



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

Jun 18, 2013

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 2013-14 – Transportation Services for Spirit & Wine and Related Product, Equipment & Supplies

Dear Mr. Bulkley,

Below please find Exel's answers to the questions posed by the Commission on Jun 14, 2013.

1. If you have not provided a redacted copy of your proposal to the Liquor Commission, please forward one at your earliest convenience. Do we correctly understand that the only confidential information in your proposal is on page 75 and 76?"

Answer:

Please find attached to the email containing this letter a redacted copy of our proposal. Yes, the only confidential information in our proposal is on page 75 and 76.

2. As our Warehouse Services contractor, you stated that our transportation vendor could not store tractors or trailers on your warehouse site due to liability issues. In your Transportation Services proposal, you indicate that you will be storing tractors and trailers on your warehouse site. This situation raises a number of issues: a) The construction of the "transportation hub" is being financed by the warehouse contract. No other vendor can do that; b) If another vendor agrees to hold you harmless for any damage to their equipment, will you allow the storage of tractors, trailers, etc. on warehouse property? c) Will you allow such storage if a vendor pays a fee, and if so, what would the fee be? d) If the NHSLC prohibited you from using the warehouse as a transportation hub, please provide the rates you would charge for transportation based on this condition; e) You are prepared to offload pallets from your trailers on a daily basis, however you indicate that you would not perform this service with the same frequency for a different transportation vendor. What if the NHSLC required you to allow a different transportation vendor to offload pallets at the warehouse every day? Would you charge a fee for that, and if so, how much?

Answer:

- a) We respectfully disagree that the construction of the "transportation hub" is being financed by the warehouse contract. The warehouse contract is a fixed price contract, and Exel is required to meet service standards. Exel owns the building and site. Subject to meeting the service commitments, Exel is entitled to leverage this asset.



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

- b) Exel will permit another vendor to store of tractors and trailers on the warehouse property subject to the conditions below
1. The vendor indemnifies Exel for any and all damages caused by the vendor or the vendor's presence on Exel's warehouse property
 2. The vendor agrees that Exel is not responsible for any damages incurred by the vendor
 3. Exel shall have sole authority to determine where the vendor's equipment is placed, and Exel may move the vendor's equipment as Exel requires
 4. The vendor must pay, and remain current for the use of the warehouse property at the rates listed in c) and e) below
 5. Only tractors and trailers being utilized in the servicing of this contract may be stored at the warehouse site, and shall not exceed 10 tractors and 25 trailers at any given time without Exel's prior authorization
 6. Other than emergency repairs, the vendor must not complete any repairs or maintenance on the warehouse property
 7. If the vendor's drivers are represented by a union, Exel reserves the right to add additional criteria to maintain separation of the respective work forces
- c) Subject to the conditions listed in b) Exel will permit another vendor to store tractors and trailers on the warehouse property. From our investigation the market rate for storage of tractors and trailers is \$250 per unit per month or \$275 per unit per month if employee parking is required. Please note that employees will park in the employee parking area.
- d) Exel respectfully believes that this alternative is not in the best interest of the NHSLC, and since Exel will permit another vendor to utilize the warehouse property, Exel declines to provide this rate.
- e) Subject to the conditions in b) above Exel is willing to provide the service of offloading pallets as the trailers are returned to the warehouse dock. The rate will be \$25 per trailer.
3. Are there any actions pending against Exel by any federal or state regulatory agency?

Answer:

Exel is subject to routine regulatory inspections and audits in the normal course of business. Exel understands that these responses to the NHSLC's questions will be subject to disclosure under R.S.A. 91-A. Thus, Exel cannot comment on the results of ongoing inspections and audits as it constitutes confidential, commercial information which is exempt from disclosure under R.S.A. 91-A. If the NHSLC wishes further information on this topic they are asked to contact Rob Whipple, Associate General Counsel, DHL/Exel Global Business Services.



570 Polaris Parkway
Westerville, Ohio
43082

Telephone: 905 366-7691

Mobile: 416 417-2537

www.exel.com

4. Your proposal mentions three focus areas of environmental protection (Go Green), disaster management (GoHelp) and championing education (GoTeach). These are laudatory areas. How will these programs help the NHSLC or the people of NH?

Answer:

Go Green

Exel is continuously looking for ways to improve the fuel mileage and therefore reduce the corresponding CO2 emissions. The examples listed below are only a start. The underlying principle of Go Green is a commitment to continuously implement programs to reduce the impact of Exel's operations on the environment. Specific examples of how Exel's Go Green initiatives will reduce the environmental impact of the NHSLC transportation operations include:

- Exel's proposal includes utilizing new Volvo tractors. Three examples of the features of these tractors include a design that reduces wind resistance, the engine defaults to a lower torque curve to optimize fuel economy, and the most intelligent automated manual transmission on the market. Exel estimates that these tractors utilize almost 30% less fuel per mile than tractors only a few years old. Less fuel equates to less CO2 emissions.
- Exel will utilize trailer skirting—which represents approximately 25% of the aerodynamic drag on a trailer. By reducing the drag underneath a trailer, the EPA has estimated fuel savings of at least 5%.
- Exel will be employing the XRS fleet management solution. This system provides our management team the information they require to work with the drivers to minimize idling, reduce instances of rapid acceleration, hard braking, excessive speed, and to curtail incidents of drivers travelling off their assigned route. All these activities will reduce fuel consumption and the resulting CO2 emissions.
- Co-locating the warehouse and transportation operations eliminates shunting.
- Exel utilizes best-in-class routing software that creates the most efficient routes and minimizes the miles travelled.
- Exel researched the opportunity to utilize tractors powered by Liquefied Natural Gas (LNG). Unfortunately, currently there is only one fueling station in New Hampshire located in Nashua. Travel to and from Nashua to re-fuel negates any potential environmental improvement from LNG. Exel is aware of the recent proposal to construct an LNG fueling station in Pembroke, approximately eight miles from our new warehouse. If this new facility is approved and constructed, Exel will evaluate the feasibility of deploying equipment utilizing this fuel source for some or all of the NHSLC routes.
- Exel is a partner in the U.S. EPA Smartway Program. As such Exel is committed to implementing best practices and fuel-saving technologies whenever possible. Exel explores opportunities to deliver economic and environmental benefits both at a



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

strategic, e.g., through the utilization of technology such as network and routing design optimization tools, and at an execution level, e.g., natural gas power units, CO2 emissions tracking, on-board tractor equipment and hand-held technology.

Go Help

The underlying principle to Go Help is Exel and the broader DHL network utilizing its expertise in logistics to expedite relief efforts. Examples of where Go Help can help the people of New Hampshire include providing essential supplies during periods of extreme weather or natural disaster. Exel has Business Continuity Plans to cover all eventualities. Exel enacted its Business Continuity Plan during Hurricane Sandy for one of its retail customers. The customer was the first retailer back up and running after the storm, and was able to provide essential emergency supplies, e.g. firewood, water, ice... to its customers. Exel has other similar examples where its customers were the first service up and running after various incidents and were able to provide essential emergency supplies to local residents.

In addition, Exel is available to through its partnership with the United Nations to support relief efforts by volunteering our logistics expertise, our global network and the personal commitment of our individual employees. Though much less likely to be needed in a country like the United States, in the event of a disaster Exel could have its disaster response teams on-site at New Hampshire airports to ensure the successful processing and dispatch of relief supplies into the state.

Go Teach

Exel believes very strongly in improving the educational opportunity for young people and preparing them for the working world. An example of where Go Teach may be of benefit for the people of New Hampshire is having Exel employees act as mentors by supporting and encouraging students in high school. Deutsch Post DHL provides a similar program for grades 8 to 10 at German general secondary schools for around 15 months. Further, Exel would be delighted to provide support to logistics programs at any of New Hampshire's high schools or colleges. This participation may be a tour of our facility, or providing panelists for seminars, or case studies for lectures...

5. On Page 14 of your Transportation Services RFP proposal, you make the following statement: "...resulting in annual savings of over \$m 60 for our customers." Is this number \$60 million or something else? Please describe a potential process improvement that will result in savings to the NHSLC.

Answer:

The figure is \$60 million

A key value Exel brings to customers is the ability to continuously look for ways to improve the performance of our operations. To date Exel has identified three opportunities to improve operations:



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

- There is an opportunity to further optimize the delivery schedule provided in Appendix M by maximizing the use of each store's backroom
- A number of stores are able to accept pallet deliveries, but cases are still hand offloaded. Going forward there are some stores that could be converted to pallet deliveries with minimal investment
- Through synchronizing the systems in the stores with the transportation and warehouse it is possible to enable the store to receive product into the NHSLC's systems by pallet

If the contract is awarded to Exel, Exel will continue to work to identify and bring forward additional innovations that will improve the NHSLC's operations.

6. Page 28, paragraph 6 of Design Assumptions, states that you reserve the right to re-price or redesign your solution if the estimate provided in the revised Appendix M "does not hold." The NHSLC can not predict the future. We need to compare rates that are locked in for 18 months. Please provide us with rates that are locked in for 18 months.

Answer:

Exel confirms that it will provide the delivery schedule listed in Schedule M for the rates Exel provided in its proposal for 18 months.

7. Page 31 of your proposal - The purple route on Monday extends into Massachusetts. Have you determined that federal and Massachusetts laws allow a route to cross state lines? Do Massachusetts laws apply to the load while it is in the Commonwealth

Answer:

It is correct that the routing software calculated that the shortest distance includes a short stretch in Massachusetts. Exel has not confirmed that the route may cross a state line. Prior to executing such a route Exel will confirm that it is permissible, and if not the route will be changed so it does not cross a state line. If this modification is required there will be no change in the rates provided in Exel's proposal.

8. Page 35 of your proposal provides for a drop trailer at the Concord warehouse. Assume that this suggestion will not work from November 1, 2013 until the end of the transition for the Concord warehouse due to the shortage of truck bays. Please propose an alternative solution for this time period.

Answer:

The April 3, 2013 CLARIFICATIONS AND AMENDMENTS stated that the NHSLC wants vendors to use February 1, 2014 as the start date and January 31, 2015 as the end date in calculating costs. As such, Exel's reference to a drop trailer at the Concord warehouse relates to the time period after the transition for the Concord warehouse. As suggested in this clarification and amendment, the successful vendor and the NHSLC will negotiate the rates for the time period from November 1, 2013 through January 31, 2014. As part of this



570 Polaris Parkway
 Westerville, Ohio
 43082
 Telephone: 905 366-7691
 Mobile: 416 417-2537
www.exel.com

process the parties will be agreeing to the delivery schedule, and how the various stores and two warehouses will be serviced.

- Your Transportation Services proposal, Section 3.3, page 41 assumes the contract award date of May 31, 2013. The RFP identifies an award date as late as July 31, 2013 (Section 1.2, page 4 of 71). Please provide an up-to-date workplan reflecting the correct date

Answer:

Task Name	Duration	Start	Finish
NHSLC Transport Timeline	68 days	Wed 7/31/13	Fri 11/1/13
Contract Award	1 day	Wed 7/31/13	Wed 7/31/13
Start-Up Project Plan	30 days	Wed 7/31/13	Tue 9/10/13
Identify all Groups/Working Teams Involved	15 days	Wed 7/31/13	Tue 8/20/13
Form Start-Up team	15 days	Wed 7/31/13	Tue 8/20/13
Develop a list of key Client Contacts	5 days	Wed 7/31/13	Tue 8/6/13
Plan Steering Group Meeting Schedule	1 day	Wed 7/31/13	Wed 7/31/13
Scheduled Steering Group Meeting	10 days	Wed 7/31/13	Tue 8/13/13
Verify prior study information	10 days	Wed 7/31/13	Tue 8/13/13
Confirm customer service information	30 days	Wed 7/31/13	Tue 9/10/13
Definition of each service reason code	30 days	Wed 7/31/13	Tue 9/10/13
Confirm Expectation	1 day	Wed 7/31/13	Wed 7/31/13
Business Issues	25 days	Wed 7/31/13	Tue 9/3/13
Compile Draft Contract & SLA	10 days	Wed 7/31/13	Tue 8/13/13
Registration Tax Authorities	10 days	Wed 7/31/13	Tue 8/13/13
Insurance,	25 days	Wed 7/31/13	Tue 9/3/13
Operating Budget	30 days	Mon 9/2/13	Fri 10/11/13
Payroll System	20 days	Mon 9/2/13	Fri 9/27/13
Mechanism for billing for services	20 days	Mon 9/2/13	Fri 9/27/13
Human Resource Implementation	68 days	Wed 7/31/13	Fri 11/1/13
Determine current pay scales/ job function	5 days	Wed 7/31/13	Tue 8/6/13
Offer Contracts of Employment	1 day	Wed 7/31/13	Wed 7/31/13
Establish Corporate Culture & Goals	20 days	Wed 7/31/13	Tue 8/27/13
Define overall Corporate Culture (Develop strategy to promote to Team)	20 days	Wed 7/31/13	Tue 8/27/13
Review Client and Exel Expectations	20 days	Wed 7/31/13	Tue 8/27/13
Develop Mission Statement	25 days	Wed 7/31/13	Tue 9/3/13
Communicate Corporate Culture & Goals	1 day	Wed 7/31/13	Wed 7/31/13
Communicate Mission Statement to Management	1 day	Wed 7/31/13	Wed 7/31/13
Communicate Mission Statement to Team Leaders	1 day	Wed 7/31/13	Wed 7/31/13
Communicate Mission Statement to Team Members	1 day	Wed 7/31/13	Wed 7/31/13
Develop HR Site Policies	45 days	Wed 7/31/13	Tue 10/1/13
Review Local Labor Legislation	45 days	Wed 7/31/13	Tue 10/1/13
Review Exel core HR Policies	45 days	Wed 7/31/13	Tue 10/1/13
Develop, customize site specific Policies	45 days	Wed 7/31/13	Tue 10/1/13
Produce site specific HR Policy and Procedure Manual	15 days	Wed 7/31/13	Tue 8/20/13
Communicate HR Policies & Procedures Manual to all Mgmt. Staff.	1 day	Wed 7/31/13	Wed 7/31/13
Communicate HR Site Policies	1 day	Wed 7/31/13	Wed 7/31/13
Develop Team Member Handbook	45 days	Wed 7/31/13	Tue 10/1/13
Communicate Team Member Handbook	1 day	Wed 7/31/13	Wed 7/31/13



570 Polaris Parkway
Westerville, Ohio
43082

Telephone: 905 366-7691

Mobile: 416 417-2537

www.exel.com

Develop Compensation Strategy	45 days	Wed 7/31/13	Tue 10/1/13
Establish Compensation and Benefits for Salaried Staff	45 days	Wed 7/31/13	Tue 10/1/13
Establish Compensation and Benefits for Team Members	45 days	Wed 7/31/13	Tue 10/1/13
Define Profile for Management and Team Members	45 days	Wed 7/31/13	Tue 10/1/13
Develop Recruitment Processes for Management and Team Members	45 days	Wed 7/31/13	Tue 10/1/13
Obtain generic Management offers/contracts from Exel	45 days	Wed 7/31/13	Tue 10/1/13
Maintain Recruitment Statistics	65 days	Wed 7/31/13	Tue 10/29/13
Develop Management Orientation Plan	45 days	Wed 7/31/13	Tue 10/1/13
Health & Safety Training	10 days	Mon 10/14/13	Fri 10/25/13
Develop Detailed Health and Safety Program	45 days	Wed 7/31/13	Tue 10/1/13
Communicate Health & Safety Program to Team Members	10 days	Tue 10/1/13	Mon 10/14/13
Develop Vehicle/Vehicle Training Program	45 days	Wed 7/31/13	Tue 10/1/13
Review & Evaluate Vehicle/Vehicle Training Program	15 days	Tue 10/1/13	Mon 10/21/13
Schedule Driver/Vehicle Training	1 day	Mon 10/7/13	Mon 10/7/13
Perform Actual Driver/Vehicle Training	10 days	Mon 10/14/13	Fri 10/25/13
Review & evaluate Emergency Response training	15 days	Mon 10/14/13	Fri 11/1/13
Systems Issues	45 days	Wed 7/31/13	Tue 10/1/13
Establish points of information exchange with client	45 days	Wed 7/31/13	Tue 10/1/13
List of PC and equipment to be employed	45 days	Wed 7/31/13	Tue 10/1/13
Determine routing system	45 days	Wed 7/31/13	Tue 10/1/13
Install and Interface with WMS & Client system	45 days	Wed 7/31/13	Tue 10/1/13
Training	45 days	Wed 7/31/13	Tue 10/1/13
POD training	45 days	Wed 7/31/13	Tue 10/1/13
Determine supporting systems - how	45 days	Wed 7/31/13	Tue 10/1/13
Order and install necessary equipment	45 days	Wed 7/31/13	Tue 10/1/13
Implement Communications Strategy	45 days	Wed 7/31/13	Tue 10/1/13
Contingency Plans	45 days	Wed 7/31/13	Tue 10/1/13
Track & Trace system failure	45 days	Wed 7/31/13	Tue 10/1/13
Health & Safety/LP Implementation	45 days	Wed 7/31/13	Tue 10/1/13
Establish Procedures, Training, Implementation and Audit	45 days	Wed 7/31/13	Tue 10/1/13
H&S Committee	45 days	Wed 7/31/13	Tue 10/1/13
Yard and Traffic Procedures	45 days	Wed 7/31/13	Tue 10/1/13
Establish Contact with Emergency Services	45 days	Wed 7/31/13	Tue 10/1/13
Police and Security Services	45 days	Wed 7/31/13	Tue 10/1/13
Medical Response Services	45 days	Wed 7/31/13	Tue 10/1/13
Off Site Medical Facility	45 days	Wed 7/31/13	Tue 10/1/13
Operational Handover	63 days	Wed 7/31/13	Fri 10/25/13
Vehicles	63 days	Wed 7/31/13	Fri 10/25/13
Identify Vehicle design	1 day	Wed 7/31/13	Wed 7/31/13
Order vehicles	1 day	Wed 10/9/13	Wed 10/9/13
Vehicle delivered	49 days	Fri 8/9/13	Wed 10/16/13
Vehicle maintenance contracts signed	35 days	Wed 7/31/13	Tue 9/17/13
Vehicle maintenance logs in place	5 days	Mon 10/21/13	Fri 10/25/13
Security Reqs	35 days	Wed 7/31/13	Tue 9/17/13
Determine security reqs	35 days	Wed 7/31/13	Tue 9/17/13
Get Security group to assess	35 days	Wed 7/31/13	Tue 9/17/13
Operations & SOPs	65 days	Wed 7/31/13	Tue 10/29/13
Weekly Review Meetings	65 days	Wed 7/31/13	Tue 10/29/13
Develop SOP's	65 days	Wed 7/31/13	Tue 10/29/13



570 Polaris Parkway
 Westerville, Ohio
 43082
 Telephone: 905 366-7691
 Mobile: 416 417-2537
www.exel.com

Transportation Capacity Forecasting	65 days	Wed 7/31/13	Tue 10/29/13
Determine Method of Loading & delivery	35 days	Wed 7/31/13	Tue 9/17/13
Develop Control of Documentation	35 days	Wed 7/31/13	Tue 9/17/13
Exception Reporting	35 days	Wed 7/31/13	Tue 9/17/13
Yard and Traffic Procedures	35 days	Wed 7/31/13	Tue 9/17/13
Develop Training Program to Roll-Out SOP's	35 days	Wed 7/31/13	Tue 9/17/13
Review government requirements - documentation etc	35 days	Wed 7/31/13	Tue 9/17/13
Hazardous goods requirements	35 days	Wed 7/31/13	Tue 9/17/13
Current emergency procedures	35 days	Wed 7/31/13	Tue 9/17/13
Transport Operations	110 days	Wed 7/31/13	Tue 12/31/13
Develop Driver Training Program	110 days	Wed 7/31/13	Tue 12/31/13
Driver Training/DC, Customer Orientation	110 days	Wed 7/31/13	Tue 12/31/13
Exel Orientation	110 days	Wed 7/31/13	Tue 12/31/13
Develop Process Mapping of Transport Operations	110 days	Wed 7/31/13	Tue 12/31/13
Develop Process Mapping of Transportation Administration	110 days	Wed 7/31/13	Tue 12/31/13
Develop Transport Service Reporting (KPI's)	110 days	Wed 7/31/13	Tue 12/31/13
DOT Compliance training	20 days	Wed 7/31/13	Tue 8/27/13
Establish DOT Compliance Files	35 days	Wed 7/31/13	Tue 9/17/13
Train in DOT Requirements if required	15 days	Wed 7/31/13	Tue 8/20/13
Process Mapping DOT Compliance	35 days	Wed 7/31/13	Tue 9/17/13
Audit DOT Compliance Systems	35 days	Wed 7/31/13	Tue 9/17/13
Routing	35 days	Wed 7/31/13	Tue 9/17/13
Destinations	35 days	Wed 7/31/13	Tue 9/17/13
Location of all destinations with proper names, ID's, postal / zip codes, cities etc	35 days	Wed 7/31/13	Tue 9/17/13
Operating Hours	35 days	Wed 7/31/13	Tue 9/17/13
Special Equipment Arrangements (i.e. 345Foot, Side door, tail gate lift, etc)	35 days	Wed 7/31/13	Tue 9/17/13
Delivery Windows / Schedules	35 days	Wed 7/31/13	Tue 9/17/13
Special Delivery arrangements	35 days	Wed 7/31/13	Tue 9/17/13
Receiving constraints (i.e. cannot receive mixed product groupings)	35 days	Wed 7/31/13	Tue 9/17/13
Unload rates at store	35 days	Wed 7/31/13	Tue 9/17/13
1st call commitments	35 days	Wed 7/31/13	Tue 9/17/13
Routing defaults per stop / per trip / yard time	35 days	Wed 7/31/13	Tue 9/17/13

10. Your Transportation Services proposal in Section 3.4, page 44 states that you have a dedicated operation in Wrentham, NH. Please identify the customer. Do you mean Wrentham, Massachusetts?

Answer:

Exel understands that these responses to the NHSLC's questions will be subject to disclosure under R.S.A. 91-A. Thus, Exel cannot provide the customer name as it constitutes confidential, commercial information which is exempt from disclosure under R.S.A. 91-A. If the NHSLC wishes further information they are asked to contact Scott Lyons, Senior Director, Business Development.

The location is Wrentham Massachusetts.



570 Polaris Parkway
Westerville, Ohio
43082

Telephone: 905 366-7691

Mobile: 416 417-2537

www.exel.com

11. Page 73 of your proposal – Please withdraw the condition that the proposal is subject to Deutsche Post DHL board approval. See terms on proposal offer page (first page of proposal). The proposal must be signed by a person authorized to legally bind the vendor.

Answer:

Exel withdraws this condition.

12. Page 73 of your proposal – Please withdraw the requirement that Exel may re-price and/or redesign its solution if Exel has made a material error in its proposal.

Answer:

Exel withdraws this requirement.

13. Please describe in detail how you will deliver product to a store from the rear of a trailer where product is currently being delivered through a side door.

Answer:

During our due diligence Exel visited every store. At each location the use of a curved roller or the conversion to pallet delivery would enable a back door delivery. The two stores where a pallet delivery is the solution at store 20 and 31.

Exel will use Store 57 – Ossipee as an example of how a store designated as side door can be delivered from the rear of the trailer. As the picture below shows, one can see that the trailer can pull forward and line the rear door with the entry door of the store. Exel will then utilize a “C” roller to off load the cases from the rear door into the store. Alternatively, the delivery can be completed by offloading the cases onto a straight roller from the truck’s tail lift.





570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

As Exel stated in its response, if it is not able to complete a delivery to a store using the rear doors it will acquire a trailer with side doors. There will be no increase in cost to the NHSLC.

14. If there is a shortage of licensed common carriers in NH to deliver our product, will Exel agree to deliver licensee product?

Answer:

Exel will deliver licensee product. It is Exel's expectation that it will be paid fair value for these services.

15. In Appendix L of the Transportation Services RFP, the statutes in Title XIII are cited. Please describe how you will comply with RSA 179:20

Answer:

Exel is fully cognizant of the provisions of R.S.A. 179:20, I. Please be assured that should the transportation contract be awarded to Exel, each of the individuals who Exel employs to deliver liquor for the NHSLC will be a United States citizen or a resident legal alien.

16. You state that you expect to operate the majority of the tractors yourselves and will use a combination of common carriers and rentals with part-time drivers to manage peak volumes. Please explain in detail whether you will own the tractors and how you will provide the trailers. Will you have full-time drivers? Will you be able to perform maintenance and repairs on tractors and trailers inside a facility?

Answer:

Exel will source the tractors and trailers through a lease arrangement with one of its suppliers. Exel will lease enough tractors and trailers to meet planned peak demand with allowances for maintenance. During circumstances of exceptional demand Exel may need to borrow from other operations or rent tractors or trailers for a short period of time. Given Exel's size and purchasing power Exel will be able to get hold of the necessary equipment from its suppliers.

Exel will have full-time drivers. Exel's goal is to operate with its own drivers.

Depending on the exact delivery schedule that evolves, Exel may utilize part-time drivers to handle variances in requirements. If additional tractors are needed for the part time drivers they may be rented or leased. For example, it may be cheaper to lease a tractor for the full week than to rent one for two days a week.

If Exel chooses to have common carriers they will be selected from the pool of subcontractors administered by Exel's managed transportation service. Common carriers will provide a tractor and driver.

All maintenance and repairs will be completed inside a local provider's maintenance and repair facility.



570 Polaris Parkway
Westerville, Ohio
43082
Telephone: 905 366-7691
Mobile: 416 417-2537
www.exel.com

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