

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

Docket No. 217-2012-CV-00817

LAW WAREHOUSES, INC.

v.

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MOTION TO DISMISS
PETITION PURSUANT TO RSA 91-A

The Respondent, State of New Hampshire Liquor Commission, (“NHSLC”) by and through its counsel, the New Hampshire Attorney General’s Office, submits the following Response and Motion to Dismiss Petitioner’s Petition Pursuant to RSA 91-A:

1. Petitioner, Law Warehouses, Inc, brought an action seeking an injunction ordering Respondent to produce documents for inspection and copying pursuant to RSA 91-A (The Right-to-Know Law) relating to an RFP recently awarded to Petitioner’s competitor by NHSLC. *See* Petition at 6. The Petitioner also seeks attorneys’ fees and costs. *See id.*
2. The Petitioner alleges that on the Respondent has refused to produce information. *See* Petition at 1.
3. The Respondent has not refused to produce information. Rather, the Respondent has been producing information on a rolling basis since November 20, 2012. *See attached* Affidavit of Craig W. Bulkley, at ¶ 2.
4. The Petitioner first submitted a Right-to-Know request dated November 13, 2012, seeking records “pertaining to Request for Proposal 2012-14” (“RFP”). Under the terms of the

RFP and RSA 21-I:13-a, II, the Respondent was prohibited from providing any information until the bid was actually awarded.

5. The bid was actually awarded on November 20, 2012. The Petitioner argues that, because the contract did not have to go to Governor and Council, the contract became public on November 13, 2012, when the Respondent listed on its agenda for a November 14, 2012 meeting. The Petitioner is simply incorrect in this assertion.

6. The Petitioner argues that, if this contract had to go to Governor and Council, it would have become public when it was listed on the Governor and Council agenda. That argument ignores the fact that the contract would first have to be completed, signed by the vendor, signed by the state agency, reviewed and approved by the Office of the Attorney General, and then submitted to Governor and Council. Here, the contract went through each of those steps with the exception of submittal to the Governor and Council. As such, the contract was complete and binding, and thus the bid actually awarded, when the Attorney General's office approved the contract for execution, form and substance on November 20, 2012.

7. The second flaw in the Petitioner's argument is that there was no contract on November 13, 2012. The parties were in the midst of negotiating the contract. Thus, there was no meeting of the minds on November 13, 2012.

8. The contract was signed by the parties by November 19, 2012, and approved by the Attorney General's office the next day, November 20, 2012. *See* Bulkley Affidavit at ¶¶ 3, 4. The P-37 and many of the exhibits were posted on the Respondent's website that day.

9. The Petitioner also argues that the Respondent has refused to produce records. The Respondent has been diligent in gathering and making public responsive records as the records come available. To date, the Respondent has posted over 3,800 pages of information

responsive to Petitioner's request. It has produced information on a rolling basis from November 20, 2012 through today. *See id.* at ¶ 2.

10. Some of the information the Petitioner is seeking is claimed to be confidential, proprietary, or otherwise exempt by the vendor who submitted the information to the Respondent. The RFP provides a process by which a vendor may submit redacted versions of its proposal in order to protect its proprietary and confidential information. *See* RFP 1.14. The Respondent is in the process of reviewing information redacted by all vendors. If the Respondent determines that the information should be made public, the vendor will then have the opportunity to seek injunctive relief from prohibiting the Respondent from releasing the information, to the extent of their disagreement. The Petitioner is aware that this process is ongoing, and has participated in that process for information it claims is exempt from production under the Right-to-Know law.

11. Given that the Respondent has not yet reached the conclusion of this process, it has not refused to produce information. As such, the Petitioner's Petition is premature and should be dismissed.

12. Further, as to the Petitioner's claim for fees, RSA 91-A:8 allows for attorneys' fees only where a court finds that such lawsuit was necessary in order to make the information available. Here, as is described above, the Respondent has already provided hundreds if not thousands of pages of documents and is still in the process of gathering, evaluating and producing the remaining records. This does not violate the statute and does not constitute a refusal to produce. Moreover, the Respondent is producing documents on a rolling basis to provide information as quickly as possible.

WHEREFORE, the Respondent respectfully requests that this Honorable Court:

- A. Dismiss Petitioner's Petition Pursuant to RSA 91-A; and
- B. Grant such other and further relief as may be just and proper.

Respectfully submitted,

**THE STATE OF NEW HAMPSHIRE
LIQUOR COMMISSION**

By its attorney,

MICHAEL A DELANEY
ATTORNEY GENERAL

Date: December 18, 2012

By:



Lisa M. English, Bar No. 20166
Assistant Attorney General
Mary Ann Dempsey, Bar #13123
Senior Assistant Attorney General
New Hampshire Attorney General's Office
33 Capitol Street
Concord, NH 03301
Phone: (603) 271-3650
Lisa.English@doj.nh.gov

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing motion has been delivered in hand to:

Christopher H.M. Carter, Esquire and Suzan M. Lehmann, Esquire, Hinckley, Allen, Snyder,
LLP, Counsel for Law Warehouses, Inc.

Date: December 18, 2012



Lisa M. English, Bar No. 20166

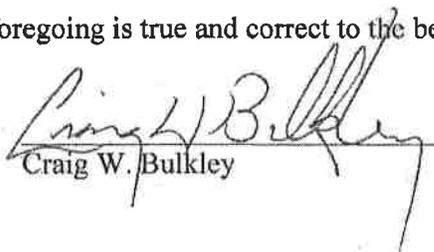
AFFIDAVIT OF CRAIG W. BULKLEY

I, Craig W. Bulkley, hereby swear and affirm as follows:

1. I am the Chief of Administration of the State of New Hampshire Liquor Commission ("NHSLC"). I have held this position since November 1997.
2. NHSLC has been posting documents related to the award of RFP 2012-14 to the NHSLC website at http://www.nh.gov/liquor/public_notices.shtml since November 20, 2012 on a rolling basis. See Attached Exhibit A. The NHSLC has posted over 3,800 pages to its website since the contract award.
3. The successful bidder, Exel, signed the contract with the Liquor Commission on November 15, 2012. The NHSLC received the original copy from Exel on November 19, 2012. The Commissioners signed the contract on November 19, 2012 and forward it to the Attorney General's Office for review for form, substance and execution. See Attached Exhibit B, page 1 of the P-37.
4. The contract between Exel and NHSLC became final on November 20, 2012, when it was approved by the Office of the Attorney General for form, substance, and execution.
5. Pursuant to the RFP at § 1.14, the NHSLC has been working with Exel and Law Warehouses Inc. to determine whether what each vendor has claimed as confidential properly falls under an exemption under RSA 91-A, or if it should be disclosed. That process is ongoing. Once completed, to the extent there is any disagreement between the Liquor Commission and a vendor as to what should be disclosed, the vendor may seek any judicial remedy they may be entitled to under the law to prohibit release of information that the NHSLC believes is not exempt under RSA 91-A.
6. Despite the filing of this lawsuit, the NHSLC continues to provide information on a rolling basis, and will do so until all relevant information not otherwise exempt under RSA 91-A has been provided.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

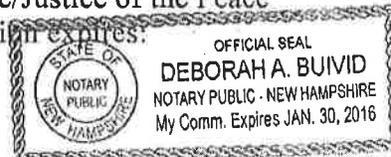
Dated: 12/18/12


Craig W. Bulkley

THE STATE OF NEW HAMPSHIRE
Merrimack County

On the 18th day of December 2012, before me, Craig W. Bulkley, the undersigned officer, appeared Craig W. Bulkley, known to me (or satisfactorily proven) to be the person whose name appears above, and she subscribed her name to the foregoing instrument.


Notary Public/Justice of the Peace
My commission expires:





New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503
Concord, N.H. 03302-0503
(603) 230-7015

Joseph W. Mollica
Chairman

Mark M. Bodi
Commissioner

Michael R. Milligan
Commissioner

May 15, 2012

Via Email & First Class Mail

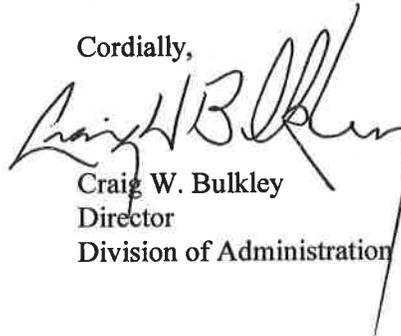
Ms. Suzan M. Lehmann
Hinckley Allen Snyder
11 South Main Street
Suite 400
Concord, New Hampshire 03301-4846

RE: Clark Corson

Dear Suzan,

In your April 26, 2012 letter, you requested a copy of any contracts or agreements between the Commission and Mr. Corson. I have no document responsive to your request. Enclosed is a contract between Rumbletree, Inc. and Mr. Corson.

Cordially,



Craig W. Bulkley
Director
Division of Administration

Enclosure

STATE OF NEW HAMPSHIRE LIQUOR COMMISSION

2012 Merchandising Feasibility Study

CONTRACT

v.2.2.2012

Clark Corson

12 Perkins Road

Madbury, NH 03820

603-742-2212

Intcapstrat@comcast.net

.Law Shipping FY11

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*T DA.Cases .

*====,=====.

|1007|316973|

|1008|338660|

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|1012|374060|

|1101|243394|

|1102|246423|

|1103|265121|

|1104|268944|

|1105|290293|

|1106|346956|

*.GRAND-TOTAL -

* Cases = 3645493

Long-Term Warehouse Services Vendor's Conference

April 16, 2012

10:00 AM

- Introductions
 - Evaluation Team (John B, George T, Peter Hastings, Rick G, Craig)
 - Steve Judge (legal council)
 - We are not providing a list of attendees
- 30,000 Foot Overview
 - NHSLC on of 18 control states in the country
 - The NHSLC is the largest non-tax contributor to the state's General Fund; that should give you an idea of how important our business is to the state and how important it is for our contractors to perform well at all times – warehouse services included
 - We operate out of one state-owned warehouse in Concord and one contracted warehouse in Nashua
 - Statistics that identify product volume, product shipped, SKUs, etc is all available in the RFP; over \$540 million in sales in FY11
 - The goal of the NHSLC regarding this RFP is to get the best long-term arrangement for the state, the NHSLC and the taxpayers of NH
 - Innovation, future-thinking and revenue sharing are all important to us
- If you want to schedule a tour of our Concord warehouse, you can contact me via email; if you want to tour the Nashua warehouse.....
- Our legal council, Steve Judge, will now provide some guidance to potential vendors after which we will start the question and answer phase of this conference.
- Steve Judge
- Questions & Responses



New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503
Concord, N.H. 03302-0503
(603) 230-7015

Joseph W. Mollica
Chairman

Mark M. Bodi
Commissioner

Michael R. Milligan
Commissioner

May 3, 2012

Via Email & First Class Mail

Ms. Suzan M. Lehmann
Hinckley Allen Snyder
11 South Main Street
Suite 400
Concord, New Hampshire 03301-4846

RE: Clark Corson

Ms. Lehmann:

I am in receipt of your letter dated April 26, 2012. In your letter, you have requested a copy of any contracts or agreement between the commission and Mr. Corson. As you know, I have been working on answers to RFP questions. The answers were provided on May 1, 2012. I have just now turned my attention to your letter. Pursuant to RSA 91-A, this letter is to acknowledge receipt of your letter and to state that it will take me until May 11, to determine whether your request will be granted or denied. Please contact me if you have any questions.

Cordially,

A handwritten signature in black ink that reads "Craig W. Bulkley".

Craig W. Bulkley
Director
Division of Administration



New Hampshire Liquor Commission

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(603) 230-7015

Joseph W. Mollica
Chairman

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Michael R. Milligan
Commissioner

May 15, 2012

Via Email & First Class Mail

Ms. Suzan M. Lehmann
Hinckley Allen Snyder
11 South Main Street
Suite 400
Concord, New Hampshire 03301-4846

RE: Clark Corson

Dear Suzan,

I am in receipt of your April 26, 2012 letter regarding Mr. Clark Corson. I responded to your RSA 91-A request under separate cover.

The NHSLC just received this morning the first RSA 91-A request for the short-term warehouse services RFP (2011-02), all responses to the RFP, and the short-term contract. In response to this request, I am providing a copy of the RFP and the contract without a copy of the proposal. The AG will review the redacted proposal and be in touch with you before it is made public.

In regards to the remainder of your letter, I have no comment at this time.

Cordially,

A handwritten signature in black ink, appearing to read "Craig W. Bulkley".

Craig W. Bulkley
Director
Division of Administration



New Hampshire Liquor Commission

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Joseph W. Mollica
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May 15, 2012

Via Email & First Class Mail

Ms. Suzan M. Lehmann
Hinckley Allen Snyder
11 South Main Street
Suite 400
Concord, New Hampshire 03301-4846

RE: WebWei & Goclowski

Dear Suzan,

I am in receipt of your April 26, 2012 letter regarding WebWei and Mr. Goclowski.

The NHSLC just received this morning the first RSA 91-A request for the short-term warehouse services RFP (2011-02), all responses to the RFP, and the short-term contract. In response to this request, I am providing a copy of the RFP and the contract without a copy of the proposal. The AG will review the redacted proposal and be in touch with you before it is made public.

In regards to the remainder of your letter, I have no comment at this time.

Cordially,

A handwritten signature in black ink, appearing to read "Craig W. Bulkley".

Craig W. Bulkley
Director
Division of Administration

Bailment Revenue Summary: All Vendors: May 2011 - April 2012

Inbound Handling Summary		Qty	as cases	Rate	% of total	
45%	1 - 180 cases per code	1,723,575		\$1.15	\$1,982,111	51%
12%	181 - 299 cases per code	453,332		\$1.00	\$453,332	12%
24%	300 - 670 cases per code	936,930		\$0.90	\$843,237	22%
19%	670+ cases per code	733,788		\$0.80	\$587,030	15%
42	Pallet Packs	1,781		\$6.35	\$11,309	0%
	Case Returns	1,645		\$2.50	\$4,113	0%
	Pallet Returns	5		\$12.00	\$60	0%
	Bottle Returns	142		\$0.50	\$71	0%
	Line Items Rec'd C, D, M, U	2,153		\$5.00	\$10,765	0%
	Stock Transfers - Pallet packs					
	converted to cases	3,923,621		\$0.99	\$3,892,029	100%
Receiving Storage Summary						
	Storage (non-status)	3,764,071		\$0.09	\$338,766	83%
	Storage for Allocated	6,341		\$0.09	\$571	7%
	Storage (Status)	78,858		\$0.67	\$52,835	13%
	Storage - Pallets	1,494		\$4.00	\$5,976	1%
	Storage - Pallets (Status)	292		\$30.00	\$8,760	2%
	Received damaged					
	converted to cases	3,923,621		\$0.10	\$406,908	
Recurring Storage Summary						
73%	Cases 14 - 84 Days	10,998,486		\$0.09	\$989,864	31%
17%	Cases 85 - 182 Days	2,634,122		\$0.24	\$632,189	20%
6%	Cases 183 - 365 Days	957,777		\$0.67	\$641,711	20%
4%	Cases 365+ Days	561,893		\$1.18	\$663,034	21%
	Cases on Hold Status <365	123,776		\$0.67	\$82,930	3%
	Cases on Hold Status >365	26,333		\$1.18	\$31,073	1%
	Allocated products <84	24,266		\$0.09	\$2,184	0%
	Allocated products >85	12,858		\$0.24	\$3,086	0%
	Pallet Packs 14-84	227,535		\$4.00	\$22,440	1%
	Pallet Packs 85-182	102,384		\$10.75	\$27,090	1%
	Pallet Packs 183-365	55,778		\$30.00	\$38,250	1%
	Pallet Packs 365+	762		\$52.50	\$40,005	1%
	Pallets on Hold Status <365	120		\$30.00	\$3,600	0%
	Pallets on Hold Status >365	5		\$50.00	\$250	0%
	converted to cases	15,761,191		\$0.20	\$3,177,705	100%

42 Avg Cases per Pallet Pack

28 Avg Cases per Pallet Pack

44 Avg Cases per Pallet Pack

30 Avg Cases per Pallet Pack

41 Avg Cases per Pallet Pack

41 Avg Cases per Pallet Pack

44 Avg Cases per Pallet Pack

43 Avg Cases per Pallet Pack

23 Avg Cases per Pallet Pack

34 Avg Cases per Pallet Pack

Outbound Summary				
Bottle Handling	536,536	\$0.54	\$289,729	
Cases Converted to Split Case	53,162			
Pallet packs shipped (in cases)	70,763			
Automatic Orders	3,762,862	\$0.12	\$451,543	
Non-Automatic Orders-case	18,308	\$0.16	\$2,929	
Non-Automatic Orders-subpack	898	\$0.16	\$144	
Non-Auto Orders Min Upcharge	462	\$25.00	\$10,314	
Automatic Orders- case	30,992	\$0.16	\$4,959	
Automatic Orders-subpack	355	\$0.16	\$57	
Total Cases Shipped	3,882,925		\$759,675	
Accessorail Summary:				
LABELING	9,145	\$2.70	\$24,692	
Cases (0 to 55)	10,228	\$2.15	\$21,990	
Cases (56 to 99)	18,362	\$1.35	\$24,789	
Cases (100 to 299)	16,070	\$0.80	\$12,856	
Cases (300+)	418	\$15.00	\$6,270	
Minimums	14,674	\$1.20	\$17,609	
Cases relabeled	19	\$15.00	\$285	
Minimums	265	\$0.35	\$93	
Duplicate labels	67	\$25.00	\$837	
Min Invoice Upcharges	623,686	\$0.15	\$93,553	
Cases - SUPPLIERS	13,788	\$0.10	\$1,379	
Bottle Charge	15,592	\$0.10	\$1,559	
Case Charge - NHSLC	418	\$27.50	\$11,495	
HANDLING / BLANKET	695	\$7.00	\$2,139	
STORAGE / BLANKET	1,384	\$4.25	\$5,882	
PER CASE (0 to 55)	5,538	\$3.35	\$18,552	
PER CASE 56+	48	\$0.80	\$38	
HNDLG PER CASE - SMALL	173	\$2.15	\$372	
HNDLG PER CASE - LARGE	48	\$0.55	\$26	
STRG PER CASE - SMALL	173	\$3.85	\$666	
STRG PER CASE - LARGE	48	\$0.55	\$26	
REC STRG PER CASE - SMALL	2,326	\$3.85	\$8,955	
REC STRG PER CASE - LARGE	31	\$25.00	\$743	
NON-AUTO MIN UPCHARGE	16	\$30.00	\$480	
PER REPORT/LIST	315	\$38.50	\$12,128	
W/H LABOR - REG	0	\$57.75	\$0	
W/H LABOR - OT	8	\$73.50	\$606	
W/H MAN & EQUIP - REG	0	\$89.50	\$0	
W/H MAN & EQUIP - OT	3	\$38.50	\$116	
OFFICE - REG	0	\$57.50	\$0	
OFFICE - OT			\$440	
Misc			\$268,575	
TOTAL ACCESSORIAL CHARGES				\$268,575
Total Storage Revenue			\$3,584,613	42%
Total Handling Revenue			\$4,651,704	55%
Total Accessorial Revenue			\$268,575	3%
TOTAL ALL REVENUE (PER YEAR)				\$8,504,892
Total Cost per Case Shipped				\$2.19 per case shipped

\$22.32 Average Invoice Upcharge

\$12.49 Average Invoice Upcharge

\$23.96 Average Invoice Upcharge

Historical Volumes and Volume Projections through 2031

	Year	+/-	Est shipping by Year
	FY 06		not full year
	FY 07		980,099
	FY 08	7.4%	1,052,145
	FY 09	13.7%	1,196,289
	FY 10	2.0%	1,220,646
	FY 11	-5.8%	1,150,073
ST contract	FY 12	-9.0%	1,046,566
ST contract	FY 13	3.0%	1,077,963
LT Contract Yr 1	FY 14	3.0%	1,110,302
LT Contract Yr 2	FY 15	3.0%	1,143,611
LT Contract Yr 3	FY 16	3.0%	1,177,920
LT Contract Yr 4	FY 17	3.0%	1,213,257
LT Contract Yr 5	FY 18	3.0%	1,249,655
LT Contract Yr 6	FY 19	3.0%	1,287,145
LT Contract Yr 7	FY 20	2.0%	1,312,888
LT Contract Yr 8	FY 21	2.0%	1,339,145
LT Contract Yr 9	FY 22	2.0%	1,365,928
LT Contract Yr 10	FY 23	2.0%	1,393,247
LT Contract Yr 11	FY 24	2.0%	1,421,112
LT Contract Yr 12	FY 25	2.0%	1,449,534
LT Contract Yr 13	FY 26	2.0%	1,478,525
LT Contract Yr 14	FY 27	2.0%	1,508,095
LT Contract Yr 15	FY 28	2.0%	1,538,257
LT Contract Yr 16	FY 29	2.0%	1,569,022
LT Contract Yr 17	FY 30	2.0%	1,600,403
LT Contract Yr 18	FY 29	2.0%	1,632,411
LT Contract Yr 19	FY 30	2.0%	1,665,059
LT Contract Yr 20	FY 31	2.0%	1,698,360

	Year	+/-	Est shipping by Year
	FY 06		3,159,247
	FY 07	4.6%	3,304,994
	FY 08	0.7%	3,329,473
	FY 09	-0.9%	3,301,065
	FY 10	5.9%	3,496,711
	FY 11	5.6%	3,693,287
	FY 12	6.4%	3,929,657
	FY 13	3.0%	4,047,547
	FY 14	3.0%	4,168,974
	FY 15	3.0%	4,294,043
	FY 16	3.0%	4,422,864
	FY 17	3.0%	4,555,550
	FY 18	3.0%	4,692,216
	FY 19	3.0%	4,832,983
	FY 20	2.0%	4,929,643
	FY 21	2.0%	5,028,235
	FY 22	2.0%	5,128,800
	FY 23	2.0%	5,231,376
	FY 24	2.0%	5,336,004
	FY 25	2.0%	5,442,724
	FY 26	2.0%	5,551,578
	FY 27	2.0%	5,662,610
	FY 28	2.0%	5,775,862
	FY 29	2.0%	5,891,379
	FY 30	2.0%	6,009,207
	FY 29	2.0%	6,129,391
	FY 30	2.0%	6,251,979
	FY 31	2.0%	6,377,018

	Year	+/-	Est shipping by Year
	FY 06		4,285,093
	FY 07		4,381,618
	FY 08	2.3%	4,497,354
	FY 09	2.6%	4,717,357
	FY 10	4.9%	4,843,360
	FY 11	2.7%	4,976,224
	FY 12	2.7%	5,125,511
	FY 13	3.0%	5,279,276
	FY 14	3.0%	5,437,654
	FY 15	3.0%	5,600,784
	FY 16	3.0%	5,768,807
	FY 17	3.0%	5,941,871
	FY 18	3.0%	6,120,128
	FY 19	2.0%	6,242,530
	FY 20	2.0%	6,367,381
	FY 21	2.0%	6,494,728
	FY 22	2.0%	6,624,623
	FY 23	2.0%	6,757,115
	FY 24	2.0%	6,892,258
	FY 25	2.0%	7,030,103
	FY 26	2.0%	7,170,705
	FY 27	2.0%	7,314,119
	FY 28	2.0%	7,460,401
	FY 29	2.0%	7,609,609
	FY 29	2.0%	7,761,802
	FY 30	2.0%	7,917,038
	FY 31	2.0%	8,075,378

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Note (1)

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XTL-NH, INC.

REVENUE SHARING PROPOSAL

Please note: XTL-NH's revenue sharing proposal is **not** based upon the warehousing/distribution of wines and spirits to New Hampshire, but rather, is based on regional distribution of wine and spirits, to locations outside of New Hampshire.

XTL-NH proposes sharing ten cents (\$.10) per case for every case of Product that we warehouse and ship through our XTL-NH Warehouse annually to locations outside of New Hampshire.

XTL-NH anticipates that that above sharing will be based on at least one million (1,000,000) cases of Product during the first thirty (30) month period, and one million (1,000,000) cases of Product per year after the first thirty (30) month period concludes.

1st thirty (30) month period = $\$.10 \times 1,000,000 = \$100,000$ going directly to the NHSLC

2nd thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

3rd thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

4th thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

5th thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

6th thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

7th thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

8th thirty (30) month period = $\$.10 \times 2,500,000 = \$250,000$ going directly to the NHSLC

MINIMUM ANTICIPATED REVENUE

SHARING OVER THE CONTRACT PERIOD: \$1,850,000

Revenue to the NHSLC will increase if volumes exceed one (1) million cases per year.



REC 6/22/12
3:30 PM
CWB

120 NORTHWEST BOULEVARD ~ NASHUA, NH 03063-4007

June 22, 2012

Hand Delivered

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

Re: Financial Statements of Bellavance Beverage Company Inc.

Dear Mr. Bulkley,

The enclosed documents are the financial statements of Bellavance Beverage Company Inc. a Member of Hat Trick Logistics, LLC. They are submitted to the New Hampshire State Liquor Commission for use only by the RFP Review Committee in connection with its evaluation of the proposal of Hat Trick Logistics, LLC to NHSLC RFP 2012-14, and with the understanding that the documents and information contained in them will be kept confidential, will not be disclosed to the public and will not be reproduced in any manner. Because the documents contain a privately owned company's confidential, commercial financial information, disclosure of this information would constitute an invasion of privacy. Therefore, the enclosed information is exempt from public disclosure under RSA 91-A:5, IV. In the event that the NHSLC disagrees with this position and determines that it must disclose the information in response to a request for it, Bellavance Beverage Company Inc., and Hat Trick Logistics, LLC understand that they will be notified of the date that the NHSLC will release the information, in accordance with section 1.14 of RFP 2012-14. At the conclusion of the bidding process, should Hat Trick Logistics, LLC not be awarded the warehouse contract, we request that the enclosed financial statements be returned directly to Bellavance Beverage Company Inc., at the address listed below.

The Members of Hat Trick Logistics, LLC are submitting their financial information separately and directly to your attention. The individual Member companies have not and do not intend to share their financial statements amongst each other. Therefore, we request that you address all correspondence regarding the specifics of the enclosed financial statements to my attention.

Sincerely,

Joseph Bellavance IV
President

New Hampshire State Liquor
Commission Warehouse
Contract Presentation
July 24, 2012

HAT • TRICK • LOGISTICS, • L.L.C. 

Opening Statement: Chris Brown

- Hat Trick Team Key Staff Introductions
 - Detailed List Attached Appendix A
- Implementation Team Background (details attached)
 - Michael Buckley
 - Theodore Speas
 - Richard Stadnick
- Group Unity/Power of Three
- Managing Partner: Chris Brown
 - Single Point of Contact

Vendor Experience & Qualifications:

Chris Brown

- Prior Experience: 3 NH Wholesaler; 240 Years
- 300 employees
 - Warehouse, IT, Inventory, HR, Marketing
 - Proven history of collaboration with SLC
 - 3rd&4th Generation; family-owned businesses
 - NH roots & community involvement,
 - we have reputations at stake and we take pride in what we do and deliver

Vendor Technical & IT Competence

Joe Bellavance

- Core Technologies
 - Our Low-risk solution will have the ability to properly accept, inventory, warehouse, manage, and product shipments
 - Seamless Transition: Ability to interface with SLC system from day-one
 - Cost effective & scale appropriate
 - Ability to evolve and adapt
- Solutions/Components
 - Existing SLC system
 - Vermont Information Processing(VIP)
 - Custom Interface
- Existing SLC Solution
 - No Change Required from current software

Vendor Technical & IT Competence

Joe Bellavance

- Why VIP?
 - Experience since 1972
 - 400 Beer and 30 Wine & Spirits Warehouses
 - Industry Standard for beer, wine & spirits
 - In-use by member companies for 20+ years
 - Used by Clarke Distributors at wine operation in VT (4,000 SKUs)
- Custom Interface & Reporting
 - Maximum Flexibility
 - Straightforward tie-in to SLC system using basic methodologies
 - Will provide web-based reporting for vendors & brokers
 - Will be implemented using current technology standards

Vendor Technical & IT Competence

Joe Bellavance

- Transportation Vendor Interface
 - Prepared to work closely and cooperatively with current transportation provider
 - VIP solution has built in loading & routing capabilities
- The Future
 - Work collaboratively with SLC to enhance & evolve IT solution including exploring use of NABCA standards

Vendor Overall Solution:

Joe Bellavance

- Benefits of proposed facility:
 - Location
 - Inbound from South
 - Outbound to centroid of volume/population
 - Secure industrial facility removed from residential or urban populations
 - Uncommon High Bay Warehouses: Clear height to 34'
 - Sustainability: Re-purposing existing warehouse space
 - Existing Railway Infrastructure
 - Building Infrastructure: Red-steel; metal roof replaced in 2006; concrete floor slabs; Steel columns
 - Sufficient Dock Equipment & Space
 - Functional Office Space;
 - Large Parking Lot Area
 - No issues associated with new construction delays; Immediate LOI; 4 to 6 month ready-to-test
 - Close proximity to current vendor means delivery schedules should remain consistent;

Vendor Pricing & Innovation:

Kary Shumway

- Objective:
 - Create a pricing model to achieve the mutual goals of the NHSLC and its supplier partners, while allowing for the financial viability of the warehousing system.
- One warehouse fee structure:
 - Compared to the contract rates effective 1/1/2013, and using the NHSLC provided volume estimates, the Hat Trick proposal provides for a \$6.7 million net cost reduction over the 30 month contract period, a reduction of 19.3%. This cost reduction benefits both NHSLC and its supplier partners.

Service & Project Management:

Joe Bellavance

- Pre-Contract Transition Period
 - Building/Facility Preparation Upgrades
 - Business Infrastructure Development
 - Equipment & Infrastructure Purchasing
 - Technology Development, Implementation & Testing
 - Workforce Acquisition & Training
- Transportation Vendor Relations
- On-going Business Management

Vendor Pricing & Innovation:

Kary Shumway

- Benefits for NHSLC –
 - Under the contract rates effective 1/1/2013, and using the NHSLC provided volume estimates, the NHSLC would incur fees of \$3.25 million over the 30 month contract term.
 - Under the fee structure proposed by Hat Trick the NHSLC would receive \$1.26mm over the 30 month contract term.
 - A net benefit of \$4.5 million to NHSLC. This is based on revenue share of \$1.3 million and fee reductions of \$3.2 million.

Vendor Pricing & Innovation:

Kary Shumway

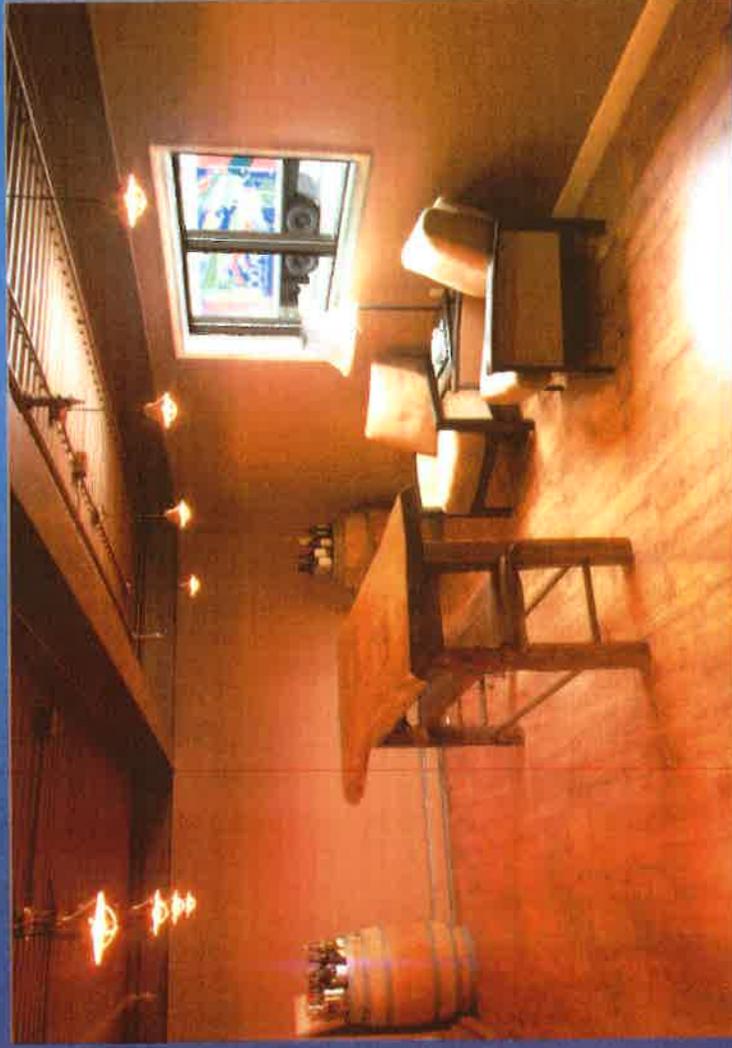
- Benefits for Suppliers
 - Under the contract rates effective 1/1/2013, and using the NHSLC provided volume estimates, the charges to suppliers would total \$31.5 million for the 30 month contract period.
 - Under the Hat Trick proposal, charges to suppliers would total \$29.3 million, a fee reduction for Suppliers of \$2.2 million.

Vendor Innovation: Richard Clarke

- A Value-Added Partnership
 - Enhance SLC employee wine knowledge and customer service through a partnership with the broker/supplier, community and our on-line wine education program
Product Education/Tasting Room
 - Partner with suppliers on marketing
 - Creative low-volume item strategy
 - Point of Sale storage support

Rutland, Vermont Beverage Warehouse

Wine Sampling & Education Room



Vendor Innovation: Richard Clarke

- Current Concord Warehouse
 - Open to discussing potential options
- Dedicated SLC Office Space
 - 30 month rent-free trial period

Closing Statement: Chris Brown

- New Hampshire-owned/based with deep Roots
- AB Wholesaler History of Collaboration: 240 years
- Local Re-investments resulting in NH Jobs
- Risk Management Understanding
- Deep bench with a total of 300+ employees
 - Pockets of Expertise (Finance, HR, Operations, Administrative, Marketing)

“If you don’t drive your business, you will be driven out of business” B.C. Forbes

Appendix A: Key Staff Information

- Richard W. Clarke
- Current Position: Owner-President Clarke Companies
- Years of Experience: Eighteen years (CDL-B 25 years)
- Education: University of Alabama
 - Executive: Education-Business at the University of Virginia
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*
- Jay Clarke
- Current Position: Clarke Companies Executive Vice President
- Years of Experience: Sixteen Years full-time
- Education: Menlo College BSBA
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*
- Kary R. Shumway, CPA
- Current Position: Clarke Distributors, Inc, CFO. Responsible for finance, accounting and tax issues, budgeting and planning, and Information Technology.
- Years of Experience: Nine years
- Education: BS degree in Management Science, Accounting concentration, Bridgewater State College, Bridgewater MA.
 - Certified Public Accountant, November 1998.
 - CPA in public practice for five years. Responsible for financial statement audits, tax return preparation and consulting services to various businesses including beverage warehouse and distribution clients.

Key Staff Information cont...

- Edward Coppola
- Current Position: Clarke Distributors, General Manager
- Years of Experience: Six
- Education: BSBA Boston University
- Experience Overview: Familiar with all aspects of alcoholic beverage distribution business; Including Sales, product loading, delivery, merchandising, customer service, in-bound load receiving, Inventory Management, Human Resources, Organizational Development, Sustainable energy project implementation, State of NH SLC Regulatory Requirements & Expectations;
 - Previous Experience: Five years Account Manager with Church & Main Advertising; Previous eleven years District Manager with Merrill Lynch
- Mark Pearce
- Current Position: Clarke Distributors, IT Manager
- Years of Experience: Seven Years
- Education: Fitchburg State College – Fitchburg, MA Degree Program: Computer Science
- Experience Overview: PC & Mac Computer and Network Administration with 17+ years' experience in back-end programming, relational databases and development/maintenance of complex and critical systems with comprehensive experience scheduling conversions and cut-over. Extensive experience monitoring, tracking, and evaluating IT infrastructure incidents. Created and maintained both CMS and WordPress based websites with extensive experience utilizing a wide range of software and development tools. Over 7 years working in the beverage distribution industry, maintaining essential systems related to invoicing, order processing, and hand-held sales devices. Well-verse in VIP software systems.

Key Staff Information cont...

Joe Bellavance, Jr.

Current Position: Owner-President Bellavance Beverage

- Years of Experience: Twenty Years
 - Education: BA University of Vermont; MBA Boston University
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*

Key Staff Information cont...

- Christopher A. Brown
- Current Position: President & COO New Hampshire Distributors
- Years of Experience: 23 years
- Education: University of New Hampshire, Degree: AS Business Administration, BA Communications – UNH, Master in Business Southern NH University
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business;*
- Tyler Kelly
- Current Position: Owner & VP-Marketing, New Hampshire Distributors
- Years of Experience: 17 years
- Education: University of New Hampshire Degree: BS – Kinesiology
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business*
- Grant Kelly
- Current Position: Owner & Operations Manager, New Hampshire Distributors
- Years of Experience: 10 years
- Education: Colby-Sawyer College Degree: BA
- Experience Overview: *Familiar with all aspects of alcoholic beverage distribution business*

Key Staff Information cont...

- Tom Painchaud
- Current Position: NH Distributors, General Manager
- Years of Experience: Thirty-one
- Education: BA Colby College; MBA SNHU
- Experience Overview: Familiar with all areas of Beverage Sales, Marketing, Facility Operations

- Henry Wenta
- Current position: IT Manager 8 years
- Years of experience : 29
- Education: Vermont Technical College, Studies in Electrical and Mechanical Engineering

- Saint Michael's College,
- Professional development courses in Accounts Payable, General Ledger, Business Writing, and Human Resource Issues
- Automated Training Systems (ATS, Inc.), RPG Programming, Work Station, IBM Hardware, Cabling, Saint Joseph's College, PC Programming, Fundamentals of RPG Programming, DisplayWrite Microsmart Technology Solutions, LLC
- Experience: familiar with all aspects of the VIP software solution as well as AS400 mainframe. Responsible for entire network infrastructure, all computer hardware and software, all electronic communications, wireless technology, support and hand held computer for entire sales department with ongoing support and support of all phones. Project implemented in the past several years include warehouse management system, voice pick, truck loading, mobility for all sales personnel.

Implementation Team

- Michael Buckley (30 years)
 - retired as Legislative Budget Assistant :New Hampshire General Court in November 2008 after a 30 year career with the Office.
 - certified public accountant, and member of the American Institute of CPA's, and the NH Society of CPA's, having formerly served on their Ethics Committee.
 - school board in his town of Derry, NH
 - volunteer for NH Special Olympics.
 - former member of the New England Intergovernmental Audit Forum, National State Auditors Association and Eastern States Legislative Fiscal Officers Association.
 - currently operates a family trucking business in Derry

Implementation Team

- Theodore W. Speas, PE CONSULTANT (18 years)
 - President, Iron Lighthouse Corporation: Providing warehouse project management and engineering services for clients nationally in the food and beverage processing and distribution industries.
- EDUCATION
 - Bachelor of Science in Mechanical Engineering, University of Florida, Gainesville, FL
- LICENSES
 - Professional Engineer (PE), Mechanical Discipline
 - State of Florida, Board of Professional Engineers, No. 51515
- PROFESSIONAL ASSOCIATIONS
 - National Society of Professional Engineers (NSPE)
 - Florida Engineering Society (FES)

Implementation Team

- **Richard Stadnik (36 years)**

- served as Hat Tricks systems integration architect for the custom software which will link the NHSLC's existing IT capabilities with the equally well-defined VIP warehouse and inventory software. Upon the awarding of the contract, he will lead the development team charged with building that link.
- owner Pup's Cider Company, an alcoholic beverage manufacturer and importer he founded in 1999. Pup's Cider has been licensed by the NHSLC as a manufacturer, vendor, and broker since 2004.
- From 1986 and continuing today, owns a systems consultancy named Stadnik & Company with a focus on delivering technical support to large (mainframe) data centers, and on technology-centric applications development. Its IT technical and development professionals have worked at a diverse set of clients, including the Federal Reserve Bank of Boston, Fleet Bank, Associated Grocers, IBM, Lotus, and Chase Manhattan on a myriad of mission-critical assignments.
- 1992 Stadnik & Co. launched the ViaFax enterprise fax solution software product, specifically targeted for the chemical industry. The product was successfully rolled out at a number of manufacturers including Osram Sylvania, Mallinckrodt Chemical, J.T. Baker, and Rhone-Poulenc, among others.
- lead Technical Principal in the Boston office of Canadian consultancy Ducros, Meilleur, et Roy. He also held assorted technical and management positions with National Medical Care, New England Mutual Life, and Polaroid. He began his professional career as a programmer with Keene Associates in 1976.
- Boston University from 1973 -1978 studied systems engineering.
- married and has lived in Greenfield, New Hampshire since 1991.

Hat Trick Logistics, LLC's Exceptions to NHSLC RFP 2012-14

Section 1.5.8 is understood with the following exception: Because Hat Trick Logistics, LLC is a newly-formed entity, it does not have audited annual financial statements for the past three years. As an alternative, Hat Trick Logistics, LLC submits the following information as evidence of its solvency and ability to conduct the large-scale operation anticipated by the RFP: The three members comprising Hat Trick Logistics, LLC are wholesale distributors licensed by the NHSLC. They each have met bonding, financial and other obligations required of NHSLC licensees, and are in good standing with the NHSLC. Their individual and collective financial strength, as evidenced by the longevity of their respective companies and their solid business reputations, demonstrates that Hat Trick Logistics, LLC is financially capable of providing the services described in the RFP. In addition, Hat Trick Logistics, LLC has submitted a letter from the Rowley Insurance Agency in Section IV, 10 attesting to its familiarity with the Fiscal Year End Financial information of all three members of Hat Trick Logistics, LLCs and concluding that the company "is more than strong enough to offer the State of NH the financial stability and capacity to fund the proposed operation" described NHSLC RFP 2012-14. Lastly, Hat Trick Logistics would be happy to answer NHSLC's specific questions about Hat Trick Logistics, LLC's financial capabilities.

Section 1.10.4 (Rate changes) is understood with the following exception: delete from said Section 1.10.4 the words "limited to the CPI for the previous twelve (12) months and".

Sections 1.20.4 and 1.20.5 are understood with following exceptions/additional language noted in italics:

1.20.4 The State shall *immediately* provide Contractor with written notice of any such funding shortfall.

1.20.5 Contractor may cease providing Services to the State for which the State cannot or fails to make payment, and will not be obligated to resume provision of Services to the State if funding for continued payments under the Agreement is not obtained, including without limitation, funding for any arrearages. *Contractor may also pursue any additional legal or equitable remedies for such inability or failure to make payment for Services.*

Section 1.22 is understood with the following exception/additional language noted in italics:

Each Vendor shall submit a guaranty in the amount of \$50,000 which may be in the form of a bid bond or certified check made payable to the NHSLC. By submitting a Proposal, each Vendor pledges to enter into a contract with the NHSLC on the terms stated in the RFP to the extent the Proposal accepts such terms. If a selected Vendor fails or refuses to enter into such a contract without just cause, the amount of the Proposal guaranty shall be forfeited to the NHSLC as liquidated damages, and not as a penalty. The determination of whether a Vendor has just cause is in the sole discretion of the Chairman of the NHSLC. *If the above-referenced Proposal guaranty is forfeited by the Vendor, the NHSLC shall have no further cause of action against the Vendor for the Vendor's failure or refusal to enter into a contract without just cause.*

Section 3.0.3 (Conducting Business with the NHSLC): Exception as follows:

Vendor shall provide data-transfer capability at all times except as reasonably necessary for system and file maintenance. Such down time will be scheduled so as to not disrupt normal business operations and will be communicated in advance.

Vendor acknowledges both the ability and desire to accommodate periodic updates and enhancements to NHSLC and Warehouse computer and software systems. NHSLC and Warehouse will work cooperatively to plan and implement updates, enhancements and transitions. Large scale changes and/or migration to new systems can have significant cost implications for both parties and may necessitate adjustments to the Warehouse fee schedule. NHSLC and Warehouse will work cooperatively identify, fund and implement large scale changes or migrations that will improve the overall operations for both parties.

Section 3.0.11 is understood with the following exception/additional language proposed to be inserted into the third paragraph and noted below in italics:

All reasonable costs associated with the transfer of Product and control from the existing Warehouse (s) (“old”) to the Warehouse of the successful Vendor (“new”), including handling and incurred within 150 days from the effective date of the contract shall be borne by the NHSLC at its discretion. *Such costs shall not be borne by the new Vendor.* In an effort to avoid charging the NHSLC or Suppliers duplicate storage fees, storage charges for transferred Product shall not accrue until the first day of the month following the end of the transfer.

Section 3.0.14 (Fire) is understood. Further response: The warehouse will use a combination of fire suppression systems, including Early Suppression Fast Response (ESFR) wet system for fire suppression. Sprinkler specifications for the warehouse facility are contained in Section IV, 9. Because Hat Trick Logistics, LLC does not

currently occupy the warehouse, it does not have current certifications for the fire protection systems or permits for the storage of flammable liquids, and therefore takes exception to the RFP request for such certifications and permits. However, should the warehouse contract be awarded to Hat Trick Logistics, LLC, all necessary permits will be obtained and applicable codes, regulations and statutes will be followed. Hat Trick Logistics, LLC will coordinate these activities with the Merrimack Fire Department and other state and local officials and agencies as necessary.

The provisions of RFP **Appendix E as amended by Exhibit C** are understood subject to the following exceptions:

Paragraph 13: Delete paragraph 13 of Appendix E. In the alternative, add the following language at the end thereof: *The State shall defend, indemnify and hold harmless the Contractor, its officers and employees, from and against any and all losses suffered by the Contractor, its officers and employees and any and all claims, liabilities or penalties asserted against the Contractor, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the State. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.*

Paragraph 3.3.1.4: Add the following words at the end of the first sentence of said paragraph: *and shall not be borne by the Contractor.*

Paragraph 4.2: Add the following sentence at the end thereof: *Contractor may also pursue any additional legal or equitable remedies for such inability or failure to make payment for Services.*

LYNN ANDERSON
VP, COMMUNICATIONS
EXEL
614-865-8901
614-657-2927 (CELL)

1- BOB BLAISDELL (lobbyist)

2- MARK HAYWARD - DL REP 206-7742

~~3- BEN~~ CODE MONITOR

4- KATHRYN ROMAYNE - CODE MONITOR 368-3309

Reporters & lobbyist spoken to on 11/20 and
11/23/12



TOWN OF MERRIMACK, NH
DEPARTMENT OF PUBLIC WORKS
WASTEWATER TREATMENT FACILITY

36 MAST ROAD – P.O. BOX 235 – MERRIMACK, NH 03054
PHONE: 603-883-8196 – FAX: 603-886-1513 – WWW.MERRIMACKNH.GOV

Memorandum

To: Tim Thompson
Community Development Director

From: James E. Taylor
Public Works Assistant Director

Date: August 30, 2012

Re: Offsite odor concerns relative to the Merrimack Wastewater Treatment Facility

I understand that the site adjacent to the Town's wastewater treatment facility is under consideration for development and that the potential developer had concerns as to whether off site odors would be of concern.

The wastewater treatment process by its very nature generates odors. We have done much over the years to mitigate odors from traveling offsite but if weather conditions are right (usually temperature inversions in the spring and fall) odors can linger and travel offsite. Prior to 2006 and 2007 we were receiving as many as 20 odor complaints per year from the surrounding community. In 2006 and 2007 we completed a major upgrade that allowed us to remove the process equipment that was generating a substantial amount of the off site odors; in addition we covered other tanks that were of concern and treat the air through a biofilter which substantially reduced odors. Since the upgrade was completed we receive only one or two calls per year.

I hope this answers your question. If you have any additional questions or concerns please don't hesitate to contact me.



Nelson Kinder + Mosseau PC
ATTORNEYS AT LAW

Nicholas K. Holmes, Esq.
Manchester Office
Direct Dial: 603-606-5004
Email: nholmes@nkmlawyers.com

January 3, 2013

Via Hand Delivery

Craig W. Bulkley
Chief of Administration
NH State Liquor Commission
50 Storrs Street
P.O. Box 503
Concord, NH 03302

RE: RFP 2012-14

Dear Craig:

Enclosed please find two CDs which contain the Exel Correspondence file that was produced on December 26, 2012. I have reformatted the file so it is easier for you to use.

- The first CD contains an unzipped version of the file.
- The second CD contains an unzipped version of the file which has been broken into four parts.

Please let me know if you need anything else.

Sincerely,

Nicholas K. Holmes

NKH/jms
Enclosures



NEW HAMPSHIRE

Liquor Commission

Public Notices

NH.Gov
Home
Enforcement
& Licensing
Division
Wholesale
About us
Employment
Opportunities
Related Links
Contact Us

Long Term Warehouse Services RFB

The New Hampshire Liquor Commission controls the distribution of all Wines and Spirits throughout the State of New Hampshire. This RFP seeks receiving, storage, and order preparation services for State operated retail stores (77) and all on and off-premise licensees.

Responses must be in compliance with proposal specifications, which can be obtained through the NH State Liquor Commission, Administrative Office, 50 Storrs Street, Concord, NH from 8:00 a.m. to 4:30 p.m. Monday through Friday or by downloading them [here](#).

For answers to inquiries regarding the Long Term Warehouse RFB:

- [April 6, 2012](#)
- [April 18, 2012](#)
- [April 19, 2012](#)
- [May 1, 2012](#)
- [May 8, 2012](#) Notice of Clarification Regarding Question #3 as of May 1, 2012
- [May 16, 2012](#) Further Clarification of Questions #3 as of May 1, 2012

July 23, 2012 Amendment to Long-Term Warehouse RFB.

July 27, 2012 Amendment to Long-Term Warehouse RFB.

August 7, 2012 Amendment to Long-Term Warehouse RFB.

August 14, 2012 Amendment to Long-Term Warehouse RFB.

September 12, 2012 Amendment to Long-Term Warehouse RFB.

September 14, 2012 Amendment to Long-Term Warehouse RFB.

November 13, 2012 Amendment to Long-Term Warehouse RFB.

November 14, 2012 Amendment to Long-Term Warehouse RFB.

November 16, 2012 Clarifications and Amendments to Long-Term Warehouse RFB.

November 29, 2012 Clarifications and Amendments to Long-Term Warehouse RFB.

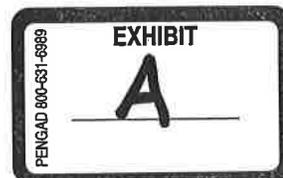
December 13, 2012 Clarifications and Amendments to Long-Term Warehouse RFB.

Long-Term Warehouse Contract Documents

Right to Know Requests

The NHSLC has received two right to know requests regarding the long term warehouse RFP. The two request are posted below. The responses to these requests will be posted on this website beginning later today.

[Bianco](#)



Bianco #2

Lehmann

NHSLC Response to Lehmann Letter

Lehmann#2

Lehmann#3

Warehouse Services RFP 2012-14 - Proposals, Pricing and Correspondence

Proposals

The Proposals set out below have been provided by the Vendors. In some cases, the Vendor has redacted its proposal. The NHSLC takes no position at this time on whether the redacted material is actually exempt from disclosure under RSA 91-A.

#1 Law Warehouses - June 7, 2012 - Redacted Copy - Only Available at NHSLC Headquarters

#2 Law Warehouses - Redacted Proposal - Provided November 12, 2012 - Entitled Law Warehouses "Redacted Copy"

#3 Law Warehouses - Redacted Proposal - Provided December 12, 2012 - Entitled Original with Financial Statements Removed

Exel

Exel-December 11, 2012

Exel-COO

Exel Presentation to the Evaluation Committee

Distributech

Hat Trick Logistics#1 Hat Trick Logistics#2

XTL - NH

Pricing

Exel

Law Warehouses

Distributech

Hat Trick Logistics

XTL - NH

Evaluation Process

Exhibit A

Exhibit C

Exhibit D

Exhibit H-Redacted

Exhibit I

[Exhibit J](#)

Correspondence

[Distributech Emails](#)

[Exel Emails](#)

[Hat Trick Emails](#)

[XTL Emails](#)

[▲TOP](#)

URL: http://outlet/www/public_notices.shtml Updated: 12/12/12 09:56:40



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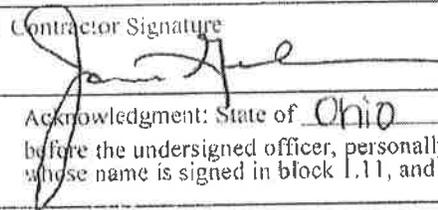
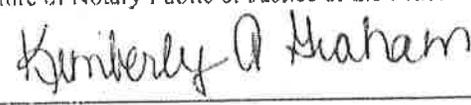
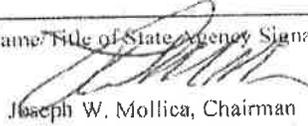
Subject: Warehouse Services for Wine & Spirits and Related Products (RFP 2012-14)

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATIONS.

1.1 State Agency Name New Hampshire State Liquor Commission		1.2 State Agency Address P.O. Box 503, 50 Storrs St., Concord, NH 03302-0503	
1.3 Contractor Name Exel Inc.		1.4 Contractor Address 570 Polaris Parkway, Westerville, Ohio 43802	
1.5 Contractor Phone Number 614-865-8279	1.6 Account Number 02-77-77-77	1.7 Completion Date October 31, 2033	1.8 Price Limitation
1.9 Contracting Officer for State Agency Craig W. Bulkley, Chief of Administration		1.10 State Agency Telephone Number 603-230-7010	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signatory Jim Gehr, President, Retail	
1.13 Acknowledgment: State of <u>Ohio</u> , County of <u>Delaware</u> On, <u>Nov. 15 2012</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  (Seal)			
1.13.2 Name and Title of Notary Public or Justice of the Peace <u>Kimberly A. Graham</u> Notary Public, State of Ohio My Commission Expires 08-20-2016			
1.14 State Agency Signature		1.15 Name/Title of State Agency Signatory  Joseph W. Mollica, Chairman  Michael R. Milligan, Commissioner	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by Attorney General (Form, Substance, and Execution) By: <u>Nik. Brun</u> On: <u>Nov. 20, 2012</u>			
1.18 Approval by Governor and Council By: _____ On: _____			



Christopher H.M. Carter
ccarter@haslaw.com
Direct: (603) 545-6104

December 6, 2012

Via Hand Delivery

William S. McGraw, Clerk
Merrimack County Superior Court
163 N. Main Street
Concord, NH 03302-2880

Re: Law Warehouses, Inc. v. New Hampshire State Liquor Commission

Dear Clerk McGraw:

Enclosed for filing in the above-captioned matter, please find the following documents:

1. Petition Pursuant to RSA 91-A;
2. Check in the amount of \$205 representing the filing fee.

Pursuant to RSA 91-A:7, Petitioner Law Warehouses, Inc. requests that an expedited hearing on this Petition be scheduled at the Court's earliest convenience, particularly given that Respondent has established a deadline of December 20, 2012 for a protest of the including bid at issue in this Petition.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Christopher H.M. Carter /smc

Christopher H.M. Carter
CHMC/smc
Enclosures

Cc: Client
Suzan M. Lehmann, Esq.

#51049618

NEW HAMPSHIRE LIQUOR COMMISSION
Agenda of November 14, 2012

- I) PLEDGE OF ALLEGIANCE
- II) ACCEPTANCE OF MINUTES FROM NH LIQUOR COMMISSION MEETING HELD OCTOBER 31, 2012
- III) Presentation by Department of Defense
- IV) ADMINISTRATIVE SERVICES REPORTS
 - 1) Administrative Report
- V) MARKETING AND SALES REPORT
 - 1) Store Operations
 - 2) Merchandising Report
 - A) Wines
 - 1. TABLED – One Time Buys – Charles Zoulias
 - 2. Roll Out & Test Market Requests – Six Brokers
 - 3. Request for Wine Specialty Status
 - 4. Results of Roll Out and Test Programs – Remove from Retail
 - 5. Roll Out & Test Results – Expand Distribution
 - 6. Special Pricing – Beringer Cab. Svgn. PVT Selection 2007
 - 7. E-mail Coupons – November 2012
 - 8. Outlet Price Busters – December
 - 9. January Special Offers
 - (a) Horizon Beverage
 - (b) Southern Wine & Spirits
 - 10. Recommended Allocated Wines for Distribution to Selected Stores
 - B) Spirits
 - 1. Recommendation for price reduction
 - 2. Outlet Price Buster Sale
 - 3. Voluntary Request for Delist
 - 4. Promotion-Absolut 750mL January Sale, “Buy 2 for \$30”
 - 5. Policy – Product Status Change Requests
 - 6. Status Change Request
 - 7. Test Market Requests
 - (a) Martignetti, Bird Dog Blackberry Whiskey
 - (b) Southern Wine & Spirits, Cles des Duacs Armagnac VSOP
 - (c) Southern Wine & Spirits, Deanston Single Malt Scotch
 - (d) Southern Wine & Spirits, Gozio Amaretto
 - (e) Southern Wine & Spirits, Tommy Guns Vodka
 - 8. Test Market Results (2)
 - 9. One Time Buy Offer
 - (a) Martignetti
 - (b) Southern Wine & Spirits(3)

Dated 12-2-11

BOW PLANNING BOARD MEETING SCHEDULE FOR 2012

<u>Regular Board Meeting</u>	<u>New Application Submission Deadline</u>	<u>Site Plan Review - Site Walk (9:00 AM Saturday *)</u>
January 12, 2012	December 15, 2011	January 7, 2012
January 26	Zoning Hearing	Not applicable
February 16	January 19	February 11
March 8	February 9	March 3
April 19	March 22	April 14
May 17	April 19	May 12
June 21	May 24	June 16
July 19	June 21	July 14
August 16	July 19	August 11
September 20	August 23	September 15
October 4	Tentative – Zoning Work Session	Not applicable
October 18	September 20	October 13
November 1	Tentative – Zoning Work Session	Not applicable
November 15	October 18	November 10
December 6	Tentative – Zoning Work Session	Not applicable
December 20	November 21	December 15

The regular meeting date for the Planning Board is the third Thursday of each month. Meetings convene at 7:00 p.m. at the Bow Municipal Building.

All applications are to be filed with the Board's Agent no later than 3:00 p.m. on the submission date. Applicants seeking a preliminary consultation with the Board must contact the Board's Agent at 225-3008.

* Unless otherwise scheduled

Adopted: September 15, 2011 by the Town of Bow Planning Board

Amended December 1, 2011

mydocs\pb\agenda\sched\pbsched

FOUND IT IN 91-A FILE

Craig W. Bulkley

From: Brian Law <brianlaw@lawwarehouses.com>
Sent: Tuesday, November 27, 2012 1:35 PM
To: Craig W. Bulkley
Cc: John Guerette; Lehmann, Suzan M. (slehmann@HASLAW.com)
Subject: RE: Redacted Copy of Warehouse Proposal

Craig: Here is the link to our files. Other than our financials this is our full 2012-14 proposal for release. Should you have any questions, please feel free to contact us.

Brian

From: Jeff Malone
Sent: Tuesday, November 27, 2012 1:33 PM
To: Brian Law; Craig W. Bulkley
Cc: John Guerette; Lehmann, Suzan M. (slehmann@HASLAW.com)
Subject: RE: Redacted Copy of Warehouse Proposal

Craig, as our full proposal is too large to e-mail we have placed the requested documents in a *.zip file on an FTP server for you to download. It can be accessed by clicking the below link or by directing a web browser to <ftp://ftp.lawwarehouses.com>:

[CLICK HERE TO DOWNLOAD](#)

Please let me know if you have any issues accessing the file.

Jeff Malone
IT Manager
(603)630-3437

From: Brian Law
Sent: Tuesday, November 27, 2012 12:26 PM
To: Craig W. Bulkley
Cc: John Guerette; Lehmann, Suzan M. (slehmann@HASLAW.com); Jeff Malone
Subject: RE: Redacted Copy of Warehouse Proposal

Craig: John is in the process of converting the .docx files to pdf. Either he or Jeff will be in touch shortly regarding how to transfer these files to you.

Brian

From: Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]
Sent: Monday, November 26, 2012 4:00 PM
To: Brian Law
Subject: Redacted Copy of Warehouse Proposal

Brian:

The Commission has received Right-to-Know Law requests regarding the Warehouse Services RFP. All Vendors are receiving an email regarding the Right-to-Know requests. One of the items requested is your proposal. In accordance with Section 1.14, Disclosure of Proposal, Page 12 of the RFP, you were required to provide a redacted proposal. In our



TOWN OF BOW

Town Manager's Office

Municipal Office Building
10 Grandview Road
Bow, NH 03304

Tel: (603) 228-1187
Fax: (603) 224-6680
admin@bow-nh.gov

July 20, 2012

Paul W. Roy
Director of Business Development
Pro Con, Inc.
P.O. Box 4430
Manchester, NH 03108

Re: New Hampshire Liquor Distribution Center Project

Dear Mr. Roy:

I am writing to express my support for the proposed construction of the New Hampshire Liquor Distribution Center in the Town of Bow.

The Town of Bow has the unique advantage of being located in the heart of central New England at the junction of Interstates I-89 and I-93 with easy access to all corners of the State. This makes us an ideal location for locating a distribution center of the type that you are working on. The proposed facility location, with minimal traffic lights and almost direct highway access, should help make the trucking route as efficient and cost effective as possible.

Bow is a business friendly community enriched with extensive water resources, available land, and energy infrastructure. In the past year and a half, the Town has invested \$12 million dollars in new infrastructure improvements in the Town, including a new water system servicing the Route 3A commercial zone and upgrades to the Town's sewer collection system. This is the type of business that we envisioned we would attract when we designed and developed this system. Town staff and boards are ready to work with Exel US and your teams helping them locate in our community.

We look forward to working with you and your firm on this project. Please contact me at any time at 225-6418, ext. 12 or at townmgr@bow-nh.gov if I may be of any assistance through the process.

Sincerely,

David L. Stack
Town Manager

John D. Bunnell

From: David Sigourney
Sent: Wednesday, October 31, 2012 2:46 PM
To: John D. Bunnell
Subject: FY12 & FY11 Concord Warehouse Profit

DESCRIPTION	FY 2012	FY 2011
Bailment Revenue	<u>1,643,418</u>	<u>1,719,743</u>
Total Revenue	<u>1,643,418</u>	<u>1,719,743</u>
Operating Expense	890,496	1,087,285
Depreciation	<u>43,955</u>	<u>38,522</u>
Total Expense	<u>934,451</u>	<u>1,125,807</u>
Net Profit	<u>708,967</u>	<u>593,936</u>

David Sigourney
Business Administrator III
NH State Liquor Commission
☎ (603) 230-7073
✉ dsigourney@liquor.state.nh.us



Eisenberg, Vital & Ryze

ADVERTISING

Strategic and Creative Services for Marketing Communications

Public Relations Quotation

Client	NH Liquor Commission
Job Name	Long Term Warehouse Services Contract Public Relations

Submit Date Nov 2, 2012

PUBLIC RELATIONS	Under the agreed upon fee Eisenberg, Vital & Ryze will:	\$2,500.00
	<ul style="list-style-type: none"> -Meet at NHLC to review RFP process and release messaging -Draft, revise and distribute media release announcing the contract award -Develop NHLC talking points and FAQs -Develop NH media list -Conduct media outreach to generate interest in earned media -Provide background to and coordinate NHLC interviews with media outlets -Consultation during month of November -Monitor and report all media coverage 	
MANAGEMENT	Project Management <i>(Vendor relations, administrative services, scheduling, reporting, client interaction, expenses)</i>	
OTHER		

Total \$2,500.00

Client signature below serves as agreement to the terms and conditions outlined herein:

- Client takes full responsibility for the accuracy and suitability of any information and materials furnished to Eisenberg, Vital & Ryze LLC. Client further agrees to hold Vital & Ryze Advertising, inc. harmless from liability resulting from incorrect information.
- Eisenberg, Vital & Ryze LLC shall have the right to contract for services and/or materials it deems necessary for the completion of the services rendered to the client provided that the expenses for said services and/or materials are reasonable and customary.
- Client shall reimburse Eisenberg, Vital & Ryze LLC, inc. for all expenditures and payment made on Client's account and in addition shall pay Eisenberg, Vital & Ryze LLC, inc. for all respective services in the manner set forth on this Quotation form. In the event the Client fails to pay within payment terms set forth by this form, the Client also agrees to pay all legal fees associated with efforts to collect payment for completed services and/or delivered product.
- All design and copy created by Eisenberg, Vital & Ryze LLC, is the property of Eisenberg, Vital & Ryze LLC, and can be used by the client only when managed by Eisenberg, Vital & Ryze LLC, unless otherwise specified in writing by Eisenberg, Vital & Ryze LLC. This Material is available for purchase at a percentage of original agency fees, and no less than 10%.
- Eisenberg, Vital & Ryze LLC uses its combined experience and resources to make advertising related recommendations to its clients, but due to the number of business, economic and environmental variables, is not responsible for market response to any project in any media.

These prices are good for 30 days beyond submit date listed above. Terms: 50% upon commencement of production, 50% net 10 days. Thank you for the opportunity to submit this quote!

*Note: Eisenberg, Vital & Ryze LLC can not be held responsible for film output processes or printing not managed by the agency.

Client Signature Mary Sartwell Date 11/2/12
OK per RG



STATE LIQUOR & WINE OUTLET STORES NH LIQUOR COMMISSION

November 20, 2012

Joseph W. Mollica, Chairman | Michael R. Milligan, Commissioner

Contact: Jeff Eisenberg
(603) 759-3001
jeffe@evradvertising.com

NEW HAMPSHIRE LIQUOR COMMISSION AWARDS TWENTY-YEAR WAREHOUSE SERVICES CONTRACT TO EXEL INC.

New Facility in Bow Will Begin Shipping in November of 2013

CONCORD, NH – The New Hampshire Liquor Commission (NHLC) announced today that the twenty-year warehouse services contract has been awarded to Exel Inc. (Exel). The contract term of twenty years was established to allow for vendor financing and to attract world-class bidders, local, national and international. The new contract, which goes into effect in November of 2013, is expected to result in significant savings to the New Hampshire Liquor Commission, its business partners and consumers.

“This contract award is a significant milestone in enhancing the service and revenue we provide to the State of New Hampshire,” stated NHLC Chairman Joseph Mollica. “The efficiencies and service advances provided by Exel will substantially upgrade our operations and bolster our competitive advantage.”

Compared to the rates in the current contract, in the first thirty months of the new contract, the NHLC projects approximately \$3 million in savings as a result of reduced costs. The projection for business partners and consumers is approximately \$4 million in savings during this same period of time.

Exel is based in Westerville, Ohio, and is a recognized world leader in contract logistics and supply chain management. Exel provides supply chain design, consulting, warehousing, fulfillment, and transportation services to help companies be more productive, more efficient and more competitive. Exel has established itself as the country’s leading logistics provider through work for clients that include some of the largest and most successful retail and consumer goods companies.

As the new warehouse services provider, Exel will now move forward with improvement plans which include a new warehouse site, state-of-the-art systems, and a building designed specifically for the needs of the NHLC and its customers. The new warehouse will be located in Bow and is scheduled to begin shipping on November 1, 2013. The 50,000 square foot warehouse on Storrs Street in Concord owned by the NHLC will remain in service. In total, the warehouse system will store, manage, and distribute over 10,000 individual SKUs of wines and spirits.

“We are excited about this opportunity to bring our experience and expertise to the warehousing services of the New Hampshire Liquor Commission,” said Fred Takavitz, Senior Vice President, Exel. “We look forward to further enhancing the success of these operations, which in turn ensures the success of the service and revenue provided to the State of New Hampshire by the NHLC.”

Exel was selected from five vendors that submitted proposals. All five vendors proposed a new warehouse site, emphasizing a smooth transition as an important requirement. The evaluation criteria included considerations such as vendor experience, pricing, financial stability, transition, information systems, service and innovation. The bid process was intensive and required the vendors to make competitive adjustments in order to stay in contention. At the conclusion of a thorough decision process, the Commission unanimously agreed that Exel provided the best overall solution.

The NHLC acknowledges with gratitude its long-term working relationship with Law Warehouses.

About the New Hampshire Liquor Commission

The NHLC operates retail locations throughout the Granite State and serves more than 10 million customers each year. Visit www.LiquorandWineOutlets.com to locate a store, search for product availability, learn about monthly sales, review wine tasting schedules, and sign up to receive exclusive savings with monthly Email Extras. More than \$2.4 billion in net profits has been raised since the first store opened in 1934. NHLC is expecting to net an additional \$1 billion for the state in the next eight years.

About Exel

Exel is the North American leader in contract logistics, providing customer-focused solutions to a wide range of industries including automotive, consumer, retail, engineering and manufacturing, life sciences and healthcare, technology, energy and chemicals. Exel's innovative supply chain solutions, skilled people and regional coverage bring together all aspects of contract logistics in addition to a wide range of integrated, value-added and specialist services. Exel is a wholly owned entity of Deutsche Post DHL, the world's leading logistics group. For more information, visit www.exel.com.

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Document Attached: Media Fact Sheet



STATE LIQUOR & WINE OUTLET STORES NH LIQUOR COMMISSION

Twenty-Year Warehouse Services Contract MEDIA FACT SHEET November 20, 2012

Contact: Jeff Eisenberg
(603) 759-3001
jeffe@evradvertising.com

Introduction

The issuance of the Long-Term Warehouse Services Request for Proposal (“RFP”) and the review of proposals was a very significant undertaking. While timing was important, a well-founded recommendation that provided the Commissioners the opportunity to select the best possible solution for the Commission, the State of New Hampshire, and its citizens was the long-term goal. Warehousing costs are directly related to product acquisition costs and ultimately determine the price customers pay at the register. Therefore, the award decision has great impact in the market and on the continued successful operation of the New Hampshire Liquor and Wine Outlets.

The Commission reviewed advancements in the liquor warehouse industry including but not limited to computerization and automation that require an initial outlay of significant capital but over time reduce overall costs and increase profitability. The Commission’s review confirmed that the greatest savings could be realized through a modern automated system. In order to create the environment to attract bidders and financial support for a long-term warehouse contract, the Commission understood the need for a long-term commitment.

The purpose of the bidding process was to attract qualified bidders and allow the Commissioners to select the proposal that best meets the needs of the State after taking into consideration all of the evaluation factors contained in the RFP.

History

The New Hampshire Liquor Commission (“NHLC”), through the State, owns a 50,000 square foot warehouse on Storrs Street in Concord connected to the NHLC headquarters. The Concord warehouse facility will remain open. The Commission has contracted with Law Warehouses, Inc. (“Law”) for more than 25 years to provide a much larger warehouse which is located in Nashua. This warehouse consists of a number of buildings with a capacity of about 350,000 square feet. The NHLC acknowledges with gratitude the history of its working relationship with Law Warehouses.

Process

Based on the limited response to the recent Short-Term Warehouse Services RFP issued in 2010, the 20% price increase of the resulting short-term contract and a review of the industry, the Commission concluded that continuing to use a series of short-term warehouse contracts would most likely result in a decline in profitability, inefficient operation and a potential diminution of services to customers.

The Commission's review demonstrated that, in order to achieve the greatest potential, the term of a contract with a private warehouse needed to be up to and including twenty years, driven by significant investment.

Drafting of the Long-Term Warehouse Services Request for Proposal (RFP) began before the short-term contract was signed. The Commission posted a notice on February 15, 2012 notifying the public that a long-term RFP was going to be issued in the near future.

While regular reports were provided to the Commissioners, as a matter of public record, the Commissioners appointed an Evaluation Committee to review and analyze the proposals.

The Evaluation Committee ("EC") consisted of NHLC Former Bureau Chief of Sales, Marketing, Merchandising and Warehousing, John Bunnell; Issuing Officer and NHLC Chief of Administration, Craig Bulkley; NHLC Chief Financial Officer, George Tsiopras; and, Peter Hastings, Interim Commissioner (and Director of Agency Software Division), Department of Information Technology.

The RFP was drafted by the EC with the assistance of Attorney Stephen Judge, of Wadleigh, Starr & Peters, PLLC, counsel to the Evaluation Committee.

The RFP consisted of 156 pages including appendices which described in great detail the needs and current operation of the NHLC. The idea was not necessarily to duplicate the existing system. The purpose of issuing the RFP was to solicit vendors to submit a proposal that best met the needs of the NHLC.

Five Vendors submitted proposals to the Commission on June 7, 2012. The RFP was designed to encourage competition and was successful in that regard, attracting world-class bidders that were local, national and international.

The five Vendors were:

- Distributech, LLC. ("Distributech")
- Exel, Inc. ("Exel")
- Hat Tricks Logistics, LLC. ("Hat Trick")
- Law Warehouses, Inc. ("Law"), and
- XTL-NH, Inc. ("XTL")

The RFP reserved from June 7, 2012 – August 1, 2012 to allow the Commissioners and the Evaluation Committee to schedule tours, conduct tests and perform evaluations. This period was designated when the RFP was released, at a time when the Commissioners could not know the number of Proposals that would be submitted. Eventually, the time was extended to November 21, 2012.

Evaluation Committee Analysis

With the success of obtaining five proposals came the lengthy duty of reviewing all five proposals. The EC fully analyzed, understood and compared all the proposals.

During the process, the EC consulted with counsel, the Attorney General's Office, other state agencies and employees. The Department of Information Technology is represented by a member on the EC.

The other state agencies that have been consulted include the Department of Environmental Services, the Department of Resources and Economic Development, and the Department of Administrative Services (Risk Management).

Confidentiality was maintained throughout this process.

The RFP required the vendors to make their facilities and operations available for tour and review by the Evaluation Committee. The committee toured the proposed facilities during the week of June 18, 2012 with the exception of the Exel facility which was not ready for inspection. This site was toured on July 23, 2012.

During the course of the EC analysis, the vendors were asked to respond in a number of different areas. As a result, the proposals were sharpened and the understanding of each proposal by the EC was increased.

The areas included an exploration of the proposed site and the vendor's experience, qualifications and exact identity; the best financial terms and innovation; the warehouse process; technical, service and project management/IT competence; acceptance of standard state contract; and, overall solution.

Evaluation Process

Seven criteria were used to evaluate each vendor's proposal:

1. General – Best Meets the Needs of the NHLC: Qualified/Disqualified
2. Vendor Experience & Qualifications/Transition: 20 Points
3. Financial Stability and Capacity: Qualified/Disqualified
4. Vendor Technical, Service, and Project Management Proposal: 20 Points
5. Vendor Overall Solution: 20 Points
6. Vendor Pricing and Innovation: 40 Points
7. Vendor References: Qualified/Disqualified

The specific explanation of each criterion as set out in the RFP is as follows:

General

The Vendor's general approach to the RFP will be reviewed on a qualified/disqualified basis. The Vendor appears to have understood the RFP and has responded adequately, and in the required format. The Vendor's exception/s to this RFP (if any) is acceptable to the NHSLC. The Vendor's alternative Proposal/s (if any) is acceptable to the NHSLC.

Vendor Experience & Qualifications/Transition

The Vendor's experience and qualifications will be allocated a maximum score of 20 points. The Vendor understands and is committed to implement business relationships and protocols with the NHSLC, its Suppliers, Licensees, and other contractors, according to NHSLC requirements. The Vendor has adequate warehousing and transportation knowledge and experience consistent with the nature and magnitude of the NHSLC's warehousing operation. The Vendor is able to demonstrate operational ability. To evaluate qualifications of key staff, the NHSLC will consider the entire Proposal and the following three (3) factors:

- a. Proposed team organization and designation and identification of key staff;
- b. Qualification of candidates for Project Manager; and
- c. Qualifications of candidates for key Vendor staff roles.

The Vendor has included a complete, documented summary of specific organizational operating experience with emphasis on storing, handling, shipping, receiving and securing spirits and Wine or other high value or high velocity commodities. The Vendor has submitted a list of staff including key management who will be directly responsible for the implementation and operation of the Proposal.

The Vendor has correctly estimated the magnitude of effort and resources necessary to provide a Warehouse, has demonstrated the ability and willingness to resolve unforeseen problems that may arise, and has shown skill in anticipating and averting potential disruptions

Financial Stability and Capacity

The Vendor's ability to demonstrate suitable financial strength, stability and capacity to undertake a sophisticated and capital intensive Warehouse operation with very high degree of performance and in a timely manner will be reviewed on a qualified/disqualified basis. At a minimum, all Vendors that have been registered to do business for at least three years will furnish financial statements for the past three years with their bids. A more recently formed entity will provide other relevant financial materials to demonstrate its financial stability and capacity. The EC shall determine, in its own discretion, whether the documentation satisfies the requirements of this RFP or whether additional information is required. The Vendor agrees without reservation to submit to the audit and oversight requirements of the RFP.

Vendor Technical, Service, and Project Management Proposal

Vendors proposed Technical, Service and Project Management services shall be allocated a maximum of 20 points. The Vendor is able and committed to perform the IT requirements as set out in APPENDIX K according to specifications. The ability to understand, implement and support all MIS/computer/business protocols in a timely and skilled manner, and without excessive error; which includes the recognition that some errors, however slight or infrequent, carry the potential for severe disruption. To apply appropriate resources in establishing an acceptable level of business intercourse with the NHSLC and its Suppliers and Licensees, and to provide mechanisms for rapidly and effectively resolving errors and disruptions when they do occur. The Vendor has the ability to properly accept, inventory, Warehouse, manage, and track incoming and outgoing shipments of Product. The Vendor demonstrates the ability to achieve full cooperation and coordination with the NHSLC's transportation contractor(s), other Warehouse contractor(s), and the NHSLC-owned Warehouse in Concord.

Vendor Overall Solution

Vendor overall solution shall be allocated a maximum score of 20 points and shall be determined as follows. The EC will evaluate the ability of the Vendor to properly accept, inventory, Warehouse, manage, and track incoming and outgoing shipments of Product in the timeliest, efficient and cost effective manner. The Vendor must be open to accept inbound deliveries from 6 AM to 8 PM Monday through Friday. The Vendor must provide full cooperation, efficiency and coordination with the NHSLC's transportation contractor(s), other Warehouse contractor(s), and the NHSLC-owned

Warehouse in Concord. The Vendor must demonstrate suitable financial strength, stability and capacity to undertake a sophisticated and capital intensive Warehouse operation with a very high degree of performance and in a timely manner.

In addition to serving the NHSLC's current retail stores, the Vendor overall solution shall be responsive to the needs of on and off premises Licensees. The Vendor solution will anticipate growth in the number of retail stores, Licensees and Product as well as increasing complexity in the process.

The Vendor must be able to electronically report (via file transfer) real-time inventories for all SKUs in the NHSLC's Product inventory to the NHSLC 24 hours a day, 7 days a week, 365 days a year via computer file transfer. The Vendor must demonstrate the ability to handle the anticipated workload during periods of peak demand and/or inclement weather (consistent with reasonable safety criteria) without delay, disrupting stores, Licensees, Suppliers, or carriers.

Vendor will provide timely reports regarding out of stock occurrences with detail showing number of days out for the fiscal year and number of days out for each occurrence.

Moreover, the evaluation shall consider the following as well as any other portion of the Proposal which describes the Vendor's overall plan for fulfilling the requirements set forth in the RFP.

General Warehouse Requirements

- size and case capacity
- Temperature and climate control.
- Security and Fire protection.
- Single bottle picking capability, efficiency and technology
- Storage capacity.
- Lighting.
- Facility is in suitable operational condition.
- Facility has suitable materials-handling equipment.
- Facility is able to fulfill the NHSLC's warehousing needs.

Access and Docking

- Load/unload capacity for road vehicles.
- Load/unload docking facilities.
- Trailer storage area.
- Protected trailer storage.
- Dock approaches.

The solution should include a list of all equipment proposed or likely to be used in the operation (e.g. number of trucks, size of trucks, number of personnel, etc.)

Vendor Pricing and Innovation

The Vendor's Proposal will be allocated a maximum score of 40 points. **All rate and pricing information, including rates for alternate Proposals, must be bound and sealed separately from the remainder of the Proposal.**

The Vendor must provide a Proposal which secures for the NHSLC the highest revenue. One measure of revenue is an evaluation of the cost proposed by a Vendor. The Cost Proposal must include the Activities/Deliverables/Milestones Pricing Worksheet prepared using the format provided in APPENDIX D and APPENDIX D-1 – Pricing Worksheets and any discussion necessary to ensure understanding of data provided.

Another measure of revenue is a Proposal which contains revenue sharing. The Vendor shall describe any additional value-added services it will provide to the NHSLC both at the inception of the contract and in the future. An example of value added services is the sharing of bailment charges.

The Proposal must also identify advantages for the NHSLC's business partners/ customers. The Vendor must cooperate and coordinate with all Suppliers and the Transportation Contractor as well as entities that transport Product for licensees. The desired end result is that Product will be available in a timely manner and in the necessary amount at every state store and for every Licensee.

In order to properly evaluate each Proposal's cost, all factors shall be addressed and completed as requested without deviations in the primary Proposal. The EC will rank basic handling, bailment (storage) and accessorial Warehouse charges to the NHSLC, in total or by component, depending on the scenario the NHSLC chooses to pursue. The EC will evaluate additional charges or cost savings.

Vendors wishing to submit deviations from rate information requested in APPENDIX D and APPENDIX D-1 shall submit them as sealed, alternate Proposals

Vendor References

The Vendor will provide three detailed references from individuals who have personal knowledge of the Vendor's history and experience. Include references from customers for whom you have performed services similar in nature to those requested in this RFP, listing names, addresses, telephone numbers and contact persons.

Exel and the New Warehouse Operation

Exel is part of the Supply Chain Division of Deutsche Post DHL, the world's leading logistics group and the parent company of DHL. Exel is the Division that will be responsible for the new warehouse in New Hampshire.

Exel has a proven track record of designing and operating customized warehouses that allow for decreased inventory, increased fill-rates, and quick response to changes in customer demand. Learn more at http://www.exel.com/exel/exel_warehousing.jsp.

Compared to the rates in the current contract, in the first thirty months of the new contract, the NHLC projects approximately \$3 million in savings as a result of enhanced operations. The projection for business partners and consumers is approximately \$4 million in savings during this same time period.

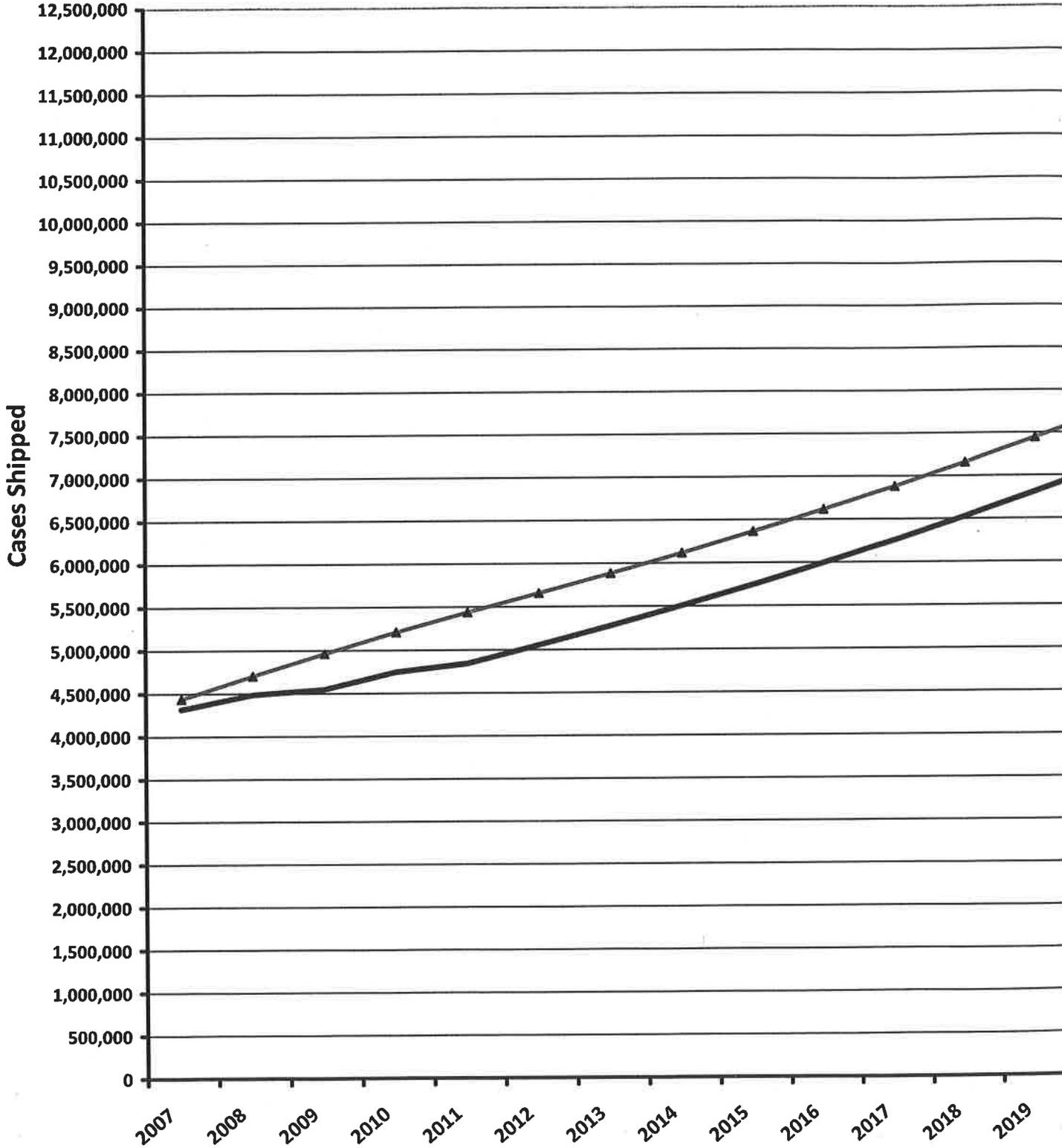
The new building will be located in Bow. Exel expects to employ approximately 50 people, all expected to be New Hampshire residents.

Sequence of Events

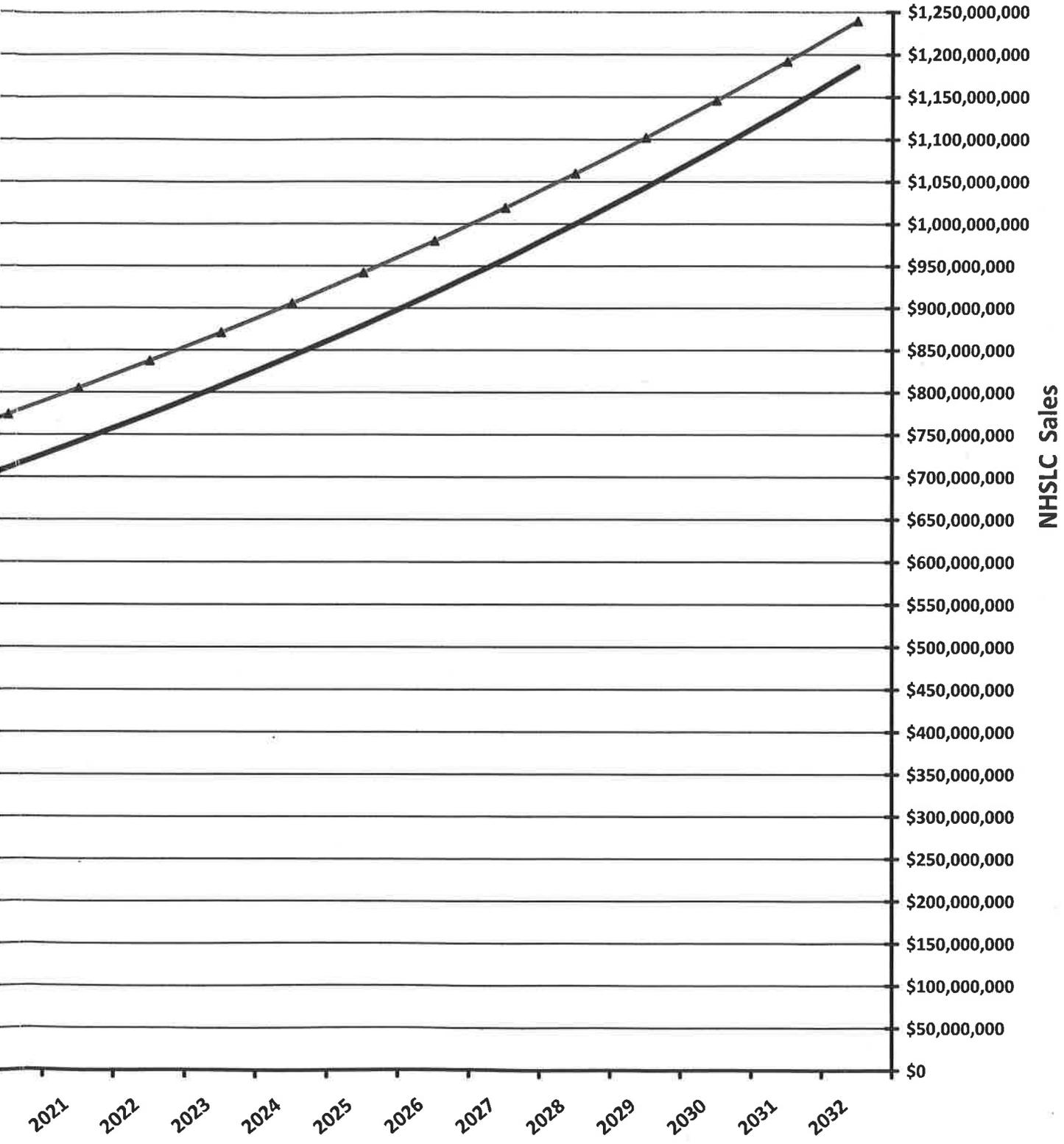
- Call from Mike Brown 12:15 PM
- Rick G goes down to brief Warehouse staff at 12:35 PM (tentative)
- Craig calls Scott Lyons at Exel 12:25 PM
- Craig calls Brian Law - Law Warehouses 12:45
- Craig calls Lou Cerone at XTL 12:58
- John calls Chris Brown at Hat Trick (2 [REDACTED]) [REDACTED] [REDACTED]
- ^{CB}John calls Mike Goclowski at Distributech (406-0632) 1:08 PM
- Steve calls Jim Bianco (XTL)
- Steve calls Sue Geiger (Hat Trick)
- Steve calls Steve Lauwers (Distributech)
- Steve emails Suzan Lehmann 12:54 PM
- Chairman calls Gov's Office
- Chairman calls Sylvia Larsen
- Chairman calls Colin Van Ostern
- Chairman calls Sununu
- Chairman calls Ray Burton
- Chairman calls Pappas
- Comm. Milligan calls St Hilare - Comm. Milligan calls Ray. 12:42 PM
- Comm. Milligan calls Deb Pignatelli
- Comm. Milligan calls Dave Wheeler
- Mary sends email to all NHSLC employees 1:21 PM
- Mary calls EVR to release Press Release and Media Fact Sheet 12:1 PM
- Mary tells Lisa to post Press Release to website 1:22 PM
- Anne sends email to all legislators 1:26 PM
- Mindy sends email Press Release to brokers 1:25 PM
- Tina posts contract to website about 2:30 PM

* REDACTED PROPOSALS

Cases Shipped

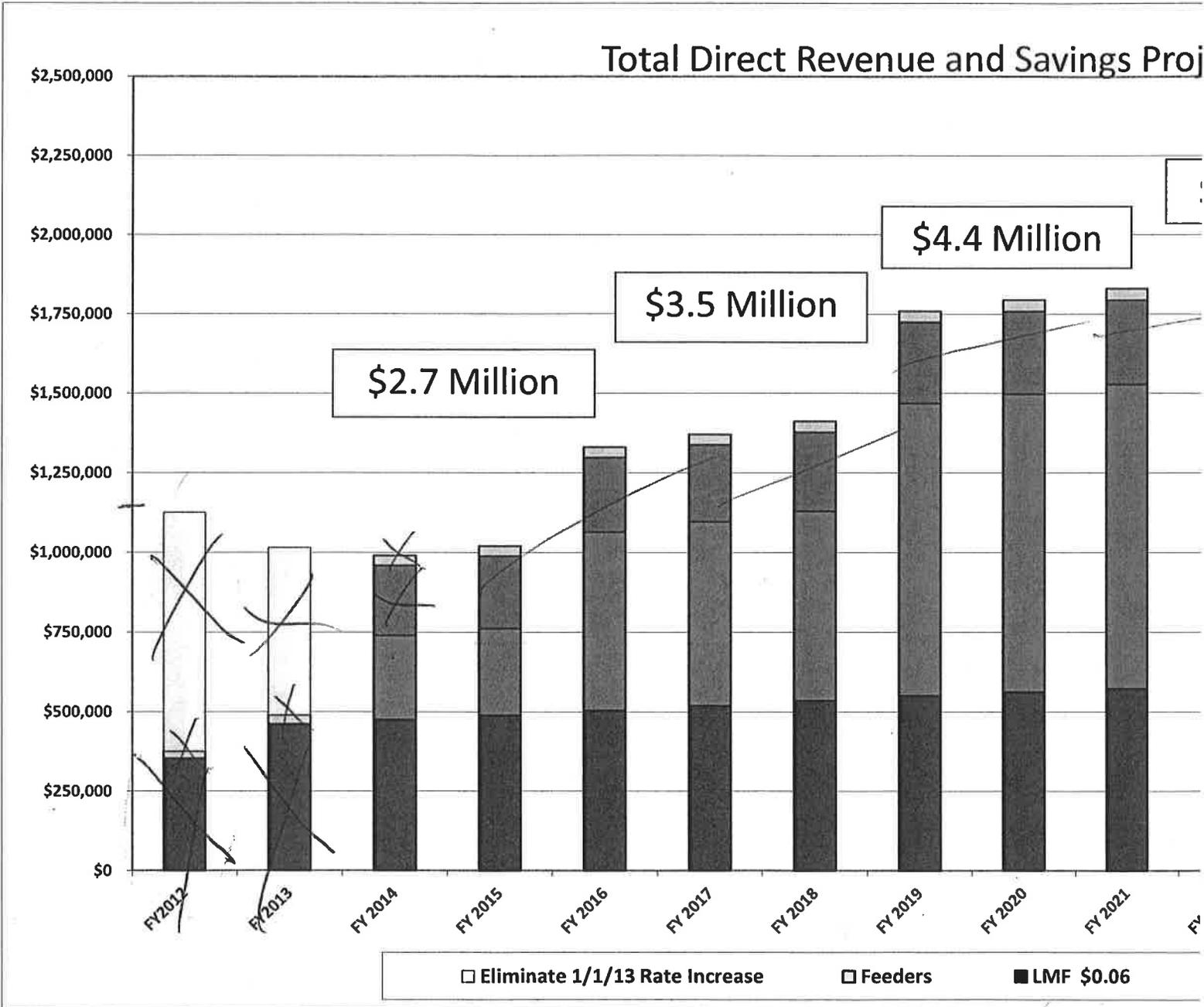


NHSLC Sales



▲ NHSLC Sales

Total Direct Revenue and Savings Proj



Contributions to NH Liquor Commission

