us>
Sent: Friday, July 20, 2012 1:11 PM
To: Scott Lyons (EXEL CA); Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Exel Financial Analysis Confirmation

Scott – the RFP included data regarding most recent volumes. The template provided included estimates of future volume requirements, which is why the volumes are different. We asked all the vendors to utilize the future projections so that we can compare apples to apples, realizing of course that these were estimates only. The evaluation committee will determine after all the presentations whether a further inquiry will be made to adjust rates.

George P. Tsiopras

Chief Financial Officer
New Hampshire State Liquor Commission
50 Storrs Street, Concord NH 03301
Tel: 603.230.7017 Fax: 603.271.3897

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Sent: Friday, July 20, 2012 11:51 AM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US)
Subject: RE: Exel Financial Analysis Confirmation

The Book5 Excel spreadsheet is correct in terms reformatting the costs provided for the rate calculation template.

As requested and as we noted in our response for the rate calculation template exercise we utilized the costs per units provided in our response against the volumes of work provided in the template.

The volumes and profile elements provided in the rate calculation template are different than those provided in the RFP. For example

- Volumes across the first 30 months are up 14% versus 2012. No growth assumption was provided in the RFP
- The inbound mix of pallets versus slip sheets versus cases changed considerably between the two data sets
- Bottle pick volumes fell considerably (63%) between the original RFP data and what was in the rate calculation template
- The peak storage level provided was 818,000 units in the RFP, and in the rate calculation template the value provided is 998,000 units in storage. Some but not all of this increase is related to the higher growth

At a high level we re-ran our models with the rate calculation template assumptions and believe our cost per unit will drop. At what point in this process will the profile and volume elements be finalized and the vendors requested to provide an updated budget?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 19, 2012 12:00 PM
To: Scott Lyons (EXEL CA)
Cc: George P. Tsiopras
Subject: Exel Financial Analysis Confirmation

Scott:

I have attached a financial analysis in Excel which will be the foundation for parts of our discussion on Tuesday afternoon. Please review the attached document, confirm that the numbers are correct, and provide me with any questions or comments by Noon on Friday, July 20th.

Please copy George on your response. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
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From: George P. Tsiopras <george.tsiopras@liquor.state.nh.us>
Sent: Friday, July 20, 2012 9:57 AM
To: Scott Lyons (EXEL CA); Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Exel Presentation for Tuesday

Scott – the room will have a screen and a projector, but feel free to bring in your own projector as a back up.

Thanks,

George P. Tsiopras

**Chief Financial Officer
New Hampshire State Liquor Commission
50 Storrs Street, Concord NH 03301
Tel: 603.230.7017 Fax: 603.271.3897**

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Sent: Friday, July 20, 2012 9:51 AM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US)
Subject: Presentation for Tuesday

For some of our presentation on Tuesday we will want to use a projector to display on a screen. Will the room have a screen? Is there a projector we can use? We will bring our own projector in any event as back-up.

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Friday, July 20, 2012 7:41 AM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Steve Hess (EXEL US); Fred Takavitz (Exel US)
Subject: RE: Site Visit - Exel Financial Analysis Confirmation

What we suggest is meeting at your store situated on Hwy 3A adjacent the Plourde Sand and Gravel Company. The store is within ½ mile of our site, and is accessible from both I-93 and Hwy 3A, located on the north bound side of 3A.

We will meet you there at 1:30 and then travel in tandem to the site.

Please confirm this plan works for you and your group.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 19, 2012 1:09 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel Financial Analysis Confirmation

Scott – we will try to get back to you by COB tomorrow on your suggested agenda.

Are you making any progress on a site visit for Monday PM? This site visit does not have to be anything other than one person who can explain your intentions and plans, so don't overthink it.

Thanks.



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I received your note and we will be back to you with any questions tomorrow by noon.

Did you receive my note on the presentation agenda?

Thanks,

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www.exel.com

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, July 19, 2012 1:09 PM
To: Scott Lyons (EXEL CA)
Subject: RE: Exel Financial Analysis Confirmation

Scott – we will try to get back to you by COB tomorrow on your suggested agenda.

Are you making any progress on a site visit for Monday PM? This site visit does not have to be anything other than one person who can explain your intentions and plans, so don't overthink it.

Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Thursday, July 19, 2012 1:05 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras
Subject: Re: Exel Financial Analysis Confirmation

I received your note and we will be back to you with any questions tomorrow by noon.

Did you receive my note on the presentation agenda?

Thanks,

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, July 20, 2012 12:00 AM
To: Scott Lyons (EXEL CA)
Cc: George P. Tsiopras <george.tsiopras@liquor.state.nh.us>
Subject: Excel Financial Analysis Confirmation

Scott:

I have attached a financial analysis in Excel which will be the foundation for parts of our discussion on Tuesday afternoon. Please review the attached document, confirm that the numbers are correct, and provide me with any questions or comments by Noon on Friday, July 20th.

Please copy George on your response. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, July 19, 2012 1:05 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras
Subject: Re: Exel Financial Analysis Confirmation

I received your note and we will be back to you with any questions tomorrow by noon.

Did you receive my note on the presentation agenda?

Thanks,

Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Friday, July 20, 2012 12:00 AM
To: Scott Lyons (EXEL CA)
Cc: George P. Tsiopras <george.tsiopras@liquor.state.nh.us>
Subject: Exel Financial Analysis Confirmation

Scott:

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Please copy George on your response. Thanks.



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Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, July 19, 2012 12:00 PM
To: Scott.Lyons@exel.com
Cc: George P. Tsiopras
Subject: Exel Financial Analysis Confirmation
Attachments: Book5.xls

Scott:

I have attached a financial analysis in Excel which will be the foundation for parts of our discussion on Tuesday afternoon. Please review the attached document, confirm that the numbers are correct, and provide me with any questions or comments by Noon on Friday, July 20th.

Please copy George on your response. Thanks.



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Craig W. Bulkley
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Wednesday, July 18, 2012 3:02 PM
To: Craig W. Bulkley
Subject: Re: Warehouse Site Visit

I received your note. I will be back to you shortly with details.

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

www.exel.com

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Thursday, July 19, 2012 02:55 AM
To: Scott Lyons (EXEL CA)
Subject: Warehouse Site Visit

Scott:

The RFP Evaluation Committee would like to visit your proposed warehouse site on Monday, July 23rd at about 1:30 PM. Can you arrange this? We do not want anything elaborate at the site – just the opportunity to see the site and ask any specific questions regarding the site.

At this site visit, we need from you any and all documents related to your ability to purchase or lease this site for your proposed warehouse. This could include a letter of intent and/or a purchase and sale agreement among other documents.

Thanks and looking forward to hearing from you soon.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, July 18, 2012 2:56 PM
To: Scott.Lyons@exel.com
Subject: Exel Warehouse Site Visit

Scott:

The RFP Evaluation Committee would like to visit your proposed warehouse site on Monday, July 23rd at about 1:30 PM. Can you arrange this? We do not want anything elaborate at the site – just the opportunity to see the site and ask any specific questions regarding the site.

At this site visit, we need from you any and all documents related to your ability to purchase or lease this site for your proposed warehouse. This could include a letter of intent and/or a purchase and sale agreement among other documents.

Thanks and looking forward to hearing from you soon.



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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, July 17, 2012 2:22 PM
To: Craig W. Bulkley
Cc: George P. Tsiopras; Greg Foreman (EXEL US)
Subject: Exel - July 24th Presentation Proposed Agenda

I wanted to reach out to you with a proposed list of topics to cover in our meeting next week. This is our suggested list, and I want to ensure that we are covering off the issues that are important to the evaluation committee. Please feel free to suggest changes, or particular questions you wish covered.

- Opportunity for New Hampshire
 - An explanation of our understanding of what the NHSLC is attempting to achieve with this RFP and to a certain extent more broadly.
- Exel as a Strategic Resource
 - The experience and capabilities that Exel will bring forward to this opportunity
- Strong Fit Between Our Organizations
 - The fit we see between the NHSLC's needs and our capabilities, and how this strong fit between our organizations has the potential to develop into a long term strategic relationship
- Solution in detail
 - Discussion of our transparent commercial model
 - Concept of operations
 - Facility design (including real estate options)
 - Mechanization review
 - Concept of systems
- Next Steps

In terms of attendees we wish to bring the following folks, but wanted to ensure this was acceptable to the evaluation committee. This is an important pursuit for us and we want to ensure we have the key individuals in the room to answer any of the committees questions.

- Jim Gehr, President
- Fred Takavitz, Senior Vice President, Business Development
- Scott Lyons, Senior Director, Business Development
- Greg Foreman, Vice President of Operations
- Robert Maclellan, Director of Operations
- Steve Hess, Senior Director RE Development
- Robert Rujevcan, Director Finance Retail Americas
- Gurjeet Singh, Senior Integrated Logistics Design Engineer
- Sally Miller, VP, Retail IT or Steve Turchan, IT Program Manager

Thanks,
Scott Lyons

Exel
90 Matheson Blvd. West, Suite 111
Mississauga, Ontario
L5R 3R3
Canada

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

www.exel.com

From: George P. Tsiopras <george.tsiopras@liquor.state.nh.us>
Sent: Monday, July 09, 2012 4:08 PM
To: Scott Lyons (EXEL CA); Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Exel Proposal Presentation

Sorry Scott the morning timeslot is not available.

George P. Tsiopras

Chief Financial Officer
New Hampshire State Liquor Commission
50 Storrs Street, Concord NH 03301
Tel: 603.230.7017 Fax: 603.271.3897

****Please note: My email has changed to**
george.tsiopras@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) [mailto:Scott.Lyons@exel.com]
Sent: Sunday, July 08, 2012 11:47 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: RE: Proposal Presentation

Thank-you.

We would like to confirm our attendance at this presentation on the 24th of July. We wish to ask if a morning timeslot might be possible . If not will attend the time of 1:30 – 3:30 pm (EST). Please let us know if this might be an option.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]
Sent: Friday, July 06, 2012 9:08 AM
To: Scott Lyons (EXEL CA)
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: Proposal Presentation

Scott:

We are scheduling time during the week of July 23rd for an opportunity for your team to present any additional information to the Evaluation Committee. Please be prepared to discuss the specifics of your proposal as well as to discuss the most recent rate template information. The committee may have additional questions at this time.

We would like your Exel team to join us on Tuesday, July 24th from 1:30 – 3:30 PM (EDT) at our headquarters at 50 Storrs Street, Concord. Please acknowledge and confirm your attendance, and **please copy George Tsiopras** when you email me. Thank you.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Thursday, July 05, 2012 11:35 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Tentative Schedule

We will respond to the Commission's latest questions by Monday afternoon.

In the meantime, we would like to schedule our first opportunity to meet during the week of July 16th. Are there particular dates and times you are considering?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 26, 2012 1:27 PM
To: Scott Lyons (EXEL CA)
Subject: Tentative Schedule

Scott:

Thank you for spending time with us last week. The Evaluation Committee is still in its initial phase. We wanted to let you know that our first opportunity to meet with you will be during the week of July 16th.

We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

Please confirm receipt.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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Scott Lyons (EXEL CA)

From: Scott Lyons (EXEL CA) [Scott.Lyons@exel.com]
Sent: Sunday, July 08, 2012 11:42 PM
To: Craig W. Bulkley; Greg Foreman (EXEL US)
Cc: George P. Tsiopras
Subject: RE: Exel Response to Questions Regarding Rate Calculation Template

1. Please confirm that you are bidding on the one-warehouse solution only as we did not notice any rates or costs for the two-warehouse solution.

This is correct; we are bidding on a consolidated one-warehouse solution. It is our understanding that NHSLC asked us to consider a two warehouse option, but to only put it forward if it would be a lower cost alternative. Two warehouses are more expensive due to multiple touches, multiple infrastructure costs (buildings and systems), additional management staff, and higher inventory levels. We understand that the Commission may wish to keep its warehouse open, but it will be handling only products purchased by the NHSLC.

2. We noted there was no price in the Outbound Summary with regard to single-bottle processing. Does this mean that you do not intend to offer this service or does it mean you will offer this service at no cost to suppliers or the NHSLC?

We intend to offer this service and built the cost of bottle picking into our costs structure. Per your request, we used the originally quoted rates to complete the analysis template. As we tried to note on our response, certain rates were not provided in the original proposal as our expectation is to work collaboratively with NHSLC to determine the appropriate revenue activity streams to be offered from a rate standpoint. If a bottle rate is deemed necessary and appropriate, the related costs would be carved out of the "Outbound" rate so that in totality the Exel budget remains same, i.e. the outbound rate will fall proportionally.

3. Currently, Outbound Processing charges are borne by the NHSLC. In your proposal, it appears that you are planning to charge suppliers (e.g. – automatic orders = \$.96/case). Please confirm. Please confirm your intent to charge suppliers for this expense and not the NHSLC.

It is our recommendation that all costs of operating the distribution system be borne by the suppliers.

4. Please confirm that the rates and costs provided are fixed for the first 30 months of the contract.

We confirm that the rates and costs provided are fixed for the first 30 months of the contract.

As we state in proposal and we try to explain in our answer to question 5 below the rates quoted are based on the volumes and profile presented in the RFP. As is only fair, should this information be found to have material errors we reserve the right to re-price our solution. This could result in lower cost per unit for the Commission! As an example, the higher volumes in the most recent template (as compared to the RFP figures), would result in a lower cost per unit. Please note that as per your request, we used the originally quoted rates to complete the analysis template.

5. Section 1.10.4 of the RFP describes the negotiation of rate changes at the end of each 30-month period using the CPI for this region as it relates to the warehousing activities of the vendor. This section also limits any increase to the CPI for the previous twelve months. Please confirm your acceptance of this provision.

Beyond the proponent overly aggressively bidding or the provider poorly executing, there are three factors that can cause costs to change.

- The first is cost inflation.

- The Commission included a mechanism to allow for adjustments to the rates due to cost inflation. This mechanism is acceptable to us though as we stated in our proposal we feel a transparent commercial structure is more optimal.
- The second is volume.
 - A fully variable rate structure that cannot be altered except for cost inflation as stated in section 1.10.4 requires accurate estimates of future growth. The reason is that the fixed costs of the operation do not vary with volume. If the actual volumes are less than estimated volumes there is less revenue to cover the fixed costs and the proponent is facing poor returns and potentially losses. Vic versa, the provider receives a windfall in the form of higher than expected profitability.
 - As this is a 20 year contract these estimates must be accurate across a 20 year time horizon. Changes in volume are outside of our control. Though not completely controlled by the Commission, the NHSLC does have influence over volumes. In any event, we believe you are in a better position to forecast volumes than the provider. Though, in its answer to question 127 on May 1 the NHSLC stated “It is impossible to project growth over the next twenty years”. Faced with this provision, proponents will attempt to err on the side of under estimating growth thus leading to higher costs for the Commission.
 - A fixed / variable rate structure would resolve this issue. Under this commercial structure fixed costs, for example lease costs, do not vary regardless of the volume. The variable portion of the price also does not vary on a per unit basis, but the variable cost will rise or fall as volume rises or falls. As the fixed costs and the price per unit are set the Commission is protected against the a proponents overly aggressive bidding or poor execution.
- The third is the profile of the work.
 - Again, the fully variable rate structure that cannot be altered except for cost inflation as stated in section 1.10.4 requires that the profile of the work will not change. Many of the work profile issues can be handled through the pricing structure presented to suppliers. For example, longer storage attracts higher per unit rates, or smaller supplier shipments receive a higher per unit rate,... But, many of the work profile issues are controlled by the Commission for example, if NHSLC makes the decision to increase the frequency of deliveries to the stores the order sizes would drop and hurt the productivities in the warehouse. Thus, in effect this clause means the NHSLC is committing that it will not alter how it does business for the next 20 years. We don't feel this is a reasonable expectation. The Commission will have to make changes. With this provision in place, typically what happens is that changes that positively impact a proponents profitability are readily accepted, and changes that negatively impact their profitability are naturally resisted. Certainly the proponent will not suggest opportunities that increase the warehouse costs but lower the total costs to the Commission. Again, the net result is higher costs for the NHSLC.
 - It is our recommendation that a mechanism be put in place that allows either the proponent or the commission to review rates based on changes in the profile of the work. This can only be done under a transparent commercial structure where the provider shares its results, and the proponents expenses are auditable

Our goal is to set up a commercial structure that facilitates five objectives.

- One, protect the NHSLC against increased costs from a proponent's overly aggressive bidding or poor execution.
- Two, provide the Commission flexibility and control to address changing business conditions across the 20 years of the contract.
- Three, ensure the provider does not receive windfalls from factors outside of its control such as volume variances or profile changes.
- Four, encourage the provider to work collaboratively to maximize the NHSLC's net income.
- Five, provide the proponent and the Commission an opportunity to address volumes and profile changes.

Let me apologize for this long answer, but it is not an obvious question. Our experience shows that clauses like section 1.10.4 are not in the best interest of our customers. Thus, we cannot confirm our acceptance of the provision. We believe our transparent commercial structure best achieves the five goals listed above. It also facilitates the development of a long term strategic relationship with the Commission much like we enjoy with most of our current customers including Walmart and the Alberta Gaming and Liquor Commission.

Our transparent commercial structure is more complex, and there are a number of variations that we can incorporate to best meet the Commission's unique circumstances. We would respectfully ask for an in person meeting to dialogue about our transparent commercial model and its nuances. Further, we believe it would be advantageous to host the evaluation committee in Alberta to tour the operation we run on behalf of the Alberta Gaming and Liquor Commission. This would be a good opportunity for you to discuss the transparent commercial model with the Alberta Gaming and Liquor Commission and obtain an agnostic opinion of its value.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]
Sent: Thursday, July 05, 2012 2:59 PM
To: Scott Lyons (EXEL CA); Greg Foreman (EXEL US)
Cc: George P. Tsiopras
Subject: Questions Regarding Rate Calculation Template

Scott/Greg:

Thank you for your final submission of the rate calculation template. Below are several questions regarding your template numbers:

6. Please confirm that you are bidding on the one-warehouse solution only as we did not notice any rates or costs for the two-warehouse solution.
7. We noted there was no price in the Outbound Summary with regard to single-bottle processing. Does this mean that you do not intend to offer this service or does it mean you will offer this service at no cost to suppliers or the NHSLC?
8. Currently, Outbound Processing charges are borne by the NHSLC. In your proposal, it appears that you are planning to charge suppliers (e.g. – automatic orders = \$.96/case). Please confirm. Please confirm your intent to charge suppliers for this expense and not the NHSLC.
9. Please confirm that the rates and costs provided are fixed for the first 30 months of the contract.
10. Section 1.10.4 of the RFP describes the negotiation of rate changes at the end of each 30-month period using the CPI for this region as it relates to the warehousing activities of the vendor. This section also limits any increase to the CPI for the previous twelve months. Please confirm your acceptance of this provision.

Please provide your response to me **with a cc to George Tsiopras** no later than Monday, 7/9 at 4:00 PM. Thank you.



Please consider the environment before printing this e-mail.

Craig W. Bulkley

Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Sunday, July 08, 2012 11:47 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: RE: Exel Proposal Presentation

Thank-you.

We would like to confirm our attendance at this presentation on the 24th of July. We wish to ask if a morning timeslot might be possible. If not will attend the time of 1:30 – 3:30 pm (EST). Please let us know if this might be an option.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

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Sent: Friday, July 06, 2012 9:08 AM
To: Scott Lyons (EXEL CA)
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: Proposal Presentation

Scott:

We are scheduling time during the week of July 23rd for an opportunity for your team to present any additional information to the Evaluation Committee. Please be prepared to discuss the specifics of your proposal as well as to discuss the most recent rate template information. The committee may have additional questions at this time.

We would like your Exel team to join us on Tuesday, July 24th from 1:30 – 3:30 PM (EDT) at our headquarters at 50 Storrs Street, Concord. Please acknowledge and confirm your attendance, and **please copy George Tsiopras** when you email me. Thank you.



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Craig W. Bulkley
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NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Thursday, July 05, 2012 11:35 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Tentative Schedule

We will respond to the Commission's latest questions by Monday afternoon.

In the meantime, we would like to schedule our first opportunity to meet during the week of July 16th. Are there particular dates and times you are considering?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 26, 2012 1:27 PM
To: Scott Lyons (EXEL CA)
Subject: Tentative Schedule

Scott:

Thank you for spending time with us last week. The Evaluation Committee is still in its initial phase. We wanted to let you know that our first opportunity to meet with you will be during the week of July 16th.

We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

Please confirm receipt.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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Scott Lyons (EXEL CA)

From: Scott Lyons (EXEL CA) [Scott.Lyons@exel.com]
Sent: Sunday, July 08, 2012 11:42 PM
To: Craig W. Bulkley; Greg Foreman (EXEL US)
Cc: George P. Tsiopras
Subject: RE: Exel Response to Questions Regarding Rate Calculation Template

1. Please confirm that you are bidding on the one-warehouse solution only as we did not notice any rates or costs for the two-warehouse solution.

This is correct; we are bidding on a consolidated one-warehouse solution. It is our understanding that NHSLC asked us to consider a two warehouse option, but to only put it forward if it would be a lower cost alternative. Two warehouses are more expensive due to multiple touches, multiple infrastructure costs (buildings and systems), additional management staff, and higher inventory levels. We understand that the Commission may wish to keep its warehouse open, but it will be handling only products purchased by the NHSLC.

2. We noted there was no price in the Outbound Summary with regard to single-bottle processing. Does this mean that you do not intend to offer this service or does it mean you will offer this service at no cost to suppliers or the NHSLC?

We intend to offer this service and built the cost of bottle picking into our costs structure. Per your request, we used the originally quoted rates to complete the analysis template. As we tried to note on our response, certain rates were not provided in the original proposal as our expectation is to work collaboratively with NHSLC to determine the appropriate revenue activity streams to be offered from a rate standpoint. If a bottle rate is deemed necessary and appropriate, the related costs would be carved out of the "Outbound" rate so that in totality the Exel budget remains same, i.e. the outbound rate will fall proportionally.

3. Currently, Outbound Processing charges are borne by the NHSLC. In your proposal, it appears that you are planning to charge suppliers (e.g. – automatic orders = \$.96/case). Please confirm. Please confirm your intent to charge suppliers for this expense and not the NHSLC.

It is our recommendation that all costs of operating the distribution system be borne by the suppliers.

4. Please confirm that the rates and costs provided are fixed for the first 30 months of the contract.

We confirm that the rates and costs provided are fixed for the first 30 months of the contract.

As we state in proposal and we try to explain in our answer to question 5 below the rates quoted are based on the volumes and profile presented in the RFP. As is only fair, should this information be found to have material errors we reserve the right to re-price our solution. This could result in lower cost per unit for the Commission! As an example, the higher volumes in the most recent template (as compared to the RFP figures), would result in a lower cost per unit. Please note that as per your request, we used the originally quoted rates to complete the analysis template.

5. Section 1.10.4 of the RFP describes the negotiation of rate changes at the end of each 30-month period using the CPI for this region as it relates to the warehousing activities of the vendor. This section also limits any increase to the CPI for the previous twelve months. Please confirm your acceptance of this provision.

Beyond the proponent overly aggressively bidding or the provider poorly executing, there are three factors that can cause costs to change.

- The first is cost inflation.

- The Commission included a mechanism to allow for adjustments to the rates due to cost inflation. This mechanism is acceptable to us though as we stated in our proposal we feel a transparent commercial structure is more optimal.
- The second is volume.
 - A fully variable rate structure that cannot be altered except for cost inflation as stated in section 1.10.4 requires accurate estimates of future growth. The reason is that the fixed costs of the operation do not vary with volume. If the actual volumes are less than estimated volumes there is less revenue to cover the fixed costs and the proponent is facing poor returns and potentially losses. Vic versa, the provider receives a windfall in the form of higher than expected profitability.
 - As this is a 20 year contract these estimates must be accurate across a 20 year time horizon. Changes in volume are outside of our control. Though not completely controlled by the Commission, the NHSLC does have influence over volumes. In any event, we believe you are in a better position to forecast volumes than the provider. Though, in its answer to question 127 on May 1 the NHSLC stated “It is impossible to project growth over the next twenty years”. Faced with this provision, proponents will attempt to err on the side of under estimating growth thus leading to higher costs for the Commission.
 - A fixed / variable rate structure would resolve this issue. Under this commercial structure fixed costs, for example lease costs, do not vary regardless of the volume. The variable portion of the price also does not vary on a per unit basis, but the variable cost will rise or fall as volume rises or falls. As the fixed costs and the price per unit are set the Commission is protected against the a proponents overly aggressive bidding or poor execution.
- The third is the profile of the work.
 - Again, the fully variable rate structure that cannot be altered except for cost inflation as stated in section 1.10.4 requires that the profile of the work will not change. Many of the work profile issues can be handled through the pricing structure presented to suppliers. For example, longer storage attracts higher per unit rates, or smaller supplier shipments receive a higher per unit rate,... But, many of the work profile issues are controlled by the Commission for example, if NHSLC makes the decision to increase the frequency of deliveries to the stores the order sizes would drop and hurt the productivities in the warehouse. Thus, in effect this clause means the NHSLC is committing that it will not alter how it does business for the next 20 years. We don't feel this is a reasonable expectation. The Commission will have to make changes. With this provision in place, typically what happens is that changes that positively impact a proponents profitability are readily accepted, and changes that negatively impact their profitability are naturally resisted. Certainly the proponent will not suggest opportunities that increase the warehouse costs but lower the total costs to the Commission. Again, the net result is higher costs for the NHSLC.
 - It is our recommendation that a mechanism be put in place that allows either the proponent or the commission to review rates based on changes in the profile of the work. This can only be done under a transparent commercial structure where the provider shares its results, and the proponents expenses are auditable

Our goal is to set up a commercial structure that facilitates five objectives.

- One, protect the NHSLC against increased costs from a proponent's overly aggressive bidding or poor execution.
- Two, provide the Commission flexibility and control to address changing business conditions across the 20 years of the contract.
- Three, ensure the provider does not receive windfalls from factors outside of its control such as volume variances or profile changes.
- Four, encourage the provider to work collaboratively to maximize the NHSLC's net income.
- Five, provide the proponent and the Commission an opportunity to address volumes and profile changes.

Let me apologize for this long answer, but it is not an obvious question. Our experience shows that clauses like section 1.10.4 are not in the best interest of our customers. Thus, we cannot confirm our acceptance of the provision. We believe our transparent commercial structure best achieves the five goals listed above. It also facilitates the development of a long term strategic relationship with the Commission much like we enjoy with most of our current customers including Walmart and the Alberta Gaming and Liquor Commission.

Our transparent commercial structure is more complex, and there are a number of variations that we can incorporate to best meet the Commission's unique circumstances. We would respectfully ask for an in person meeting to dialogue about our transparent commercial model and its nuances. Further, we believe it would be advantageous to host the evaluation committee in Alberta to tour the operation we run on behalf of the Alberta Gaming and Liquor Commission. This would be a good opportunity for you to discuss the transparent commercial model with the Alberta Gaming and Liquor Commission and obtain an agnostic opinion of its value.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]
Sent: Thursday, July 05, 2012 2:59 PM
To: Scott Lyons (EXEL CA); Greg Foreman (EXEL US)
Cc: George P. Tsiopras
Subject: Questions Regarding Rate Calculation Template

Scott/Greg:

Thank you for your final submission of the rate calculation template. Below are several questions regarding your template numbers:

6. Please confirm that you are bidding on the one-warehouse solution only as we did not notice any rates or costs for the two-warehouse solution.
7. We noted there was no price in the Outbound Summary with regard to single-bottle processing. Does this mean that you do not intend to offer this service or does it mean you will offer this service at no cost to suppliers or the NHSLC?
8. Currently, Outbound Processing charges are borne by the NHSLC. In your proposal, it appears that you are planning to charge suppliers (e.g. – automatic orders = \$.96/case). Please confirm. Please confirm your intent to charge suppliers for this expense and not the NHSLC.
9. Please confirm that the rates and costs provided are fixed for the first 30 months of the contract.
10. Section 1.10.4 of the RFP describes the negotiation of rate changes at the end of each 30-month period using the CPI for this region as it relates to the warehousing activities of the vendor. This section also limits any increase to the CPI for the previous twelve months. Please confirm your acceptance of this provision.

Please provide your response to me **with a cc to George Tsiopras** no later than Monday, 7/9 at 4:00 PM. Thank you.



Please consider the environment before printing this e-mail.

Craig W. Bulkley

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, July 06, 2012 9:08 AM
To: Scott Lyons (EXEL CA)
Cc: Greg Foreman (EXEL US); George P. Tsiopras
Subject: Exel Proposal Presentation

Scott:

We are scheduling time during the week of July 23rd for an opportunity for your team to present any additional information to the Evaluation Committee. Please be prepared to discuss the specifics of your proposal as well as to discuss the most recent rate template information. The committee may have additional questions at this time.

We would like your Exel team to join us on Tuesday, July 24th from 1:30 – 3:30 PM (EDT) at our headquarters at 50 Storrs Street, Concord. Please acknowledge and confirm your attendance, and **please copy George Tsiopras** when you email me. Thank you.



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From: Scott Lyons (EXEL CA) [<mailto:Scott.Lyons@exel.com>]
Sent: Thursday, July 05, 2012 11:35 PM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US)
Subject: RE: Tentative Schedule

We will respond to the Commission's latest questions by Monday afternoon.

In the meantime, we would like to schedule our first opportunity to meet during the week of July 16th. Are there particular dates and times you are considering?

Thanks,
Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 26, 2012 1:27 PM
To: Scott Lyons (EXEL CA)
Subject: Tentative Schedule

Scott:

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We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Thursday, July 05, 2012 2:59 PM
To: Scott.Lyons@exel.com; greg.foreman@exel.com
Cc: George P. Tsiopras
Subject: Questions to Exel Regarding Rate Calculation Template

Scott/Greg:

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Please provide your response to me **with a cc to George Tsiopras** no later than Monday, 7/9 at 4:00 PM. Thank you.



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From: Greg Foreman (EXEL US) <greg.foreman@exel.com>
Sent: Tuesday, July 03, 2012 11:53 AM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Robert Rujevcan (EXEL US); Fred Takavitz (Exel US); Gurjeet Singh (Exel CA)
Subject: FW: Exel Template
Attachments: Final NH RFP2012-14 Rate Calculation Template.xls

Hi Craig

Please see out updated and ["Final" submission](#) of the template. The following assumptions have been used in completing this template.

- *The Total Estimated Costs represent "contract costs" over the first 2.5 years. The noted \$28M is not an annual representation.*
- *The Proposed Contract Rates were as submitted with the proposal and do not reflect necessary changes for volume, etc.*
- *Cells highlighted in yellow indicate a rate was not provided. If a further break-down was required, the other rates would adjust to still deliver the Total Exel proposed Budget.*
- *Our assumption is based upon the fact that storage is charged in 14 day periods. We assumed the 24M cases as reflected above is the sum of 26 14-day periods of cases on hand.*
- *Our storage rates are predicated upon the provided avg on-hand cases at any given time - approximately 800K.*
- *There are no charges to NHSLC based upon the submitted/proposed rates.*
- *Future costs are impacted by three (3) factors: cost inflation, volume changes and changes in profile. Volume changes and profile changes are under the control of NHSLC. We are unable to predict cost of inflation accurately, therefore, none of these potential impacts to costs are reflected in our rates.*

With regard to revenue sharing proposals - Under our alternate commercial proposal, Exel will operate the warehouse under a transparent commercial structure. The rates provided as part of this RFP process represent the cost to the Commission to operate the warehouse. Under this proposal, the NHSLC sets the rates for suppliers, and the Commission keeps the difference.

Regards

Greg Foreman

cel (780) [REDACTED]

5/2011-4/2012							SUPPLIER	APPENDIX D		NHSLC	APPENDIX D-1	
NASHUA WHSE	CONCORD WHSE	TOTAL VOLUME	Est. Beginning Volume	EST. VOLUME OVER INITIAL 30 MONTH TERM			Total Est. Volume	Proposed Contract	Total Estimated	Total Est. Volume	Proposed Contract	Total Estimated
			11/1/2013	1st 12 months	2nd 12 months	Last 6 months	(1st 30 Months)	Rates	Cost	(1st 30 Months)	Rates	Cost
	1,723,575	497,304	2,220,879	2,321,818	2,391,472	2,463,217	1,268,557	6,123,246	\$ 0.19	\$ 1,163,417	40,000	
	453,332	126,736	580,068	606,432	624,625	643,364	331,332	1,599,321	\$ 0.19	\$ 303,871		
	996,930	225,353	1,162,283	1,215,109	1,251,562	1,289,109	663,891	3,204,562	\$ 0.19	\$ 608,867		
	733,788	345,874	1,079,662	1,128,733	1,162,595	1,197,472	616,698	2,976,765	\$ 0.19	\$ 565,585		
	1,781	0	1,781	1,862	1,918	1,975	1,017	4,910	\$ 7.40	\$ 36,337		
	2,153	360	2,513	2,627	2,706	2,787	1,435	6,929	\$ 5.50	\$ 38,108		
	1,645	0	1,645	1,720	1,771	1,824	940	4,535	\$ -	\$ -	50	
	5	0	5	5	5	6	3	14	\$ -	\$ -		
	142	0	142	148	153	157	81	392	\$ -	\$ -		
TOTAL INBOUND HANDLING:	3,853,351	1,195,627	5,048,978	5,278,454	5,436,808	5,599,912	2,863,955	13,920,674		\$ 2,716,185		
	14,768,898	3,529,353	18,298,251	19,129,907	19,703,804	20,294,918	10,451,883	50,450,604	\$ 0.09	\$ 4,540,554	12,000	
	2,634,122	309,589	2,943,711	3,077,503	3,169,828	3,264,923	1,681,435	8,116,185	\$ 0.25	\$ 2,029,046	11,000	
	957,777	96,580	1,054,357	1,102,278	1,135,346	1,169,406	602,244	2,906,996	\$ 0.65	\$ 1,889,548	12,000	
	561,893	36,836	598,729	625,941	644,719	664,061	341,991	1,650,772	\$ 1.15	\$ 1,898,988		
	202,634	0	202,634	211,844	218,199	224,745	115,744	558,688	\$ 0.65	\$ 363,147		
	26,333	0	26,333	27,530	28,356	29,206	15,041	72,603	\$ 1.15	\$ 83,494		
	24,266	0	24,266	25,369	26,130	26,914	13,861	66,904	\$ 0.09	\$ 6,021		
	12,858	0	12,858	13,442	13,846	14,261	7,344	35,451	\$ 0.25	\$ 8,863		
	7,104	0	7,104	7,427	7,650	7,879	4,058	19,587	\$ 4.25	\$ 83,243		
	2,520	0	2,520	2,635	2,714	2,795	1,439	6,948	\$ 11.00	\$ 76,428		
	1,275	0	1,275	1,333	1,373	1,414	728	3,515	\$ 30.00	\$ 105,460		
	762	0	762	797	821	845	435	2,101	\$ 52.00	\$ 109,248		
	412	0	412	431	444	457	235	1,136	\$ 30.00	\$ 34,078		
	5	0	5	5	5	6	3	14	\$ 52.00	\$ 717		
TOTAL STORAGE:	19,200,859	3,972,358	23,173,217	24,226,440	24,953,233	25,701,830	13,236,442	63,891,505		\$ 11,228,235		
	536,536	-	536,536	560,922	577,749	595,082	306,467	1,479,298	\$ -	\$ -	1,479,298	
	3,762,862	1,207,894	4,970,756	5,196,677	5,352,577	5,513,154	2,839,275	13,705,006	\$ 0.96	\$ 13,164,525	13,705,006	
	18,308	4,416	22,724	23,757	24,470	25,204	12,980	62,653	\$ 1.01	\$ 63,315	62,653	
State	30,992	0	30,992	32,401	33,373	34,374	17,702	85,449	\$ 0.96	\$ 82,079	-	
TOTAL OUTBOUND:	3,812,162	1,212,310	5,024,472	5,252,834	5,410,419	5,572,732	2,869,957	13,853,108		\$ 13,309,918		
HNDLG PER CASE - SMALL	48	-	48	50	52	53	27	132	\$ 0.74	\$ 98		
HNDLG PER CASE - LARGE	173	0	173	181	186	192	99	477	\$ 1.94	\$ 925		
STRG PER CASE - SMALL	48	0	48	50	52	53	27	132	\$ 0.50	\$ 66		
STRG PER CASE - LARGE	173	0	173	181	186	192	99	477	\$ 3.50	\$ 1,669		
REC STRG PER CASE - SMALL	48	0	48	50	52	53	27	132	\$ -	\$ -		
REC STRG PER CASE - LARGE	2,326	0	2,326	2,432	2,505	2,580	1,329	6,413	\$ -	\$ -		
NON-AUTO MIN UPCHARGE	31	0	31	32	33	34	18	85	\$ 15.00	\$ 1,282		
HANDLING / BLANKET	418	0	418	437	450	464	239	1,152	\$ 24.75	\$ 28,524		
STORAGE / BLANKET	695	0	695	727	748	771	397	1,916	\$ 6.50	\$ 12,455		
W/H LABOR - REG	315	15	330	345	355	366	188	910	\$ 34.65	\$ 31,526		
W/H LABOR - OT	0	0	0	0	0	0	0	0	\$ 52.00	\$ -		
W/H MAN & EQUIP - REG	8	0	8	8	9	9	5	22	\$ 66.00	\$ 1,456		
W/H MAN & EQUIP - OT	0	0	0	0	0	0	0	0	\$ 81.00	\$ -		
OFFICE - REG	3	1	4	4	4	4	2	11	\$ 34.65	\$ 382		
OFFICE - OT	0	0	0	0	0	0	0	0	\$ 52.00	\$ -		
Cases - SUPPLIERS	623,686	132,732	756,418	790,797	814,521	838,957	432,063	2,085,541	\$ 0.14	\$ 291,976		
Bottle Charge	13,788	0	13,788	14,415	14,847	15,293	7,876	38,015	\$ 0.09	\$ 3,421		
Case Charge - NHSLC	15,592	0	15,592	16,301	16,790	17,293	8,906	42,989	\$ -	\$ -		
PER REPORT/LIST	16	0	16	17	17	18	9	44	\$ 25.00	\$ 1,103		
PER CASE (0 to 55)	1,384	0	1,384	1,447	1,490	1,535	791	3,816	\$ 3.80	\$ 14,500		
PER CASE 56+	5,538	0	5,538	5,790	5,963	6,142	3,163	15,269	\$ 3.00	\$ 45,807		
Cases (0 to 55)	9,145	980	10,105	10,564	10,881	11,208	5,772	27,861	\$ 2.50	\$ 69,652		
Cases (56 to 99)	10,228	1,132	11,360	11,876	12,233	12,600	6,489	31,321	\$ 2.00	\$ 62,642		
Cases (100 to 299)	18,362	2,123	20,485	21,416	22,059	22,720	11,701	56,480	\$ 1.25	\$ 70,600		
Cases (300+)	16,070	1,000	17,070	17,846	18,381	18,933	9,750	47,064	\$ 0.75	\$ 35,298		
Minimum (upcharge)	418	0	418	437	450	464	239	1,152	\$ 13.50	\$ 15,558		
Cases relabeled	14,674	2,133	16,807	17,571	18,098	18,641	9,600	46,399	\$ 1.00	\$ 46,399		

.....5/2011-4/2012.....								SUPPLIER	APPENDIX D		NHSLC	APPENDIX D-1		
				Est. Beginning	EST. VOLUME OVER INITIAL 30 MONTH TERM				Total Est.	Proposed	Total	Total Est.	Proposed	Total
				Volume					Volume	Contract	Estimated	Volume	Contract	Estimated
Minimum (upcharge)	NASHUA WHSE	CONCORD WHSE	TOTAL VOLUME	20	20	21	11	52	\$ 15.00	\$ 786				
Duplicate labels	265	0	265	277	285	294	151	731	\$ -	\$ -				
Min Invoice Upcharges	67	0	67	70	72	74	38	185	\$ -	\$ -				
										\$ 736,066				
										\$ 27,990,405				

- The Total Estimated Costs represent "contract costs" over the first 2.5 years. The noted \$28M is not an annual representation.
- The Proposed Contract Rates were as submitted with the proposal and do not reflect necessary changes for volume, etc.
- Cells highlighted in yellow indicate a rate was not provided. If a further break-down was required, the other rates would adjust to still deliver the Total Exel proposed Budget.
- Our assumption is based upon the fact that storage is charged in 14 day periods. We assumed the 24M cases as reflected above is the sum of 26 14-day periods of cases on hand.
- Our storage rates are predicated upon the provided avg on-hand cases at any given time - approximately 800K.
- There are no charges to NHSLC based upon the submitted/proposed rates.
- Future costs are impacted by three (3) factors: cost inflation, volume changes and changes in profile. Volume changes and profile changes are under the control of NHSLC. We are unable to predict cost of inflation accurately, therefore, none of these potential impacts to costs are reflected in our rates.

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, June 29, 2012 4:58 PM
To: Greg Foreman (EXEL US)
Cc: Scott.Lyons@exel.com
Subject: Exel Revised Template & Answers to Exercise Questions
Attachments: RFP2012-14 Rate Calculation Template - revised.xls

Dear Vendor:

For the purposes of this exercise, below are the answers to questions posed by the vendors as a result of reviewing our original email with our template.

See attached template with revised volumes highlighted in yellow. Be careful to note that even though there are subtotals, in certain categories there may be a mix of cases and pallets (e.g. there are not 19 million cases in storage; this sub-total is blended between cases and pallets).

Quantities shown under each category are reflective of the estimated product shipped, stored, or otherwise handled as noted. For example, under Storage, 1-84 days, 14 million plus cases were received and stored for between 1 and 84 days.

Feel free to enter any formulas required to provide total estimated cost (e.g. Estimated Volume X Proposed Contract Rates = Total Estimated Cost).

Outbound activities include preparing orders which include picking, packing and loading.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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5/2011

NASHUA WHSE

INBOUND HANDLING SUMMARY:

1 - 180 cases per code	1,723,575
181 - 299 cases per code	453,332
300 - 670 cases per code	936,930
670+ cases per code	733,788
Pallet Packs	1,781
Cases uncoded or unsaleable	2,153
Case Returns	1,645
Pallet Returns	5
Bottle Returns	142
TOTAL INBOUND HANDLING:	3,853,351

STORAGE SUMMARY:

Cases 1 - 84 Days	14,768,898
Cases 85 - 182 Days	2,634,122
Cases 183 - 365 Days	957,777
Cases 365+ Days	561,893
Cases on Hold Status <365	202,634
Cases on Hold Status >365	26,333
Allocated products <84	24,266
Allocated products >85	12,858
Pallet Packs 1-84	7,104
Pallet Packs 85-182	2,520
Pallet Packs 183-365	1,275
Pallet Packs 365+	762
Pallets on Hold Status <365	412
Pallets on Hold Status >365	5
TOTAL STORAGE:	19,200,859

OUTBOUND SUMMARY:

Single Bottle	536,536
Automatic Orders (Cases)	3,762,862
Non-Automatic Orders (Cases)	18,308
Automatic Orders (Cases) - out of state	30,992
TOTAL OUTBOUND:	3,812,162

ACCESSORIAL SUMMARY:

Advertising Material	HNDLG PER CASE - SMALL	48
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	HNDLG PER CASE - LARGE	173
	STRG PER CASE - SMALL	48
	STRG PER CASE - LARGE	173
	REC STRG PER CASE - SMALL	48
	REC STRG PER CASE - LARGE	2,326
	NON-AUTO MIN UPCHARGE	31
Blankets	HANDLING / BLANKET	418
	STORAGE / BLANKET	695
Extra Labor & Equipment	W/H LABOR - REG	315
	W/H LABOR - OT	0
	W/H MAN & EQUIP - REG	8
	W/H MAN & EQUIP - OT	0
	OFFICE - REG	3
	OFFICE - OT	0
Physical Inventory	Cases - SUPPLIERS	623,686
	Bottle Charge	13,788
	Case Charge - NHSLC	15,592
Special Reports	PER REPORT/LIST	16
Destruction	PER CASE (0 to 55)	1,384
	PER CASE 56+	5,538
Labeling	Cases (0 to 55)	9,145
	Cases (56 to 99)	10,228
	Cases (100 to 299)	18,362
	Cases (300+)	16,070
	Minimum (upcharge)	418
Relabeling	Cases relabeled	14,674
	Minimum (upcharge)	19
Duplicate Labels	Duplicate labels	265
Min Invoice Chg	Min Invoice Upcharges	67

-4/2012	Est. Beginning		
TOTAL VOLUME	Volume	EST. VOLUME OVER INITIAL 30	
	11/1/2013	1st 12 months	2nd 12 months
1,723,575	1,801,911	1,855,969	1,911,648
453,332	473,936	488,154	502,799
936,930	979,513	1,008,899	1,039,166
733,788	767,139	790,153	813,857
1,781	1,862	1,918	1,975
2,153	2,251	2,318	2,388
1,645	1,720	1,771	1,824
5	5	5	6
142	148	153	157
3,853,351	4,028,486	4,149,340	4,273,821
14,768,898	15,440,144	15,903,349	16,380,449
2,634,122	2,753,843	2,836,458	2,921,552
957,777	1,001,308	1,031,347	1,062,288
561,893	587,431	605,054	623,206
202,634	211,844	218,199	224,745
26,333	27,530	28,356	29,206
24,266	25,369	26,130	26,914
12,858	13,442	13,846	14,261
7,104	7,427	7,650	7,879
2,520	2,635	2,714	2,795
1,275	1,333	1,373	1,414
762	797	821	845
412	431	444	457
5	5	5	6
19,200,859	20,073,538	20,675,744	21,296,017
536,536	560,922	577,749	595,082
3,762,862	3,933,884	4,051,901	4,173,458
18,308	19,140	19,714	20,306
30,992	32,401	33,373	34,374
3,812,162	3,985,425	4,104,988	4,228,137
48	50	52	53

173	181	186	192
48	50	52	53
173	181	186	192
48	50	52	53
2,326	2,432	2,505	2,580
31	32	33	34
418	437	450	464
695	727	748	771
315	329	339	349
0			
8	8	9	9
0			
3	3	3	3
0			
623,686	652,033	671,594	691,741
13,788	14,415	14,847	15,293
15,592	16,301	16,790	17,293
16	17	17	18
1,384	1,447	1,490	1,535
5,538	5,790	5,963	6,142
9,145	9,561	9,847	10,143
10,228	10,693	11,014	11,344
18,362	19,197	19,772	20,366
16,070	16,800	17,304	17,824
418	437	450	464
14,674	15,341	15,801	16,275
19	20	20	21
265	277	285	294
67	70	72	74

MONTH TERM	Total Est. Volume	Proposed Contract	Total Estimated
Last 6 months	(1st 30 Months)	Rates	Cost

984,499	4,752,115
258,941	1,249,894
535,170	2,583,235
419,137	2,023,147
1,017	4,910
1,230	5,936
940	4,535
3	14
81	392

2,201,018	10,624,179
-----------	------------

8,435,931	40,719,729
1,504,599	7,262,609
547,078	2,640,713
320,951	1,549,210
115,744	558,688
15,041	72,603
13,861	66,904
7,344	35,451
4,058	19,587
1,439	6,948
728	3,515
435	2,101
235	1,136
3	14

10,967,449	52,939,209
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306,467	1,479,298
2,149,331	10,374,689
10,457	50,477
17,702	85,449

2,177,491	10,510,615
-----------	------------

27	132
----	-----

99	477
27	132
99	477
27	132
1,329	6,413
18	85
239	1,152
397	1,916
180	868
5	22
2	8
356,247	1,719,582
7,876	38,015
8,906	42,989
9	44
791	3,816
3,163	15,269
5,224	25,214
5,842	28,200
10,488	50,626
9,179	44,307
239	1,152
8,382	40,458
11	52
151	731
38	185

From: Greg Foreman (EXEL US) <greg.foreman@exel.com>
Sent: Friday, June 29, 2012 2:24 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Robert Rujevcan (EXEL US)
Subject: new template - Exel

Hi Craig

Please copy me on all correspondence to Scott Lyons over the next 4 days as he is on vacation until Tuesday. Thank you

Regards

Greg Foreman

cel (780) [REDACTED]

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, June 29, 2012 8:26 AM
To: Scott.Lyons@exel.com
Subject: Exel - RFP 2012-14 Rate Calculation Template

Dear Vendor:

We have found several inaccuracies in the template volumes we sent you on Wednesday, 6/27. We have also received several questions regarding the template itself. We are in the process of correcting the template and will forward a revised template to you by close of business today.

Due to this situation, we are extending your deadline to noon on Tuesday, July 3, 2012.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Craig W. Bulkley
Sent: Wednesday, June 27, 2012 4:35 PM
To: Scott Lyons (EXEL CA) (Scott.Lyons@exel.com)
Subject: RFP 2012-14 Rate Calculation Template

Dear Vendor –

Attached please find a template which we must have filled out and returned to us by noon on Monday July 2, 2012. The very same email is being sent to all vendors in order to evaluate the effect of the proposed costs on suppliers and the NHSLC given a consistent volume base.

We have included estimates of the most recent total volumes of activity in each of the categories identified in Appendix D of the RFP. We have also included estimates of the most recent material total volumes of activity in each of the categories identified in Appendix D-1. Because all vendors are receiving the same estimates do not change any of the volume estimates provided in the template.

In addition we have estimated total volumes for the same categories over the first 30 month term (from Nov 1, 2013 thru April 30, 2016). Utilizing these volumes please insert your rates in each category and calculate the respective costs in each category. The evaluation committee reserves the right to repeat this exercise and request lower rates, but at this time use the rates from your original proposal.

For each of the seven subsequent 30 month periods of the contract please provide us with estimates of any changes in rates as a percentage over your initial rate as well as the justification or basis for your estimate. For example, in section 1.10.4 of the RFP we requested that rate changes be based on the CPI for the previous 12 months, you may indicate you are estimating the percentage rate change by projecting the CPI.

With regard to revenue sharing proposals, please utilize the estimated volumes, and in a separate document, identify and quantify the revenue sharing calculation to the State for the first 30 month period. Please identify any estimated changes in each of the subsequent 30 month periods.

Please note the attached spreadsheet has two tabs that need to be completed, unless you have already taken an exception in your proposal dated on or before June 7, 2012, to the two warehouse model.

If you have any questions or comments, please send me an email.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
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NH State Liquor Commission
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From: Greg Foreman (EXEL US) <greg.foreman@exel.com>
Sent: Thursday, June 28, 2012 5:55 PM
To: Craig W. Bulkley
Cc: Scott Lyons (EXEL CA); Robert Rujevcan (EXEL US); Steve Hess (EXEL US); Gurjeet Singh (Exel CA); Omer Rashid (Exel CA)
Subject: Questions from Exel

Hi Craig

Scott is on vacation for the next few days

In order for us to complete the template that you sent Scott yesterday, we have 4 questions that require some clarity please.

1. Can you please confirm that the on hand storage inventory is 19 million cases ?
2. Can you please clarify whether the 74 000 cases received as full pallet loads (as shown in the inbound section) is actually total cases or do you receive 74 000 pallets ?
3. Can you please confirm what activities are included in your definition of "out bound".
4. If we use the volume numbers provided in the template, it assumes a 3 % growth in volume, when we model this it increases the size of our building from 150 000 square feet to just over 200 000 square feet. As a result we will need to adjust our rates to accommodate this. Please confirm that we are able to do this ?

Regards

Greg Foreman
Vice President Operations
North America

cel (780) [REDACTED]

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Wednesday, June 27, 2012 4:35 PM
To: Scott.Lyons@exel.com
Subject: To Exel - RFP 2012-14 Rate Calculation Template
Attachments: RFP2012-14 Rate Calculation Template.xls

Dear Vendor –

Attached please find a template which we must have filled out and returned to us by noon on Monday July 2, 2012. The very same email is being sent to all vendors in order to evaluate the effect of the proposed costs on suppliers and the NHSLC given a consistent volume base.

We have included estimates of the most recent total volumes of activity in each of the categories identified in Appendix D of the RFP. We have also included estimates of the most recent material total volumes of activity in each of the categories identified in Appendix D-1. Because all vendors are receiving the same estimates do not change any of the volume estimates provided in the template.

In addition we have estimated total volumes for the same categories over the first 30 month term (from Nov 1, 2013 thru April 30, 2016). Utilizing these volumes please insert your rates in each category and calculate the respective costs in each category. The evaluation committee reserves the right to repeat this exercise and request lower rates, but at this time use the rates from your original proposal.

For each of the seven subsequent 30 month periods of the contract please provide us with estimates of any changes in rates as a percentage over your initial rate as well as the justification or basis for your estimate. For example, in section 1.10.4 of the RFP we requested that rate changes be based on the CPI for the previous 12 months, you may indicate you are estimating the percentage rate change by projecting the CPI.

With regard to revenue sharing proposals, please utilize the estimated volumes, and in a separate document, identify and quantify the revenue sharing calculation to the State for the first 30 month period. Please identify any estimated changes in each of the subsequent 30 month periods.

Please note the attached spreadsheet has two tabs that need to be completed, unless you have already taken an exception in your proposal dated on or before June 7, 2012, to the two warehouse model.

If you have any questions or comments, please send me an email.



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Director
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.....5/2011-4/2012.....

NASHUA WHSE CONCORD WHSE TOTAL VOLUME

Est. Beginning

Volume EST. VOLUME

INBOUND HANDLING SUMMARY:

11/1/2013 1st 12 months

1 - 180 cases per code	1,723,575	497,304	2,220,879
181 - 299 cases per code	453,332	126,736	580,068
300 - 670 cases per code	936,930	225,353	1,162,283
670+ cases per code	733,788	345,874	1,079,662
Pallet Packs	74,213	0	74,213
Cases uncoded or unsaleable	2,153	360	2,513
Case Returns	1,645	0	1,645
Pallet Returns	138	0	138
Bottle Returns	142	0	142
TOTAL INBOUND HANDLING:	3,925,916	1,195,627	5,121,543

2,321,818	2,391,472
606,432	624,625
1,215,109	1,251,562
1,128,733	1,162,595
77,586	79,914
2,627	2,706
1,720	1,771
144	149
148	153
5,354,317	5,514,947

STORAGE SUMMARY:

Cases 1 - 84 Days	14,768,898	3,529,353	18,298,251
Cases 85 - 182 Days	2,634,122	309,589	2,943,711
Cases 183 - 365 Days	957,777	96,580	1,054,357
Cases 365+ Days	561,893	36,836	598,729
Cases on Hold Status <365	202,634	0	202,634
Cases on Hold Status >365	26,333	0	26,333
Allocated products <84	24,266	0	24,266
Allocated products>85	12,858	0	12,858
Pallet Packs 1-84	293,249	0	293,249
Pallet Packs 85-182	102,384	0	102,384
Pallet Packs 183-365	55,778	0	55,778
Pallet Packs 365+	33,064	0	33,064
Pallets on Hold Status <365	11,384	0	11,384
Pallets on Hold Status >365	172	0	172
TOTAL STORAGE:	19,684,812	3,972,358	23,657,170

19,129,907	19,703,804
3,077,503	3,169,828
1,102,278	1,135,346
625,941	644,719
211,844	218,199
27,530	28,356
25,369	26,130
13,442	13,846
306,577	315,774
107,037	110,248
58,313	60,063
34,567	35,604
11,901	12,258
180	185
24,732,388	25,474,360

OUTBOUND SUMMARY:

Single Bottle		536,536	-	536,536	560,922	577,749
Automatic Orders (Cases)		3,762,862	1,207,894	4,970,756	5,196,677	5,352,577
Non-Automatic Orders (Cases)		18,308	4,416	22,724	23,757	24,470
Automatic Orders (Cases) - out of state		30,992		30,992	32,401	33,373
	TOTAL OUTBOUND:	4,348,698	1,212,310	5,561,008	5,813,756	5,988,168
ACCESSORIAL SUMMARY:						
Advertising Material	HNDLG PER CASE - SMALL	48	-	48	50	52
	HNDLG PER CASE - LARGE	173	0	173	181	186
	STRG PER CASE - SMALL	48	0	48	50	52
	STRG PER CASE - LARGE	173	0	173	181	186
	REC STRG PER CASE - SMALL	48	0	48	50	52
	REC STRG PER CASE - LARGE	2,326	0	2,326	2,432	2,505
	NON-AUTO MIN UPCHARGE	31	0	31	32	33
Blankets	HANDLING / BLANKET	418	0	418	437	450
	STORAGE / BLANKET	695	0	695	727	748
Extra Labor & Equipment	W/H LABOR - REG	315	15	330	345	355
	W/H LABOR - OT	0	0	0		
	W/H MAN & EQUIP - REG	8	0	8	8	9
	W/H MAN & EQUIP - OT	0	0	0		
	OFFICE - REG	3	1	4	4	4
	OFFICE - OT	0	0	0		
Physical Inventory	Cases - SUPPLIERS	623,686	132,732	756,418	790,797	814,521
	Bottle Charge	13,788	0	13,788	14,415	14,847
	Case Charge - NHSLC	15,592	0	15,592	16,301	16,790
Special Reports	PER REPORT/LIST	16	0	16	17	17
Destruction	PER CASE (0 to 55)	1,384	0	1,384	1,447	1,490
	PER CASE 56+	5,538	0	5,538	5,790	5,963
Labeling	Cases (0 to 55)	9,145	960	10,105	10,564	10,881
	Cases (56 to 99)	10,228	1,132	11,360	11,876	12,233
	Cases (100 to 299)	18,362	2,123	20,485	21,416	22,059
	Cases (300+)	16,070	1,000	17,070	17,846	18,381
	Minimum (upcharge)	418	0	418	437	450
Relabeling	Cases relabeled	14,674	2,133	16,807	17,571	18,098

Duplicate Labels	Minimum (upcharge)	19	0	19	20	20
Min Invoice Chg	Duplicate labels	265	0	265	277	285
	Min Invoice Upcharges	67	0	67	70	72

OVER INITIAL 30 MONTH TERM		Total Est. Volume	Proposed Contract	Total Estimated	Total Est. Volume
2nd 12 months	Last 6 months	(1st 30 Months)	Rates	Cost	(1st 30 Months)
2,463,217	1,268,557	6,123,246			40,000
643,364	331,332	1,599,321			
1,289,109	663,891	3,204,562			
1,197,472	616,698	2,976,765			
82,311	42,390	204,615			
2,787	1,435	6,929			
1,824	940	4,535			50
153	79	380			
157	81	392			
5,680,395	2,925,403	14,120,745			
20,294,918	10,451,883	50,450,604			12,000
3,264,923	1,681,435	8,116,185			11,000
1,169,406	602,244	2,906,996			12,000
664,061	341,991	1,650,772			
224,745	115,744	558,688			
29,206	15,041	72,603			
26,914	13,861	66,904			
14,261	7,344	35,451			
325,248	167,503	808,525			
113,556	58,481	282,286			
61,864	31,860	153,787			
36,672	18,886	91,162			
12,626	6,502	31,387			
191	98	474			
26,238,591	13,512,874	65,225,825			

595,082	306,467	1,479,298	1,479,298
5,513,154	2,839,275	13,705,006	13,705,006
25,204	12,980	62,653	62,653
34,374	17,702	85,449	-
6,167,814	3,176,424	15,332,406	

53	27	132
192	99	477
53	27	132
192	99	477
53	27	132
2,580	1,329	6,413
34	18	85
464	239	1,152
771	397	1,916
366	188	910
9	5	22
4	2	11
838,957	432,063	2,085,541
15,293	7,876	38,015
17,293	8,906	42,989
18	9	44
1,535	791	3,816
6,142	3,163	15,269
11,208	5,772	27,861
12,600	6,489	31,321
22,720	11,701	56,480
18,933	9,750	47,064
464	239	1,152
18,641	9,600	46,339

21	11	52
294	151	731
74	38	185

Scott Lyons (EXEL CA)

From: Scott Lyons (EXEL CA) [Scott.Lyons@exel.com]
Sent: Wednesday, June 27, 2012 8:03 AM
To: Craig W. Bulkley
Cc: Greg Foreman (EXEL US); Fred Takavitz (Exel US)
Subject: RE: Tentative Schedule
Attachments: LOI - Audley Land 062512.doc

We look forward to meeting with the evaluation committee the week of the 16th.

We would like to host the evaluation committee for a site tour of our operations in Alberta. We believe a tour would give the committee to opportunity to better understand our operational and systems capabilities. Also, the committee would have the opportunity to meet with the Alberta Gaming and Liquor Commission. They would be able to shed more light on our 17 year relationship and how the commercial model works in Alberta.

Attached please find a copy of the LOI sent to Sam Audley.

We continue our research into the case labeling. We confirmed that in Alberta we are relabeling less than 5% of cases. We also confirmed that relabeling is not required for cases arriving into Ontario. We are checking with folks at our affiliate Gorgio Gori to better understand if there are different processes in the producing countries for product destined into Canada versus the United States. I hope to hear back from them shortly. We utilized an assumption of 2% cases requiring relabeling in our costing. This was based in part on our experience in Alberta and Ontario, and the answer provided to question 59 from the May 1st Q&A:

- Question 59: What is the breakdown on inbound cases arriving with the appropriate New Hampshire labels affixed to each case, i.e. what is the percentage of cases requiring labeling or relabeling?
- Answer: Less than 2% need labeling or re-labeling at the Concord warehouse.

If appropriate we will revisit this assumption, but we would need guidance from the NHSLC regarding a more appropriate estimate of relabeling requirements.

It is our understanding from your note below that the evaluation committee is working to compare the total cost of the bidders' submissions. To assist with these efforts we would suggest the commission provides assumptions for the following areas that all proponents need to utilize:

- Growth in case volume by year
- Inbound volumes by cases and pallet
- Volume of cases and pallet in storage across the 4 age buckets
- Outbound volumes by cases and pallet
- Volumes of cases requiring relabeling

We stand ready to quickly turn around provide the financial cost projections.

Cheers,
Scott Lyons

Telephone: 905 366-7691

Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 26, 2012 1:27 PM

To: Scott Lyons (EXEL CA)
Subject: Tentative Schedule

Scott:

Thank you for spending time with us last week. The Evaluation Committee is still in its initial phase. We wanted to let you know that our first opportunity to meet with you will be during the week of July 16th.

We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

Please confirm receipt.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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Redacted

Redacted

Redacted

Redacted

Redacted

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Tuesday, June 26, 2012 1:27 PM
To: Scott.Lyons@exel.com
Subject: Exel - Tentative Schedule

Scott:

Thank you for spending time with us last week. The Evaluation Committee is still in its initial phase. We wanted to let you know that our first opportunity to meet with you will be during the week of July 16th.

We expect to send you an email tomorrow that will require you to use numbers that we will provide to perform financial cost projections based on specific volumes and your proposed rates. I understand that this is a bit vague, but tomorrow's email will clarify things.

Please confirm receipt.



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Craig W. Bulkley
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, June 25, 2012 1:22 PM
To: Craig W. Bulkley
Cc: Steve Hess (EXEL US); Greg Foreman (EXEL US); Gurjeet Singh (Exel CA); Robert Rujevcan (EXEL US); Robert Maclellan (EXEL US); Steve Turchan (EXEL US); Sally Miller (EXEL US); Fred Takavitz (Exel US)
Subject: Exel - Phone Meeting Next Week

In preparation for our meeting at 2:00 here are answers to the majority of the questions listed below.

1. Real Estate, more specifics regarding our preferred site(s) and where we are in terms of securing a solution
 - We have submitted a letter of intent to the owner of the [REDACTED] site in the town Bow
2. Labeling, including how we plan to track different vintages and handle the labeling process. The suppliers cannot properly label cases
 - Exel will use the UPC (Universal Product Code) on the case to cross reference to a SKU in the WMS. This cross reference is done behind the scenes by Exel and will not access NHSLC systems – therefore, no labeling on the case will need to be done from our perspective. Bottle labeling can be done as a value added service and charged to the Agent if the labeling does not meet state requirements – we do this today at Connect. Vintages can be tracked by one of two methods – first method is to have each vintage listed as a separate SKU and sorted by vintage at the point of receiving. Once each vintage is a separate SKU we have full control over it's movement based on parameters that can be set up in the WMS. The second method is to keep the same SKU but physically locate it in a separate pick face – we can turn that pick face on and off as required by the Agent or State to ensure the cases picked and shipped are the correct vintage.
3. Systems integration, recognizing that the PA 'standard' is not desirable
 - We believe our responses to the questions provided on Jun 18th cover off systems integration, but if more discussion is required we would be happy to link up our respective IT teams
4. Communication lines into the proposed facility
 - The requirement for fiber optic cable is understood and will be included in the specifications for the building
5. Review the Concept of Operations, 'what happens when a truck backs up to the receiving dock'? How do we plan to ship mixed pallets with different case sizes? Receiving product and getting inventory into the system; can take as long as 18 hours in the existing process.
 - Prior to a truck backing up to the dock it must go through our security gate and be recorded in the WMS against an existing appointment and a Purchase Order. The Inbound truck will be assigned a door based on the load contents, considerations for door assignment include – where the product will be stored in the facility, the mix of the load (will it require a large floor area to sort the product), quantity On Hand (do we need this product immediately for picking), VAS, etc.
 - Once the trailer has been assigned a door, the receiver and unloader will work together to receive the product. In the case of mixed SKU's – each SKU will be unloaded and sorted to a separate pallet – each SKU will be verified through the Quality Control Process (checked for labeling, damage and if a new SKU go through IC) and also verified against the PO for correct quantity. Each pallet will have a generic barcode attached on 2 sides for identifying the pallet through the warehouse. Each of the pallet barcodes will be scanned with an RF Gun and all the information for that pallet will be associated to that barcode including SKU, Quantity, Ti X HI, Code Date, etc – some of this is automatically populated, other fields are confirmed by the receiver on the RF Gun and some information is manually entered into the RF Gun. Once the load is complete, the PO will be compared against the receiver inputs and a validation (Over, Short & Damage)

report will be automatically generated. If there is a discrepancy – Inventory Control and the Receiving Supervisor will be notified to correct the discrepancy or make an adjustment within the system. If there is no discrepancy, the load will be confirmed in the WMS and the PO closed. Receiving into the WMS can be done on a pallet by pallet basis or as an entire load (PO). The receiving information is uploaded into the WMS at least every 15 minute; therefore, visibility of the product will be available within 15 minutes of the load being completed and verified.

- Once the product has been received, putaway will begin. Putaway is directed by the WMS based on product requirements and parameters set up in the WMS. The putaway driver will scan the barcode on the pallet or pallets and the WMS will provide a location(s) in the warehouse to put the product away. The location could be a reserve location, a pick face or an outbound staging lane depending on certain criteria.
- Once the product is putaway the receiving cycle is completed.
- Mixed Pallets with different case sizes will be picked on a double pallet jack. Every other layer on the pallet is tied with string to ensure the product does not slide or fall while the Order Selector is building his / her pallets. Once the order(s) have been picked the Order Selector will travel to the checking area where each pallet may be confirmed for correct quantity and SKU's. This is completed by a Checker who scans all the UPC's on each pallet with an RF Gun. The audit is done by comparing the original pick assignment against what the checker has scanned. If a discrepancy exists the pallet(s) will be moved to a "trouble area" where the IC staff will work with the Order Selector to correct the pick assignment. Once the pick assignment is deemed to be correct, each pallet is machine wrapped in order to prevent load shifting and keep the integrity of the pallet and cases for shipment to the retail store.

6. Plan to handle customer pickups at the DC

- Customer pickups at the DC will be completed using a number of staging locations where each order can be staged awaiting pick up. Once an order has been picked that order will be designated a staging location where all cases / kegs will be staged awaiting pick up. Again the order is tracked through the WMS so that when a customer arrives to pick up we can easily identify where the order is staged. Depending on the quantity of cases that the order contains, different loading methods will be employed to assist the customer with loading. Each order will have a manifest that lists the SKU, description of the product and the quantity. This manifest can be used by the loader / customer to verify each case / bottle is present. Entrance and exit for customer pick will be controlled through the security gate and a separate traffic flow.

7. Review productivity assumptions in the bottle pick area

- Bottle Pick productivity is set at [REDACTED] units per productive hour. If anything, based on our experience at other operations this may be conservative for this type of operation.

8. Confirm our plans around inbound appointments

- Inbound appointments will be made by agents / carriers in order to bring product into the facility. Typically agents would be given allotments per week / day depending on volume. Exel will work with agents to ensure everything possible is done to receive the product on a timely basis in order to avoid demerge, shorts and damage to the product. The idea of appointments is to balance the receiving volume over the course of a day or week so that the warehouse can staff appropriately and turn doors as needed. Exel's objective would be to have carriers arrive within 15 minutes of their scheduled time; however, we understand that it is not always possible to do so. No carrier will be turned away; however, if a carrier misses his / her appointment they may have to wait a reasonable time to get fit into the receiving day. Exel will publish receiving reports and inform carriers / agents of their On Time Performance. We will work with the carriers / agents to help them better achieve 100% On Time Performance and eliminate driver wait time.

9. Clarity around what a driver is to do (and where he goes) when his trailer is being loaded or unloaded

- Exel has assumed a Warehouse Load / Unload process in which the driver will not participate. The drivers will be asked to wait in a Driver's lounge where seating, restrooms and vending will be available while their trailer / truck is being loaded or unloaded. The driver will have the opportunity to check his / her load prior to departure; however, for the most part Exel will ask that the Driver be in a secured area off the warehouse

floor. There may be instances where a driver must visually check the unload or load of his / her vehicle. In these cases the drivers will be given an area of confinement in order to do this.

10. Review the concept of 'free storage' for product that the State may procure. Could be as much as 35,000 cases
 - On our call at 2:00 pm, we would like to discuss our alternate proposal and the benefits for the Commission from looking at the distribution operations as a profit center
11. Review the requirement for rate guarantee in the first 30 months
 - On our call at 2:00 pm, we would like to discuss our alternate proposal and what our experience is the best commercial structure to minimize the cost of running the distribution operations
12. Modify our assumption for 1.9% growth rate, use 4% annual case count growth
 - We are finalizing our models and will have revised building sizing and costs shortly
13. Revise the proposed project timeline to reflect a October 2013 shipping date
 - The project timeline presented in our proposal reflects shipping to stores commencing the first week of September. Consequently, we believe a start shipping date of October 2013 is quite doable. We would suggest updating the project timeline – and in fact establishing the actual project plan for this startup – in the coming weeks as we both commit to dates around contract execution and we gain absolute clarity on the permitting process for the build to suit

We look forward to speaking with you and you colleagues at 2:00.

Cheers,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Fred Takavitz (Exel US)
Sent: Friday, June 22, 2012 12:53 PM
To: Craig W. Bulkley
Cc: Steve Hess (EXEL US); Greg Foreman (EXEL US); Scott Lyons (EXEL CA)
Subject: Phone Meeting Next Week

Craig,

Thanks to you and others for the time spent with us in Concord yesterday. We would like to set up a call next week to answer the questions that were posed, but not sufficiently answered, in yesterday's meeting. Can you let us know when the NSHLC team would be available to meet with us on Monday, Tuesday or Wednesday next week?

We will be prepared respond to the following points and any other questions that the NSHLC team may have:

14. Real Estate, more specifics regarding our preferred site(s) and where we are in terms of securing a solution
15. Labeling, including how we plan to track different vintages and handle the labeling process. The suppliers cannot properly label cases
16. Systems integration, recognizing that the PA 'standard' is not desirable
17. Communication lines into the proposed facility
18. Review the Concept of Operations, 'what happens when a truck backs up to the receiving dock'? How do we plan to ship mixed pallets with different case sizes? Receiving product and getting inventory into the system; can take as long as 18 hours in the existing process.
19. Plan to handle customer pickups at the DC
20. Review productivity assumptions in the bottle pick area

21. Confirm our plans around inbound appointments
22. Clarity around what a driver is to do (and where he goes) when his trailer is being loaded or unloaded
23. Review the concept of 'free storage' for product that the State may procure. Could be as much as 35,000 cases
24. Review the requirement for rate guarantee in the first 30 months
25. Modify our assumption for 1.9% growth rate, use 4% annual case count growth
26. Revise the proposed project timeline to reflect a October 2013 shipping date

Have a great weekend, Craig.

From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Friday, June 22, 2012 12:53 PM
To: Craig W. Bulkley
Cc: Steve Hess (EXEL US); Greg Foreman (EXEL US); Scott Lyons (EXEL CA)
Subject: Phone Meeting Next Week

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11. Review the requirement for rate guarantee in the first 30 months
12. Modify our assumption for 1.9% growth rate, use 4% annual case count growth
13. Revise the proposed project timeline to reflect a October 2013 shipping date

Have a great weekend, Craig.

From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 5:55 PM
To: Nicholas K. Holmes
Subject: Exel Emails - Part XXIV
Attachments: Exel - Warehouse Services RFP 2012-14 - Exel Response; Exel - Site Tour - 6/21; Exel - Site Tour - 6/21; Exel - Site Tour - 6/21; Exel - Facility/Land Tour; Exel - Warehouse Services RFP 2012-14; To Exel - Warehouse Services RFP 2012-14; Exel - Facility/Land Tour; Warehouse Services RFP 2012-14

Categories: Green Category

Last batch – 24 of 24 emails



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Craig W. Bulkley
Chief of Administration
NH State Liquor Commission
 (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
 cbulkley@liquor.state.nh.us

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Thursday, June 21, 2012 11:19 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); Steve Hess (EXEL US); Tony Femia (Exel US); Robert Rujevcan (EXEL US); Steve Turchan (EXEL US); Robert Maclellan (EXEL US)
Subject: Exel - Warehouse Services RFP 2012-14 - Exel Response
Attachments: Reply to Questions from NHSLC Regarding RFP 2012-14 on Jun 18, 2012.docx; Exel Integration Standards.docx; NHSLC Interfaces_Standard_vs_Custom.xlsx

Attached please find a letter outlining our responses to the questions below and two attachments to help answer the questions related to IT.

Thank-you,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, June 18, 2012 3:39 PM
To: Scott Lyons (EXEL CA)
Cc: John D. Bunnell; George P. Tsiopras; Judge, Steve
Subject: Warehouse Services RFP 2012-14

Scott:

As we previously notified you by email, the Evaluation Committee is performing its initial analysis. We have several questions about your proposal. In order to expedite the process, we would like your answers to our questions by email by Friday, June 22nd.

Please do not draw any conclusions from the following questions. They are asked in order to confirm that we understand specific parts of your proposal. Do not assume that our questions bring any weight to that part of your proposal about which we have asked. In other words, take the questions at face value and just answer them as completely and with as much detail as possible.

Our questions are as follows:

1. Do you subscribe to "open data Standards"
2. Do you have "open data formats" as part of your proposals?
3. Does your proposal include all licenses required to operate hardware/software?
4. Does your proposal include maintenance for all hardware/software?
5. Does your proposal rely on customized interfaces to integrate with the NHLC existing applications?
6. You recognize in your proposal that the incumbent has an agreement with the owner of the Seabrook site. You acknowledge that the Seabrook owner will not communicate with you. You predict that the Seabrook owner will reach an agreement with you if the incumbent is not chosen. What is the basis for such a prediction when you have had no communication with the owner?
7. In addition, the Seabrook site is 495,000 square feet. You have proposed a 150,000 square foot warehouse. Please explain why the owner of Seabrook would agree to lease a small portion of its site to you.
8. Please provide the location you intend to use for your warehouse if the Seabrook site is not available.

9. In your proposal on Page 14, you indicate that you researched an option to build your facility in Concord, NH and that land was available. Please provide us with a construction schedule that establishes that the facility will be operational on or before October 31, 2013. The schedule must include a list of all permits required with a timetable for acquiring them. It must also include a schedule for construction and infrastructure, particularly automation. In addition to the schedule requested above, please provide us with the names of all subcontractors that will be responsible for construction and infrastructure.
10. What are your projections for volumes by month in each of the pricing categories included in Appendices D and D-1 for the first 30 months of this contract and each subsequent 30-month period through the end of the contract? Please explain the basis for your projection. Please address only the basic bailment charges: inbound handling, storage, and outbound order processing/reporting. For example, in the first month of the contract, how many cases do you assume will be inbound in the category of codes of 1-180?
11. In Section 3.0.12, Page 26, the RFP requires that the proposal shall list separately all charges which could be incurred by the NHSLC and all charges which could be incurred by the suppliers in the operation of the warehouse. Are all charges included in Appendix D and D-1? Specifically, identify where a charge, if any, for outbound handling is located. For example, outbound handling may already be included in the charge for inbound handling.



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Craig W. Bulkley
Director
Division of Administration
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570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
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www.exel.com

Jun 22, 2012

Mr. Craig W. Buckley
Director Division of Administration
NH State Liquor Commission
P.O. Box 503
Concord, NH, 03302-0503

VIA Email: cbulkley@liquor.state.nh.us

Reference: RFP 2012-14 – Warehouse Services for Spirits & Wine Product

Dear Mr. Buckley,

Below please find Exel's answers to the questions posed by the Commission on Jun 18, 2012.

1. Do you subscribe to "open data Standards"

Answer:

Exel subscribes to all leading data exchange standards. We also have substantial flexibility to meet the specific requirements of our broad range of customers. Please refer to the attached document (Exel Integration Standards.docx) detailing not only the data standards supported by Exel, but also our philosophy in how we connect with our customers' systems.

2. Do you have "open data formats" as part of your proposals?

Answer:

Yes the open data formats are part of our proposal.

3. Does your proposal include all licenses required to operate hardware/software?

Answer:

Yes our proposal includes the cost of all licenses to operate the hardware/software

4. Does your proposal include maintenance for all hardware/software?

Answer:

Yes our proposal includes maintenance for all hardware/software.

5. Does your proposal rely on customized interfaces to integrate with the NHLC existing applications?

Answer:

Page 1 of 5



570 Polaris Parkway
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43082
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www.exel.com

Based upon NHSLC's requirements, we have identified 25 data exchange interfaces --- 12 are standard Exel interfaces and 13 will require some customization. However, Exel deploys IBM's Websphere Transformation Extender, which enables rapid integration development without the need to write interface programs. Please refer to attached document (NHSLC Interfaces Standard vs. Custom.xlsx) for itemized interface details.

6. You recognize in your proposal that the incumbent has an agreement with the owner of the Seabrook site. You acknowledge that the Seabrook owner will not communicate with you. You predict that the Seabrook owner will reach an agreement with you if the incumbent is not chosen. What is the basis for such a prediction when you have had no communication with the owner?

Answer:

The listing agent representing the Sublandlord has been advised by her client not to show the property anymore, as someone has a "contract" on the building. It is our understanding that the incumbent has a letter of intent or other form of contract with the current Sublandlord and/or possibly the owner at the Seabrook site that is conditional on the incumbent being awarded the contract for warehouse services with the NHSLC. Our assumption is that the incumbent would not have put the condition on if they required the space for other customers. Thus, we believe that if the incumbent does not win the contract they will not release their condition on and the building will return to the market. Further, our market intelligence is not aware of any other deals in the New Hampshire market that require a building of this size (495,000 sq ft and 41' clear height).

In case we are incorrect in our assumption we found three sites in Concord where we can construct a building.

7. In addition, the Seabrook site is 495,000 square feet. You have proposed a 150,000 square foot warehouse. Please explain why the owner of Seabrook would agree to lease a small portion of its site to you.

Answer:

This is a very large building for the market (495,000 sq ft and 41' clear height). Our broker confirmed to us that the Sublandlord and owner would be willing to subdivide the building, and the marketing brochures on the building show it as being divisible to a minimum of 100,000 sq ft. Further, as stated above, our market intelligence is not aware of any other deals in the New Hampshire market that require a building of this size.

8. Please provide the location you intend to use for your warehouse if the Seabrook site is not available.

Answer:

There are in fact three suitable sites in Concord where we can construct a building. They are approximately located at or near:

- 77 Merrimack



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 [REDACTED]
www.exel.com

- Integra Drive
- Gravel pit area West of the Hookset Toll Booth on I-93

9. In your proposal on Page 14, you indicate that you researched an option to build your facility in Concord, NH and that land was available. Please provide us with a construction schedule that establishes that the facility will be operational on or before October 31, 2013. The schedule must include a list of all permits required with a timetable for acquiring them. It must also include a schedule for construction and infrastructure, particularly automation. In addition to the schedule requested above, please provide us with the names of all subcontractors that will be responsible for construction and infrastructure.

Answer:

The schedule for pre-development will range between 4 and 5 months, with the contingency being whether an Alteration of Terrain permit is required, which is sourced from the State versus local level. The local permits will include, depending on the site:

- a) Zoning Board approval, however as we understand it, each of the sites are correctly zoned;
- b) Based on the size of the building, a Major Site Plan approval will be required, but this and the permit review process can be done in tandem.

The actual construction process will take 7 to 8 months, contingent on starting construction by August, with the key assumption being that all foundations are poured by mid December at the latest. Total time given the go-ahead by the end of July will be not more than 12 months.

The contractors we will be evaluating are Pro Con and DaCon. Subcontractors are to be determined subsequent to review of the bids we receive from the two General Contractors listed above with an additional one or two others to insure best pricing.

10. What are your projections for volumes by month in each of the pricing categories included in Appendices D and D-1 for the first 30 months of this contract and each subsequent 30-month period through the end of the contract? Please explain the basis for your projection. Please address only the basic bailment charges: inbound handling, storage, and outbound order processing/reporting. For example, in the first month of the contract, how many cases do you assume will be inbound in the category of codes of 1-180?

Answer:

For the purposes of developing these pricing templates we looked at the total cost and volumes across the first 30 month period. We did not break it down by month. We might suggest that if you are comparing costs between proponents you do so by comparing the figures across the first 30 months.



570 Polaris Parkway
Westerville, Ohio
43082
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We did not assume a growth factor in volumes. Volumes typically grow with population growth – in this case forecast to be 1.9% annually for New Hampshire. Grow in population needs to be balanced against the trend toward premium product. This trend has a positive impact on revenues and margins, but a negative impact on volumes. Finally, 50% of the NHSLC's volume comes from out of state. If New Hampshire changes its taxation policies, and / or other states take action to encourage their populations to purchase product in their home state, then the NHSLC's volumes could drop. As a result, we felt it was a conservative approach to not try and forecast future growth.

- Inbound Pallet
 - 32,074 for unload and 65,219 for receiving/putaway (averaged into the \$7.40 rate/pallet)
- Inbound Case
 - 2,805,665 cases (applied to all inbound cases, regardless of receipt-lot)
- Outbound Case
 - 4,890,479 cases (new proposed rate to capture the assembly/outbound activities)
 - Storage/Case 1-84 - 407,103
 - Storage/Case 85-182 - 32,967
 - Storage/Case 183-365 - 15,448
 - Storage/Case 366+ - 14,014
 - Storage/Pallet 1-84 - 4,654
 - Storage/Pallet 85-182 - 377
 - Storage/Pallet 183-365 - 177
 - Storage/Pallet 366+ - 160
- Order Processing
 - - 4,890,479

11. In Section 3.0.12, Page 26, the RFP requires that the proposal shall list separately all charges which could be incurred by the NHSLC and all charges which could be incurred by the suppliers in the operation of the warehouse. Are all charges included in Appendix D and D-1? Specifically, identify where a charge, if any, for outbound handling is located. For example, outbound handling may already be included in the charge for inbound handling.

Answer:

Page 4 of 5



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All charges are included in Appendix D. It is our recommendation that the NHSLC adopt an alternate commercial approach. Under this proposal Exel will operate the warehouse under a cost reimbursement commercial structure. The NHSLC sets the rates for suppliers, and keeps the difference. This approach eliminates the need for two pricing structures and for the Commission to determine which products to store in its own warehouse. In addition, as the Commission manages the pricing to suppliers, it has control over the impact of these prices on its overall profitability. Finally, with this structure, the NHSLC has the ability to adjust the rates it charges suppliers going forward to maximize its profitability.

The charge for outbound handling is included in the new charge called "Outbound Handling". It is our desire to work with the NHSLC to determine the menu of services for the suppliers and the appropriate prices that will achieve the Commission's objectives.

We trust that we answered your questions fully. But if not, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lyons".

Scott Lyons
Senior Director

Standard RFP Response – DHL Link (Americas)

In today's supply chain industry, information is a crucial element and there are often complex information flows to be managed. In order to comply with the ever-increasing requirements of efficiency, speed and data quality, Enterprise Application Integration is used widely in Exel. In many customer implementations we are faced with a range of business processes to be supported by data interchange in order to integrate applications and create visibility and transparency in the supply chain. This requires a structured approach to integration and solid business analysis skills to create and maintain the processes supported by integration.

Exel operates regional DHL Link environments, each covering a geographic area and supporting a number of generic interfaces to allow for rapid implementation of new messages. Exel's Enterprise Application Integration comprises:

1. A message
2. A data conversion
3. A transport mechanism
4. An application interface

The *message* is the data exchanged between applications in support of a business process. We support a wide range of standard message formats, including:

- ANSI X12 (preferred)
- EDIFACT
- XML
- SAP IDocs
- RosettaNet
- OAG BOD (Business Object Documents)

In addition to the list above, we can support any mutually agreed formats. If our customers have no preferences, we can suggest a standard message format for each supported business process.

The *data conversion* is the physical translation between the agreed message format and Exel's internal format. Translation includes transforming the data from one format to another and performing data validation. To perform the conversion, we use an any-to-any translation engine.

The *transport mechanism* is the method to physically transfer data between the parties. We currently support:

- AS2 (preferred)
- FTP(S)
- HTTP(S)
- SFTP
- FTP with PGP
- RosettaNet RNIF
- SOAP
- WebSphere MQ

The *application interface* sets the rules on how we process the data derived from the message into our application, or the rules governing the extraction of data out of our application.

The table below contains all the interfaces currently used between Exel and its customers. The highlighted interfaces are the most commonly used for warehousing services.

Interface	Message Type Example
Airfreight Invoice	110
Motor Carrier Load Tender / Shipment Information	204
Carrier Invoice	210
Bill of Lading	211
Carrier Shipment Status	214
Logistics Service Request	219
Shipping Instructions (Order / Load Tender)	304
Customs Manifest	309
Ocean Freight Receipt and Invoice	310
Ocean Status Details (Event)	315
Ocean Ramp Activity	322
Rail Load Tender / Shipment Information	404
Rail Invoice	410
Rail Carrier Waybill Interface	417
Customer Invoice	810
Remittance Advice (Customer Payment)	820
Application Advice / Acknowledgement	824
Planning Release	830
Price Sales Catalogue	832
Inventory Advice / Stock Status	846
Work Order Manifest	850
Product Activity Data	852
Shipment Delivery Discrepancy Information	854
ASN Inbound	856
ASN Outbound	856
Purchase Order Change Request	860
Receiving Advice / Acceptance	861
Shipping Schedule	862
Text Message	864
Product Transfer	867
Order Status Report (Order Change)	870
Item Maintenance	888
Warehouse Shipping Order	940
Work Order	940
Warehouse Stock Transfer Shipment Advice	943
Receipt Advice	944
Shipment Confirmation (Confirm Issue)	945
Order Confirmation	945
Inventory Adjustment Advice - Manual ID	947
Inventory Adjustment Advice - Quantity	947
Inventory Adjustment Advice - Status	947
Response to Load Tender (Carrier Load Confirmation)	990
Functional Acknowledgement	997

NOTE: This set is continuously expanded to cover the real-life requirements we encounter in our relationships with our clients and partners.

Exel has built its integration platform, known as DHL Link, on IBM's WebSphere Transformation Extender. In selecting Transformation Extender, Exel, our clients and their suppliers will benefit from a scalable and robust integration platform that enables rapid integration without the need to write interface programs.

DHL Link (Americas) Features

Resilience

Clustered, high availability

DHL Link (Americas) is clustered over two active/active servers. If either node fails, the second node will continue processing seamlessly.

Guaranteed delivery

Transactional processing ensures that documents reach their destination and will only be processed once.

Re-starting and re-sending

Messages are automatically resent in the event of a destination server failure.

Messages are manually re-started in the event of a transformation failure.

Archiving of raw and transformed data

To quickly respond to customer requests and queries, both the received and sent data is archived for up to 90 days.

Audit trace of messages

DHL Link (Americas) captures the status of all message that are processed. This enables efficient error resolution and identification of performance bottlenecks.

Error management and alerting

All exceptions are captured in the error management module, alerts are sent to users via email and SMS text messages.

24 hour support

DHL Link (Americas) is monitored 24x7, 365 days a year by technical support staff.

Encryption and security

Data can be sent and received securely using AS2, PGP, HTTPS, FTPS, SFTP or through Exel's VPN.

Exel service management standards

The DHL Link (Americas) MQ infrastructure is monitored by BMC Software's Middleware Management - Performance & Availability. The servers are monitored by HP OpenView.

Flexibility

True any-to-any transformation

IBM's transformation tool WebSphere Transformation Extender is used to translate messages.

Currently supported formats

DHL Link (Americas) supports many new and old data formats including EDIFACT, X12, Tradacoms, XML, SAP IDocs, CSV, fixed length and proprietary formats.

Includes standard EDI features

Automated acknowledgments can be sent and received. Interchange control reference numbers can be validated (duplicate checking, out of sequence checking etc.), Trading partners added and maintained easily.

Highly configurable

DHL Link (Americas) is very flexible; many new interfaces can be created through configuration only – no need for any programming.

Library of standard re-usable components

The same map can be shared across multiple partners and interfaces. This leads to rapid implementation as re-use is maximized.

Multiple entry points

Customers have many alternatives for delivering and receiving data:

- AS2
- FTPS
- SFTP
- FTP w/ PGP
- VAN
- MQ

Encryption and security

Data can be sent and received securely using AS2, PGP, HTTPS, FTPS, SFTP or through Exel's VPN.

Performance

Event driven

Translation and processing of messages starts the instant they are delivered to DHL Link (Americas).

Batch Driven

To maximize throughput for high volume interfaces, messages can also be processed in batch.

Multi-threaded

To fully use all available resources, multiple instances of the same transformation can run concurrently, many messages can be processed simultaneously.

Sub-second throughput times

A message can be received, transformed and sent in a fraction of a second.

Web portal

DHL Link (Americas) transaction metadata is viewable through the Link Explorer web interface. Link Explorer can also be used to reprocess and resend transactions.

Standard components

Standard DHL Link components to receive, route and send data enable transformation to be as simple as possible.

Leading edge, platform independent software

Using Transformation Extender enables the DHL Link to be truly platform independent.

Separate environments for Test, QA and Production

Separate servers for each level of testing reduce the risk of errors in all environments and ensure testing is realistic and does not affect production performance.

No.	Transaction Type	Source System
1	Item Maint (X12/888)	NHSLC Host
2	Stock Sts (X12/846)	Manhattan WMS
3	Customer Available Credit Balances	NHSLC Host
4	Customer Orders	Web Order System
5	Order (X12/940)	Exel Sterling Order Management
6	Order Conf (X12/945)	Exel Sterling Order Management
7	New Orders to be Accounted for in Credit Processing	Exel Sterling Order Management
8	Price File	NHSLC Host
9	Blanket Purchase Orders	NHSLC Host
10	Broker Master File	NHSLC Host
11	Product Class Code Master	NHSLC Host
12	Customer/Licensee Master	NHSLC Host
13	Customer/Licensee Master	NHSLC Host
14	Item Order Authorization: Governs Begin & End Sell Dates	NHSLC Host
15	Product Subclass Code Master	NHSLC Host
16	Product Size Code Master	NHSLC Host
17	Trucker Master	NHSLC Host
18	Vendor Master	NHSLC Host

19	Shipments from WMS	Exel Manhattan WMS
20	Shipments from WMS	Exel Manhattan WMS
21	ASN In (X12/856) - SLC Product Only	Exel Manhattan WMS
22	Store Schedule: Open Orders	NHSLC Host
23	Purchase Order (X12/860)	NHSLC Host
24	Affidavit File	Exel Manhattan WMS
25	Order Status Transaction History	Exel Manhattan WMS

Destination System	Standard vs. Customized (for NHSLC) Interfaces
Exel Sterling Order Management, Exel Manhattan WMS	Standard
NHSLC Host	Standard
Exel Sterling Order Management	Customized
Exel Sterling Order Management	Customized
Exel Manhattan WMS	Standard
NHSLC Host	Standard
NHSLC Host	Customized
Exel Sterling Order Management	Customized
Exel Manhattan WMS	Customized
Exel Manhattan WMS	Standard
Exel Sterling Order Management, Exel Manhattan WMS	Customized
Exel Sterling Order Management	Customized
Exel Manhattan WMS	Customized
Exel Sterling Order Management	Customized
Exel Sterling Order Management, Exel Manhattan WMS	Customized
Exel Sterling Order Management, Exel Manhattan WMS	Customized
Exel Manhattan WMS	Standard
Exel Manhattan WMS	Standard

NHSLC Host	Standard
Exel Sterling Order Management	Standard
NHSLC Host	Standard
Exel Manhattan WMS	Customized
Exel Manhattan WMS	Standard
NHSLC Host	Customized
NHSLC Host	Standard

From: Fred Takavitz (Exel US) <fred.takavitz@exel.com>
Sent: Wednesday, June 20, 2012 4:54 PM
To: Craig W. Bulkley
Cc: Steve Hess (EXEL US); Roger Dieker
Subject: Exel - Site Tour - 6/21

Craig,
We will meet at:
Capital Commons Building
11 S. Main
Concord

Looking forward to seeing you at 3:00p Thursday. Thanks for this opportunity.

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Wednesday, June 20, 2012 4:21 PM
To: Fred Takavitz (Exel US)
Subject: RE: Site Tour - 6/21

Yes, your plan is fine. What is the address of the office where you want to meet?

I'd like to keep the tours simple and to the point given the hot weather tomorrow. We should allow 15-20 minutes per site once we are on site to ask questions.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
NH State Liquor Commission
☎ (603) 230-7008
FAX (603) 271-3897
Cell: (603) 490-1559
✉ cbulkley@liquor.state.nh.us

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From: Fred Takavitz (Exel US) [<mailto:fred.takavitz@exel.com>]
Sent: Wednesday, June 20, 2012 3:44 PM
To: Craig W. Bulkley
Cc: Steve Hess (EXEL US); Scott Lyons (EXEL CA)
Subject: RE: Site Tour - 6/21

Craig,

Is this plan acceptable and in line with what you and your team would like to see? Thanks

From: Scott Lyons (EXEL CA)
Sent: Wednesday, June 20, 2012 4:47 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (EXEL US); Steve Hess (EXEL US)
Subject: RE: Site Tour - 6/21

In terms of an agenda for Thursday afternoon we would suggest the following:

- Please meet us at 3:00 pm at our brokers office in Concord (address to follow later today)
- We will spend about 30 minutes discussing what we will see on the tour of the three sites, and a few highlights of our value proposition
- Then we will tour each of the three sites. The owner of each parcel of the land will meet us at their respective site and be available to answer any questions

Our attendees will include:

- Fred Takavitz – SVP Business Development
- Steve Hess – Senior Director Real Property Development
- Roger A. Dieker - Vice President / Managing Broker CBRE

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Tuesday, June 19, 2012 11:34 AM
To: Scott Lyons (EXEL CA)
Subject: Site Tour - 6/21

Scott – I expect that all members of our evaluation committee will attend: George Tsiopras, John Bunnell, Peter Hastings, Steve Judge (legal counsel) and me.

 Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
Division of Administration
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 cbulkley@liquor.state.nh.us

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Sent: Wednesday, June 20, 2012 4:47 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US); Steve Hess (EXEL US)
Subject: Exel - Site Tour - 6/21

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Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Tuesday, June 19, 2012 9:19 AM
To: Craig W. Bulkley
Cc: Fred Takavitz (Exel US)
Subject: Exel - Facility/Land Tour

We are just completing our planning for this tour and are wondering if after 3:00 on Thursday would work?

Thanks,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, June 18, 2012 12:11 PM
To: Scott Lyons (EXEL CA)
Subject: Facility/Land Tour

Scott – the committee is now booked on Wednesday afternoon. The tour of your land in Concord must be on Thursday afternoon. Let me know the time you choose. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley
Director
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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, June 18, 2012 4:02 PM
To: Craig W. Bulkley
Cc: John D. Bunnell; George P. Tsiopras; Judge, Steve
Subject: Exel - Warehouse Services RFP 2012-14

We will have answers back to you by the 22nd if not sooner.

Sincerely,
Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, June 18, 2012 3:39 PM
To: Scott Lyons (EXEL CA)
Cc: John D. Bunnell; George P. Tsiopras; Judge, Steve
Subject: Warehouse Services RFP 2012-14

Scott:

As we previously notified you by email, the Evaluation Committee is performing its initial analysis. We have several questions about your proposal. In order to expedite the process, we would like your answers to our questions by email by Friday, June 22nd.

Please do not draw any conclusions from the following questions. They are asked in order to confirm that we understand specific parts of your proposal. Do not assume that our questions bring any weight to that part of your proposal about which we have asked. In other words, take the questions at face value and just answer them as completely and with as much detail as possible.

Our questions are as follows:

1. Do you subscribe to "open data Standards"
2. Do you have "open data formats" as part of your proposals?
3. Does your proposal include all licenses required to operate hardware/software?
4. Does your proposal include maintenance for all hardware/software?
5. Does your proposal rely on customized interfaces to integrate with the NHLC existing applications?
6. You recognize in your proposal that the incumbent has an agreement with the owner of the Seabrook site. You acknowledge that the Seabrook owner will not communicate with you. You predict that the Seabrook owner will reach an agreement with you if the incumbent is not chosen. What is the basis for such a prediction when you have had no communication with the owner?
7. In addition, the Seabrook site is 495,000 square feet. You have proposed a 150,000 square foot warehouse. Please explain why the owner of Seabrook would agree to lease a small portion of its site to you.
8. Please provide the location you intend to use for your warehouse if the Seabrook site is not available.
9. In your proposal on Page 14, you indicate that you researched an option to build your facility in Concord, NH and that land was available. Please provide us with a construction schedule that establishes that the facility will be operational on or before October 31, 2013. The schedule must include a list of all permits required with a timetable for acquiring them. It must also include a schedule for construction and infrastructure, particularly automation. In addition to the schedule requested above, please provide us with the names of all subcontractors that will be responsible for construction and infrastructure.

10. What are your projections for volumes by month in each of the pricing categories included in Appendices D and D-1 for the first 30 months of this contract and each subsequent 30-month period through the end of the contract? Please explain the basis for your projection. Please address only the basic bailment charges: inbound handling, storage, and outbound order processing/reporting. For example, in the first month of the contract, how many cases do you assume will be inbound in the category of codes of 1-180?
11. In Section 3.0.12, Page 26, the RFP requires that the proposal shall list separately all charges which could be incurred by the NHSLC and all charges which could be incurred by the suppliers in the operation of the warehouse. Are all charges included in Appendix D and D-1? Specifically, identify where a charge, if any, for outbound handling is located. For example, outbound handling may already be included in the charge for inbound handling.



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Cc: John D. Bunnell; George P. Tsiopras; Judge, Steve
Subject: To Exel - Warehouse Services RFP 2012-14

Scott:

As we previously notified you by email, the Evaluation Committee is performing its initial analysis. We have several questions about your proposal. In order to expedite the process, we would like your answers to our questions by email by Friday, June 22nd.

Please do not draw any conclusions from the following questions. They are asked in order to confirm that we understand specific parts of your proposal. Do not assume that our questions bring any weight to that part of your proposal about which we have asked. In other words, take the questions at face value and just answer them as completely and with as much detail as possible.

Our questions are as follows:

1. Do you subscribe to "open data Standards"
2. Do you have "open data formats" as part of your proposals?
3. Does your proposal include all licenses required to operate hardware/software?
4. Does your proposal include maintenance for all hardware/software?
5. Does your proposal rely on customized interfaces to integrate with the NHLC existing applications?
6. You recognize in your proposal that the incumbent has an agreement with the owner of the Seabrook site. You acknowledge that the Seabrook owner will not communicate with you. You predict that the Seabrook owner will reach an agreement with you if the incumbent is not chosen. What is the basis for such a prediction when you have had no communication with the owner?
7. In addition, the Seabrook site is 495,000 square feet. You have proposed a 150,000 square foot warehouse. Please explain why the owner of Seabrook would agree to lease a small portion of its site to you.
8. Please provide the location you intend to use for your warehouse if the Seabrook site is not available.
9. In your proposal on Page 14, you indicate that you researched an option to build your facility in Concord, NH and that land was available. Please provide us with a construction schedule that establishes that the facility will be operational on or before October 31, 2013. The schedule must include a list of all permits required with a timetable for acquiring them. It must also include a schedule for construction and infrastructure, particularly automation. In addition to the schedule requested above, please provide us with the names of all subcontractors that will be responsible for construction and infrastructure.
10. What are your projections for volumes by month in each of the pricing categories included in Appendices D and D-1 for the first 30 months of this contract and each subsequent 30-month period through the end of the contract? Please explain the basis for your projection. Please address only the basic bailment charges: inbound handling, storage, and outbound order processing/reporting. For example, in the first month of the contract, how many cases do you assume will be inbound in the category of codes of 1-180?
11. In Section 3.0.12, Page 26, the RFP requires that the proposal shall list separately all charges which could be incurred by the NHSLC and all charges which could be incurred by the suppliers in the operation of the warehouse. Are all charges included in Appendix D and D-1? Specifically, identify where a charge, if any, for outbound handling is located. For example, outbound handling may already be included in the charge for inbound handling.



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From: Scott Lyons (EXEL CA) <Scott.Lyons@exel.com>
Sent: Monday, June 18, 2012 12:19 PM
To: Craig W. Bulkley
Subject: Exel - Facility/Land Tour

Is Tuesday late morning still available?

Scott Lyons

Telephone: 905 366-7691
Mobile: 416 [REDACTED]

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, June 18, 2012 12:11 PM
To: Scott Lyons (EXEL CA)
Subject: Facility/Land Tour

Scott – the committee is now booked on Wednesday afternoon. The tour of your land in Concord must be on Thursday afternoon. Let me know the time you choose. Thanks.



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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, June 15, 2012 1:51 PM
To: Craig W. Bulkley
Cc: John D. Bunnell; George P. Tsiopras; Judge, Steve
Subject: Warehouse Services RFP 2012-14

Dear Vendors:

The Evaluation Committee is performing its initial analysis. We will have several questions about your proposal no later than Monday, June 18th. In order to expedite the process, we would like your answers to our questions by Friday, June 22nd.

When you receive our questions, please do not draw any conclusions from them. They are asked in order to confirm that we understand specific parts of your proposal. Do not assume that our questions bring any weight to that part of your proposal about which we have asked. In other words, take the questions at face value and just answer them as completely and with as much detail as possible.

We may well have more questions. To that end, we want to tour your proposed facility next week during the timeframe of Tuesday, June 19th to Friday, June 22nd. Please contact me directly and be prepared to offer several dates when you will be available. Your cooperation on agreeing to meet with us on one of these dates is greatly appreciated.

Please acknowledge receipt of this email. Thank you.



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From: Craig W. Bulkley <cbulkley@liquor.state.nh.us>
Sent: Friday, December 07, 2012 6:51 PM
To: Nicholas K. Holmes
Subject: One Last Thing.....

Categories: Green Category

From: Becky Ross (EXEL US) [<mailto:Becky.Ross@exel.com>]
Sent: Friday, July 27, 2012 2:39 PM
To: Hastings, Peter
Subject: RE: Out of state data

That is excellent news Peter! I appreciate your prompt follow up and echo your comments on working together. Enjoy your weekend!

From: Hastings, Peter [<mailto:Peter.Hastings@doit.nh.gov>]
Sent: Friday, July 27, 2012 2:25 PM
To: Becky Ross (EXEL US)
Subject: RE: Out of state data

Hi Becky,

I was just informed that the data can reside on your systems in PA with out a right to know issue. So you will not have to propose an alternate site solution. Thank you very much for your help and understanding. It has been a pleasure speaking with you.

Have a great weekend.

Regards

From: Becky Ross (EXEL US) [<mailto:Becky.Ross@exel.com>]
Sent: Friday, July 27, 2012 9:38 AM
To: Hastings, Peter
Subject: RE: Out of state data

Morning Peter!

Okay, I will admit, I do have one other question on the on-site servers ... redundant servers. Can you confirm the requirements around the redundant server – where does it need to be located (can it be out of state), and other special requirements? If it is too early to know based on your research into the overall legislation, I understand, but would appreciate any guidance you can give!

Thanks
Becky

From: Hastings, Peter [<mailto:Peter.Hastings@doit.nh.gov>]
Sent: Thursday, July 26, 2012 12:46 PM
To: Becky Ross (EXEL US)
Subject: RE: Out of state data

Hi Becky,

I look forward to that day!

I am still waiting for a definitive answer from legal on the data outside the state question. In the meantime you are correct in your assumption as it relates to your question of data flow. As long as the data is not stored on your systems, it would be considered as not discoverable.

As soon as I have an answer from legal, I will contact you. If you think of anything else please don't hastate to contact me. Thank you again for your help and flexibility, it very much appreciated.

Peter



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