SECTION 1 - EXECUTIVE SUMMARY

1.0 INTRODUCTION

LB&B Associates Inc. (LB&B) began operations in 1992 as a woman-owned, small business. Under the leadership of our President and CEO, Mr. F. Edward Brandon, and his executive staff, we have experienced steady growth and have achieved a reputation for customer satisfaction across the nation. We tell our customers what we will do, and we keep our commitments. LB&B has earned our reputation by placing the needs of the customer first, no matter how small or large the project. We take pride in our work and the ability to meet our customers' changing requirements. As a result, LB&B has grown to a highly diversified business, operating in over 27 states and the District of Columbia, with more than 1,700 associates. Now a larger company, we have not forgotten from where we came and still provide the dedicated, personalized, hands-on service all of our customers expect.

LB&B is pleased to provide this proposal to the New Hampshire State Liquor Commission (NHSLC) for the contract to provide Transportation Services for the New Hampshire State Liquor Commission. In our proposal, we will show that we are the right company to provide the services required at the right price.

1.1 WHAT WE BRING TO THE NEW HAMPSHIRE STATE LIQUOR CONTROL COMMISSION AND THE RETAIL CUSTOMERS

1.1.1 Honesty, Integrity and High Standards

Honesty and integrity are our values and define both our daily activities and our strategic approach to the future. We will not compromise our standards for any reason. These two

characteristics, honesty and integrity, differentiate LB&B, from our competitors and translate into world-class service for our customers.

The "norm" is not acceptable to us. We have established standards for each position in our company that far exceed the industry average. Likewise, our managers are chosen from the ranks of those proven performers with the highest qualifications. By hiring the best people we are able to meet the high standards that we have established for our management staff and workforce, and are able to hold our employees accountable for their performance.

1.1.2 Alcoholic Beverage Delivery Experience

On this contract, we will be responsible for only the product transportation functions – which we are very experience and capable of performing. We also bring extensive expertise managing the ordering, receiving, warehousing, picking, configuring and loading operations. This warehousing related experience in an NHSLC type operation significantly increases our understanding of the entire process. Understanding in detail the intricacies and challenges related to the entire process will enable our team to be a more effective and responsive part of your team as we ultimately becoming one seamless team with a common goal – high quality customer satisfaction.

1.1.3 Dedicated Service Approach

We currently support the alcoholic beverage distribution operations in two other states; North Carolina and West Virginia. LB&B's approach to supporting those locations is to provide individual operations at each of our customers locations totally dedicated to the support of that customer – and only that customer. We don't share resources in supporting other customers

within the company. In providing this dedicated approach, our customers are assured they will never be superseded by a higher company priority – as they are the number one priority.

1.1.4 Long Term Goals – Low Risk Operation

We are expecting to have a long relationship with the NHSLC and have structured our proposal as such. Key to maintaining this long term relationship is providing the resources necessary to mitigate any risk factors that could affect that relationship. As such, we are proposing a new fleet of vehicles to ensure consistent reliability. The truck depot facility we propose to build is configured specifically for this operation, highly secure – and located within one mile of the Exel Warehousing Operation in Bow, NH. This close proximity will significantly reduce any possible trailer delivery delays. We are also providing a state-of-the-art routing and delivery confirmation system that is fully compatible with Exel's Manhattan System and configurable to the NHSLC system(s).

1.1.5 Commitments

We have identified five core commitments below that we feel are instrumental in providing the level of performance the NHSLC expects and the service their customers deserve. These commitments will be part of our indoctrination training for each employee and will be prominently displayed in the Project Manager's office for all to observe.

COMMITMENTS

- ***Instill a spirit of Partnership to foster positive relations and cooperation.***
- ***Direct our focus on providing high quality customer satisfaction.***
- ***Ensure an environment where safety comes first.***
- ***Empower employees with the authority to do their jobs and recognize their exceptional***

performance.

- ***Become the contractor of choice for the follow-on contract.***

1.1.5.1 Partnership

LB&B believes that partnering with their customers is critical to the success of both entities. Through open and honest communications, which is a key concept of partnering, we learn our customers' functions, processes and procedures - even those that do not directly affect the contract requirements. Our customers also learn of our knowledge, experience and capabilities. The net effect of the partnering relationship is the efficiencies gained, by the two entities sharing and becoming more effective from the synergy of the partnership. We also become a fully integrated team member – not just a service provider. We take your success personally and will make you successful.

1.1.5.2 Quality Management and Customer Satisfaction

LB&B's Quality focus is preventative in nature, concentrating on early identification and resolution of potential problems, before they affect our operations. We have invested a tremendous amount of time and effort into not only developing a Quality Management System for all of the services we provide, but also having our processes and procedures evaluated by an outside source to validate our efforts. Achieving ISO 9001-2008 Certification is just another step in our on-going continuous, quality improvement process. Part of our ISO certified QMS is a disciplined analytical approach to performance management. Utilizing performance data generated through our IT Systems, we develop and analyze matrices to identify areas that we can improve upon.

We also cross-flow performance data between our various operations to identify "best practices" and "lessons learned" to improve the performance at all operations. We also emphasize continuous improvement and recognize those employees who innovate and provide a "better way" of doing business.

1.1.5.3 Safety

Safety is a not an option – it is foremost in all we do and will not be compromised. Our employees function in some very hazardous environments transporting and handling; aircraft fuel, ammunition, explosives, hazardous material as well as spirituous liquor products. All of our employees at all levels are safety focused and have the responsibility and authority to stop any unsafe operation immediately. We are proud of our safety record, which is consistently lower than industry standards.

1.1.5.4 Employee Empowerment

Our experience has been that if we hire the best employees available, respect our employees' capabilities, empower them to take ownership of the functions they are responsible for and recognize them for superior performance, they will take care of the customers. While our project manager will meet every retail store operator on the NHSLC Contract at some time – no one will know them and their expectations better than the drivers. Our drivers will be empowered to work with those customers and to identify better ways of satisfying them – whatever it may be.

1.1.5.5. Contractor of Choice

LB&B has a reputation for its ability to win and maintain contracts for long periods, through its exceptional service and best value pricing. We have been successful in retaining contacts through multiple competitions, and have been awarded long-term contracts (10-years plus) based

on our exceptional performance and service as shown here. We understand the level of effort and expenses our customers incur when they have to change contractors, which we often eliminate by providing to our customers that we are the right contractor to remain on the project.

We are providing a dedicated service team, to exclusively support Distribution and Transportation Services for the New Hampshire State Liquor Commission and their retail outlet customers. Though providing a true partnership in supporting your (our) customers, exceptional customer service, unparalleled safety in our operations provided by high quality, empowered employees, we intend to show the NHSLC that we are the best contractor for this project, and should be the contractor of choice for future opportunities.

1.1.6 Satisfaction of the Minimum Standards for Consideration

As identified in Appendix B, minimum standards for proposal consideration, the following information is provided:

- B-1 Proposal Submission: Our properly completed proposal was submitted on-time as identified in the RFP, Table 1, Schedule of Events as amended to 14 May 2013.
- B-2 Compliance with Requirements: All portions of the RFP are considered mandatory and have been responded to as required.
- B-3 Transportation Costing Information: We have provided costing data as required in Appendix D – Pricing Worksheet.

SECTION II -GLOSSARY OF TERMS AND ABBREVIATIONS

CDL	-	Commercial Driver's License
CEO	-	Chief Executive Officer
DC	-	Distribution Center
DOT	-	Department of Transportation
GPS	-	Global Positioning System
IT	-	Information Technology
LB&B	-	LB&B Associates Inc.
NABCA	-	National Alcohol Beverage Control Association
NHSLC	-	New Hampshire State Liquor Commission
NPMD	-	Next Preventive Maintenance Due
OJT	-	On-The-Job Training
PC	-	Personal Computer
PM	-	Project Manager
SM	-	Site Manager
SOP	-	Standard Operating Procedure
WVABC	-	West Virginia Alcoholic Beverage Control

3.0 SECTION III: RESPONSE TO ALL RFP SECTIONS INCLUDING APPENDICES

3.1 PART 1 GENERAL INFORMATION FOR VENDORS

1.0 Definition of Terms

- Reviewed and understood

1.1 Purpose

- Reviewed and understood

1.2 Schedule of Events

- Reviewed and understood

1.3 Issuing Office

- Reviewed and understood

1.4 Vendors' Conference

- Reviewed and understood– LB&B Attended

1.4.1 Alteration of RFP

- Reviewed and understood

1.5 Terms of Submission

- Reviewed and understood

1.5.1 Nature of Proposal

- Reviewed and understood

1.5.2 Proposal Offer

- Reviewed and understood

1.5.3 Amendments to this RFP

- Reviewed and understood

1.5.4 Assignment Provision

- Reviewed and understood

1.5.5 State's Options

- Reviewed and understood

1.5.6 Public Information

- Reviewed and understood

1.5.7 Liability

- Reviewed and understood

1.5.8 Inspection of Records

- Reviewed and understood

1.6 Proposal Submission

- Reviewed and understood

1.7 Preparation of Submission

- Reviewed and understood

1.7.1 Minimum Response

- Reviewed and understood

1.7.2 Mandatory Requirements

- Reviewed and understood

1.7.3 Innovation

- Reviewed and understood

1.7.4 Work in Progress

- Reviewed and understood

1.8 The Americans with Disabilities and USA Patriot Acts

- Reviewed and understood – we will comply

1.9 Contract Performance Bond

- Reviewed and understood – we will provide the agreed upon performance or transition bond(s) after contract award.

1.10.1 Duration of Contract

- Reviewed, understood and we agree.

1.10.2 Extension of Contract

- Reviewed and understood

1.10.3 Rate changes

- Reviewed and understood

1.11 Intentionally Left Blank

- Reviewed and understood

1.12 Supportive Materials

- Reviewed and understood

1.13 Property of NHSLC

- Reviewed and understood

1.14 Disclosure of Proposal

- Reviewed and understood

1.15 News Releases

- Reviewed and understood

1.16 Use of Electronic Versions of This RFP

- Reviewed and understood

1.17 Proposal Format

- Reviewed and understood

1.18 Confidentiality/Sensitive Information

- Reviewed and understood

1.19 Form of Contract

- Reviewed and understood

1.20 Conditional Nature of Agreement

- Reviewed and understood

1.21 Subcontractor

- Reviewed and understood

1.22 Proposal Guaranty

- Reviewed and understood - We have provided a $50,000 Bid Guaranty Bond I our Section IV - Documents

1.23 Venue – Merrimack County

- Reviewed and understood

1.24 RFP Protest Process

- Reviewed and understood

1.25 Contract Transition Period at end of New Contract

- Reviewed and understood

3.2 PART 2 GENERAL

2.0 Main Proposal

- Reviewed and understood

2.1 Transportation between Concord and Bow

- Reviewed and understood – addressed in our proposal

2.2 Initial Transportation from Nashua to Bow and from Concord to Bow

- Reviewed and understood – addressed in our proposal

2.3 Delivery Schedule

- Reviewed and understood – addressed in our proposal

2.4 Project Deliverables

- Reviewed and understood

2.6 Separate Third Proposal for Co-mingling Non-Product Loads

- Reviewed and understood

3.3 PART 3 BASIC INFORMATION REQUIRED FROM THE VENDOR

3.1 Management Summary

- Reviewed, understood and provided

3.2 Prior Experience

- Reviewed, understood and provided

3.3 Work Plan

- Reviewed, understood and provided

3.4 Business Continuity

- Reviewed, understood and provided

3.5 **Appendix A – Consists of background information on the opportunity.**

- Reviewed and understood. All required documents are provided in our Section IV – Documents

3.6 **Appendix B – Consists of minimum standards for Proposal consideration.**

Reviewed, understood and specific responses provided for; Proposal Submission, Compliance with Requirements and Transportation Costing Information as required are provided in Section V – Concept of Operations.

3.7 **Appendix C– Requirements and Deliverables**

- Reviewed, understood and specific response provided in our Section V – Concept of Operations

3.8 **Appendix D – Pricing Worksheets**

- Reviewed, understood and specific response provided

3.9 **Appendix E – States Contract Provisions**

- Reviewed and understood and we will comply upon contract award.

3.10 **Appendix F - Retail Store Locations**

- Reviewed and understood

3.11 **Appendix G - Historical Number of Deliveries.**

- Reviewed and understood

3.12 **Appendix H - NHSLC's Delivery Schedules**

- Reviewed and understood

3.13 **Appendix I - Retail stores Delivery Requirements**

- Reviewed and understood

3.14 **Appendix J - Current transportation pricing information**

- Reviewed and understood

3.15 **Appendix K - Fuel Surcharges Procedures**

- Reviewed and understood

3.16 **Appendix L - relevant NH Revised Statutes and Administrative Rules**

- Reviewed and understood

3.4 PART 4 EVALUATION PROCESS

4.1 General

- Reviewed and understood

4.2 Selection Criteria

- Reviewed and understood

4.3 EC Preliminary Reviews

- Reviewed and understood

4.4 Phase I - Initial Analysis Review and Ranking

- Reviewed and understood

4.5 Phase II Oral Interviews and Documentation Supplementation

- Reviewed and understood

4.6 NHSLC Evaluation and Approval

- Reviewed and understood

4.7 Best and Final Offers

- Reviewed and understood

4.8 Contract Negotiation

- Reviewed and understood

4.9 Contract Execution

- Reviewed and understood

PART 3: BASIC INFORMATION REQUIRED FROM THE VENDOR

5.0 GENERAL UNDERSTANDING OF THE EXPECTATIONS OF THE NHSLC

The NHSLC currently operates 77 retail liquor and wine stores located throughout the State of New Hampshire. In full cooperation and coordination with the NHSLC Warehousing services provider Exel, we will provide freight services to each retail location, based on the daily order information provided by the NHSLC.

We will establish a truck depot to provide fleet storage, maintenance, security and dispatch operations for our NHSLC support operation. This 4.5 acre depot will be located at 4 Thibeault Drive, Bow, NH 03304, which is less than one mile from the Exel Warehousing and Distribution Operation.

Upon contract award we will provide a fleet of new/used vehicles configured to meet requirements of the distribution services for each location. Operating this fleet will be fully licensed and qualified drivers supported by dispatchers to ensure the most effective operations. Our dispatchers will utilize state of the art routing software to ensure the most customer friendly routing.

We will provide a robust routing capability that will fully interface with the warehouse contractors Manhattan software system and the NHSLC's IT System. The system we propose provided by Roadnet Technologies, Inc., is the industry standard and will more than satisfy the requirements while providing efficiencies not currently in place.

Utilizing the proposed organization, routing capability and fleet we will demonstrate that we are fully capable of effective, efficient and timely coordination of product deliveries to retail stores throughout the State of New Hampshire.

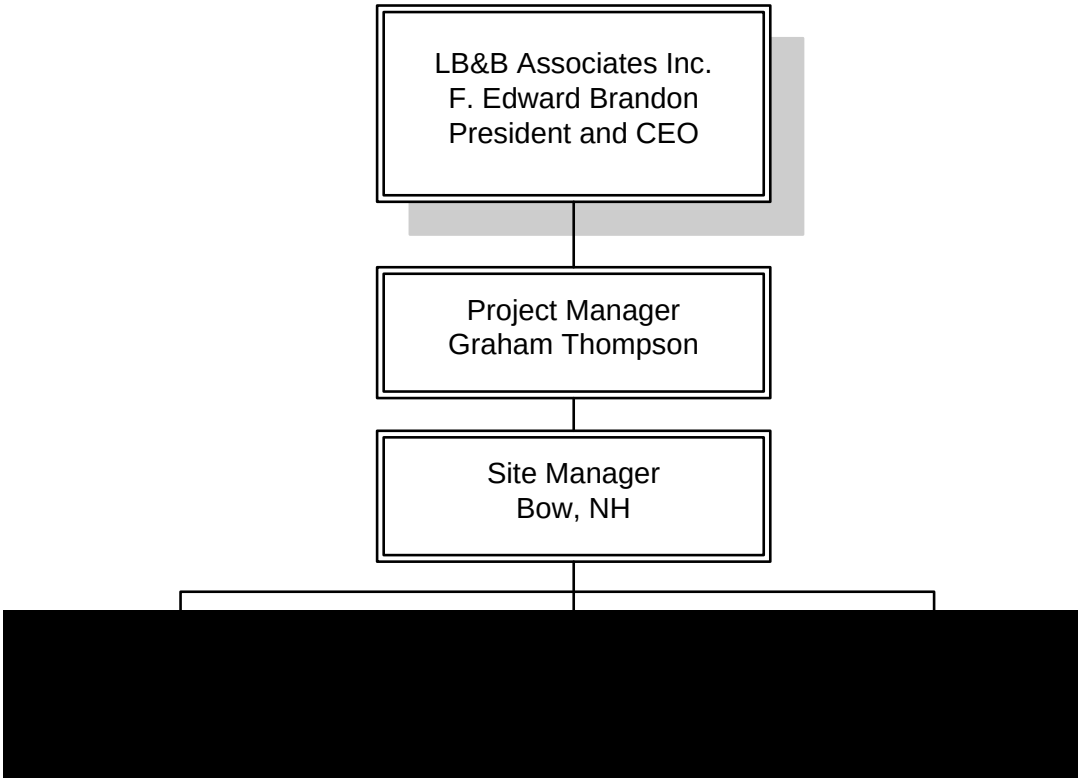
5.1 MANAGEMENT SUMMARY (RFP 3.1)

LB&B will furnish all necessary personnel, material, supplies, and equipment to operate and manage the transportation and delivery of liquor and wine and related products, supplies, and displays authorized by the NHSCL pursuant to the requirements of the resultant contract. To do so the organization we have developed to perform the contract will allow flexibility and improve productivity while accommodating necessary interfaces with the NHSLC staff, the warehousing contractor (Exel) and the retail customers. Our proposed organization is task oriented, using proven scheduling and planning techniques and systems.

Our project organization will provide effective support and facilitate the efficient flow of work from point-of-loading at the Exel Distribution Center (DC) warehouse in Bow, NH to point-of-delivery at the various private retail locations throughout the state. We have considered the limited short period of distribution and delivery from the incumbents' Nashua warehouse and from the NHSLC's Concord location.

The proposed organization for this operation is based on the workload data provided and our extensive experience in providing like services in North Carolina and West Virginia. Our organizational structure and staffing effectively meets all contract requirements and ensures that the distribution and transportation of liquor receive the highest priority required for such a service activity. ***Figure 5.1-1*** illustrates the functional alignment and staffing levels of our project organization.

Figure 5.1-1 NHSLC Support Project Organization



5.1.1 Project Staffing

Staffing levels proposed for performance on this contract are based on primary sources: First-hand corporate experience in performing similar contracts, workload requirements as we understand them, and review by our corporate management to determine optimum staffing levels. Ours is an independent organization with full authority provided to our Project Manager (PM) to make all decisions related to the contract. All personnel assigned to this contract will meet or exceed the requirements of the RFP and the laws of the State of New Hampshire.

As illustrated in Figure 5.1-1 our organizational structure ensures direct communication between the Corporate support functions, Project/Site Manager and our onsite staff.

Our organizational structure allows our SM to monitor contract performance in relation to established objectives on a continuing basis to ensure compliance with the contract requirements;

provide for rapid and close control of all project-related activities; and close interface between our SM and the NHSLC Staff. This approach also allows our PM the necessary time to maintain close contact with the various retail customers.

LB&B's management philosophy is to partner with our customers. Our mission on this contract is to create an environment where the NHSLC, Exel and LB&B work in partnership on fulfilling the requirements of the NHSLC in providing the requested products to the private retail liquor stores on time and in the quantities requested. Our goal is to have highly satisfied customers at all locations in the State of New Hampshire – all the time. In order to achieve this goal, we will provide the following:

- **Site Manager (SM)**: to manage the day-to-day distribution effort, interface with the NHSLC staff and customers. ***Our SM will be on-site or readily available at all times when shipments are being made.*** Our SM will concentrate on ensuring the required drivers and vehicles are available and dispatched to ensure on-time delivery to the private retail stores. Our SM will also coordinate loading and unloading with the Exel Warehouse Manager to facilitate efficient operations. Our SM will establish and maintain open lines of communications to affect a productive partnership focused on improving support to our mutual customers – the private liquor store proprietors.

- **Assistant Site Manager/Lead Driver:** As a back-up for the SM, we will identify one of the senior drivers as a lead, who will function as the Assistant SM in the SMs absence. This individual will be fully licensed and well versed on the loading, dispatch and scheduling operations and will be fully capable of performing all management functions.

- **Dispatchers:** The dispatchers will be the primary interface between the customer (NHSLC); the Excel warehousing operation; our drivers and the retail customers. The dispatchers will receive the daily order data from NHSLC, convert it into the daily delivery schedule and transmit the daily delivery schedule to the Exel warehouse operations personnel for picking. Once the Exel operation communicates where and when the trailers are to be delivered for loading, the dispatcher communicates that information to the drivers/yard works to position the trailers. Once the trailers are loaded and have departed for delivery – the dispatchers are in contact with the drivers as needed to ensure on-time delivery. The dispatchers will also operate the reporting function our our system ensuring all data is capture, analyzed, reported and stored as required.

- **Drivers:** Based on the daily routing requirements, we will have [redacted] primary, and [redacted] drivers that are properly licensed (CDL), trained and experience to ensure on-time deliveries as established by the daily delivery schedule. We will also maintain a roster of part-time, on-call, contingency drivers to ensure we can support any surge requirements such as the annual Trade Shows.

- **Yard Worker(s):** We will also provide skilled, CDL licensed, yard workers to ensure the trailers are properly positioned at the Exel warehouse for loading as instructed. They may also assist in inventorying loads prior to departure. When not positioning trailers at the Exel warehouse, they will ensure trailers are clean properly equipped (rollers, pallet jacks, etc…) for the next load. The yard workers will also ensure the storage trailers (pallet and empty box) are kept organized and ready for delivery when needed. Yard workers will accompany drivers periodically to stay familiarized with the various routes,

should they need to fill in. During inclement weather, they will take care of snow removal.

- Vehicle Mechanic: We will have a highly experienced diesel mechanic on-site daily to ensure all equipment is ready for operation at all times. This mechanic will also be CDL licensed and may be utilized as a Driver or Yard Worker if needed. During inclement weather, the mechanic will take care of snow removal.

5.1.2 Project Transition/Phase-In

LB&B has extensive experience transitioning in projects in minimal time – and we've never been late. We were able to put the fleet in place, have the driver's hired and deliveries on the road for our WVABC operation - in less than two weeks. On one of our security contracts, we were awarded the contract on [redacted] We [redacted] supervisors and managers on-time despite the holiday season. Shown here are some of the more important phase-in tasks we plan for and conduct after contract award:

Phase-In Task	Actions
1. Personnel Recruitment	• Conduct company-sponsored off-site after hours Open Houses and briefing for potential employees; • Conduct interviews, and processing all required personnel after normal working hours; • Validate current certifications and licenses; • Perform drug testing and pre-screening of new personnel
2. Orientation and Training	• Prepare on-the-job training (OJT) program; • Implement a productivity improvement review for employees; • Company and project Orientation training
3. Certifications and Licenses	• All incoming personnel are required to have the appropriate licenses before hire • Our corporate and on site staff during phase-in will ensure that Licenses are current prior to extending an offer for employment • Back ground investigations are processed at the HR level prior to an offer of employment. ANY negative results will eliminate that

Phase-In Task	Actions
	person from further consideration.
4. Finalize Facility Requirements – begin Construction	• Meet with GC – [redacted] schedule, commence construction. • If needed, lease alternate temporary facility
5. Procurement of required vehicles, tools, supplies and equipment	• Continually monitor, coordinate and control the acquisition of needed items • Place orders for all required equipment • Establish local and national accounts for the purchase of materials and supplies (emphasis placed on establishing supply accounts with local small business firms)
6. Preparation of plans, deliverable documents, and inventories and inspections	• Corporate staff supports the assembling of all required submittals to ensure on-site personnel can concentrate on recruiting and mobilizing resources without getting burdened with administrative tasks.
7. Establishing business and work control programs	• Establish plans, procedures, and control mechanisms for our Business and Work Control Programs to direct project performance. • Beginning the implementation of accounting procedures, budget procedures, and a cost control system. • Observe all operations to gain knowledge of processes and procedures, • Preparing and submitting contract deliverables for approval.

Through experience, we have found that the availability of our corporate staff is critical to a successful phase-in. Our supporting management, technical, and other corporate personnel will work with our Project Manager to implement SOPs and property control procedures, initiate baseline assessments, and implement productivity enhancement programs and other operational procedures. Our Corporate management will work to oversee installation of our business systems to track work, ensuring full compliance with contract requirements and standards. We anticipate portions of the phase-in team will still be present at the Bow location after the phase-in is complete to finalize documentation, ensure a smooth start-up of operations, and assist where necessary until all systems are operating as required.

Our corporate transition assistance teams that will be on-site at the Bow location include:

- Executive Senior Vice President (Corporate signatory)
- Vice President of Support Services
- Human Resources (Hiring)
- Contract Specialist (Coordination/Compliance)
- Purchasing Agent (Vehicles,
- Director of Quality
- Director of Safety
- Controller
- IT Specialist (Systems Installation/Integration)

Our highly experienced transition team focuses their efforts on hiring and training the right employees (after normal working hours activities and having service delivery processes established and ready to go on day one of the contract start. Our experiences transitioning over [redacted] staffing correctly balances corporate expertise and onsite ownership in getting our operations up and running.

While this operation will not be without the normal challenges – we will be fully operational, staff and equipped at contract start.

5.1.3 Safety Program

LB&B's Safety Program is designed to prevent on-the-job accidents in performance of the functions involved in storage and distribution of alcoholic beverages. Prevention is achieved through promoting and maintaining safe working conditions and operational procedures.

LB&B's on-site Project Manager (PM) has the ultimate responsibility for safe working conditions and adherence to the prescribed safety practices and procedures. However, the success

of a Safety Program rests with each employee. Safety Program success can only be achieved through their corporation and assistance in monitoring the operation and reporting of unsafe conditions or practices that could result in accidents.

- **PM must:**
  - Train their personnel in proper work practices.
  - See that proper practices are followed.
  - Investigate all incidents or injuries for cause
  - Take corrective action when unsafe conditions or work methods are noted.
  - Maintain all equipment in a safe operating condition.
- **Employees must:**
  - Observe prescribed work practices.
  - Report any hazardous condition to their Supervisors.
  - Report all injuries immediately.
  - Use prescribed protective and safety clothing and equipment.
  - Be proactive on all safety issues

5.1.3.1 Safety Tool Box

Our PM and our drivers will be required to hold weekly safety talks covering Safety Tool Box subjects. These brief talks are designed to focus and refocus our employees on issues that could affect their safety. Some examples of Safety Tool Box Subjects applicable to our drivers are:

- Vehicle Inspection
- Basic Control of Your Vehicle
- Winter Driving
- Hot Weather Driving

- Shifting Gears
- Situational Awareness
- Communicating
- Space Management
- Controlling Your Speed
- Hazard Recognition
- Distracted Driving
- Aggressive Drivers/Road Rage
- Night Driving
- Driving in Fog
- Railroad Crossings
- Mountain Driving
- Driving Emergencies
- Antilock Braking Systems
- Skid Control and Recovery
- Accident Procedures
- Fires
- Alcohol, Other Drugs, and Driving
- Staying Alert and Fit to Drive
- Personal Protective Equipment

5.1.3.2 Driver Safety Performance Tracking

We feel we cannot do too much to ensure safe operation of our vehicles, and security of the NHSLC Product. As such, we will have a decal such as the one shown here on each of our vehicles to allow motorists to report erratic or unsafe vehicle operation. The service we subscribe to provides 24- hour a day reporting to us, of any calls received concerning one of our vehicles.

We take any report seriously and will investigate them thoroughly. If necessary, drivers will be counseled, retrained or dismissed as appropriate.

5.1.3.3 Safety Award Program

LB&B has provided a Safety Program for all contract sites. Each employee is eligible to participate in the worthwhile and effective program. We provide monetary awards to those employees who consistently work safely.

5.1.3.4 Safe Driving Awards

Full-time Truck Drivers are eligible for a Safe Driving Award in accordance with the American Trucking Association's policies and guidelines. Awards are given in December of each year.

5.1.3.5 Distribution of Safety Plan

One copy will be posted on the drivers area bulletin board and one copy placed in the packet for each tractor.

5.1.4 <u>Security</u>

Security is very important to LB&B Associates Inc., and will be continuously emphasized. Our employees will be trained on all aspects of security as they relate to care of NHSLC property at all times; in the warehouse, while in transit and while being unloaded. Vehicles and facilities

will be locked when left unattended, and any suspicious activity will be reported immediately to our **management and NHSLC staff as appropriate.**

5.1.4.1 Vehicle Over-the-Road Security

Vehicles in transit are somewhat more vulnerable to hi-jacking and theft than when parked and secured. To insure the security of the vehicles and the NHSLC products, the following procedures (as a minimum) will be implemented:

- LB&B will provide mobile devices to its truck drivers to be used in Safety/Security instances, as well as to notify and inform the Customers of deviations in arrival times. These devices are equipped with GPS systems for real-time location tracking.
- LB&B Employees will be especially alert to persons observed following them for extended periods of time, or watching them while unloading.
    - Personnel will attempt to safely obtain the license number and description of the vehicle, or individuals observing them report as much details as possible to the LB&B Transportation Manager.
- In the event of an attempted or actual hijacking, LB&B employees will not resist.
    - Employees should remain calm, which may enable Driver and Helper to provide reliable information to law enforcement officers' details about the hi-jacking.
- All vehicles (trucks, tractors and trailers) will be locked (not just sealed) when not being on or off-loaded. High quality, tamper proof locks will be provided for each vehicle.
- While trailers are disconnected from the tractors, they will be secured with a king-pin lock, which prevents another tractor from connecting to it.

5.1.5 Training Program

All of LB&B's employees who work at the NHSLC Project will have the requisite skills and currently valid certifications, licenses, and permits before consideration for employment.

All employees will be required to attend a training/orientation session focusing on policies and procedures regarding; company policies and procedures, security, safety, and administrative matters. These training sessions/orientations are mandatory and personnel will not be allowed to start work on the Project without these training sessions and/or fulfillment of other particular requirements consistent with their respective positions. As a condition of continued employment, all LB&B employees will attend periodic safety orientations conducted by project management. All employees, as required by the specifications of their jobs, will attend training as follows:

- Meeting client requirements
- Customer relations and service
- Contingency Plan — Contingency Plan specifics and the respective role each will play in its execution. Drills for a contingency will conducted a required.
    - Examples of contingency plans are; inclement weather, increased workload, unexpected closure of the NHSLC/Exel Distribution Facility, retail customer facility closure or inaccessibility, etc.
- Drug-Free Workplace
- Equal Opportunity Employer
- Violence in the Workplace
- Security
- Safety

5.1.5.1 Driver Training

All of our drivers will have the requisite Commercial Drivers License (CDL) for the type and size of vehicle they will be operating, with the appropriate endorsement. In addition to the required CDL-A, all of our drivers, regardless of length of experience, are required to pass a "check ride" evaluation with one of our transportation managers or senior operators, over the actual routes they will be driving. These check rides are normally more than one day in duration. These check rides ensure safe operation and knowledge of the routes and delivery locations.

One key component of all LB&B Associates Inc., training program is training for cross-utilization, cross-functionality. All drivers will be trained on all routes and all delivery locations. All of our drivers will eventually be able to operate on any route with the same level of efficiency and customer support.

5.1.6 Innovation

Our extensive experience will enable us to work closely with the NHSLC and Exel to find innovation means to improve operations. As a major function of our ISA 9001-2008 Registered, prevention based quality management program, we focus significantly on continuous improvement. To ensure we get maximum participation from all employees, we reward those employees that provide a better or safer way of doing business with cash awards, and recognition in our quarterly periodical – **Profiles** – as shown below.

PROFILES

A Quarterly Publication of LB&B, A Diversified Services Company

Volume 65 March 2013

NCDL Joint Venture Awarded a Three-Year Contract

A joint venture between Dae Sung LLC and LB&B under a mentor-protege partnership was awarded a three-year contract for Shuttle Bus Services at Walter Reed National Military Medical Center in Bethesda, MD. The contract is a firm-fixed price/IDIQ procurement with a base-year and two one-year options. Our joint venture began the transition on February 23, 2013, with a start date of March 1, 2013. We are extremely pleased with this award and look forward to the partnership with our customers in Bethesda.

Ms. Christine Ngo is the Contracting/Ordering Officer on this contract. The Shuttle Bus Transportation Services will include services for patients and visitors for the Walter Reed National Military Medical Center. The route operations time frame requirements shall be between 5:30 a.m. and 6:30 p.m. Monday through Friday for approximately 250 days each year. Service is not required on weekends or holidays under the fixed price portion of the contract.

The joint venture (NCDL) proposal was assembled by ***Mr. Jose Ceballos***, Director of Business Development, ***Ms. Karen Dorsey***, Pricing Analyst, ***Mr. Jay Jackson*** Proposal Coordinator, ***Mr. Darren Anderson***, Business Development Coordinator, ***Mr. Martin Bonura***, Quality/Training Director, ***Mr. Jeff Poston***, Safety Director, ***Ms. Betty Barnes***, Dae Sung General Manager and ***Mr. Rick Franz***, Executive Senior Vice P and thank

Th l of Ms. B avid Van Scoyoc, Chief Opera Officer, ***Mr. Donnie Osmann***, Vice P dent of Base Operations, ***Mr. Al Torran*** Vice President of Support Services, ***Mr. John Eisele***, Project Manager, and ***Mr. John Abramovic***, Recruitment Administrator. Again, we are extremely pleased with the award.

We recognize those contributing each quarter.

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Innovation/Productivity/Quality Has High Priority

At LB&B, we recognize that a contractor's quality workmanship, productivity and innovations make a difference. Our management encourages all of our projects to be innovative to enhance the project for our customers. If we do what is expected by our management, our customers will provide us excellent references on new opportunities as well as existing projects.

This quarter the following employees were nominated for our Quality Incentive:

- ***Monty Mickle***, Waco
- ***Lenny Kaplan***, Moynihan
- ***Steven Currier***, Moynihan
- ***Ronald Bemis***, Reno
- ***Doug Neely***, Alpha
- ***Michael Streight***, C-9B
- ***Terry Dick***, Frankfort
- ***Shawn Gutshall***, NSPA
- ***Cord Platt***, CNRFC Ft. Dix
- ***Chris Santos***, CNRFC New Orleans
- ***Mike Attaway***, CNRFC Ft. Worth
- ***Victor Algarin***, Miami
- ***Monica Contreras***, NSPA
- ***Cindy Keith***, Maxxim
- ***Arthur Wheaton***, DINFOS
- ***Gary Moore***, Forensic Lab
- ***James Niedbalski***, Cape Girardeau
- ***Eddie Martin***, St. Louis
- ***Thomas McMannis***, Overland
- ***Luis Gomez***, WMATA
- ***Cloyd Penaflor***, Archives I
- ***Mary Clark***, Archives II
- ***Adam Panzer***, Archives I
- ***Jesus Munoz***, Austin IRS
- ***Mitch Williams***, Dallas
- ***Trevor Tyson***, Dallas
- ***Tony Schumann***, Iowa
- ***Steven Bickford***, Kansas City
- ***Fred Wake***, Lexington
- ***Chuck Jungbluth***, Lincoln
- ***James Imiola***, Reno
- ***Kenneth Burrows***, St. Louis
- ***Wallace Lewis***, WMATA
- ***John Kucera***, Hagerstown
- ***Lance Tran***, Archives I
- ***Steve Barnes***, Austin IRS
- ***Francisco Garza***, Corpus Christi
- ***Curtis Hildebrand***, Archives II
- ***John Stout***, Archives II
- ***John Pappas***, Archives II
- ***Greg McPherson***, Iowa
- ***Phil Lytle***, Kansas City
- ***Scott Hinze***, Lincoln
- ***Joseph Tanti***, Moynihan
- ***Scott Schilling***, St. Louis Fed. Center
- ***Ronald Anderson***, St. Louis
- ***Richard Griglik***, Varick St.
- ***Maria Cruz***, WMATA
- ***Bob Arbuckle***, Kansas City
- ***Ricky Xie***, Moynihan
- ***Tom Statelman***, Moynihan
- ***Jeff Huffman***, St. Louis Fed. Center
- ***Robert Pfoutz***, St. Louis
- ***David Davis***, WMATA
- ***Joseph Chambers***, Forensic Lab
- ***Alex Perez***, Miami
- ***Dennis Osborne***, Alpha
- ***Steven Haertling***, Overland
- ***Steve Brown***, CNRFC Ft. Worth
- ***Avery Monroe***, Quantico A/V
- ***Allen Hill***, Anacostia
- ***Robin Hayden***, Anacostia
- ***Warren Reed***, WMATA
- ***Mark Dobson***, McNamara
- ***Bobby Corso***, Covington
- ***Russell Ford***, Covington

Congratulations to all the nominees submitted for the Quality/Productivity/Innovation Award. This quarter we have selected the following nominees for the finalists:

Mr. Monty Mickle *(right)* in Waco was presented with an award by the Austin/Waco Project Manager ***Mr. Tom Slocum***.

Mr. Adam Panzer *(left)* at Archives I was presented with an award by ***Mr. David Smith***, Assistant Project Manager.

Mr. Dan McGowan *(left)*, Project Manager at WMATA presented ***Mr. Warren Reed*** with a Quality Award.

Mr. Richard Golding *(left)*, Project Manager in Miami presented ***Mr. Alex Perez*** with a Quality/Productivity Award for the first quarter of FY-13.

QUALITY AWARDS, continued on page 39

5.2 PRIOR EXPERIENCE (RFP 3.2)

LB&B is uniquely qualified and experienced in all of the functions required under this contract. We have a diverse background in logistics management, warehouse and distribution, facility maintenance, equipment maintenance and operating support services for local, state, and government customers.

Our successes are the result of an experienced management team with an average of over 20-years in the Services Industry coupled with our corporate philosophy of total customer satisfaction. Our capability comes from exceptional, long-term performance on contracts like those listed here and includes current contracts that are directly relevant to NHSLC requirements.

[redacted] Each of these operations has:

- A dispatch function
- A fleet of vehicles to operate and maintain
- A cadre of highly skilled CDL-Licensed drivers (with Tanker and Hazmat Endorsements)
- A schedule of deliveries to follow.
- While the product is different – the basic operational process is the same.

Provided below are three references that are familiar with our capabilities and will validate the quality of our services.

5.2.1 National Alcohol Beverage Control Association (NABCA)

In addition to successfully managing two State Distribution Contracts, LB&B is also very active in the National Alcohol Beverage Control Association (NABCA). LB&B is an Allied Member, and Mr. Graham Thompson who oversees our operations in both North Carolina and West Virginia is on the Distribution/Logistics Committee chaired by the WV Commissioner, Mr. Ron Moats.

We view being active in industry professional organizations such as the NABCA as critical to being able to effectively operate in that industry. Sharing best practices, lessons learned and personal interaction keeps LB&B on the cutting edge of the industry. Being actively involved in the operations of the NABCA also benefits those who we support (NC, WV and NH) by recommending change within the organization – that can affect the operations of the controlled states.

As another reference of our support for and activity in the NABCA, please contact:

Mr. Nicholas Capezza

Policy Research Analyst

National Alcohol Beverage Control Association (NACBA)

4401 Ford Avenue Suite 700

Alexandria, VA 22302

Phone: (703) 824-3364

Nicholas.Capezza@nabca.org

5.2.2 ABC Storage, Warehousing and Distribution Services for the State of North Carolina

Point of Contract: **Mr. Michael Herring**

Administrator

North Carolina - NC ABCC

4307 Mail Service Center

Raleigh, NC 27699-4307

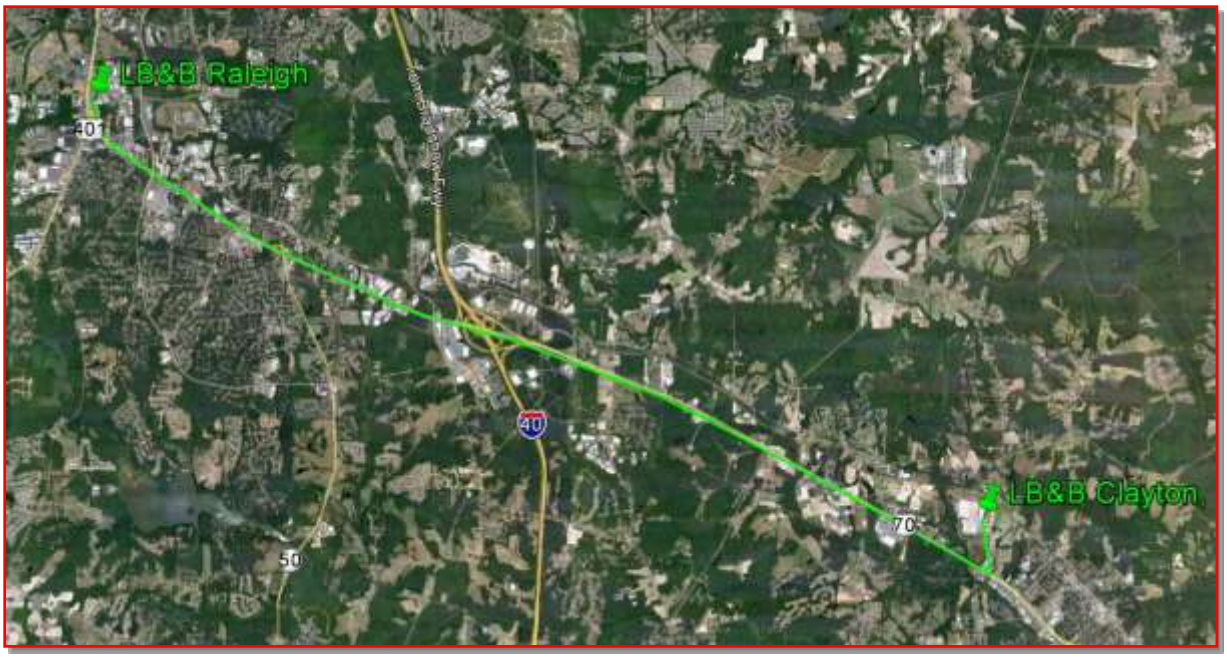
Office: 919.779.0700 ext: 247

We have operated the warehousing and distribution of alcoholic beverages for the State of North Carolina since 2001 through this contract. What started out as a considerably smaller contract has grown over the years into the dual warehouse operation it is today. Due to the exceptional performance and relationships we've established with the Commission and the retail customers, our contract with the State of North Carolina was recently extended through 2021.

5.2.2.1 Warehousing

- LB&B currently operates two (2) warehouses with a total of 400,000 square feet of floor storage. The combined capacity of both warehouses is conservatively - [redacted] cases of alcoholic beverages. The locations are about 10-miles apart, one in Raleigh and the other in Clayton, NC.
- Our inventory consists of nearly 2,000 line items with a value of approximately [redacted]
- LB&B's Receiving Section processes on average [redacted] from over 90-suppliers.
- Each item is assigned space based on a 45/60 day supply. 45-days for domestic items and 60-days for imported items.
- We distribute alcoholic beverages to 165 Local ABC Boards including 8 Military Bases and 273 stores throughout the state of North Carolina, on a prescheduled delivery basis, 5 days per week.
- We operate and maintain the WMS system and utilize RF scanners to process orders.
- We also provide security personnel, who are on duty to ensure the security of the North Carolina ABC Warehouse 24 hours a day, 7 days a week - for both warehouses.

We are highly experienced in distribution operation from multiple warehouse locations.



5.2.2.2 Distribution

- Our Shipping Section will select and pack on average [redacted] with approximately

[redacted]

- Numerous shipments are multi-stop/loads requiring special attention in the loading of the trailers to facilitate efficient off-loading at the scheduled location.
- Our personnel have the experience and expertise to prevent the different loads from comingling in the trailers.
- Our personnel understand the importance of accuracy that leads to customer satisfaction.
- Some locations require over-night transit to be able to make the delivery the next day.
- Other locations are so remote, tractor-trailers cannot navigate the rural roads and the smaller van trucks are used.

LB&B currently provides these services by means of 18-tractors; 29 - 45-foot, 48-foot, and 53-foot enclosed trailers, and one 28' straight truck.

State of North Carolina
ALCOHOLIC BEVERAGE CONTROL COMMISSION

JAMES C. GARDNER
CHAIRMAN

MICHAEL C. HERRING
ADMINISTRATOR

4307 MAIL SERVICE CENTER
RALEIGH, NC 27699-4307

(919) 779-0700
FAX (919) 661-5927

COMMISSION MEMBERS:
JOEL L. KEITH,
WAKE FOREST
KEVIN M. GREEN,
GREENSBORO

April 18, 2013

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

Re: LB&B Associates Inc. NHSLC RFP 2013-14 – Transportation Services

Dear Mr. Bulkley:

As Chief Administrator for the North Carolina Alcoholic Beverage Control Commission, ("the ABC Commission") I would like to recognize LB&B Associates Inc. ("LB&B") for outstanding services in connection with the State's spirituous liquor warehousing and distribution functions.

LB&B has operated the ABC Commission warehouse and distribution contract since March 24, 2004 and currently the State has contracted with LB&B for performance of the receipt, storage and distribution functions through June 30, 2021.

Since beginning performance in 2004, LB&B has performed the spirituous liquor warehousing and distribution's functions in an excellent manner. Currently, LB&B operates two warehouse facilities for the ABC Commission, having begun work at the second warehouse facility in August 2011. While providing overall excellent service, LB&B and its management have in particular found ways to efficiently manage product growth and improve customer service. In 2004, LB&B received and [redacted] cases to the 168 local ABC boards in the state. This past year, over [redacted] were transported out to approximately 300 stores and warehouses operated by the local ABC boards.

LB&B has performed its contract with the ABC Commission to the highest standards and the ABC Commission, as well as the local ABC boards, appreciates the excellent working relationship that it shares with LB&B, its management and employees.

Should you have any questions or if I can provide additional information, please do not hesitate to call me.

Sincerely,

Michael C. Herring
Administrator

LOCATION: 400 EAST TRYON ROAD, RALEIGH, NC 27610
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER
HTTP://ABC.NC.GOV

5.2.3 ABC Transportation Services for the State of West Virginia

Point of Contract: **Ms. Erin Brewster**

Deputy Commissioner

West Virginia Alcohol Beverage Control

900 Pennsylvania Ave., 4th Floor

Charleston, WV 25302

Phone: 304-356-5500

We handle all the transportation and logistics of alcoholic beverages for the State of West Virginia through this contract:

5.2.3.1 Transportation

- Our Transportation (drivers) deliver approximately [redacted].
- All shipments are multi-stop/loads requiring special attention in the loading of the trailers to facilitate efficient off-loading at the scheduled location.
- Our personnel have the experience and expertise to prevent the different loads from comingling in the trailers.
- Our personnel understand the importance of accuracy that leads to customer satisfaction.
- Some locations require over-night transit to be able to make the delivery the next day.
- Other locations are so remote, tractor-trailers cannot navigate the rural roads and the smaller van trucks are used.
- There are approximately 179 retail store locations in the state and our drivers deliver to each one per week as assigned by the state.

LB&B currently provides these services by means of 8-tractors; 12 - 45-foot enclosed trailers, and three (3) 28-foot straight trucks.

STATE OF WEST VIRGINIA
DEPARTMENT OF REVENUE
ALCOHOL BEVERAGE CONTROL ADMINISTRATION

900 Pennsylvania Ave., 4th Floor
Charleston, West Virginia 25302

EARL RAY TOMBLIN
GOVERNOR

RONALD M. MOATS
COMMISSIONER

CHARLES O. LORENSEN
CABINET SECRETARY

March 28, 2013

Craig W. Bulkley
Chief of Administration
New Hampshire State Liquor Commission
P.O. Box 503
Concord, NH 03302-0503

Re: LB&B Associates, Inc.

Dear Mr. Bulkley,

We at that West Virginia Alcohol Beverage Control Administration (ABCA) have had the pleasure of working with LB&B Associates, Inc. for approximately nine (9) months and we have been very pleased with the service provided by the company. LB&B was awarded the transportation contract for the West Virginia ABCA in June 2012 and even before the company officially began working Graham Thompson and his team made a concerted effort to meet with administration and warehouse personnel to effectuate a smooth transition. I believe that this is LB&B's first major contract in West Virginia, so there was a great deal to learn about deliveries in our mountainous terrain, and the company worked hard to hire seasoned personnel and to ensure that the ABCA was able to continue to provide quality to service to its retail customers.

Our warehouse delivers an average of approximately [redacted] to our one-hundred eighty three (183) retailers each month, but LB&B had little time to work at this level as the company assumed the contract only a few short months before our September trade show, which is the busiest time of year for our warehouse – the trade show was on September 10 and 11 and beginning September 12 LB&B was responsible for delivering more than [redacted]ses (in addition to all regular orders) to our retailers, and they were able to work alongside our excellent warehouse staff to make those deliveries in less than three (3) weeks. As soon as that work was complete, it was time for the busy holiday season, and LB&B again stepped up to make sure that all retailers were able to receive their orders in a timely manner. LB&B personnel have also worked with our warehouse staff to create and/or update forms to allow for smoother processing with our Accounting department.

As the sale of spirits in West Virginia continues on the upswing, we are confident that Graham, his staff and LB&B will be able to grow with the WVABCA and I look forward to continued work with the company.

Very truly yours,

Erin Brewster
Deputy Commissioner

304-356-5500 "AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER" FAX: 304-558-0081

http://www.abca.wv.gov

5.3 WORK PLAN (RFP 3.3)

Describe your plan for accomplishing the project. Be sure to include a detailed timeline with costs.

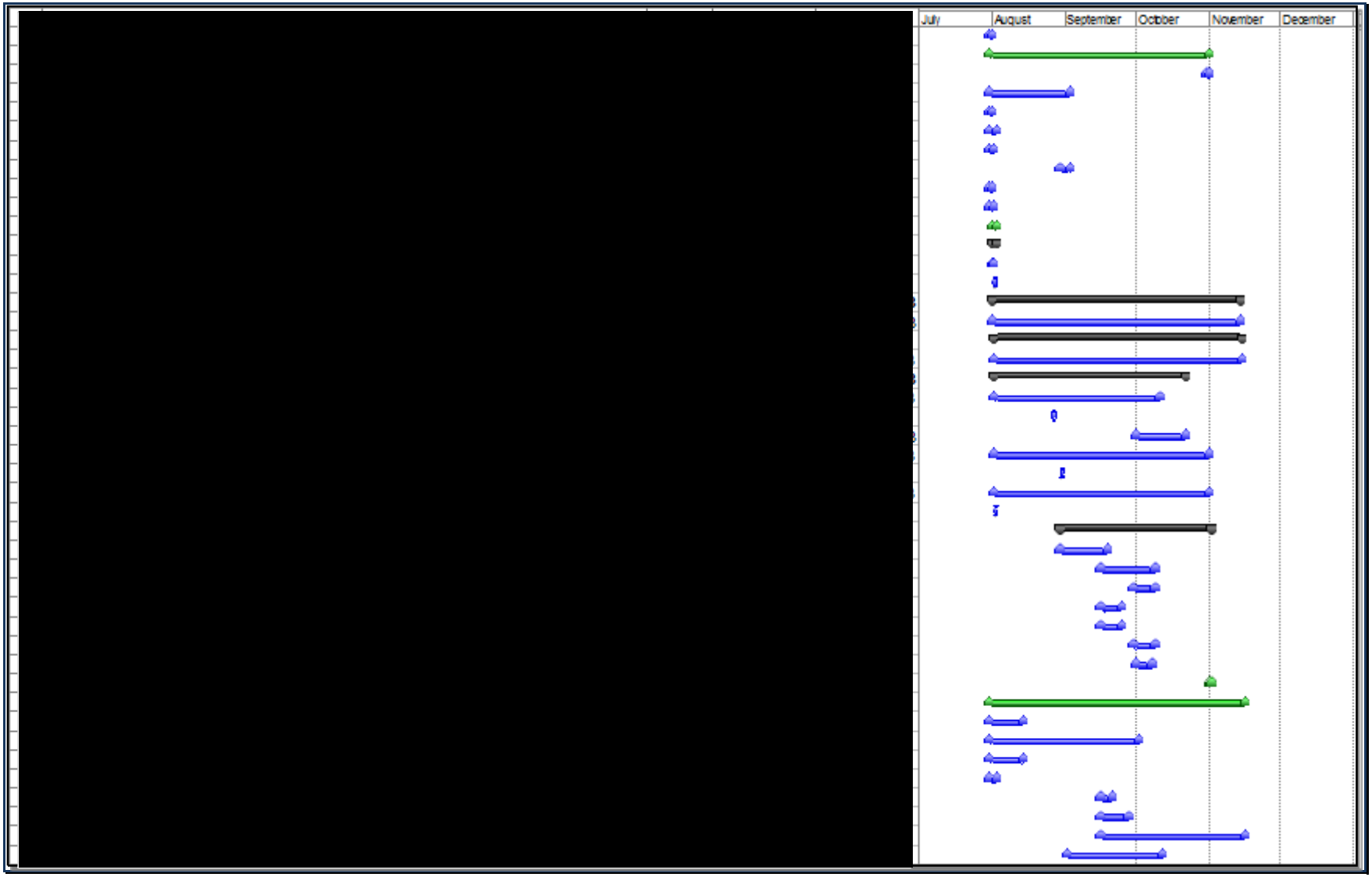
Our work plan commences upon contract award and continues through each day of operation as we deliver product. Upon contract award we will deploy the corporate transition team as indicated in the Management Summary above. Our processes detailed here are notional and we fully expect them to change once we begin operations. We look forward to meeting with the NHSLC and Exel representatives to maximize the synergy of all parties in developing the best possible solution to the transportation challenges of the NHSLC. We are comfortable that the expertise that LB&B and Exel bring will provide the expected results. LB&B will cooperate fully with Exel and the NHSLC in all facets of the operation.

5.3.1 Pricing

We are a big proponent of simplifying operations to include the invoicing process. As such, we have established one cost per case for all of our operations – except the entail Nashua and Concord moves. That case cost is provided in our separate cost and pricing section and will not be addressed in this section.

5.3.2 Transition

Shown below is our notional timeline from contract award to full operation. We are well aware this schedule is fluid – and will be adjusted as needed to accommodate expected changes based on various unknown criteria. ***Flexibility and responsiveness are key to effective transition…and daily operations.***


July
August
September
October
November
December

5.3.3 Daily Operation

Provided here is our basic approach to daily operations. Our operations will begin Sunday evening and continue through the week, usually through Friday. We will schedule resources as necessary to cover weekend and holiday requirements when needed. We fully understand that equipment and personnel requirements vary on a day to day basis. In some cases loading is performed the day or night prior to delivery, therefore, it may be necessary to have sufficient equipment to handle more than one-day's operations. We have planned for this type of operation.

5.3.4 General Operational Approach

The following details basic general operational processes and procedures for each day's operations. These processes may be adjusted as required based on daily product flow.

5.3.4.1 Trailer Pre-Staging

Each evening (except Friday and Saturday) we will coordinate pre-delivery of anticipated trailers for the following mornings load with Exel – and pre-position those trailers at the Exel Warehouse. Once we work out the Monday routing, we will calculate the number of empty trailers to be pre-positioned at the warehouse on Sunday night (8:00 PM). These same procedures will be followed for Tuesday through Thursday night for the following day's deliveries. We will coordinate an acceptable level of resources to make the operation most efficient.

5.3.4.2 Restocking Order Receipt - Routing Process

Daily retail store restocking orders are transmitted after the store closes for the day. The applicable restocking order information will be transmitted to our dispatch operation buy 11:00 PM, to produce a routing plan. Our Dispatchers will utilize our Roadnet Technologies Inc.

routing software to convert the restocking order information into a routing plan that will ultimately result in timely delivery to the retail outlet.

This plan will be evaluated by the dispatcher based on established criteria to ensure its feasibility before transmitting. This plan will be transmitted to Exel's Bow Warehouse by 4:00 AM the following morning. By 5:00AM, Exel's warehouse personnel will notify the dispatcher electronically when the (prepositioned) trailers will be loaded and ready for pickup (Monday-Friday). They will also notify the dispatcher when additional trailers need to be delivered for loading.

Once the routing is accepted and trailers ordered, the dispatcher will identify resources to the specific routes. ***Depending on the specific reorder requirements, the deliveries could be for the same day as the route is developed (after conversion to the one warehouse operation) – or it could be for the next delivery day. Our preference will always be for live load - same day delivery – but we will cooperate with the Exel and provide the services the customer expects.***

5.3.4.2.1 ***Route Scheduling***

During the life of the contract, we will work with the NHSLC and Exel continuously to identify more efficient delivery routes. **However, we do agree to accept the current delivery schedule in place upon contract award.** Any changes to the schedule will be coordinated with and approved by the NHSLC. We will work with NHSLC to meet the customers, holiday schedule requirements to ensure that deliveries requested for legal holidays, are completed on or before the day preceding the actual holiday.

NOTE: The Roadnet routing examples for the identified 20-days, with examples of the flat-files for transmission to Exel's warehousing operation are attached as Appendix A to section.

5.3.4.3 Driver Coordination

Once the requirements are identified, the dispatcher will review the drivers schedule to ensure sufficient resources for the days' deliveries. If necessary, drivers will be notified and schedules adjusted. The dispatcher will ensure all the mobile devices (detailed in the Technical Resources Section below) are fully charged and the day's delivery schedules are uploaded into the devices. Each driver's route will be loaded into a specific device for that route – to include specific delivery and seal information for each drop. The drivers will also be provided hard copies of the route and order information.

5.3.4.4 Yard Worker Coordination

Once the data is finalized and transmitted, the dispatcher will notify the yard worker of the resource requirement to be moved to the warehouse. Trucks and trailers will be inspected for cleanliness, and the appropriate support equipment; rollers (T's, curves, straights) pallets jacks, lift gate, king pin locks, etc., depending on the delivery location. *Yard workers will normally be in place at Exel's warehouse operation at 4:00 AM – each day loading is to take place.*

Worker will remain at the warehouse location while loading it taking place. We will position on Yard Tractor at the warehouse from Sunday night through 1:00 PM on Friday to facilitate expedient trailer moves. After 1:00 PM Friday – all LB&B Equipment will be returned to our terminal until Sunday night – when the cycle starts again.

For those trailers that are loaded without a driver present – the yard worker will inventory and validate the accuracy of the load and sign the manifest allowing the trailer to be closed and sealed for later delivery. The Yard Worker can move the loaded trailer and replace it with an empty trailer if required. This process will likely be used to cover the drop ship trailers which will often be supported by the same drop/hook driver.

5.3.4.5 Additional Dispatch Operations Functions:

Our dispatchers are the main interface with the drivers and all customers. They also track all product movement data and ensure all data is captured in our systems. They will have a case tracking report recorded for each day, by store, routes and a summary of all deliveries that day. There reports will also be available from out system for nearly any requested configuration of data - the day, week, month, store, group of stores, driver, etc… This report will serve as basis for monthly billing. They also ensure required reports are generated and provided to the NHSLC and Exel as scheduled.

5.3.5 Driver Delivery Operations

For the most part, drivers will deliver a trailer to the warehouse, hook a loaded trailer or wait while the trailer is loaded for delivery. Once loaded, or during loading if feasible, the driver will verify the inventory correct. The Exel warehouse personnel will provide our drivers the quantity and type of spirit and wine and related products, supplies, and displays listed on the bills of lading provided by the NHSLC and Exel, Inc. Our drivers will count and receive scheduled products, supplies, and displays for delivery in such quantities and type as indicated on the bills of lading at the time of pickup from the warehouse(s). Once the inventory is complete and all product verified, our drivers will sign and date the bills of lading at the time of pickup from the warehouse and leave the original with the warehouse. We will work with Exel to configure our automated systems to allow this verification and validation to be accomplished electronically. Once verified, the warehouse worker will close and seal the trailer and the driver (or Yard Worker) will sign for the load. The seal number will be documented on the shipping manifest. The driver will then proceed to the first delivery location.

5.3.5.1 Trailer Seals

The dispatcher will ensure the warehouse and driver have sufficient trailer seals for the day's deliveries. Our drivers will always carry extra seals for use by the retail operations. We will provide the seals for the trailers, and the warehouse shall maintain a truck seal log including date, time and seal numbers. The NHSLC shall also maintain a truck seal log. Seals will be installed by and removed by Exel warehouse personnel, receiving store personnel or NHSLC personnel only. ***Our drivers will not break or remove seals.***

We will provide the seals to the warehouse but will be responsible for verifying the seal number is accurately documented on the manifest before departing the warehouse. At each subsequent stop, our driver will get a signature by the store worker that the seal was intact upon arrival before breaking the seal and opening the trailer. Once the offload is complete, the trailer will be closed and the store worker will sign the manifest acknowledging the correct number of the new seal placed on the closed trailer. This process will be completed at each delivery point along the route.

5.3.5.2 Product Delivery Process

Our drivers will stay on schedule to the maximum extent possible to ensure timely delivery of product. The mobile device provided to each of our drivers will allow them to maintain contact with our dispatch operations and the retail operation to be delivered to. These devices have GPS tracking built in, so our dispatchers know the "real-time" location of each truck at all times. Should there be an unexpected delay – the drivers will notify both the dispatcher and the retail location for the delay and the expected delivery time. Our technology has an automatic notification feature that notifies the next delivery location when the vehicle is a certain distance away – based on our pre-

programmed criteria. This will allow the delivery location personnel to be ready to off-load when the truck arrives.

Once our vehicle arrives and is positioned at the dock (or parking area for a lift gate operation) we will document (electronically) the arrival time and contact the store representative to review the bill of lading, verify and document the seal is intact, and open the trailer for off loading.

Depending on the requirements, we will use a pallet jack to move the product the dock, the lift gate to place the product on the ground or rollers to hand off load the product. Our drivers will move the product within the trailer - to the back or side of the trailer. Based on the specific load delivery requirements - each trailer will be properly equipped to provide efficient, safe offloading.

For those loads that are drop only – we will have the store representative verify that the seal is intact and the trailer will be left unopened. Any empty trailers will be returned to our terminal or the Exel warehouse as required. Any shortages or overages will be identified and documented.

Our delivery services include but may not be limited to:

- Verifying the delivery of products, supplies, and displays accepted for delivery in such quantity and such type as identified in the bills of lading.
- Tracking the transfer of product and providing one copy of the signed bill of lading and one copy of the signed delivery receipt at each point of delivery.
- Ensuring that proof of store deliveries are sent to the NHSLC warehouse office. This includes copies of the Store Receiving Summary and the Store Invoice receiving pages with the required delivery information, discrepancies, driver signature and store manager signature.
- Maintaining delivery records, signed bills of lading and delivery receipts of shipments.

5.3.5.3 Overages

Any overages identified during delivery (or left over from a previous delivery) will be returned be returned to the originating warehouse for disposition.

5.3.5.4 Completed Delivery:

Once the deliveries are complete for the day – the tractors and trailers are returned to our terminal. Tractors will be fueled at the end of the day's deliveries before returning to the terminal. The tractors and trailers are then cleaned, inspected and parked. Any required maintenance will be performed at our terminal – or the dealer's location.

5.3.5.5 Pallet and Empty Box Return

We will return usable and unusable pallets and empty boxes from the retail stores and Concord Warehouse to the Bow Warehouse. We will store these items in designated storage trailers until the trailer is full. On request, we will deliver the trailer full of pallets or boxes to the designated dock at the warehouse.

5.4 TECHNICAL RESOURCES

5.4.1 Vehicles and Equipment

Our business model calls for us to provide exceptional quality in all we do – which includes the vehicles and equipment we will bring to the NHSLC Operation. We will provide highly dependable, quality vehicles properly licensed, permitted and insured for transporting liquor throughout the State of New Hampshire. All of our vehicles will be equipped with mobile tracking systems for real-time tracking of their locations and on-board communications and computing capability. The communications systems will be pre-loaded with all daily routing information as indicated in our IT Section below.

5.4.1.1 Tractors

The tractors we propose are new/used Day Cab Tractors - fully equipped for safe and efficient delivery operations. An example of the type of vehicle is provided here.

- Detroit DD15 TC 14.8L 455 HP @ 1800 RPM, 1800 GOV RPM, 1650 LB/FT @ 1100 RPM
- Eaton Fuller FRO-16210C Transmission
- Detroit DA-F-12.0-3 12,000# FF1 71.5 KPI/3.74 Drop Single Front Axle
- Detroit DA-RT-40.0-4 HT 40,000# R-Series Tandem Rear Axle w/Airliner Rear Suspension
- Gross Vehicle Weight Capacity: 52000.0 lbs
- Gross Combination Weight: 80000.0 lbs

5.4.1.2 Trailers:

All of our delivery trailers will be used, manufactured by a major trailer manufacturer, and in excellent condition. An example of the type of trailers we will provide is shown here:

- Height 13'0", Length 45'0", Width 102.36"
- Tandem Axles, Slide Air-Ride
- Hendrickson HKANT40K
- 16.5" x 7.00"
- 295/75R 22.5 Bridgestone
- 22.5" x 8.25" Hub Pilot 10-Stud Steel Disc Painted White
- Pre-Painted White
- All Lights LED, 2 Interior LED Domelights
- Curbside Door: 40" Single with Step and Grab Handle
- A minimum of 4-trailers will be equipped with lift gates.

5.4.2 Fleet Composition

We take great pride in the appearance of our vehicles, as they represent our primary customer – The NHSLC – as well as LB&B Associates to all who see them. We keep our vehicles clean and presenting a professional appearance at all times. Based on the normal workload data provided we propose the following mix of vehicles and equipment:

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
TBD	0	New	Tractor	Owned	80,000 GVW	Current

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	0	New	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000	Current

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
					GVW	
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>6 yrs	Excellent	Tractor	Owned	80,000 GVW	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	48ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	>8 yrs	Excellent	Trailer	Owned	45 Ft	Current
TBD	<8 yrs	Excellent	Pallet Trailer	Owned	48/50 ft	Current
TBD	<8 yrs	Excellent	Pallet Trailer	Owned	48/50 ft	Current
TBD	<8 yrs	Excellent	Box Trailer	Owned	48/50 ft	Current
Chevrolet	0	New	Pickup 4X4/Crew	Owned	3/4 Ton	Current
Chevrolet	0	New	Pickup 4X4/Crew	Owned	3/4 Ton	Current
Chevrolet	0	New	Pickup 4X4/Crew	Owned	3/4 Ton	Current
Yale	<6	Excellent	Forklift	Owned	5K	N/A
CAT	<6	Excellent	Bobcat	Owned		N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A

Make	Age	Condition	Equipment Type	Owned /Leased	Size	Inspection Status
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A
Crown/2300	0	New	Pallet Jacks	Owned	3K	N/A

During surge situations (Trade Shows, Nashua and Concord moves), and any other time of increase workload, we will increase our capacity as needed to ensure we can meet the case per day requirements. We have existing national agreements with Penske and will be able to respond to any need. We will also identify and pre-qualify drivers during our transition hiring process for part-time, on-call work going forward.

5.4.3 Vehicle and Equipment Maintenance

We ensure that all of our vehicles are safe, reliable and equipped with all appropriate equipment.

All of our equipment will be properly stored at our terminal when not in use. Our mechanic will ensure that all maintenance is scheduled in accordance with manufacturers' recommendations and the maintenance schedule posted with the dispatcher. Maintenance will be scheduled so as not to interfere with normal operations. Depending on the delivery schedule, we may require our mechanics to perform scheduled maintenance in the evening after the daily deliveries have been made.

Our drivers/equipment operators are an integral of part of the maintenance program and will inspect the equipment they use daily. They are expected to take care of minor repairs and to let the mechanic and dispatcher know of any potential problems. All of our drivers/operators are well training in both safe and efficient operation, but in maintenance too. We provide all of our personnel with appropriate personal protective equipment for the functions they perform, such as: steel toed boots, gloves, goggles, etc.

LB&B's responsive and reliable delivery service is dependent upon the safe operation and reliability of our equipment. The LB&B Maintenance Program applies to all tractors, trailers, trucks and any other equipment that requires servicing which is owned or leased by LB&B for use on this contract. The program consists of four levels of maintenance, which are:

- **First Level** - Operator Inspection and Maintenance, performed by the vehicle/equipment operator on a daily basis.
- **Second Level** - Minor Maintenance, repairs which are performed by the onsite Vehicle/Equipment Mechanic on a daily or as needed basis.

- **Third Level** - Preventive or Scheduled Maintenance, which is performed by the onsite Vehicle/Equipment Mechanic on a monthly, mileage, or hourly basis as required.
- **Fourth Level** - Heavy Maintenance, which is performed in a fully certified maintenance shop and manned by factory trained qualified personnel if we cannot perform the maintenance on-site.

5.4.3.1 First-Level Operator Inspection/Maintenance

Operators will perform the following inspection/maintenance deliveries prior to, during, and after return from deliveries:

- The Drivers Vehicle Inspection Report will be completed by each driver, prior to departure. Each item will be checked and the exact condition of the vehicle will be as indicated on this report when the vehicles are parked for the day.
- Drivers will check the "Next Preventive Maintenance Due" (NPMD) decal posted in the tractor cab and note if the date entered thereon is within two days of the current date or mileage is within 500 miles of that entered on the decal. If either situation exists, the driver will so indicate in the remarks section of the Driver's Daily Vehicle Condition Report. For example, NPMD 11/20/13 – or NPMD Mileage.
- The following post-trip servicing will be accomplished:
    - Refuel
    - Visually check for any fluid leaks
    - Bleed the air system of any accumulated water by opening the petcock on the main tank.
    - Check fluid levels and add if necessary.
    - Clean cab interior, removing all trash and debris.

- Complete Driver's Daily Log

- The completed Driver's Daily Log will be turned in to the Transportation Manager at the end of each run.

5.4.3.2 Second-Level Maintenance

Our Vehicle/Equipment Maintenance Mechanic will perform first level maintenance, which is defined as minor repairs beyond the capability of the operators such as, but not limited to, the following:

- Tighten cap screws, fittings, and connection or replace gaskets as necessary to correct external air, coolant, fuel or oil leakage.
- Change light bulbs.
- Minor repair to electrical system.
- Replacing or servicing batteries or cables. Check coolant and anti-freeze and replenish if not within the proper tolerance for the appropriate season.
- Any other minor repairs or adjustments within the capability of the mechanic and his resources.

Figure 5.4.3.2-1, Driver's Vehicle Inspection Report, shows a sample of Driver's Vehicle Inspection Report.

Figure 5.4.3.2-1 Driver's Vehicle Inspection Report

DRIVER'S VEHICLE INSPECTION REPORT
AS REQUIRED BY THE D.O.T. FEDERAL MOTOR CARRIER SAFETY REGULATIONS

CARRIER: L B & B ASSOCIATES INC.
ADDRESS: RALEIGH, NC

DATE: _____ TIME: _____ A.M. _____ P.M.
CHECK ANY DEFECTIVE ITEM AND GIVE DETAILS UNDER "REMARKS"

TRACTOR/
TRUCK NO. _____ ODOMETER READING _____

- ☐ Air Compressor
- ☐ Air Lines
- ☐ Battery
- ☐ Belts and Hoses
- ☐ Body
- ☐ Brake Accessories
- ☐ Brakes, Parking
- ☐ Brakes, Service
- ☐ Clutch
- ☐ Coupling Devices
- ☐ Defroster/Heater
- ☐ Drive Line
- ☐ Engine
- ☐ Exhaust
- ☐ Fifth Wheel
- ☐ Fluid Levels
- ☐ Frame and Assembly
- ☐ Front Axle
- ☐ Fuel Tanks
- ☐ Horn
- ☐ Lights
  - Head - Stop
  - Tail - Dash
  - Turn Indicators
- ☐ Mirrors
- ☐ Muffler
- ☐ Oil Pressure
- ☐ Radiator
- ☐ Rear End
- ☐ Reflectors
- ☐ Safety Equipment
  - Fire Extinguisher
  - Flags - Flares - Fusees
  - Reflective Triangles
  - Spare Bulbs and Fuses
  - Spare Seal Beam
- ☐ Starter
- ☐ Steering
- ☐ Suspension System
- ☐ Tire Chains
- ☐ Tires
- ☐ Transmission
- ☐ Trip Recorder
- ☐ Wheels and Rims
- ☐ Windows
- ☐ Windshield Wipers
- ☐ Other

TRAILER(S) NO.(S) _____

- ☐ Brake Connections
- ☐ Brakes
- ☐ Coupling Devices
- ☐ Coupling (King) Pin
- ☐ Doors
- ☐ Hitch
- ☐ Landing Gear
- ☐ Lights - All
- ☐ Reflectors/Reflective Tape
- ☐ Roof
- ☐ Suspension System
- ☐ Tarpaulin
- ☐ Tires
- ☐ Wheels and Rims
- ☐ Other

Remarks: _____

☐ CONDITION OF THE ABOVE VEHICLE IS SATISFACTORY

DRIVER'S SIGNATURE: _____

☐ ABOVE DEFECTS CORRECTED

☐ ABOVE DEFECTS NEED NOT BE CORRECTED FOR SAFE OPERATION OF VEHICLE

MECHANIC'S SIGNATURE: _____ DATE: _____

DRIVER'S SIGNATURE: _____ DATE: _____

5.4.3.3 Third Level Maintenance

The Vehicle/Equipment Maintenance Mechanic will perform periodic maintenance and servicing in accordance with the manufacturers recommendations and as indicated above. ***Figure 5.4.3.3-1*** shows the forms used to ensure complete periodic maintenance is performed.

Figure 5.4.3.3-1 LB&B Associates Inc. Truck Inspection Work Sheet

LB&B ASSOCIATES INC. TRUCK INSPECTION WORK SHEET

DATE_____ TRUCK #_____MAKE_____MILES_____

Mechanic's Name

1. Check for worn or mismatched tires _____OK_____PULL _____
2. Jack, Check, and Grease Steering axle _____OK_____PULL _____
3. Valve stem caps on all tires _____ _____
4. Test parking brake_____Test Service Brake _____ _____
5. Test air pressure drop with brake on _____ _____
6. Check clutch adjustments and lube _____
7. Check all instruments & controls _____ Wipers & Blades ____ _____
8. Check heater and air conditioner for proper operation _____ _____
9. Mirrors & Glass _____ Check all lights _____ _____
10. Oil Door Hinges _____ _____
11. Check for air leaks _____ _____
12. Check Exhaust system _____ _____
13. Check air filter gauge _____ Replace filter if needed _____ _____
14. Check Engine air intake hose for rubbed spots, tighten Clamps ___ _____
15. Clean Engine crankcase breather _____ _____
16. Change Engine oil and filter _____(month)_____ _____
17. Check oil & filter _____Oil _____ Fuel _____ Water _____ _____
18. Check power steering oil level _____ Repair all oil leaks _____ _____
19. Check all belts for wear and adjust all belts _____ _____
20. Tighten all water hose clamps first ____ Pressure test radiator _____ _____
21. Check coolant level, High ___ Low ___ Antifreeze protected to____ _____
22. Check DCA Content _____ _____
23. Blow out radiator fins_____ _____
24. Check 5th Wheel for Lubrication and Proper operation_____ _____
25. Check steering box _____ Linkage _____ Cotter Keys _____ _____
26. Check toe in _____ _____
27. Check engine & transmission mounts ___ Check trans. oil level____ _____
28. Check drive shaft U Joints & locks _____ _____
29. Check oil level in differential ____ Tighten differential bolts____ _____
30. Check brake chambers and adjust____ _____
31. Check brake lining & adjust _____ _____
32. Check brake drum bolts _____ _____
33. Tighten axle/wheel studs and nuts _____ _____
34. Lubricate truck completely _____ _____
35. Check batteries, remove and clean cables and Mounting brackets___ _____
36. Drain air tanks _____ _____
37. Correct Annual, Fuel and Inspection stickers _____ _____
38. Check truck # Decals _____ _____
39. Check fire extinguisher and flare kit _____ _____
40. Check engine compartment for cleanness _____ _____

The inspection and repair of trailers will be performed at the manufacturers recommended intervals using ***Figure 5.4.3.3-2*** for recording the date and mileage at the time the work was performed.

Figure 5.4.3.3-2 LB&B Associates Inc. Trailer Inspection Work Sheet

LB&B ASSOCIATES INC. TRAILER INSPECTION WORK SHEET

DATE: _____ TRAILER# _____ MAKE _____ YEAR _____

Mechanic's Name

1. Check for worn or mismatched tires _____OK _____ PULL _____
2. Test Parking Brake _____Test Service Brake _____ _____
3. Check Air Pressure Drop with Hand Valve applied _____
4. Check for Air Leaks _____
5. Check all Lights _____
7. Check King Pin for wear _____
8. Check Pigtail Socket and Glad Hands _____
9. Check Brake Chambers _____
10. Check Brake Lining/adjust Brakes _____
11. Check Brake Drum Bolts _____
12. Tighten Wheel and Axle Studs _____
13. Drain Air Tanks _____
14. Lubricate Trailer Complete _____
15. Check Frame and Suspension for cracks _____
16. Check Springs for cracks _____
17. Check Interior Side Walls for Damage Boards _____
18. Check Oil level in Hubs _____
19. Check Annual D.O.T. Inspection Form _____

Fourth Level Maintenance

The vehicles will be scheduled into a certified maintenance shop, for any major maintenance. Any repairs to the trailers beyond the capability of the Vehicle/Equipment Maintenance Mechanic will be accomplished at a qualified trailer maintenance facility.

All of our delivery vehicles are equipped with the following as a minimum;

- Current State Vehicle Inspection Sticker
- Valid License
- Current DOT Identifications
- Identification Number
- On-board Mobile Device with GPS Tracking
- Company Markings
- Safety Equipment (first aid kit, fire extinguisher, warning devices)
- Inclement weather gear as required (chains, shovel, salt, coveralls, gloves, ice scrapers, etc.)
- Tie down and security devices - straps, blocks, locks
- Loading devices: hand truck, powered pallet jack, rollers

5.4.4 Information Technology and Proposed Systems:

"The overarching desire of the NHSLC is for the Vendors to propose a system that will provide the highest possible efficiencies at the lowest possible cost..."

We fully understand the desire of the NHSLC and we feel we have **the** solution that will satisfy this desire. As with our vehicles and equipment, we look to industry standard, well known, highly capable and proven service providers for our IT Solutions. Our operation will be fully equipped to receive electronic data transfer from the NHSLC System and to transfer data to the warehouse vendor Exel's Manhattan Warehouse Management System. To ensure our systems were fully compatible with the potential required systems, we have selected Roadnet Technologies as our routing solution provider.

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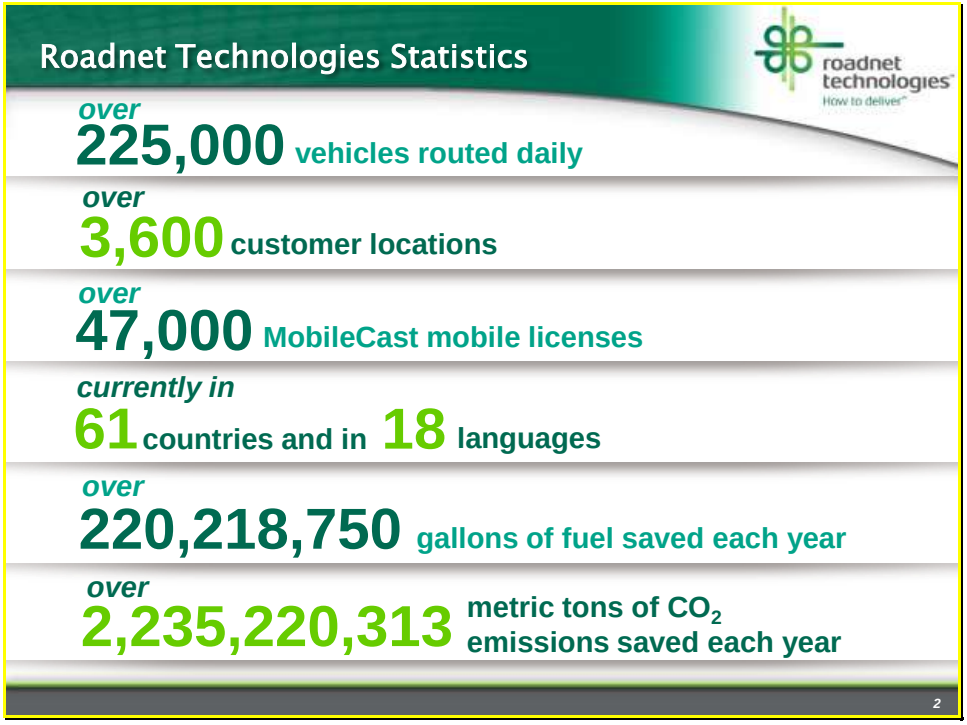
5.4.5 Roadnet Technologies Inc. – Who is Using Them

As shown here, Roadnet is quite possibly the largest, most experienced service provide for routing the retail industry that there is. We are very confident that Roadnet and LB&B will provide the efficiencies NHSLC is looking for.

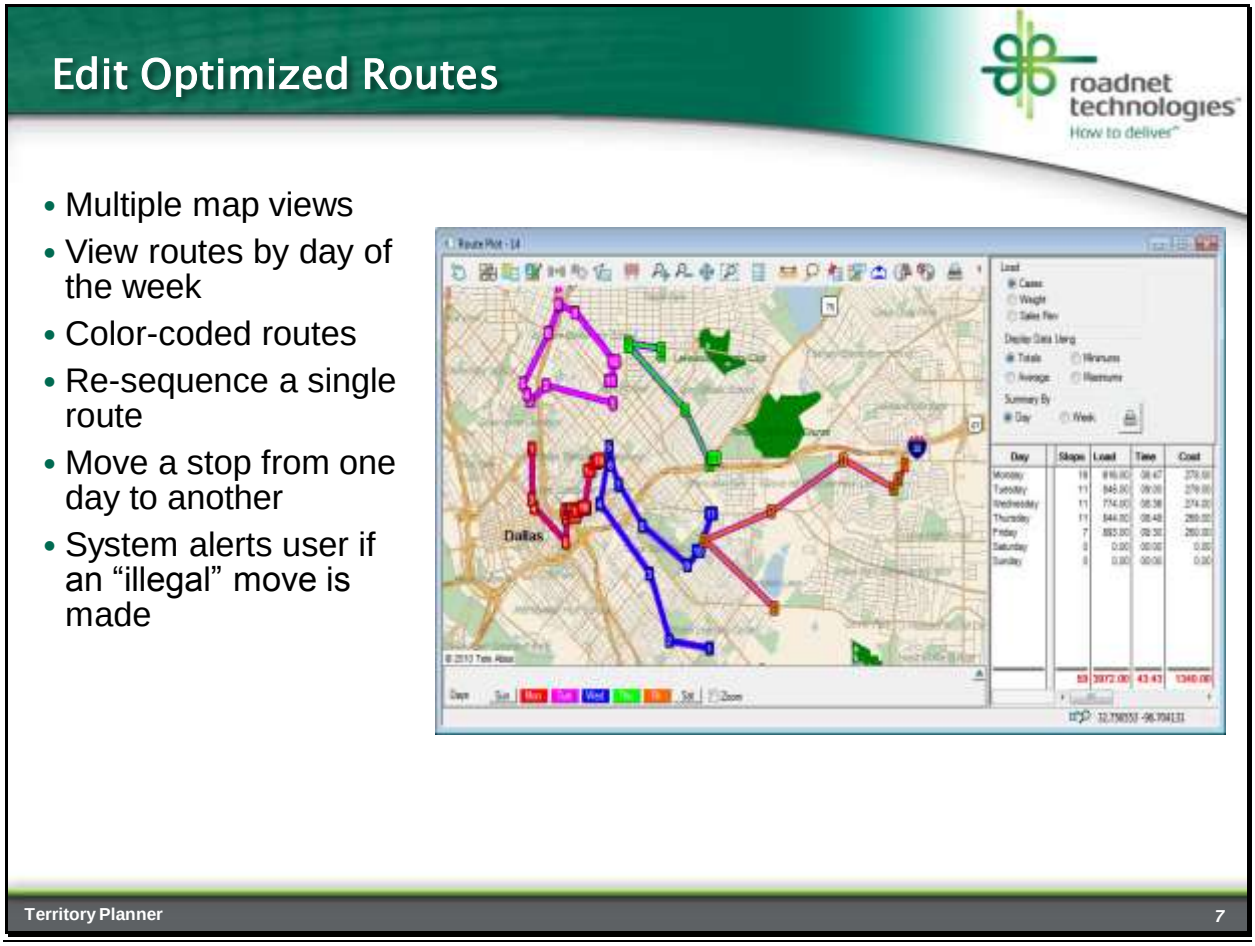


Additionally and more importantly, is their extensive capability within the Wine and Spirits Industry:

5.4.6 System Functionality

The Roadnet system has an extremely robust "tool box" of functionality that will provide the tools we need to perform, track, analyze and validate our performance and report that performance to the NHSLC as required. For example - the routing examples we have provided based on the 4-week scenarios were all developed through the Roadnet System. To the untrained eye, the routing can initially be a bit confusing, but once it's understood the data is extremely valuable and critical to efficient daily operations. Shown here are some additional examples of the functionality provided.

Roadnet's system is extremely capable not only for basic routing, but for operations connectivity during the delivery process. Once the daily routes are establish by running the NHSLC data through our Roadnet System, we'll be able to visually look at the proposed routing visually, utilizing the Roadnet Optimized Routing function. This function will allow our dispatcher to quickly review the proposed routing for all routes on one screen – for each day. An example of a weekly routing (optimized) view is shown here as shown in the example here:



During the delivery process, our dispatcher has continuous oversight of the delivery operation via the Real-Time Locator function. This function provides real-time visibility of the entire fleet locations and compares actual route to the planned route. They can also track individual truck locations with the vehicle locator function shown here:

Vehicle Locator

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- Real-Time Locator
  - See entire fleet in one view
  - Rollover shows route and driver information
  - Bread crumb trail available to show exact path of fleet
  - Plot path vs. actual route

Roadnet Info Center 10

Using the Live Daily Scoreboard function the dispatcher (and NHSLC) can keep track of the daily delivery operations - scheduled vice actual arrival times. There is also a screen to show Skipped or Cancelled deliveries. As you can see from the tabs on each screen – there is a tremendous amount of managerial data available to use analyzing our performance - and as outlined in our Quality Management System – continuously improving upon it.

5.4.7 Mobile Communication

As shown in our section on our Roadnet Information Technology – all of our drivers will all have a mobile device that provides a tremendous amount of capability, such as;

- Cell Phone Capability
- Delivery Confirmation
- Automated Route Scheduling/Tracking
- Customer Notification
- Turn-by-Turn GPS Navigation

Staying in contact with the drivers is critical to our ability to maximize effectiveness. Being able route progress, will allow our dispatchers to make adjustments to the schedule if needed and view the overall fleet's delivery progress.

Dispatch Software Application

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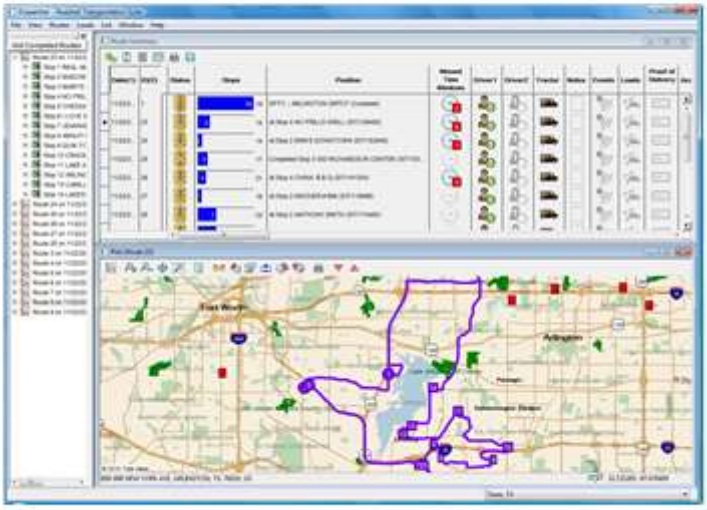

- Monitor route progress
- Pinpoint, view and print route exceptions

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Dispatch Software Application

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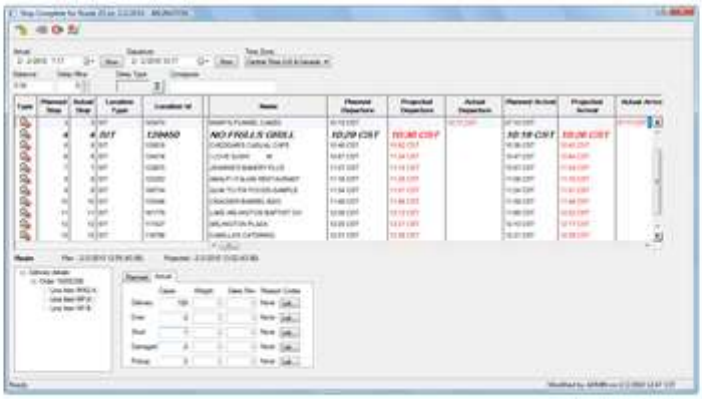
- Real-time updates on delivery status
- Track arrival, departure and POD information as they occur
- Capture delivery detail and variances
- Notification of actual or potential service failures



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5.4.8 Reporting

There is also a tremendous amount of reporting capability with Roadnet. The reports that can be generated are unlimited and we will have the required reports built for the requirements of NHSLC. Here are a few examples of "canned" reports that are available:

Actual vs. Projected (by Route) Report

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ACTUAL VS. PLANNED - ROUTE SUMMARY
Session Date: Monday, October 30, 200X
Scenario: 101

Route: M101 - M101 Roberts, B
Driver Information
Driver 1: Roberts, Bill 114
Helper (Planned): No
Depot Service: 00:00
Comments: Truck Broke Down
Helper (Actual): No

	Stops	Total Time	Service	Travel	Distance	Units	Cubes	Weight	Break	Total Cost	Cost/ Units
Planned:	4	04:52:30	01:19:00	02:03:30	101.0	110.00	81.00	236.00	00:45:00	298.00	2.71
Actual:	6	07:30:30	03:13:12	02:32:18	100.0	238.00	88.00	550.00	01:45:00	289.00	1.21
Variance:	2	02:38:00	01:54:12	00:28:48	-1.0	128.00	7.00	315.00	01:00:00	-9.00	-1.49
% of Planned:	50.0%	54.0%	144.6%	23.3%	-1.0%	116.4%	8.6%	134.0%	-100.0%	-3.0%	-55.2%

Route: M102 - M102 Jackson, T
Driver Information
Driver 1: Jackson, Tom 118
Helper (Planned): No
Depot Service: 00:00
Comments:
Helper (Actual): No

	Stops	Total Time	Service	Travel	Distance	Units	Cubes	Weight	Break	Total Cost	Cost/ Units
Planned:	16	09:14:03	06:37:24	02:11:39	86.8	456.00	169.00	4,284.00	01:15:00	346.00	0.76
Actual:	16	11:44:03	06:39:24	05:04:39	85.0	456.00	169.00	4,284.00	01:00:00	420.00	0.92
Variance:	0	02:30:00	00:02:00	02:53:00	-0.8	0.00	0.00	0.00	-00:15:00	74.00	0.16
% of Planned:	0.0%	27.1%	0.5%	131.4%	-0.9%	0.0%	0.0%	0.0%	100.0%	21.4%	21.4%

Route: M103 - M103 Wilson, E
Driver Information
Driver 1: Wilson, Evan 106
Helper (Planned): No
Depot Service: 00:00
Comments:
Helper (Actual): No

	Stops	Total Time	Service	Travel	Distance	Units	Cubes	Weight	Break	Total Cost	Cost/ Units
Planned:	15	09:12:13	05:38:23	02:08:50	85.0	471.00	302.00	5,350.00	01:15:00	344.00	0.73
Actual:	15	09:45:13	05:53:23	02:38:50	83.0	471.00	302.00	5,350.00	01:15:00	357.00	0.76
Variance:	0	00:33:00	00:15:00	00:28:00	-2.0	0.00	0.00	0.00	00:00:00	13.00	0.03
% of Planned:	0.0%	6.0%	4.4%	21.7%	-2.4%	0.0%	0.0%	0.0%	100.0%	3.8%	3.8%

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Reporting

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DRIVER STATISTICS

For Delivered Locations Between

11/22/20XX - 11/22/20XX

Region: TX - TEXAS

Driver Information	Completed Routes	Delivered Locations	Avg. Time Late	Max. Time Late	Time Windows % Late	% Met	% Missed
Barrow, Gary (117)	1	16	00:05	00:00	1.0	100.0	0.00
Blevins, Burt (112)	1	7	00:00	00:00	0.0	85.7	14.29
Bowers, Tim (111)	1	6	00:22	00:00	6.0	83.3	16.67
Johnson, Kevin (113)	1	4	00:00	00:00	0.0	75.0	25.00
Jones, Jeff (109)	1	13	00:00	00:00	0.0	100.0	0.00
Pendleto, Terry (108)	1	10	00:06	00:12	8.0	90.0	10.00
Petty, Terry (105)	1	17	00:00	00:00	0.0	88.2	11.76
Smith, Kevin (104)	1	14	00:00	00:04	0.0	100.0	0.00
Thomas, Barry (107)	1	10	01:42	01:48	100.0	90.0	10.00

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Reporting

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DELIVERED LOCATION STATISTICS

11/22/20XX - 11/22/20XX

Region: TX - TEXAS

Location Name	Location ID	Delivered Stops	Re-Deliveries	Cancelled Stops	Avg. Svc. Time	Max. Svc. Time	Time Windows % Met	Time Windows % Missed	Avg. Time Late	Max. Time Late	Cases	Service Time/ Cases
CASA CAVAZOS	124943	1			00:22:47	00:22:47	100.0	0.0	00:00:00	00:00:00	7.00	00:03:15
COCA COLA OF NORTH TEXAS	112170	1			00:33:12	00:33:12	100.0	0.0	00:00:00	00:00:00	42.00	00:00:47
GROVE RESTAURANT	111649	1			00:10:24	00:10:24	100.0	0.0	00:00:00	00:00:00	2.00	00:05:12
JOHNS SEAFOOD	111560	1			00:14:48	00:14:48	100.0	0.0	00:00:00	00:00:00	1.00	00:14:48
KING PALACE	130011	1			00:12:24	00:12:24	100.0	0.0	00:00:00	00:00:00	3.00	00:04:08
MESQUITE ISD FLOYD	154987	1			00:14:24	00:14:24	100.0	0.0	00:00:00	00:00:00	16.00	00:00:54
MESQUITE ISD MCWHORTER	186654	1			00:10:24	00:10:24	100.0	0.0	00:00:00	00:00:00	2.00	00:05:12
MESQUITE ISD RUGEL	166777	1			00:14:24	00:14:24	0.0	100.0	00:10:00	00:10:00	1.00	00:14:24
MTM CONCESSION	174061	1			00:10:24	00:10:24	100.0	0.0	00:00:00	00:00:00	8.00	00:01:44
SAM'S B-B-Q	132840	1			00:13:36	00:13:36	100.0	0.0	00:00:00	00:00:00	21.00	00:00:39
SANDY'S CONCESSIONS	188884	1			00:12:47	00:12:47	100.0	0.0	00:00:00	00:00:00	1.00	00:12:47
SKYLINE FOOD SERVICE	113852	1			00:10:24	00:10:24	0.0	100.0	00:22:00	00:22:00	2.00	00:05:12
ST. PHILLIP DAY CARE	112448	1			00:16:47	00:16:47	100.0	0.0	00:00:00	00:00:00	1.00	00:16:47
TEN-TWENTY CATERING	102368	1			00:39:11	00:39:11	100.0	0.0	00:00:00	00:00:00	27.00	00:01:27
THE CARING PLACE *	113699	1			00:10:24	00:10:24	100.0	0.0	00:00:00	00:00:00	1.00	00:10:24
TX YOUTH COMMISSION/COTTR	113549	1			01:41:36	01:41:36	100.0	0.0	00:00:00	00:00:00	61.00	00:02:00
URBAN REXALL PHARMACY	136077	1			00:11:12	00:11:12	100.0	0.0	00:00:00	00:00:00	1.00	00:11:12
WAREHOUSE SUPPLIES	110847	1			00:12:00	00:12:00	100.0	0.0	00:00:00	00:00:00	1.00	00:12:00

MobileCast Server 33

5.4.9 Driver Mobile Devices and Capability

This system provides an extensive amount of mobile capability which will nearly eliminate "paper" in our delivery operations. Each of our drivers will have a mobile device that will be pre-loaded with the daily delivery routing information.

Windows® Mobile Application

roadnet technologies
How to deliver™

- Pre-departure stops list
  - View all stops
  - Click through to stop details
  - Click through to stop orders

MobileCast for Windows Mobile 38

Windows® Mobile Application

roadnet technologies
How to deliver™

- Start route
  - Visual confirmation of:
    - Route ID
    - Driver
    - Planned start time
    - Start date
    - Origin/destination

MobileCast for Windows Mobile 39

Windows® Mobile Application

roadnet technologies
How to deliver™

- Proceeding to stop
  - Shows:
    - Location ID/Type
    - Address
    - Phone number
    - Time windows
    - Planned arrival time
    - Projected arrival time
    - Instructions

MobileCast for Windows Mobile 42

Windows® Mobile Application

roadnet technologies
How to deliver™

- Route changes
  - Driver can:
    - Re-order stops
      - Move one stop at a time
      - Move stop to first
      - Move stop to last
    - Cancel stops

MobileCast for Windows Mobile 47

Windows® Mobile Application

roadnet technologies
How to deliver™

- Call location
  - Calls next stop on route
  - Automatically loads phone number
  - Application exits to phone dialer
  - Returns to application at end of call

MobileCast for Windows Mobile 49

Windows® Mobile Application

roadnet technologies
How to deliver

- Arrive at stop
  - Detailed stop information

MobileCast for Windows Mobile 53

Windows® Mobile Application

roadnet technologies
How to deliver

- Stop options
  - Signature capture
  - Survey
  - Geocode
  - Mark as undeliverable
  - Call location
  - List stops
  - View orders
  - View inbox
  - Send text message
  - Send picture note

MobileCast for Windows Mobile 54

Windows® Mobile Application

roadnet technologies
How to deliver™

- Proof of delivery
  - Capture signatures for delivery confirmation
  - Enter consignee using on-screen or built in keyboard

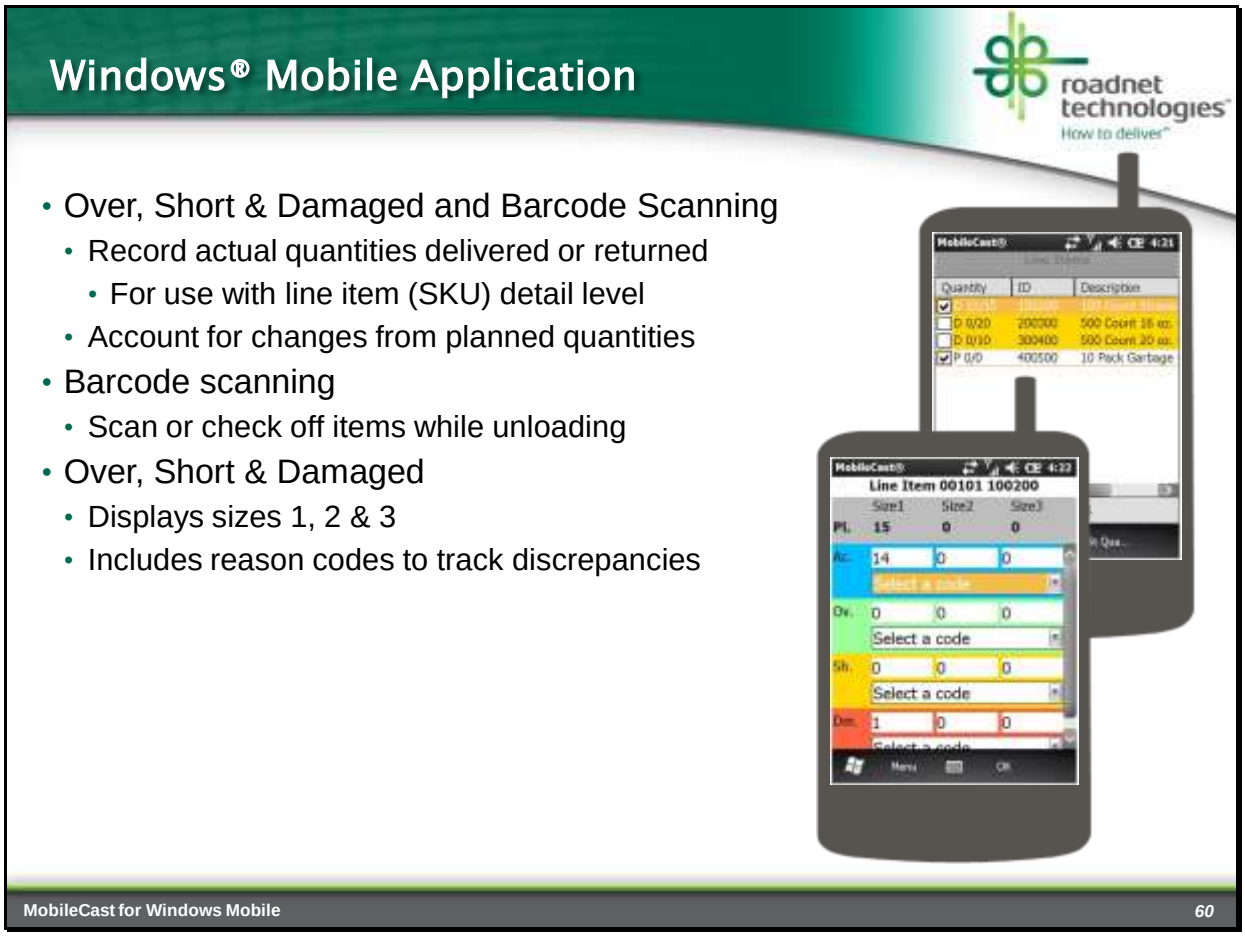
MobileCast for Windows Mobile 55

Windows® Mobile Application

roadnet technologies
How to deliver™

- Delivery summary
  - Review total delivery and pick-up quantities
  - Summarizes quantities from all applicable orders

MobileCast for Windows Mobile 63



5.4.10 Turn-by-Turn GPS Capability

The mobile function includes a voice navigation GPS capability, should the driver need to re-route to avoid traffic or other delays. The delivery location information is preloaded with the routing information.

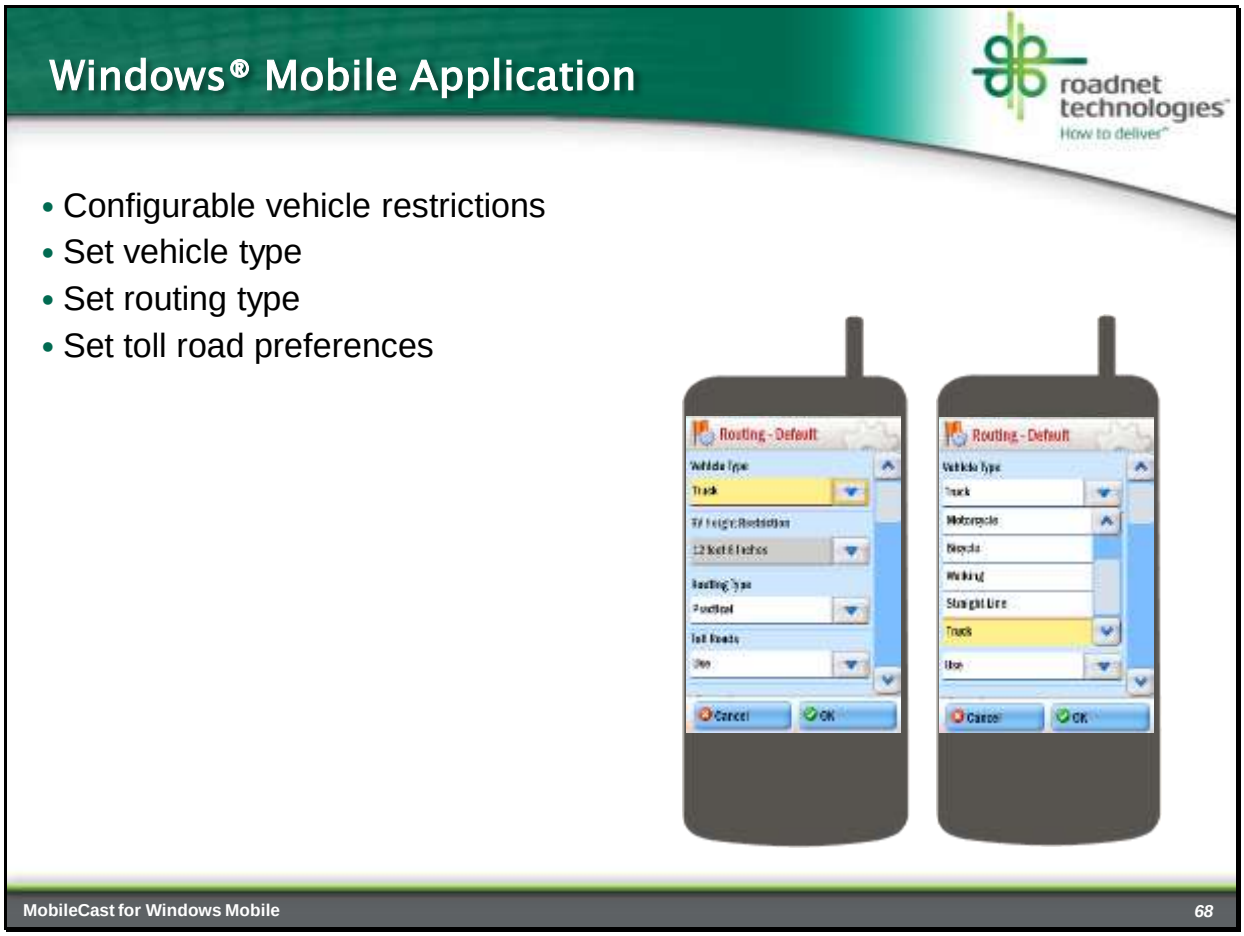
Windows® Mobile Application

roadnet technologies
How to deliver™

- Voice Navigation Directions*
  - Delivered via Co-Pilot Truck
    - Includes commercial road restrictions
  - Initiates from MobileCast SmartPhone
    - Driver decides when needed
  - Stop address loads automatically

MobileCast for Windows Mobile 65

It can also track any restrictions or toll information along the route:



5.4.11 Programming

As with any high performance IT solution there is a fair amount of programming that will be accomplished after contract award to "dial-in" the Roadnet capability to the actual operations. The programming will also provide seamless connectivity to Exel's Manhattan System, and the required areas of the NHSLC System – in open data format.

Once on site and able to review the actual operation, we will be able to validate or adjust; the actual trailer load times, flexibility in off-load windows, store unload times, drop and hook times for drop loads, actual travel time, etc…With this actual data, we'll be much better able to maximize the efficiencies of the overall operations though the Roadnet System

Note: *During transition our Roadnet Technologies programmers will meet with both the NHSLC and Exel IT personnel to identify the requirement for integration. One reason we selected Roadnet is there extensive experience in connecting their system with a plethora of other systems – worldwide. We're confident the transition will be seamless…*

5.4.12 Terminal Operations - Facility Location

Our proposed terminal operation location is less than one mile from the Exel Warehousing Operation at 4 Thibeault Drive, Bow, NH 03304. Having our operation in this close proximity to the warehouse provides the most efficient solution to the transportation requirements. This location will allow for:

- Quick and efficient staging of trailers whenever needed.
- Timely replacements of tractors or trailers if there should be an issue.
- Rapid response to changing requirements or priorities.
- Our mechanic can be there in minutes if needed.
- Ease of delivery to our secure storage facility.

Our proposed facility will be on a 4.5 acre parcel which is currently vacant and undeveloped. We have an agreement with Sullivan Construction inc., of Bedford, NH to construct the terminal operation facility as shown in the conceptual drawing below, beginning immediately upon contract award.

Our location is also a short 10-minute drive from the NHSLC 50 Storrs Street, Concord warehouse, which will make the required daily runs - convenient.

The facility specifications include:

5.4.12.1 Terminal Lot

- Completely Paved
- Completely Fenced – 8' Chain link with 3-strand barbed wire top
- Completely Lighted
- Security Camera System – remote access
- Electrically Controlled Security Gates – swipe card or dispatcher controlled
- Employee Parking – outside the secure terminal area
- Require Snow Storage Areas

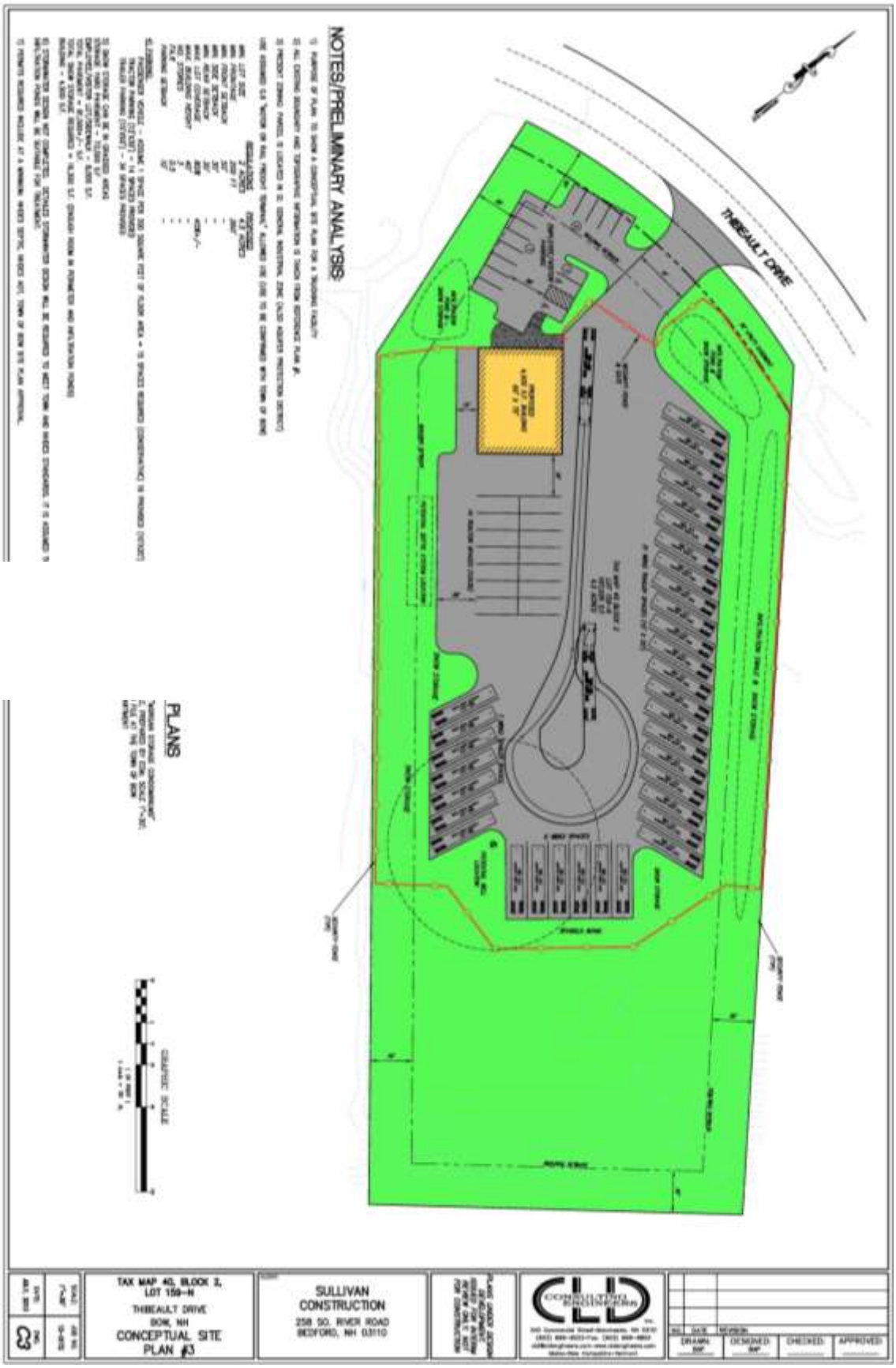
5.4.12.2 Dispatch/Maintenance Facility

- Approximately 9000 sq ft
- Metal Building/Concrete Floor
- Dispatch Office with full view of gates and yard
- Program Managers Office
- Driver's Locker Room Area
- Restrooms
- [redacted] Maintenance and Trailer Storage Capability
- Fully Equipped Maintenance Capability
- Operational Supply Storage Area

5.4.12.3 Contractor's Rendering

Show below is a conceptual drawing of the terminal facility to be provided. This site plan could change during the permitting process by the City of Bow and the State of New Hampshire.

Depending on when the contract is actually awarded, and when the NH State and the City of Bow approves the actual permits for the construction, this facility may not be completed by 1 November 2013. We are confident the paving and fence work will be complete – but we may need to wait on the building. We will operate out of a temporary facility (trailer) until the building is complete. Worst case scenario - we will utilize a leased facility temporarily to operate from until our facility is completed.


THIBEAULT DRIVE
NOTES/PRELIMINARY ANALYSIS:
PLANS
TAX MAP 40, BLOCK 2, LOT 159-H
THIBEAULT DRIVE
BOW, NH
CONCEPTUAL SITE PLAN #3
SULLIVAN CONSTRUCTION
258 SO. RIVER ROAD
BEDFORD, NH 03110
DRAWN
DESIGNED
CHECKED
APPROVED

5.5 BUSINESS CONTINUITY (RFP 3.4)

Being an experienced contract services provider, we maintain Business Continuity (or Contingency) Plans for all of our operations. These plans are contract- and geographical location-specific and cover every foreseeable scenario that could occur. LB&B will draw from our extensive experience of numerous operations and our management staffs the expertise to implement workable plans.

Since each plan is specific, provided here is a summary of our notional plan (not all inclusive), which will be finalized once we arrive on site and begin phase-in. Included in our plans is our response capability for:

- Labor Disputes
- Catastrophic Failure of Equipment/Facilities
- National Emergency
- Natural Disasters
- Weather Related Emergencies – Heavy Snowfall

5.5.1 Corporate

Our corporate office staff exists to support our field operations. Our Project Manager reports directly to the CEO and will have full access to any support required – whenever needed. Most contingency response requirements can be handled remotely using our pre-established plans and procedures. If necessary, we will deploy the resources (personnel, systems, equipment) needed to resolve any issues.

5.5.2 Personnel

During our transition process, we identify and prequalify drivers and make contingent offers based on existing positions. This provides us a data base of qualified drivers that we can access quickly, should there be an unexpected vacancy. We have the same type of prequalified network of resources at each of our locations to draw from. Our personnel "bench strength" is significant and we have never had a labor issue of any kind keep us from completing the requirements of a contract.

5.5.3 IT Systems

Since we will host our system from our corporate office with redundant on-site capability, the system can be operated though the on-site PC. If there is a problem on site with the hardware, facility, utilities, etc., our system can be operated via an internet connection with our corporate office. In addition to the PC at the dispatch operation, each PM will also have a fully capable laptop for mobile or contingency operation as needed. All of our IT systems are backed up periodically through the day to ensure no data is lost.

5.5.4 Equipment

We have a nationwide account with Penske to provide tractors and trailers whenever we need them. During phase-in, we will meet with the local Penske representatives and let them know what our potential requirements are. In the highly unlikely event that we have a catastrophic failure of our assets, we will lease as needed until the issues are resolved.

5.5.5 Phase-in and Plan Completion

During phase-in we will meet with NHSLC personnel and further discuss the potential local contingencies, and adjust our plan accordingly. Whatever resource redundancies are required will be provided to ensure uninterrupted services.